

**TRI-CITY HEALTHCARE DISTRICT  
AGENDA FOR A REGULAR MEETING  
OF THE EMPLOYEE FIDUCIARY RETIREMENT PLAN COMMITTEE  
OF THE BOARD OF DIRECTORS  
Tuesday, April 10, 2018 – 11:00 a. m. – Assembly Room 1  
Tri-City Medical Center, 4002 Vista Way, Oceanside, CA 92056**

<p><b>The Committee may make recommendations to the Board on any of the items listed below, unless the item is specifically labeled “Informational Only”</b></p>
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Agenda Item		Time Allotted	Requestor/Presenter
1.	Call To Order/Opening Remarks	1 min.	Chair Kellett
2.	Approval of Agenda	2 min.	Chair Kellett
3.	Public Comments – Announcement Comments may be made at this time by members of the public on any item on the Agenda before the Committee’s consideration of the item or on any matter within the jurisdiction of the Committee. NOTE: During the Committee’s consideration of any Agenda item, members of the public also have the right to address the Committee at that time regarding that item.	2 min.	Chair Kellett
4.	Ratification of Minutes	2 min.	Chair Kellett
5.	Old Business		
	NONE		
6.	New Business		
	a. Lincoln Quarterly Update – <b>Informational Only</b>	30 min.	Esther Beverly
	b. Prudent Quarterly Update – <b>Informational Only</b>	30 min.	Esther Beverly
7.	Committee Communications	2 min.	Chair Kellett
8.	Date of Next Meeting – <b>July 10, 2018</b>	1 min.	Chair Kellett
9.	Adjournment	1 min.	Chair Kellett
	<b>Total Time Budgeted for Meeting</b>	<b>1 hr. 30 min</b>	

*Note: Any writings or documents provided to a majority of the members of Tri-City Healthcare District regarding any item on this Agenda will be made available for public inspection in the Administration Department located at 4002 Vista Way, Oceanside, CA 92056 during normal business hours.*

*Note: If you have a disability, please notify us at 760-940-7719 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.*

**TRI-CITY MEDICAL CENTER  
EMPLOYEE FIDUCIARY RETIREMENT PLAN SUB COMMITTEE  
OF THE BOARD OF DIRECTORS  
January 9, 2018**

<b>Voting Members Present:</b>	Chair Dr. Cyril Kellett, Director Rosemarie Reno, Director Leigh Anne Grass Gwen Sanders
<b>Non-Voting Members Present:</b>	Steve Dietlin, CEO; Scott Livingstone, COO; Carlos Cruz, CCO; Esther Beverly, VP of HR;
<b>Others Present:</b>	Maureen Peer, Scott Simon, Dena Baker, Anna Lyagacheva, Frances Carbajal
<b>Members Absent:</b>	

Topic	Discussion	Action Follow-up	Person(s) Responsible
1. Call To Order	Chair Kellett called the meeting to order at 11:10 a.m.		Chair Kellett
2. Approval of Agenda	Chair Kellett called for a motion to approve the January 9, 2018 meeting agenda. Director Reno moved to approve and Gwen Sanders seconded the motion. The motion was carried unanimously.		Chair Kellett
3. Comments by members of the public on any item of interest to the public before Committee's consideration of the item	Chair Kellett read the paragraph regarding comments from members of the public.		Chair Kellett
4. Ratification of Minutes	Chair Kellett called for a motion to approve the minutes of the September 12, 2017 meeting. Director Grass moved to approve and Director Reno seconded the motion. The motion was carried unanimously.		Chair Kellett
5. <b>Old Business</b>	None		
6. <b>New Business</b>			

Topic	Discussion	Action Follow-up	Person(s) Responsible
a. Lincoln Quarterly Update	Maureen Peer, Lincoln Financial Relationship Advisor presented an executive summary which included an update from Lincoln's quarterly results & an overall 2017 year to date results as of 9/30/2017. Key plan statistics, plan asset growth, contributions, earnings, participation rates, average deferral rates and account balances were also reviewed.		Esther Beverly
b. Prudent Quarterly Update	Dena Baker, Prudent Investment Advisor presented a summary of current and past participation rates. Discussed ongoing efforts to reach all employees for ideal participation. Ongoing Prudent educational sessions held and plans for upcoming sessions were discussed by Dena.		Esther Beverly
7. Comments made from the Committee	None		Chair Kellett
8. Date of next meeting	<b>April 10, 2018</b>		Chair Kellett
9. Adjournment	Chair Kellett adjourned the meeting at 11:43 a.m.		Chair Kellett

# TRI-CITY HEALTHCARE DISTRICT

Annual review as of December 31, 2017

*Lincoln Alliance®* program

# Lincoln Alliance<sup>®</sup> program

This review booklet will be produced periodically as per client request and will provide important objective information for the plan sponsor and plan fiduciaries to enable them to make decisions regarding the operation of their retirement plan and evaluation of the investment options in their plan.

The illustrations and discussions contained within this review are not intended as investment advice. The information should not be construed as an endorsement or recommendation by Lincoln Financial Group, should it be the sole basis for any investment decisions. Any decision made regarding the investment choices within the plan is the responsibility of the plan sponsor.

Information for this review has been compiled by Lincoln Financial Advisors, Corp. (LFA) from Morningstar Direct<sup>®</sup> and our recordkeeping system. The information contained herein is taken from sources we believe to be reliable but Lincoln doesn't guarantee its accuracy or completeness; it is sent to you for informational purposes only. Any statements that are non-factual in nature constitute current opinions only, which are subject to change.

Past results are not necessarily indicative of future results. Neither the information, nor any opinion expressed herein shall be construed as an offer to buy or an offer to sell any securities, futures or other financial products.

- |                     |       |
|---------------------|-------|
| • Executive Summary | Tab 1 |
| • Plan Review       | Tab 2 |
| • Demographics      | Tab 3 |

Mutual Funds offered through the Lincoln Alliance<sup>®</sup> program by prospectus and Lincoln Financial Advisors Corp., a broker/dealer.

Annuity products offered through Lincoln Financial Group affiliates and other fine companies.

Supervising office: Lincoln Financial Advisors, 1300 South Clinton Street, Fort Wayne, IN 46802.

As of 12/31/2017

## Tri-City Healthcare District 457(b) Deferred Compensation Plan Executive summary

**TOTAL PLAN ASSETS: \$52,881,772**

### PARTICIPATION

Participation rate based on eligible employees contributing

**42%**

457(b) Benchmarking

57.1%

Healthcare Not For Profit Benchmarking

74.2%

### DEFERRAL RATES

Average deferral of active participants

**7.1%**

457(b) Benchmarking

5.7%

Healthcare Not For Profit Benchmarking

5.8%

### DIVERSIFICATION

Average number of funds held by participants

**5.5 Funds**

457(b) Benchmarking

4.9

Healthcare Not For Profit Benchmarking

5.3

### CONTRIBUTIONS

Prior Period:  
\$5,424,649  
Current Period:  
\$5,659,892

### WITHDRAWALS

Prior Period:  
\$3,214,052  
Current Period:  
\$3,328,007

### LOAN BALANCE

N/A

Benchmark source: PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey Results.

PAD-1990438-011018

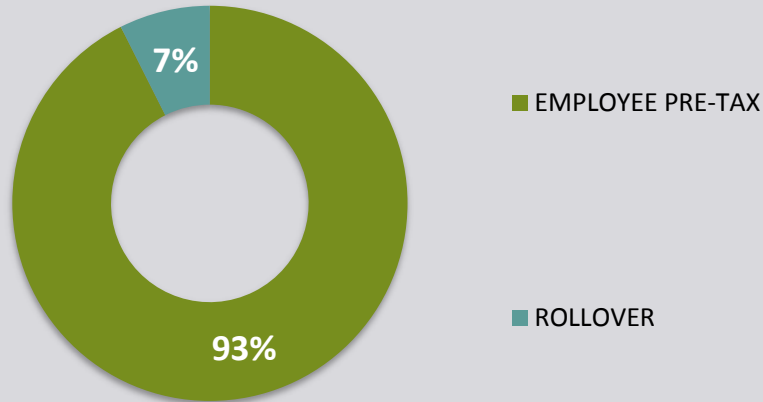


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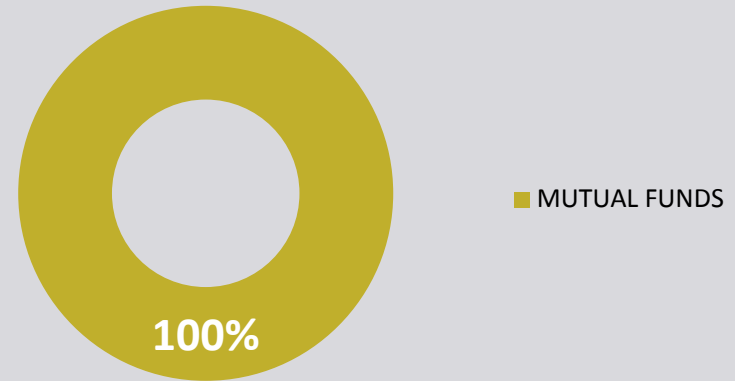
As of 12/31/2017

## Tri-City Healthcare District 457(b) Deferred Compensation Plan Executive summary

### CONTRIBUTION TYPES



### INVESTMENT ALLOCATIONS



### AVERAGE ACCOUNT BALANCE

**\$43,776**

457(b) Benchmarking

\$53,219

Healthcare Not For Profit

Benchmarking

\$48,501

### MEDIAN ACCOUNT BALANCE

**\$17,345**

457(b) Benchmarking

\$49,337

Healthcare Not For Profit

Benchmarking

\$40,000

### PARTICIPANTS WITH A BALANCE

**1,208**

### % OF PARTICIPANTS WITH A BENEFICIARY

**85%**

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As of 12/31/2017

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District Executive summary

**TOTAL PLAN ASSETS: \$152,632,815**

### PARTICIPATION

Participation rate based on eligible employees contributing

**79%**

401(a) Benchmarking

95.9%

Healthcare Not For Profit Benchmarking

74.2%

### DEFERRAL RATES

Average deferral of active participants

**5.2%**

401(a) Benchmarking

8.6%

Healthcare Not For Profit Benchmarking

5.8%

### DIVERSIFICATION

Average number of funds held by participants

**6.7 Funds**

401(a) Benchmarking

5.7

Healthcare Not For Profit Benchmarking

5.3

### CONTRIBUTIONS

Prior Period:  
\$9,336,049  
Current Period:  
\$9,457,447

### WITHDRAWALS

Prior Period:  
\$12,398,788  
Current Period:  
\$10,675,334

### LOAN BALANCE

N/A

Benchmark source: PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey Results.

PAD-1990438-011018



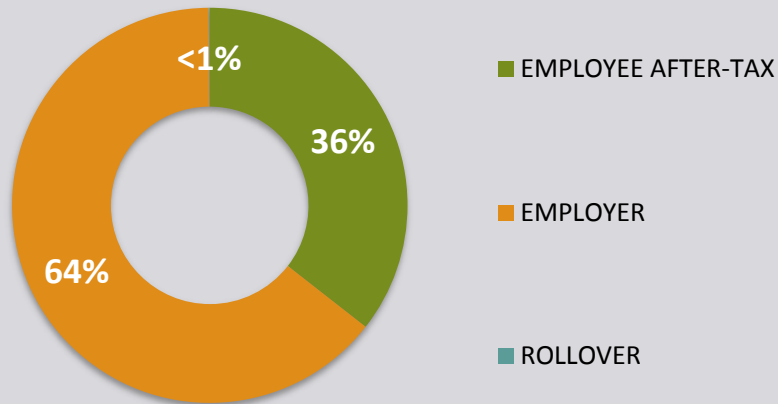
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As of 12/31/2017

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District Executive summary

### CONTRIBUTION TYPES



### INVESTMENT ALLOCATIONS



### AVERAGE ACCOUNT BALANCE

**\$88,843**

401(a) Benchmarking

\$126,750

Healthcare Not For Profit

Benchmarking

\$48,501

### MEDIAN ACCOUNT BALANCE

**\$38,801**

401(a) Benchmarking

\$113,000

Healthcare Not For Profit

Benchmarking

\$40,000

### PARTICIPANTS WITH A BALANCE

**1,718**

### % OF PARTICIPANTS WITH A BENEFICIARY

**80%**

PAD-1990438-011018

As of 12/31/2017

## Tri-City Healthcare District National Security and Retirement Program Executive summary

**TOTAL PLAN ASSETS: \$129,258,783**

### PARTICIPATION

Participation rate based on eligible employees contributing

**34%**

457(b) Benchmarking

57.1%

Healthcare Not For Profit Benchmarking

74.2%

### DEFERRAL RATES

Average deferral of active participants

**N/A**

457(b) Benchmarking

5.7%

Healthcare Not For Profit Benchmarking

5.8%

### DIVERSIFICATION

Average number of funds held by participants

**6.4 Funds**

457(b) Benchmarking

4.9

Healthcare Not For Profit Benchmarking

5.3

### CONTRIBUTIONS

Prior Period:  
\$6,392,932  
Current Period:  
\$6,274,450

### WITHDRAWALS

Prior Period:  
\$9,058,773  
Current Period:  
\$7,323,087

### LOAN BALANCE

**N/A**

Benchmark source: PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey Results.

PAD-1990438-011018

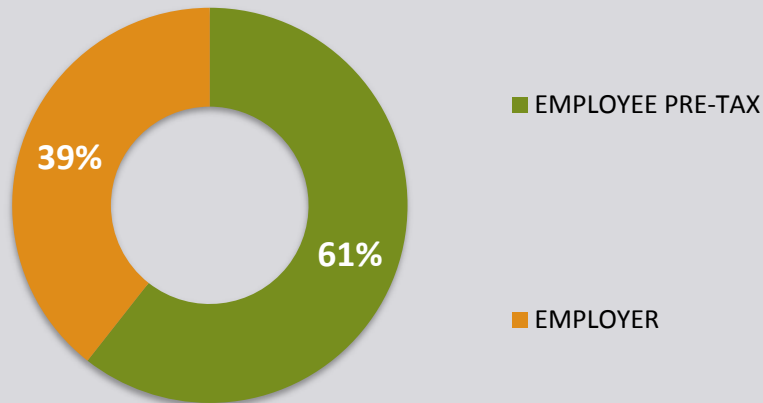


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As of 12/31/2017

## Tri-City Healthcare District National Security and Retirement Program Executive summary

### CONTRIBUTION TYPES



### INVESTMENT ALLOCATIONS



### AVERAGE ACCOUNT BALANCE

**\$104,241**

457(b) Benchmarking

\$53,219

Healthcare Not For Profit

Benchmarking

\$48,501

### MEDIAN ACCOUNT BALANCE

**\$67,431**

457(b) Benchmarking

\$49,337

Healthcare Not For Profit

Benchmarking

\$40,000

### PARTICIPANTS WITH A BALANCE

**1,240**

### % OF PARTICIPANTS WITH A BENEFICIARY

**78%**

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# Plan activity summary

## Plan summary

Your review begins with a high-level overview of plan activity, including opening balance, contributions by plan and contribution type, earnings, withdrawal activity and ending balance.

## Total plans

	01/01/2016 - 12/31/2016	01/01/2017 - 12/31/2017	% Change
<b>Opening balance</b>	\$276,573,839	\$294,215,245	6%
<b>Contributions <sup>1</sup></b>			
<b>Tri-City Healthcare District 457(b) Deferred Compensation Plan</b>			
Employee Salary Deferral	\$5,071,351	\$5,238,985	3%
Employee Rollover	\$293,717	\$60,574	-79%
Non-457 To Governmental 457 Rollover	\$59,581	\$360,332	505%
<b>Money Accumulation Pension Plan for Employees of Tri-City Healthcare District</b>			
Employee Rollover	\$0	\$7,512	N/A
Employee Basic After Tax	\$1,998,386	\$2,019,231	1%
Employer Contribution	\$6,023,511	\$6,088,666	1%
Employee Voluntary After Tax	\$1,314,153	\$1,342,038	2%
<b>Tri-City Healthcare District National Security and Retirement Program</b>			
Employee Salary Deferral	\$3,863,857	\$3,802,508	-2%
Employer Contribution	\$2,529,076	\$2,471,941	-2%
<b>Earnings</b>	\$21,244,484	\$40,584,103	91%
<b>Participant forfeiture activity</b>	(\$98,783)	(\$92,263)	-7%
<b>Other <sup>2</sup></b>	\$13,688	\$926	-93%
<b>Withdrawal Activity</b>	(\$24,671,613)	(\$21,326,428)	-14%
<b>Lincoln Alliance program asset balance</b>	<b>\$294,215,245</b>	<b>\$334,773,370</b>	<b>14%</b>
Forfeiture assets	\$4,340	\$19,848	357%
Expense account assets	\$1,501	\$6,196	313%
<b>Total ending balance for all assets</b>	<b>\$294,221,086</b>	<b>\$334,799,414</b>	<b>14%</b>

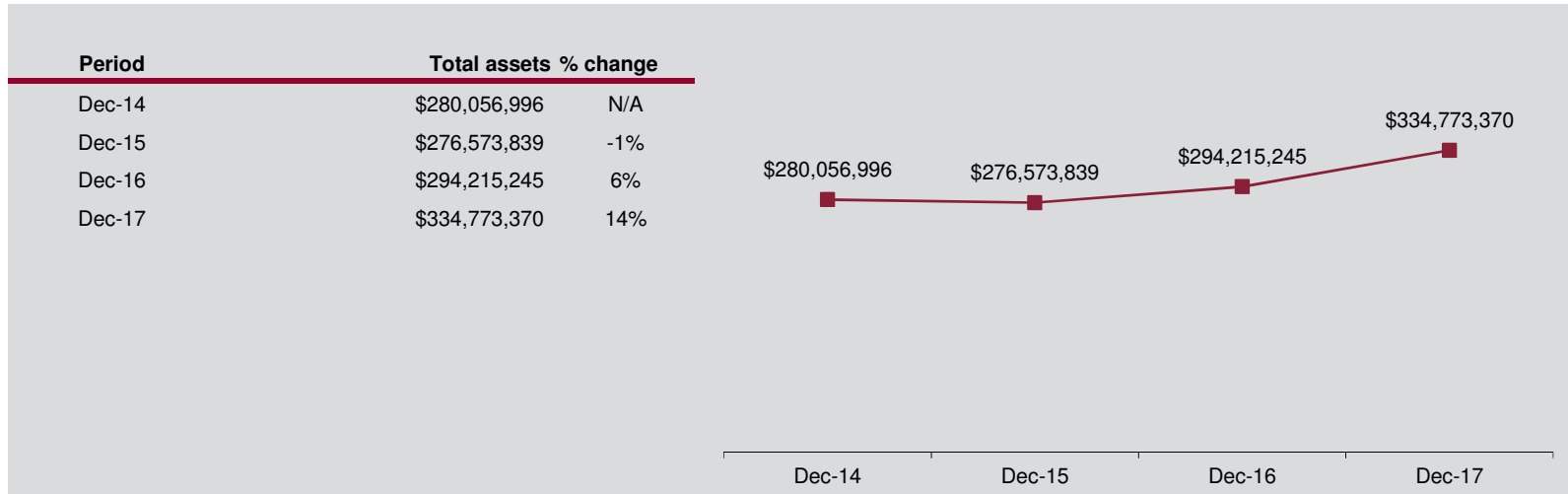
<sup>1</sup> Contributions include any monies entering the plan, such as deferrals, company match, and/or rollovers

<sup>2</sup> The Other category contains monies from the following: Net Trustee Transfers, Exchange,

# Plan asset trend

Changes in your plan's assets reflect market forces as well as contributions and participation levels. This overview may help you identify underlying contribution and participation trends.

## Asset trend



# Plan asset allocation

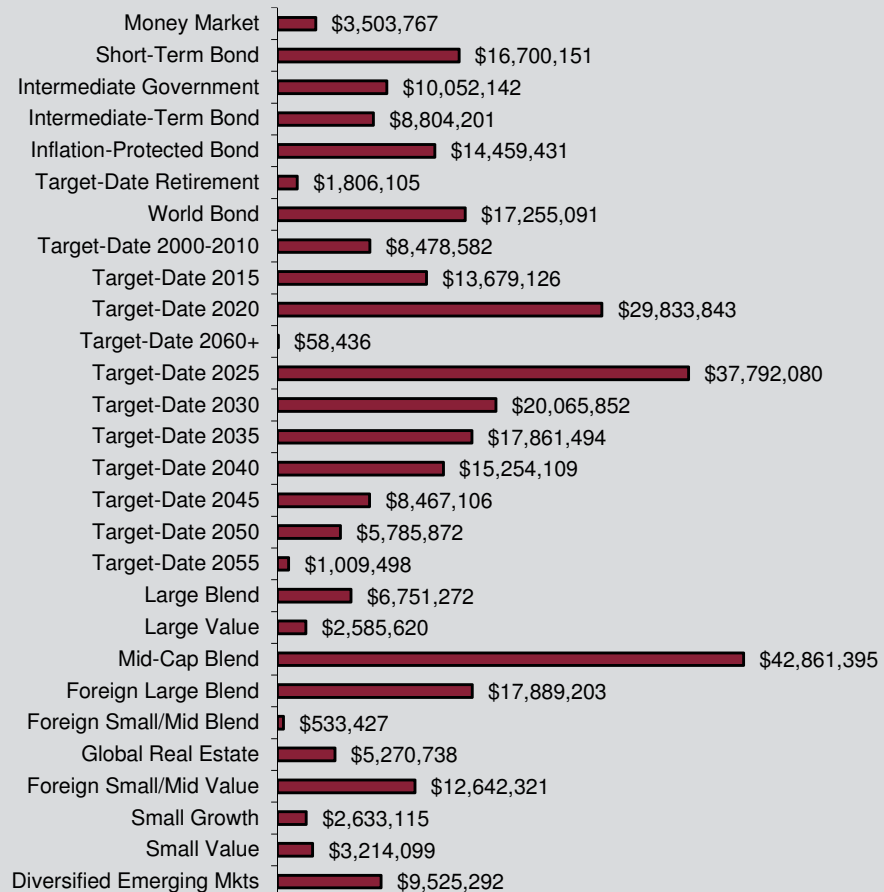
The asset allocation information can help you determine if your employees are properly allocated among the investment options available to them in your retirement plans.

## Total plan asset allocation

### Asset category Balance % of plan

Money Market	\$3,503,767	1%
Short-Term Bond	\$16,700,151	5%
Intermediate Government	\$10,052,142	3%
Intermediate-Term Bond	\$8,804,201	3%
Inflation-Protected Bond	\$14,459,431	4%
Target-Date Retirement	\$1,806,105	1%
World Bond	\$17,255,091	5%
Target-Date 2000-2010	\$8,478,582	2%
Target-Date 2015	\$13,679,126	4%
Target-Date 2020	\$29,833,843	9%
Target-Date 2060+	\$58,436	0%
Target-Date 2025	\$37,792,080	11%
Target-Date 2030	\$20,065,852	6%
Target-Date 2035	\$17,861,494	5%
Target-Date 2040	\$15,254,109	5%
Target-Date 2045	\$8,467,106	2%
Target-Date 2050	\$5,785,872	2%
Target-Date 2055	\$1,009,498	0%
Large Blend	\$6,751,272	2%
Large Value	\$2,585,620	1%
Mid-Cap Blend	\$42,861,395	13%
Foreign Large Blend	\$17,889,203	5%
Foreign Small/Mid Blend	\$533,427	0%
Global Real Estate	\$5,270,738	2%
Foreign Small/Mid Value	\$12,642,321	4%
Small Growth	\$2,633,115	1%
Small Value	\$3,214,099	1%
Diversified Emerging Mkts	\$9,525,292	3%

**Total assets \$334,773,370 100%**



# Total plan assets by fund

## Total plan assets

This overview provides information about your total assets in dollars and as a percentage of your total assets by fund over the time periods illustrated.

Assets have increased by 14% from the prior period

Fund name	Ticker	Fund style	12/31/2016		12/31/2017	
			Total assets	% of plan	Total assets	% of plan
Vanguard Federal Money Market Investor	VMFXX	Money Market	\$4,026,586	1%	\$3,503,767	1%
Vanguard Short-Term Bond Idx I	VBITX	Short-Term Bond	\$15,560,180	5%	\$16,700,151	5%
DFA Intermediate Govt Fixed-Income I	DFIGX	Intermediate Government	\$9,479,178	3%	\$10,052,142	3%
Vanguard Total Bond Market Index I	VBTIX	Intermediate-Term Bond	\$9,125,262	3%	\$8,804,201	3%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	\$13,484,442	5%	\$14,459,431	4%
Dimensional Retirement Income Instl	TDIFX	Target-Date Retirement	\$1,812,586	1%	\$1,806,105	0%
DFA Two-Year Global Fixed-Income I	DFGFX	World Bond	\$7,682,923	3%	\$8,144,327	2%
DFA Five-Year Global Fixed-Income I	DFGBX	World Bond	\$8,587,937	3%	\$9,110,764	3%
Dimensional 2010 Target Dt Rtr Inc Instl	DRIBX	Target-Date 2000-2010	\$6,472,811	2%	\$6,188,924	2%
Dimensional 2005 Target Dt Rtr Inc Instl	DRIMX	Target-Date 2000-2010	\$2,209,222	1%	\$2,289,659	1%
Dimensional 2015 Target Dt Rtr Inc Instl	DRIQX	Target-Date 2015	\$16,123,988	5%	\$13,679,126	4%
Dimensional 2020 Target Dt Rtr Inc Instl	DRIRX	Target-Date 2020	\$26,343,070	9%	\$29,833,843	9%
Dimensional 2060 Target Dt Rtr Inc Instl	DRILX	Target-Date 2060+	\$11,129	0%	\$58,436	0%
Dimensional 2025 Target Dt Rtr Inc Instl	DRIUX	Target-Date 2025	\$31,367,785	11%	\$37,792,080	11%
Dimensional 2030 Target Dt Rtr Inc Instl	DRIWX	Target-Date 2030	\$16,836,652	6%	\$20,065,852	6%
Dimensional 2035 Target Dt Rtr Inc Instl	DRIGX	Target-Date 2035	\$14,051,296	5%	\$17,861,494	5%
Dimensional 2040 Target Dt Rtr Inc Instl	DRIHX	Target-Date 2040	\$11,986,451	4%	\$15,254,109	5%
Dimensional 2045 Target Dt Rtr Inc Instl	DRIIX	Target-Date 2045	\$6,173,805	2%	\$8,467,106	2%
Dimensional 2050 Target Dt Rtr Inc Instl	DRIJX	Target-Date 2050	\$4,212,565	1%	\$5,785,872	2%
Dimensional 2055 Target Dt Rtr Inc Instl	DRIKX	Target-Date 2055	\$531,916	0%	\$1,009,498	0%
Vanguard 500 Index Admiral	VFIAX	Large Blend	\$4,554,951	1%	\$5,870,838	2%
DFA US Sustainability Core 1	DFSIX	Large Blend	\$835,444	0%	\$880,434	0%
DFA US Large Cap Value I	DFLVX	Large Value	\$1,891,070	1%	\$2,585,620	1%
DFA US Core Equity 2 I	DFQTX	Mid-Cap Blend	\$38,968,556	13%	\$42,861,395	13%
Vanguard Developed Markets Idx Instl	VTMNX	Foreign Large Blend	\$14,063,373	5%	\$17,322,618	5%
DFA Intl Sustainability Core 1	DFSPX	Foreign Large Blend	\$408,961	0%	\$566,586	0%
DFA International Small Company I	DFISX	Foreign Small/Mid Blend	\$426,648	0%	\$533,427	0%
DFA Global Real Estate Securities Port	DFGEX	Global Real Estate	\$4,618,759	2%	\$5,270,738	2%

# Total plan assets by fund

## Total plan assets

This overview provides information about your total assets in dollars and as a percentage of your total assets by fund over the time periods illustrated.

Assets have increased by 14% from the prior period

Fund name	Ticker	Fund style	12/31/2016		12/31/2017	
			Total assets	% of plan	Total assets	% of plan
DFA International Vector Equity I	DFVQX	Foreign Small/Mid Value	\$10,300,822	3%	\$12,642,321	4%
Vanguard Small Cap Growth Index Admiral	VSGAX	Small Growth	\$1,984,495	1%	\$2,633,115	1%
DFA US Targeted Value I	DFFVX	Small Value	\$1,106,722	0%	\$1,329,079	0%
DFA US Small Cap Value I	DFSVX	Small Value	\$1,528,208	1%	\$1,885,020	1%
DFA Emerging Markets Social Core Port	DFESX	Diversified Emerging Mkts	\$40,637	0%	\$208,837	0%
DFA Emerging Markets Core Equity I	DFCEX	Diversified Emerging Mkts	\$7,406,814	3%	\$9,316,455	3%
<b>Total</b>			<b>\$294,215,245</b>	<b>100%</b>	<b>\$334,773,370</b>	<b>100%</b>



# Total plan contributions by fund

## Total plan contributions

Below you will find the total contributions in dollars and as a percent of your total contributions by fund over the time periods illustrated. Year-to-year changes in contributions may reveal trends that could be addressed by targeted communication and educational campaigns.

Fund name	Ticker	Fund style	01/01/2016 - 12/31/2016		01/01/2017 - 12/31/2017	
			Contributions	% of plan	Contributions	% of plan
Vanguard Federal Money Market Investor	VMFXX	Money Market	\$100,548	1%	\$209,300	1%
Vanguard Prime Money Market Admiral	VMRXX	Money Market	\$198,366	1%	\$0	0%
Vanguard Short-Term Bond Idx I	VBITX	Short-Term Bond	\$969,039	5%	\$918,205	4%
DFA Intermediate Govt Fixed-Income I	DFIGX	Intermediate Government	\$583,414	3%	\$539,773	3%
Vanguard Total Bond Market Index I	VBITX	Intermediate-Term Bond	\$555,246	3%	\$514,477	2%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	\$867,435	4%	\$832,513	4%
Dimensional Retirement Income Instl	TDIFX	Target-Date Retirement	\$37,990	0%	\$6,234	0%
DFA Two-Year Global Fixed-Income I	DFGFX	World Bond	\$477,304	2%	\$454,597	2%
DFA Five-Year Global Fixed-Income I	DFGBX	World Bond	\$528,702	2%	\$493,270	2%
Dimensional 2010 Target Dt Rtr Inc Instl	DRIBX	Target-Date 2000-2010	\$107,496	1%	\$94,155	0%
Dimensional 2005 Target Dt Rtr Inc Instl	DRIMX	Target-Date 2000-2010	\$39,422	0%	\$18,394	0%
Dimensional 2015 Target Dt Rtr Inc Instl	DRIQX	Target-Date 2015	\$731,573	3%	\$675,252	3%
Dimensional 2020 Target Dt Rtr Inc Instl	DRIRX	Target-Date 2020	\$1,441,205	7%	\$1,558,476	7%
Dimensional 2060 Target Dt Rtr Inc Instl	DRILX	Target-Date 2060+	\$10,320	0%	\$33,025	0%
Dimensional 2025 Target Dt Rtr Inc Instl	DRIUX	Target-Date 2025	\$1,708,781	8%	\$1,852,412	9%
Dimensional 2030 Target Dt Rtr Inc Instl	DRIWX	Target-Date 2030	\$1,616,659	8%	\$1,577,727	7%
Dimensional 2035 Target Dt Rtr Inc Instl	DRIGX	Target-Date 2035	\$1,463,007	7%	\$1,619,581	8%
Dimensional 2040 Target Dt Rtr Inc Instl	DRIHX	Target-Date 2040	\$1,266,528	6%	\$1,376,446	6%
Dimensional 2045 Target Dt Rtr Inc Instl	DRIIX	Target-Date 2045	\$870,325	4%	\$998,274	5%
Dimensional 2050 Target Dt Rtr Inc Instl	DRIJX	Target-Date 2050	\$926,824	4%	\$984,956	5%
Dimensional 2055 Target Dt Rtr Inc Instl	DRIKX	Target-Date 2055	\$268,473	1%	\$399,504	2%
Vanguard 500 Index Admiral	VFIAX	Large Blend	\$297,102	1%	\$345,927	2%
DFA US Sustainability Core 1	DFSIX	Large Blend	\$37,034	0%	\$34,981	0%
DFA US Large Cap Value I	DFLVX	Large Value	\$149,117	1%	\$186,286	1%
DFA US Core Equity 2 I	DFQTX	Mid-Cap Blend	\$2,737,377	13%	\$2,594,536	12%
Vanguard Developed Markets Idx Instl	VTMNX	Foreign Large Blend	\$1,113,860	5%	\$1,069,641	5%
DFA Intl Sustainability Core 1	DFSPX	Foreign Large Blend	\$16,556	0%	\$16,927	0%
DFA International Small Company I	DFISX	Foreign Small/Mid Blend	\$31,781	0%	\$26,820	0%

# Total plan contributions by fund

## Total plan contributions

Below you will find the total contributions in dollars and as a percent of your total contributions by fund over the time periods illustrated. Year-to-year changes in contributions may reveal trends that could be addressed by targeted communication and educational campaigns.

Fund name	Ticker	Fund style	01/01/2016 - 12/31/2016		01/01/2017 - 12/31/2017	
			Contributions	% of plan	Contributions	% of plan
DFA Global Real Estate Securities Port	DFGEX	Global Real Estate	\$356,424	2%	\$323,824	2%
DFA International Vector Equity I	DFVQX	Foreign Small/Mid Value	\$784,079	4%	\$746,362	4%
Vanguard Small Cap Growth Index Admiral	VSGAX	Small Growth	\$153,617	1%	\$158,266	1%
DFA US Targeted Value I	DFFVX	Small Value	\$59,785	0%	\$81,277	0%
DFA US Small Cap Value I	DFSVX	Small Value	\$76,916	0%	\$92,646	0%
DFA Emerging Markets Social Core Port	DFESX	Diversified Emerging Mkts	\$3,173	0%	\$7,347	0%
DFA Emerging Markets Core Equity I	DFCEX	Diversified Emerging Mkts	\$568,153	3%	\$550,380	3%
<b>Total</b>			<b>\$21,153,630</b>	<b>100%</b>	<b>\$21,391,788</b>	<b>100%</b>

# Plan assets and contributions

## Tri-City Healthcare District 457(b) Deferred Compensation Plan Plan assets and contributions

Assets have increased by 20% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Federal Money Market Investor	VMFXX	Money Market	\$725,143	1%	\$48,818	1%
Vanguard Short-Term Bond Idx I	VBITX	Short-Term Bond	\$2,556,897	5%	\$253,151	4%
DFA Intermediate Govt Fixed-Income I	DFIGX	Intermediate Government	\$1,590,550	3%	\$142,844	2%
Vanguard Total Bond Market Index I	VBPIX	Intermediate-Term Bond	\$1,487,974	3%	\$148,037	3%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	\$2,363,644	5%	\$233,984	4%
Dimensional Retirement Income Instl	TDIFX	Target-Date Retirement	\$196,821	0%	\$2,448	0%
DFA Two-Year Global Fixed-Income I	DFGFX	World Bond	\$1,219,873	2%	\$123,136	2%
DFA Five-Year Global Fixed-Income I	DFGBX	World Bond	\$1,421,787	3%	\$136,708	2%
Dimensional 2010 Target Dt Rtr Inc Instl	DRIBX	Target-Date 2000-2010	\$528,807	1%	\$26,763	0%
Dimensional 2005 Target Dt Rtr Inc Instl	DRIMX	Target-Date 2000-2010	\$454,695	1%	\$6,699	0%
Dimensional 2015 Target Dt Rtr Inc Instl	DRIQX	Target-Date 2015	\$1,234,361	2%	\$171,340	3%
Dimensional 2020 Target Dt Rtr Inc Instl	DRIRX	Target-Date 2020	\$5,212,953	10%	\$424,142	7%
Dimensional 2060 Target Dt Rtr Inc Instl	DRILX	Target-Date 2060+	\$31,263	0%	\$23,206	0%
Dimensional 2025 Target Dt Rtr Inc Instl	DRIUX	Target-Date 2025	\$4,893,611	9%	\$424,627	8%
Dimensional 2030 Target Dt Rtr Inc Instl	DRIWX	Target-Date 2030	\$2,609,954	5%	\$418,698	7%
Dimensional 2035 Target Dt Rtr Inc Instl	DRIGX	Target-Date 2035	\$2,692,371	5%	\$348,717	6%
Dimensional 2040 Target Dt Rtr Inc Instl	DRIHX	Target-Date 2040	\$2,019,330	4%	\$284,280	5%
Dimensional 2045 Target Dt Rtr Inc Instl	DRIIX	Target-Date 2045	\$1,128,297	2%	\$220,705	4%
Dimensional 2050 Target Dt Rtr Inc Instl	DRIJX	Target-Date 2050	\$1,010,786	2%	\$259,903	5%
Dimensional 2055 Target Dt Rtr Inc Instl	DRIKX	Target-Date 2055	\$253,064	1%	\$107,749	2%
Vanguard 500 Index Admiral	VFIAX	Large Blend	\$1,421,945	3%	\$117,336	2%
DFA US Sustainability Core 1	DFSIX	Large Blend	\$138,382	0%	\$9,441	0%
DFA US Large Cap Value I	DFLVX	Large Value	\$617,848	1%	\$95,633	2%
DFA US Core Equity 2 I	DFQTX	Mid-Cap Blend	\$7,617,430	14%	\$710,659	13%
Vanguard Developed Markets Idx Instl	VTMNX	Foreign Large Blend	\$3,063,838	6%	\$311,772	6%
DFA Intl Sustainability Core 1	DFSPX	Foreign Large Blend	\$100,904	0%	\$5,115	0%
DFA International Small Company I	DFISX	Foreign Small/Mid Blend	\$120,475	0%	\$9,822	0%
DFA Global Real Estate Securities Port	DFGEX	Global Real Estate	\$1,001,219	2%	\$100,510	2%
DFA International Vector Equity I	DFVQX	Foreign Small/Mid Value	\$2,143,136	4%	\$206,138	4%

# Plan assets and contributions

## Tri-City Healthcare District 457(b) Deferred Compensation Plan Plan assets and contributions

Assets have increased by 20% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Small Cap Growth Index Admiral	VSGAX	Small Growth	\$552,848	1%	\$47,092	1%
DFA US Targeted Value I	DFFVX	Small Value	\$319,856	1%	\$38,316	1%
DFA US Small Cap Value I	DFSVX	Small Value	\$422,240	1%	\$42,211	1%
DFA Emerging Markets Social Core Port	DFESX	Diversified Emerging Mkts	\$26,896	0%	\$1,650	0%
DFA Emerging Markets Core Equity I	DFCEX	Diversified Emerging Mkts	\$1,702,574	3%	\$158,241	3%
<b>Total</b>			<b>\$52,881,772</b>	<b>100%</b>	<b>\$5,659,892</b>	<b>100%</b>

# Plan assets and contributions

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District Plan assets and contributions

Assets have increased by 13% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Federal Money Market Investor	VMFXX	Money Market	\$1,384,199	1%	\$89,793	1%
Vanguard Short-Term Bond Idx I	VBITX	Short-Term Bond	\$7,680,536	5%	\$399,927	4%
DFA Intermediate Govt Fixed-Income I	DFIGX	Intermediate Government	\$4,671,551	3%	\$237,152	3%
Vanguard Total Bond Market Index I	VBTIX	Intermediate-Term Bond	\$4,085,496	3%	\$220,126	2%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	\$6,775,228	4%	\$362,398	4%
Dimensional Retirement Income Instl	TDIFX	Target-Date Retirement	\$1,058,041	1%	\$2,706	0%
DFA Two-Year Global Fixed-Income I	DFGFX	World Bond	\$3,819,912	2%	\$199,972	2%
DFA Five-Year Global Fixed-Income I	DFGBX	World Bond	\$4,292,176	3%	\$217,581	2%
Dimensional 2010 Target Dt Rtr Inc Instl	DRIBX	Target-Date 2000-2010	\$2,696,269	2%	\$34,844	0%
Dimensional 2005 Target Dt Rtr Inc Instl	DRIMX	Target-Date 2000-2010	\$950,928	1%	\$2,885	0%
Dimensional 2015 Target Dt Rtr Inc Instl	DRIQX	Target-Date 2015	\$6,375,504	4%	\$323,555	3%
Dimensional 2020 Target Dt Rtr Inc Instl	DRIRX	Target-Date 2020	\$13,212,621	9%	\$717,612	8%
Dimensional 2060 Target Dt Rtr Inc Instl	DRILX	Target-Date 2060+	\$16,152	0%	\$7,217	0%
Dimensional 2025 Target Dt Rtr Inc Instl	DRIUX	Target-Date 2025	\$17,091,534	11%	\$842,373	9%
Dimensional 2030 Target Dt Rtr Inc Instl	DRIWX	Target-Date 2030	\$8,960,298	6%	\$666,837	7%
Dimensional 2035 Target Dt Rtr Inc Instl	DRIGX	Target-Date 2035	\$8,369,759	5%	\$767,072	8%
Dimensional 2040 Target Dt Rtr Inc Instl	DRIHX	Target-Date 2040	\$6,724,804	4%	\$630,222	7%
Dimensional 2045 Target Dt Rtr Inc Instl	DRIIX	Target-Date 2045	\$3,575,918	2%	\$464,508	5%
Dimensional 2050 Target Dt Rtr Inc Instl	DRIJX	Target-Date 2050	\$2,307,106	2%	\$427,351	5%
Dimensional 2055 Target Dt Rtr Inc Instl	DRIKX	Target-Date 2055	\$496,893	0%	\$181,599	2%
Vanguard 500 Index Admiral	VFIAX	Large Blend	\$2,633,629	2%	\$145,710	2%
DFA US Sustainability Core 1	DFSIX	Large Blend	\$472,694	0%	\$14,659	0%
DFA US Large Cap Value I	DFLVX	Large Value	\$1,052,364	1%	\$52,455	1%
DFA US Core Equity 2 I	DFQTX	Mid-Cap Blend	\$19,776,689	13%	\$1,145,099	12%
Vanguard Developed Markets Idx Instl	VTMNX	Foreign Large Blend	\$8,054,236	5%	\$458,184	5%
DFA Intl Sustainability Core 1	DFSPX	Foreign Large Blend	\$292,383	0%	\$8,917	0%
DFA International Small Company I	DFISX	Foreign Small/Mid Blend	\$238,604	0%	\$8,603	0%
DFA Global Real Estate Securities Port	DFGEX	Global Real Estate	\$2,482,540	2%	\$135,939	1%
DFA International Vector Equity I	DFVQX	Foreign Small/Mid Value	\$5,920,678	4%	\$326,268	3%

# Plan assets and contributions

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District Plan assets and contributions

Assets have increased by 13% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Small Cap Growth Index Admiral	VSGAX	Small Growth	\$1,284,549	1%	\$67,543	1%
DFA US Targeted Value I	DFFVX	Small Value	\$575,495	0%	\$24,019	0%
DFA US Small Cap Value I	DFSVX	Small Value	\$856,808	1%	\$32,683	0%
DFA Emerging Markets Social Core Port	DFESX	Diversified Emerging Mkts	\$120,542	0%	\$4,163	0%
DFA Emerging Markets Core Equity I	DFCEX	Diversified Emerging Mkts	\$4,326,680	3%	\$237,478	3%
<b>Total</b>			<b>\$152,632,815</b>	<b>100%</b>	<b>\$9,457,447</b>	<b>100%</b>

# Plan assets and contributions

## Tri-City Healthcare District National Security and Retirement Program Plan assets and contributions

Assets have increased by 13% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Federal Money Market Investor	VMFXX	Money Market	\$1,394,426	1%	\$70,689	1%
Vanguard Short-Term Bond Idx I	VBITX	Short-Term Bond	\$6,462,718	5%	\$265,126	4%
DFA Intermediate Govt Fixed-Income I	DFIGX	Intermediate Government	\$3,790,040	3%	\$159,777	3%
Vanguard Total Bond Market Index I	VBTIX	Intermediate-Term Bond	\$3,230,731	3%	\$146,314	2%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	\$5,320,559	4%	\$236,131	4%
Dimensional Retirement Income Instl	TDIFX	Target-Date Retirement	\$551,243	0%	\$1,080	0%
DFA Two-Year Global Fixed-Income I	DFGFX	World Bond	\$3,104,542	2%	\$131,488	2%
DFA Five-Year Global Fixed-Income I	DFGBX	World Bond	\$3,396,802	3%	\$138,981	2%
Dimensional 2010 Target Dt Rtr Inc Instl	DRIBX	Target-Date 2000-2010	\$2,963,848	2%	\$32,548	1%
Dimensional 2005 Target Dt Rtr Inc Instl	DRIMX	Target-Date 2000-2010	\$884,035	1%	\$8,810	0%
Dimensional 2015 Target Dt Rtr Inc Instl	DRIQX	Target-Date 2015	\$6,069,260	5%	\$180,357	3%
Dimensional 2020 Target Dt Rtr Inc Instl	DRIRX	Target-Date 2020	\$11,408,269	9%	\$416,723	7%
Dimensional 2060 Target Dt Rtr Inc Instl	DRILX	Target-Date 2060+	\$11,022	0%	\$2,602	0%
Dimensional 2025 Target Dt Rtr Inc Instl	DRIUX	Target-Date 2025	\$15,806,935	12%	\$585,412	9%
Dimensional 2030 Target Dt Rtr Inc Instl	DRIWX	Target-Date 2030	\$8,495,600	7%	\$492,192	8%
Dimensional 2035 Target Dt Rtr Inc Instl	DRIGX	Target-Date 2035	\$6,799,364	5%	\$503,791	8%
Dimensional 2040 Target Dt Rtr Inc Instl	DRIHX	Target-Date 2040	\$6,509,975	5%	\$461,944	7%
Dimensional 2045 Target Dt Rtr Inc Instl	DRIIX	Target-Date 2045	\$3,762,891	3%	\$313,061	5%
Dimensional 2050 Target Dt Rtr Inc Instl	DRIJX	Target-Date 2050	\$2,467,980	2%	\$297,703	5%
Dimensional 2055 Target Dt Rtr Inc Instl	DRIKX	Target-Date 2055	\$259,541	0%	\$110,156	2%
Vanguard 500 Index Admiral	VFIAX	Large Blend	\$1,815,264	1%	\$82,881	1%
DFA US Sustainability Core 1	DFSIX	Large Blend	\$269,358	0%	\$10,880	0%
DFA US Large Cap Value I	DFLVX	Large Value	\$915,408	1%	\$38,198	1%
DFA US Core Equity 2 I	DFQTX	Mid-Cap Blend	\$15,467,276	12%	\$738,778	12%
Vanguard Developed Markets Idx Instl	VTMNX	Foreign Large Blend	\$6,204,544	5%	\$299,685	5%
DFA Intl Sustainability Core 1	DFSPX	Foreign Large Blend	\$173,299	0%	\$2,895	0%
DFA International Small Company I	DFISX	Foreign Small/Mid Blend	\$174,348	0%	\$8,395	0%
DFA Global Real Estate Securities Port	DFGEX	Global Real Estate	\$1,786,978	1%	\$87,376	1%
DFA International Vector Equity I	DFVQX	Foreign Small/Mid Value	\$4,578,507	4%	\$213,955	3%

# Plan assets and contributions

## Tri-City Healthcare District National Security and Retirement Program Plan assets and contributions

Assets have increased by 13% from the prior period

Fund name	Ticker	Fund style	12/31/2017		01/01/2017 - 12/31/2017	
			Assets	% of plan	Contributions	% of plan
Vanguard Small Cap Growth Index Admiral	VSGAX	Small Growth	\$795,718	1%	\$43,631	1%
DFA US Targeted Value I	DFFVX	Small Value	\$433,729	0%	\$18,942	0%
DFA US Small Cap Value I	DFSVX	Small Value	\$605,972	0%	\$17,752	0%
DFA Emerging Markets Social Core Port	DFESX	Diversified Emerging Mkts	\$61,398	0%	\$1,534	0%
DFA Emerging Markets Core Equity I	DFCEX	Diversified Emerging Mkts	\$3,287,201	3%	\$154,661	3%
<b>Total</b>			<b>\$129,258,783</b>	<b>100%</b>	<b>\$6,274,450</b>	<b>100%</b>



# Terminology & calculations

## Terminology

### Participant

Active participant	Eligible participant who has a deferral rate greater than zero or made a contribution during the reporting period
Eligible participant	Employee who has an active, eligible but not contributing, or suspended employment status

### Analysis

Age	Calculated from date of birth
Years of service	Calculated from the most recent date of hire
Account balance	Sum of assets in all funds, not including forfeitures

## Calculations

Participation rate	Number of active participants divided by eligible participants and multiplied by 100
Average deferral	An average of the elected deferral rates of active participants
Average account balance	An average of the account balances of all employees who have a balance in the plan
Fund utilization	The average number of funds used by employees with a balance in the plan, excluding Portfolio participants
Portfolio utilization	Number of employees with a balance in the plan who elected or defaulted into a portfolio

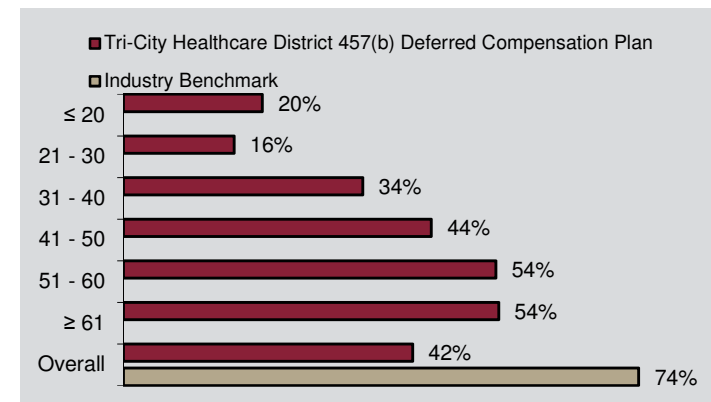
# Participation

## Tri-City Healthcare District 457(b) Deferred Compensation Plan

Below you will find an analysis of plan participation by participant age and years of service. Generally, older and longer-tenured employees are more likely to have higher participation rates. However, younger employees and new hires should be informed that it's important to start saving as early as possible.

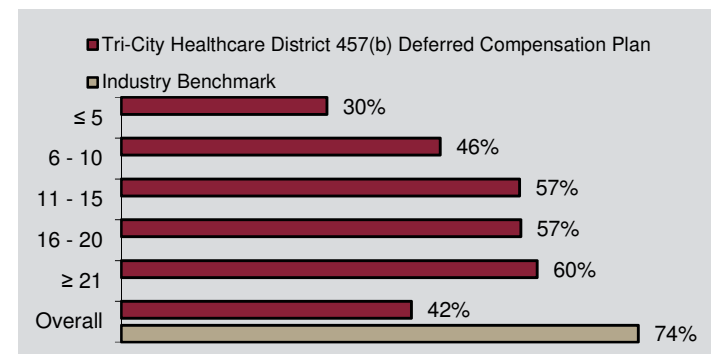
### By age

	Active Participants	Total Eligible	Participation Rate
≤ 20	1	5	20%
21 - 30	55	345	16%
31 - 40	182	528	34%
41 - 50	242	546	44%
51 - 60	312	582	54%
≥ 61	188	348	54%
<b>Overall</b>	<b>980</b>	<b>2,354</b>	<b>42%</b>



### By years of service

	Active Participants	Total Eligible	Participation Rate
≤ 5	348	1,179	30%
6 - 10	184	402	46%
11 - 15	208	364	57%
16 - 20	98	171	57%
≥ 21	142	238	60%
<b>Overall</b>	<b>980</b>	<b>2,354</b>	<b>42%</b>



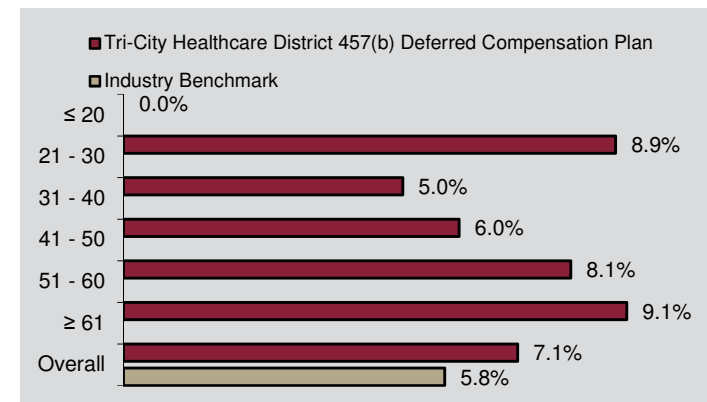
# Average deferral

## Tri-City Healthcare District 457(b) Deferred Compensation Plan

This is a breakdown of average deferral percentage by participant age and years of service. Generally, older and longer-tenured employees contribute more. However, younger employees and newcomers should be informed that it's important to save as much as possible.

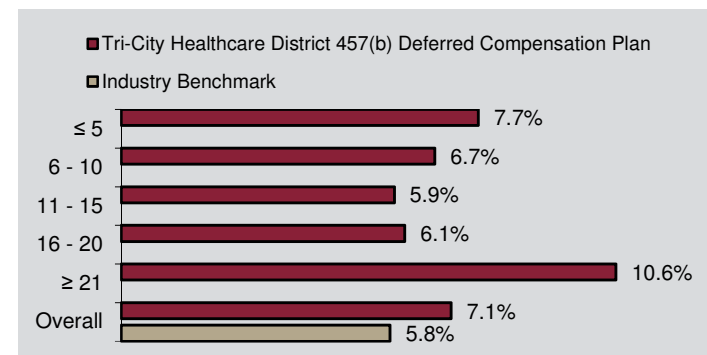
### By age

	Average deferral percentage
≤ 20	0.0%
21 - 30	8.9%
31 - 40	5.0%
41 - 50	6.0%
51 - 60	8.1%
≥ 61	9.1%
Overall	7.1%



### By years of service

	Average deferral percentage
≤ 5	7.7%
6 - 10	6.7%
11 - 15	5.9%
16 - 20	6.1%
≥ 21	10.6%
Overall	7.1%



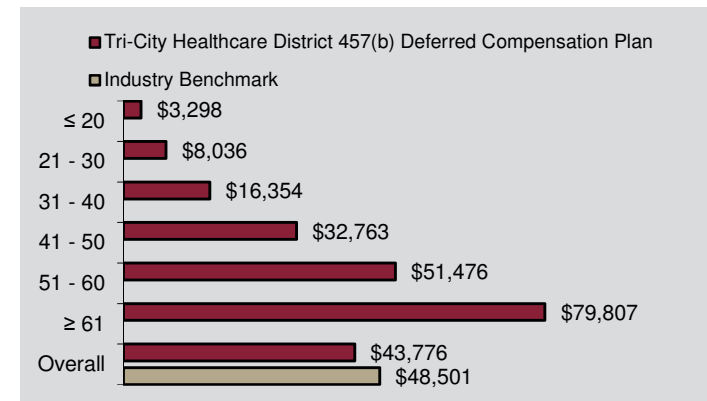
# Average account balance

## Tri-City Healthcare District 457(b) Deferred Compensation Plan

Average account balance reflects market performance as well as contribution levels. Average account balance can be tracked over time and may increase with targeted communication and education campaigns.

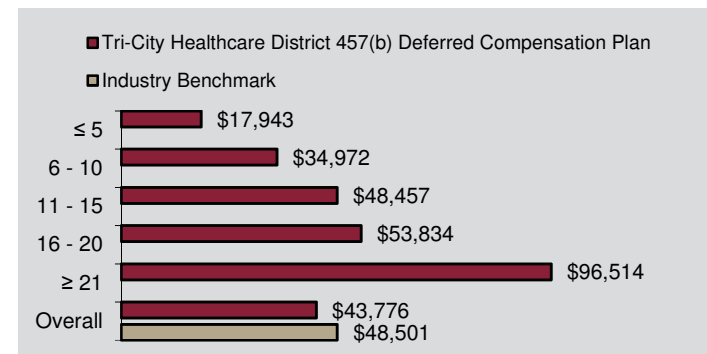
### By age

	Average account balance
≤ 20	\$3,298
21 - 30	\$8,036
31 - 40	\$16,354
41 - 50	\$32,763
51 - 60	\$51,476
≥ 61	\$79,807
Overall	\$43,776



### By years of service

	Average account balance
≤ 5	\$17,943
6 - 10	\$34,972
11 - 15	\$48,457
16 - 20	\$53,834
≥ 21	\$96,514
Overall	\$43,776



# Fund utilization

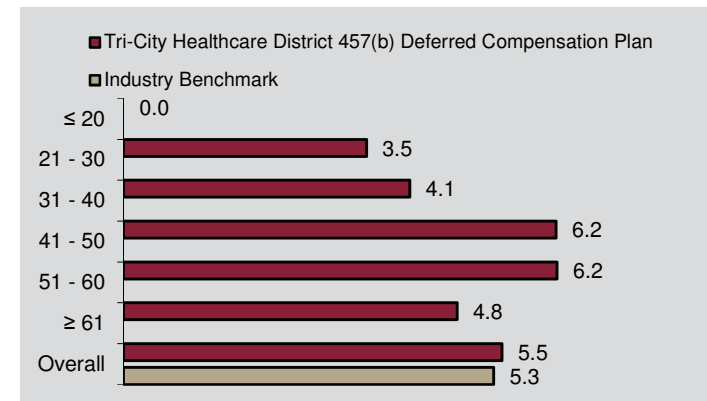
## Tri-City Healthcare District 457(b) Deferred Compensation Plan

This is a breakdown of fund utilization by participant age and years of service. Fund utilization can be tracked over time to determine trends in the average number of funds selected.

\*Excludes Portfolio participants

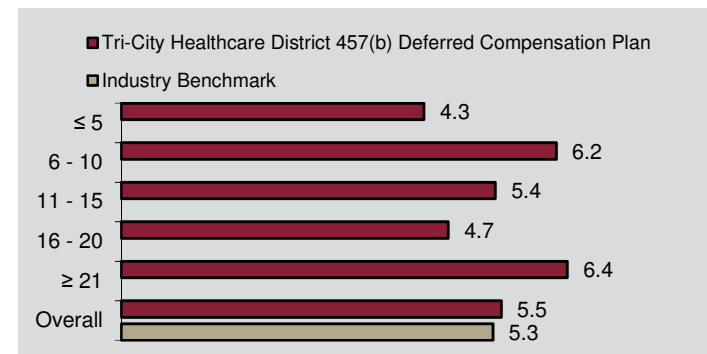
### By age

	Average funds utilized
≤ 20	0.0
21 - 30	3.5
31 - 40	4.1
41 - 50	6.2
51 - 60	6.2
≥ 61	4.8
Overall	5.5



### By years of service

	Average funds utilized
≤ 5	4.3
6 - 10	6.2
11 - 15	5.4
16 - 20	4.7
≥ 21	6.4
Overall	5.5

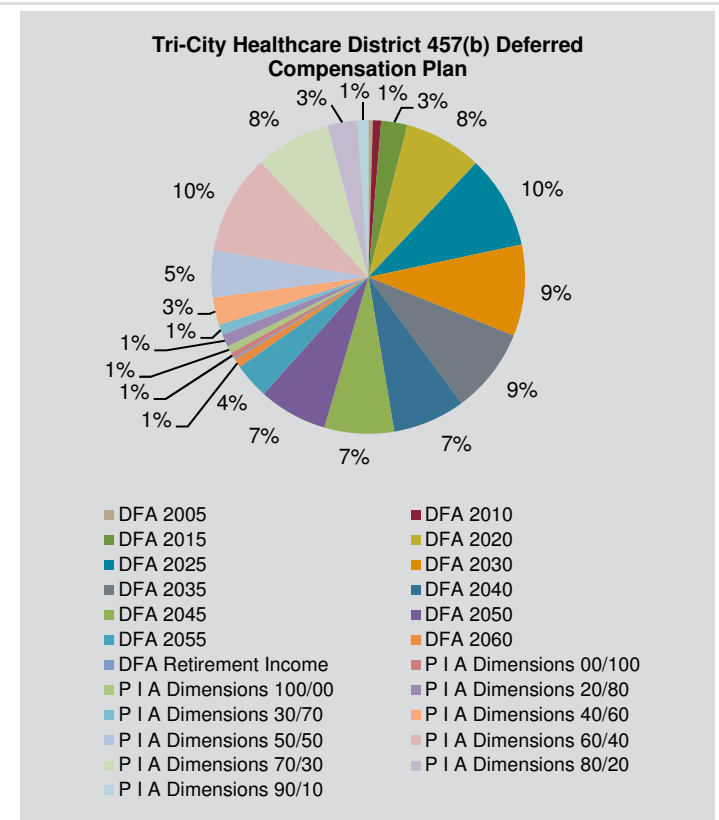


# Portfolio utilization

## Tri-City Healthcare District 457(b) Deferred Compensation Plan

This snapshot of Portfolio utilization by age and years of service will help you determine whether participants are taking full advantage of the diversification opportunities available with the Portfolios.

	Number of participants
DFA 2005	5
DFA 2010	9
DFA 2015	29
DFA 2020	86
DFA 2025	103
DFA 2030	101
DFA 2035	94
DFA 2040	80
DFA 2045	77
DFA 2050	76
DFA 2055	39
DFA 2060	10
DFA Retirement Income	2
P I A Dimensions 00/100	6
P I A Dimensions 100/00	8
P I A Dimensions 20/80	14
P I A Dimensions 30/70	11
P I A Dimensions 40/60	31
P I A Dimensions 50/50	52
P I A Dimensions 60/40	110
P I A Dimensions 70/30	83
P I A Dimensions 80/20	33
P I A Dimensions 90/10	12
<b>Overall</b>	<b>1,071</b>



Total number of Portfolio participants	1,071
Total number of employees with a closing balance	1,208
Portfolio participation rate	89%

\*Includes employees who have elected a Portfolio and have a balance in the plan.

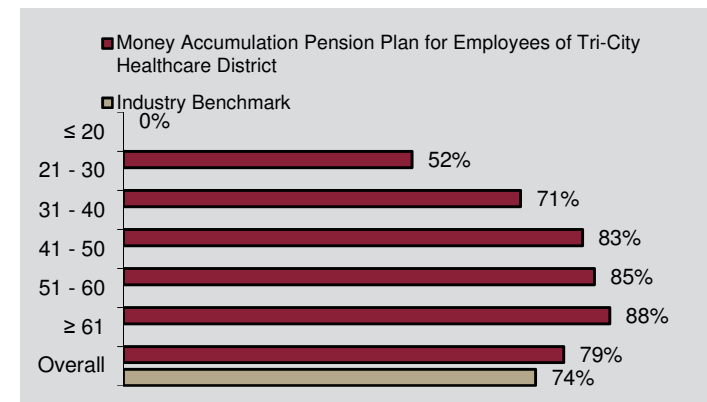
# Participation

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District

Below you will find an analysis of plan participation by participant age and years of service. Generally, older and longer-tenured employees are more likely to have higher participation rates. However, younger employees and new hires should be informed that it's important to start saving as early as possible.

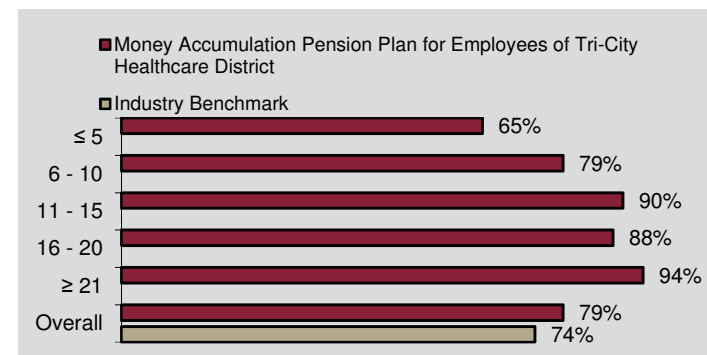
### By age

	Active Participants	Total Eligible	Participation Rate
≤ 20	0	1	0%
21 - 30	67	129	52%
31 - 40	238	333	71%
41 - 50	333	403	83%
51 - 60	385	454	85%
≥ 61	246	281	88%
<b>Overall</b>	<b>1,269</b>	<b>1,601</b>	<b>79%</b>



### By years of service

	Active Participants	Total Eligible	Participation Rate
≤ 5	357	551	65%
6 - 10	275	347	79%
11 - 15	305	339	90%
16 - 20	142	161	88%
≥ 21	190	203	94%
<b>Overall</b>	<b>1,269</b>	<b>1,601</b>	<b>79%</b>



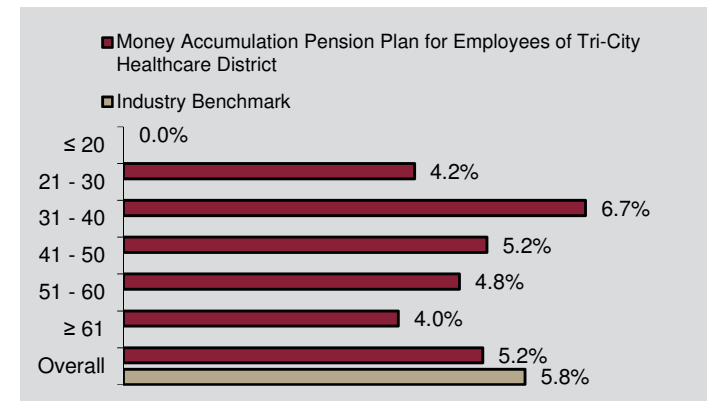
# Average deferral

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District

This is a breakdown of average deferral percentage by participant age and years of service. Generally, older and longer-tenured employees contribute more. However, younger employees and newcomers should be informed that it's important to save as much as possible.

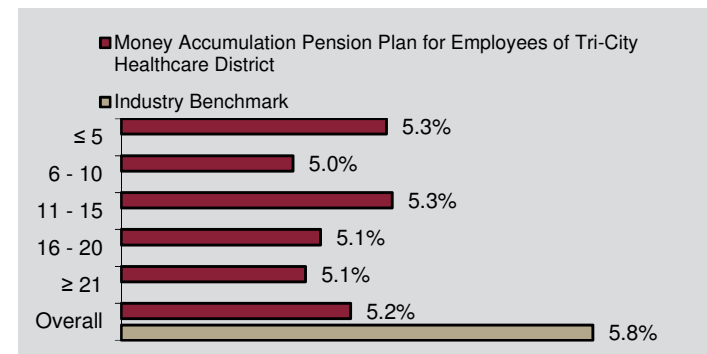
### By age

	Average deferral percentage
≤ 20	0.0%
21 - 30	4.2%
31 - 40	6.7%
41 - 50	5.2%
51 - 60	4.8%
≥ 61	4.0%
Overall	5.2%



### By years of service

	Average deferral percentage
≤ 5	5.3%
6 - 10	5.0%
11 - 15	5.3%
16 - 20	5.1%
≥ 21	5.1%
Overall	5.2%





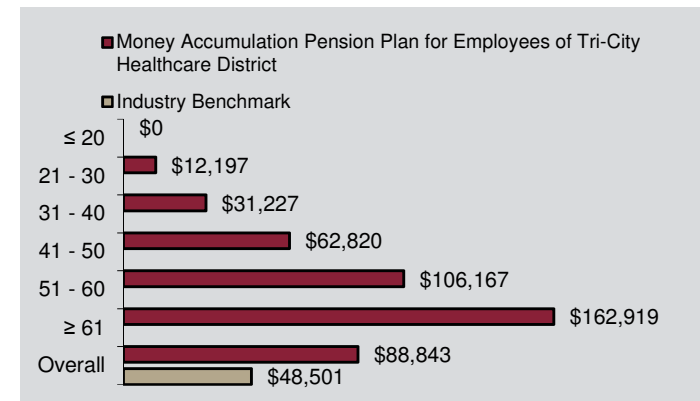
# Average account balance

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District

Average account balance reflects market performance as well as contribution levels. Average account balance can be tracked over time and may increase with targeted communication and education campaigns.

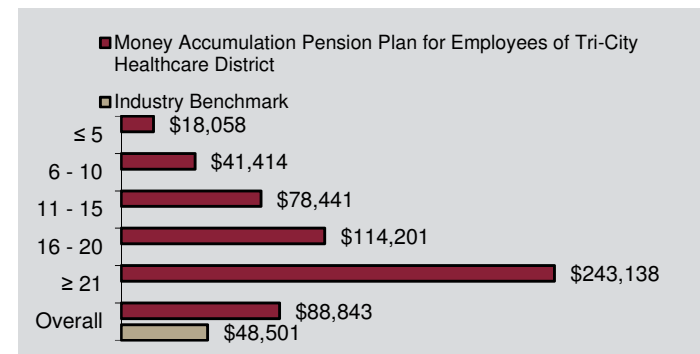
### By age

	Average account balance
≤ 20	\$0
21 - 30	\$12,197
31 - 40	\$31,227
41 - 50	\$62,820
51 - 60	\$106,167
≥ 61	\$162,919
Overall	\$88,843



### By years of service

	Average account balance
≤ 5	\$18,058
6 - 10	\$41,414
11 - 15	\$78,441
16 - 20	\$114,201
≥ 21	\$243,138
Overall	\$88,843



# Fund utilization

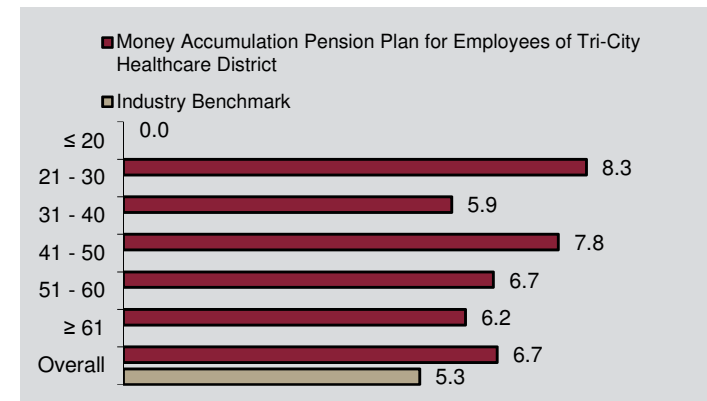
## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District

This is a breakdown of fund utilization by participant age and years of service. Fund utilization can be tracked over time to determine trends in the average number of funds selected.

\*Excludes Portfolio participants

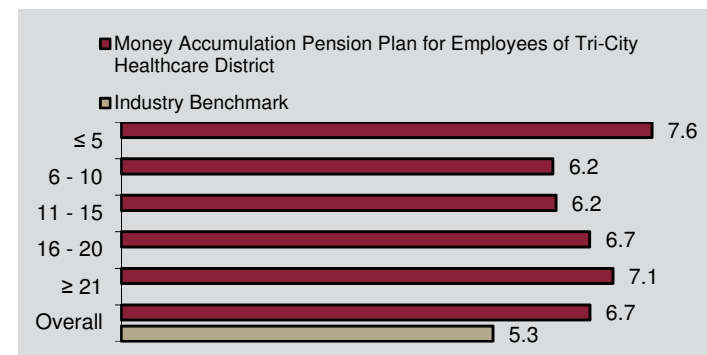
### By age

	Average funds utilized
≤ 20	0.0
21 - 30	8.3
31 - 40	5.9
41 - 50	7.8
51 - 60	6.7
≥ 61	6.2
Overall	6.7



### By years of service

	Average funds utilized
≤ 5	7.6
6 - 10	6.2
11 - 15	6.2
16 - 20	6.7
≥ 21	7.1
Overall	6.7



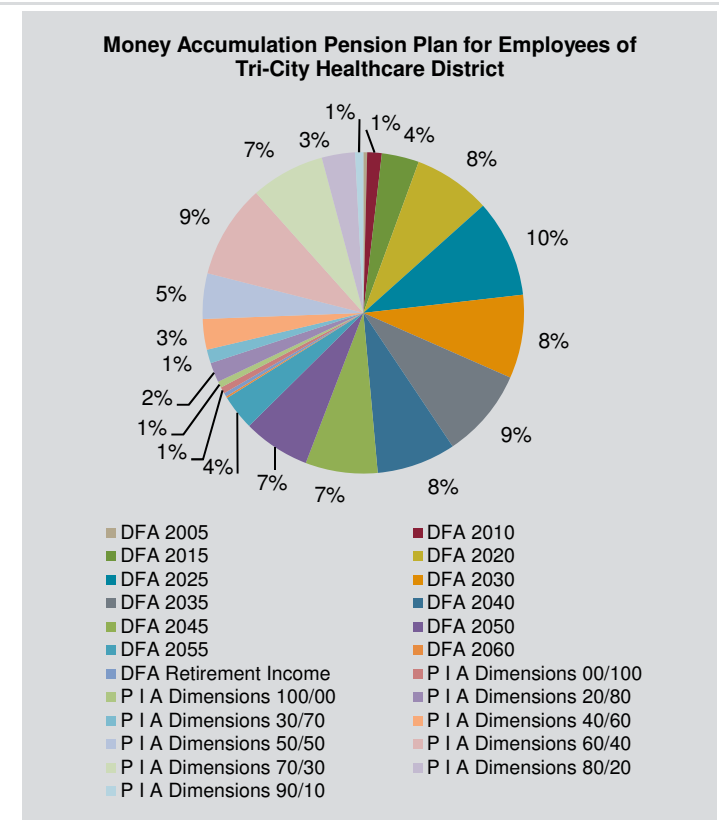
\*Loan assets included in fund count

# Portfolio utilization

## Money Accumulation Pension Plan for Employees of Tri-City Healthcare District

This snapshot of Portfolio utilization by age and years of service will help you determine whether participants are taking full advantage of the diversification opportunities available with the Portfolios.

	Number of participants
DFA 2005	6
DFA 2010	23
DFA 2015	59
DFA 2020	122
DFA 2025	154
DFA 2030	132
DFA 2035	141
DFA 2040	125
DFA 2045	114
DFA 2050	106
DFA 2055	55
DFA 2060	3
DFA Retirement Income	6
P I A Dimensions 00/100	10
P I A Dimensions 100/00	10
P I A Dimensions 20/80	31
P I A Dimensions 30/70	22
P I A Dimensions 40/60	48
P I A Dimensions 50/50	72
P I A Dimensions 60/40	148
P I A Dimensions 70/30	117
P I A Dimensions 80/20	52
P I A Dimensions 90/10	13
<b>Overall</b>	<b>1,569</b>



Total number of Portfolio participants	1,569
Total number of employees with a closing balance	1,718
Portfolio participation rate	91%

\*Includes employees who have elected a Portfolio and have a balance in the plan.

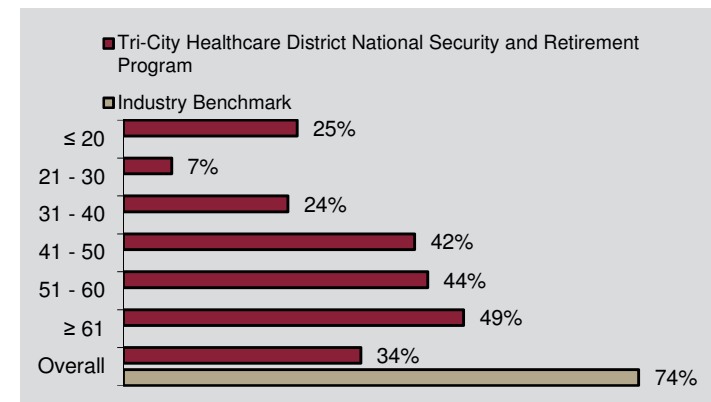
# Participation

## Tri-City Healthcare District National Security and Retirement Program

Below you will find an analysis of plan participation by participant age and years of service. Generally, older and longer-tenured employees are more likely to have higher participation rates. However, younger employees and new hires should be informed that it's important to start saving as early as possible.

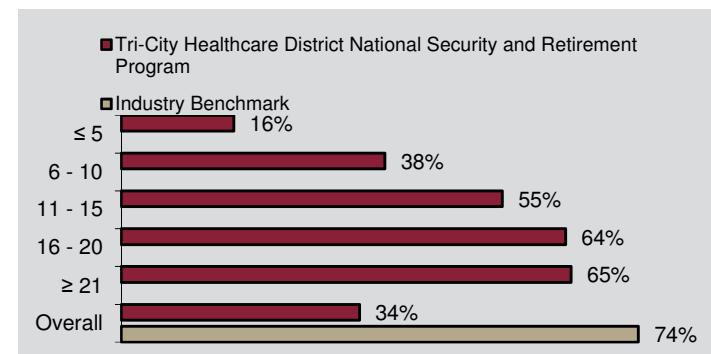
### By age

	Active Participants	Total Eligible	Participation Rate
≤ 20	1	4	25%
21 - 30	24	345	7%
31 - 40	125	528	24%
41 - 50	229	546	42%
51 - 60	254	580	44%
≥ 61	170	347	49%
<b>Overall</b>	<b>803</b>	<b>2,350</b>	<b>34%</b>



### By years of service

	Active Participants	Total Eligible	Participation Rate
≤ 5	190	1,176	16%
6 - 10	152	402	38%
11 - 15	199	364	55%
16 - 20	109	171	64%
≥ 21	153	237	65%
<b>Overall</b>	<b>803</b>	<b>2,350</b>	<b>34%</b>



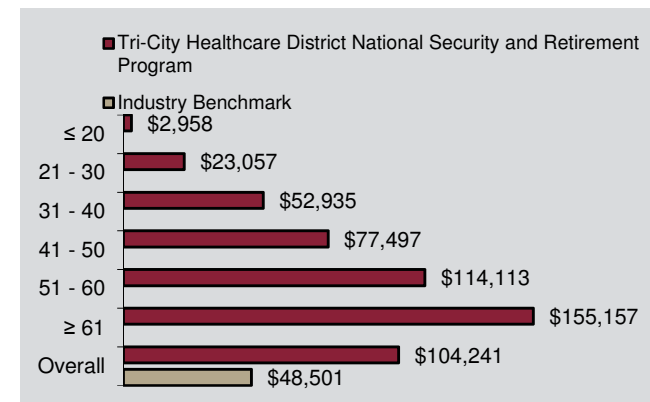
# Average account balance

## Tri-City Healthcare District National Security and Retirement Program

Average account balance reflects market performance as well as contribution levels. Average account balance can be tracked over time and may increase with targeted communication and education campaigns.

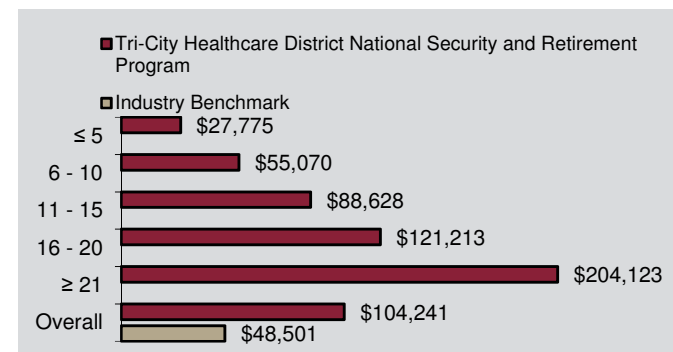
### By age

	Average account balance
≤ 20	\$2,958
21 - 30	\$23,057
31 - 40	\$52,935
41 - 50	\$77,497
51 - 60	\$114,113
≥ 61	\$155,157
Overall	\$104,241



### By years of service

	Average account balance
≤ 5	\$27,775
6 - 10	\$55,070
11 - 15	\$88,628
16 - 20	\$121,213
≥ 21	\$204,123
Overall	\$104,241



# Fund utilization

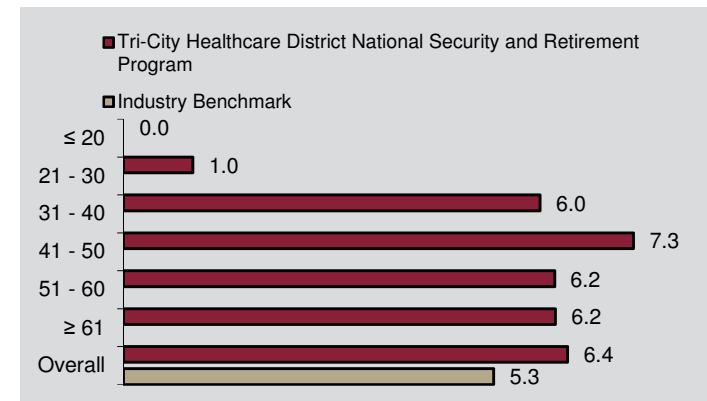
## Tri-City Healthcare District National Security and Retirement Program

This is a breakdown of fund utilization by participant age and years of service. Fund utilization can be tracked over time to determine trends in the average number of funds selected.

\*Excludes Portfolio participants

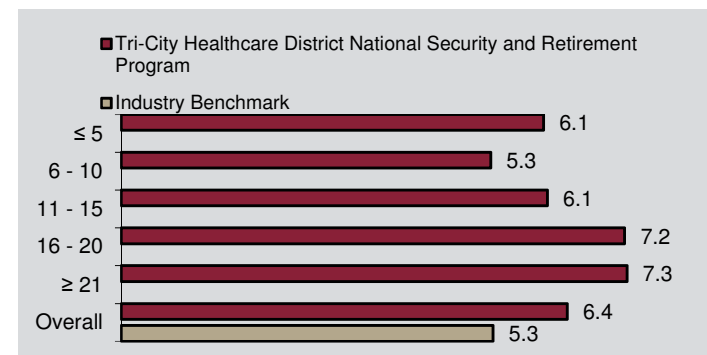
### By age

	Average funds utilized
≤ 20	0.0
21 - 30	1.0
31 - 40	6.0
41 - 50	7.3
51 - 60	6.2
≥ 61	6.2
Overall	6.4



### By years of service

	Average funds utilized
≤ 5	6.1
6 - 10	5.3
11 - 15	6.1
16 - 20	7.2
≥ 21	7.3
Overall	6.4



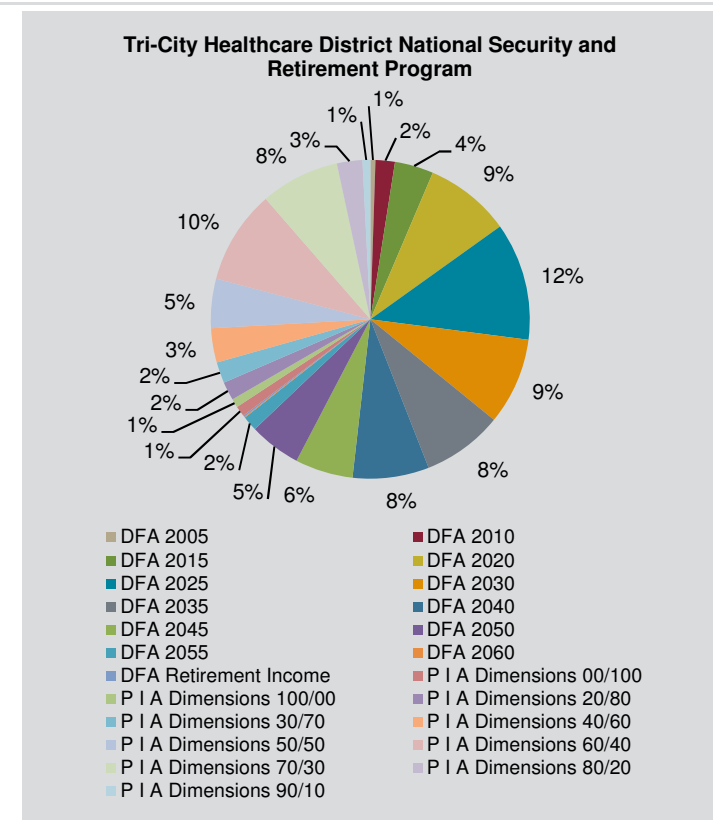
\*Loan assets included in fund count

# Portfolio utilization

## Tri-City Healthcare District National Security and Retirement Program

This snapshot of Portfolio utilization by age and years of service will help you determine whether participants are taking full advantage of the diversification opportunities available with the Portfolios.

	Number of participants
DFA 2005	6
DFA 2010	22
DFA 2015	44
DFA 2020	98
DFA 2025	134
DFA 2030	99
DFA 2035	92
DFA 2040	87
DFA 2045	66
DFA 2050	59
DFA 2055	17
DFA 2060	1
DFA Retirement Income	2
P I A Dimensions 00/100	12
P I A Dimensions 100/00	10
P I A Dimensions 20/80	21
P I A Dimensions 30/70	24
P I A Dimensions 40/60	39
P I A Dimensions 50/50	56
P I A Dimensions 60/40	107
P I A Dimensions 70/30	90
P I A Dimensions 80/20	29
P I A Dimensions 90/10	9
<b>Overall</b>	<b>1,124</b>

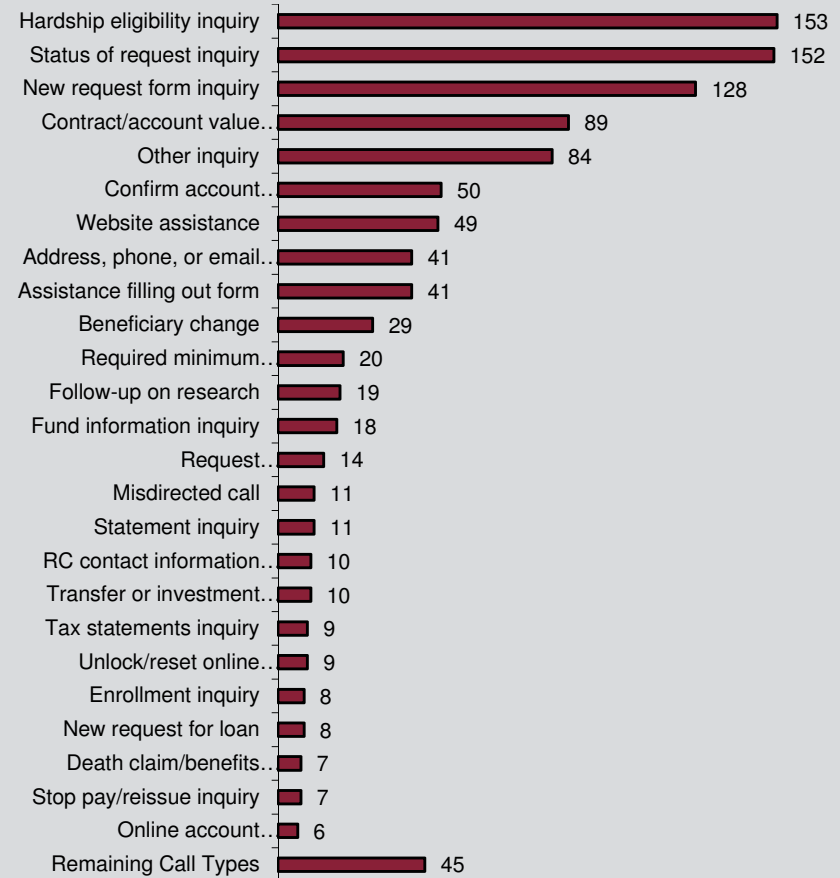


Total number of Portfolio participants	1,124
Total number of employees with a closing balance	1,240
Portfolio participation rate	91%

\*Includes employees who have elected a Portfolio and have a balance in the plan.

# Call types

Call Type	# of Calls
Hardship eligibility inquiry	153
Status of request inquiry	152
New request form inquiry	128
Contract/account value inquiry	89
Other inquiry	84
Confirm account information	50
Website assistance	49
Address, phone, or email change	41
Assistance filling out form	41
Beneficiary change	29
Required minimum distribution inquiry	20
Follow-up on research	19
Fund information inquiry	18
Request statement/letter/confirm	14
Misdirected call	11
Statement inquiry	11
RC contact information inquiry	10
Transfer or investment election change	10
Tax statements inquiry	9
Unlock/reset online account password	9
Enrollment inquiry	8
New request for loan	8
Death claim/benefits inquiry	7
Stop pay/reissue inquiry	7
Online account registration assistance	6
Remaining Call Types	45
<b>Total Calls</b>	<b>1,028</b>





# Demographic Disclosures

## National industry

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of retirement plans. Of these 3,437 respondents, 1,098 (31.9%) were "For Profit Organization" plans, 148 (4.3%) were "Corporate Non Profit" plans, 66 (1.9%) were "K-12" plans, 75 (2.2%) were "Higher Education" plans, 139 (4.0%) were "Governmental" plans, 238 (6.9%) were "Healthcare For Profit" plans, 184 (5.4%) were "Healthcare Not For Profit" plans, and 1,489 (43.4%) were "Other industries" plans.

## For Profit Organization industry

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 1,098 respondents are from the *For Profit Organization* industry. Of these *For Profit Organization* respondents, 389 (35.4%) are "Micro" plans (under \$5 million in DC assets), 441 (40.2%) are "Small" plans (\$5-\$49 million), 138 (12.6%) are "Mid" plans (\$50-\$199 million), 91 (8.3%) are "Large" plans (\$200 million-\$1 billion), and 39 (3.6%) are "Mega" plans (over \$1 billion).

## Not For Profit Organization industry

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 148 respondents are from the *Not For Profit Organization* industry. Of these *Not For Profit Organization* respondents, 66 (44.6%) are "Micro" plans (under \$5 million in DC assets), 62 (41.9%) are "Small" plans (\$5-\$49 million), 10 (6.8%) are "Mid" plans (\$50-\$199 million), 8 (5.4%) are "Large" plans (\$200 million-\$1 billion), and 2 (1.4%) are "Mega" plans (over \$1 billion).

## K-12 industry

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 66 respondents are from the *K-12* industry. Of these *K-12* respondents, 15 (22.7%) are "Micro" plans (under \$5 million in DC assets), 33 (50.0%) are "Small" plans (\$5-\$49 million), 14 (21.2%) are "Mid" plans (\$50-\$199 million), 2 (3.0%) are "Large" plans (\$200 million-\$1 billion), and 2 (3.0%) are "Mega" plans (over \$1 billion).

## Higher Education industry

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 75 respondents are from the *Higher Education* industry. Of these *Higher Education* respondents, 13 (17.3%) are "Micro" plans (under \$5 million in DC assets), 16 (21.3%) are "Small" plans (\$5-\$49 million), 19 (25.3%) are "Mid" plans (\$50-\$199 million), 14 (18.7%) are "Large" plans (\$200 million-\$1 billion), and 13 (17.3%) are "Mega" plans (over \$1 billion).

# Demographic Disclosures

## **Governmental industry**

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 139 respondents are from the *Governmental* industry. Of these *Governmental* respondents, 28 (20%) are “Micro” plans (under \$5 million in DC assets), 29 (21%) are “Small” plans (\$5-\$49 million), 20 (14%) are “Mid” plans (\$50-\$199 million), 25 (18%) are “Large” plans (\$200 million-\$1 billion), and 37 (27%) are “Mega” plans (over \$1 billion).

## **Healthcare for Profit industry**

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 238 respondents are from the *Healthcare For Profit* industry. Of these *Healthcare For Profit* respondents, 115 (48.3%) are “Micro” plans (under \$5 million in DC assets), 71 (29.8%) are “Small” plans (\$5-\$49 million), 32 (13.4%) are “Mid” plans (\$50-\$199 million), 11 (4.6%) are “Large” plans (\$200 million-\$1 billion), and 9 (3.8%) are “Mega” plans (over \$1 billion).

## **Healthcare Not for Profit industry**

The PLANSPONSOR (Strategic Insight) 2017 Defined Contribution (DC) Survey results incorporate the responses of 3,437 plan sponsors from a broad variety of U.S. industries. Within the survey, 184 respondents are from the *Healthcare Not For Profit* industry. Of these *Healthcare Not For Profit* respondents, 30 (16.3%) are “Micro” plans (under \$5 million in DC assets), 59 (32.1%) are “Small” plans (\$5-\$49 million), 34 (18.5%) are “Mid” plans (\$50-\$199 million), 38 (20.7%) are “Large” plans (\$200 million-\$1 billion), and 23 (12.5%) are “Mega” plans (over \$1 billion).

# Lincoln Alliance<sup>®</sup> program review

This review provides important objective information for the plan sponsor and plan fiduciaries to enable them to make decisions regarding the operation of their retirement plans and evaluation of the investment options in their plans.

The illustrations and discussions contained within this review are not intended as investment advice. The information should not be construed as an endorsement or recommendation by any Lincoln Financial Group<sup>®</sup> affiliate, nor be the sole basis for any investment decisions. Any decision made regarding the investment choices within the plan is the responsibility of the plan sponsor or the appropriate plan fiduciary or official. Any statements constitute current opinions only, which are subject to change.

Information for this review has been compiled from Morningstar Direct and the DST Reporting System. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed.

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LCN-1395448-011816

# **Broad and Deep Diversification Reduces Portfolio Risk and Enhances Return**

**Presented to  
Tri-City Healthcare District  
Employee Fiduciary Retirement Plan Committee**

**Presented by  
W. Scott Simon, J.D., CFP<sup>®</sup>, AIFA<sup>®</sup>  
Prudent Investor Advisors**

**Oceanside, CA  
April 10, 2018**

# Employee Retirement Income Security Act of 1974 (ERISA)

- This federal law has exclusive jurisdiction over 401(k) plans as well as other retirement plans
- ERISA Section 404(a)(1)(C) states, in part: “...[A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries...by **diversifying** the investments of the plan so as to **minimize the risk of large losses**...”

# The Best Way to “Minimize the Risk of Large Losses”

Invest in a portfolio that is **broadly** (across the asset classes that comprise financial markets) and **deeply** diversified (within each such asset class)

All of Prudent's Portfolios  
Are Broadly and Deeply Diversified to  
Help "Minimize the Risk of Large Losses"

The investment portfolios that Prudent offers to participants in the Tri-City retirement plans each hold nearly 14,100 stocks and bonds from about 45 countries

That's HUGE diversification of risk – and wrings out of the portfolios about as much risk as possible



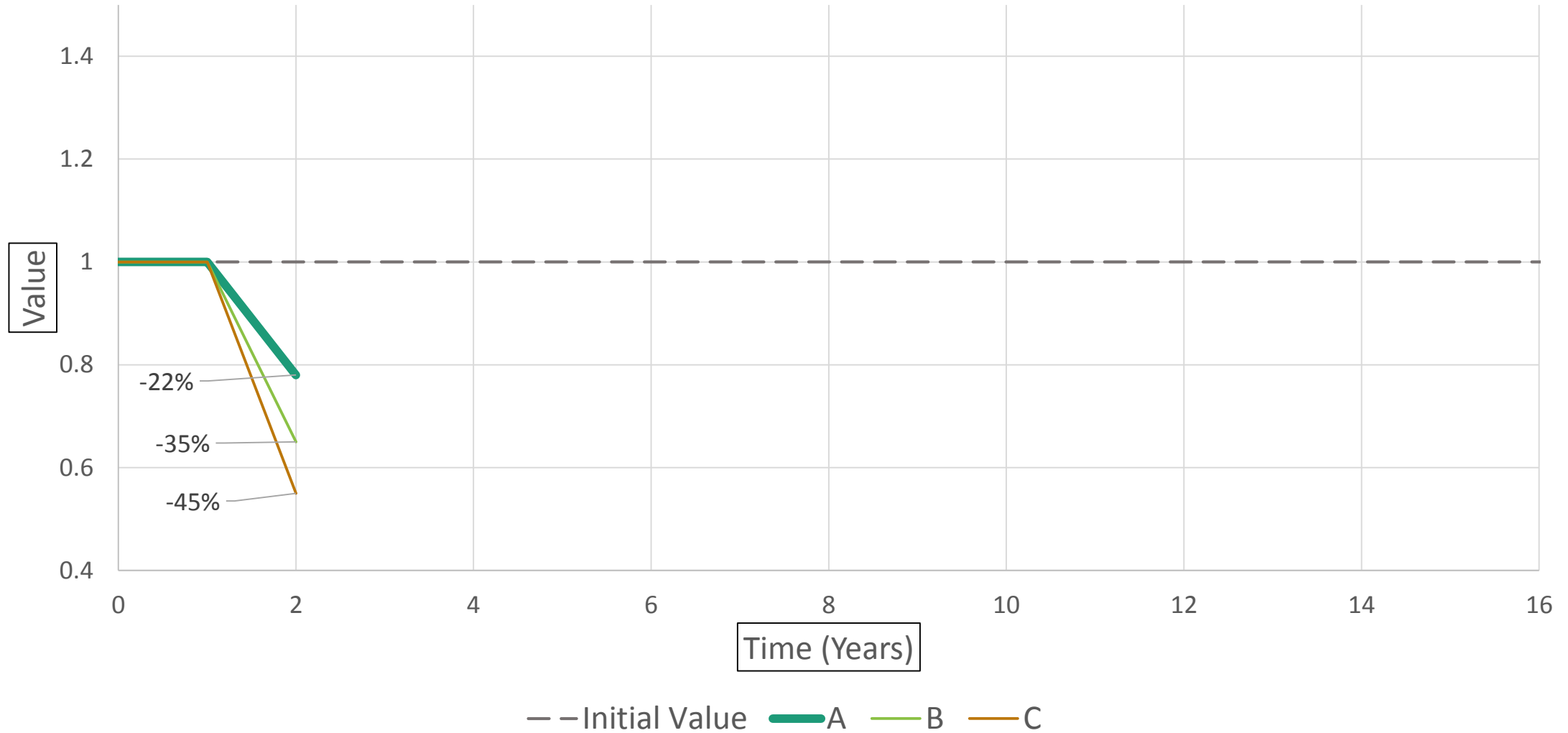
# The Bear Market of 2007–2009

Lasted 17 months: October 9, 2007 to March 9, 2009

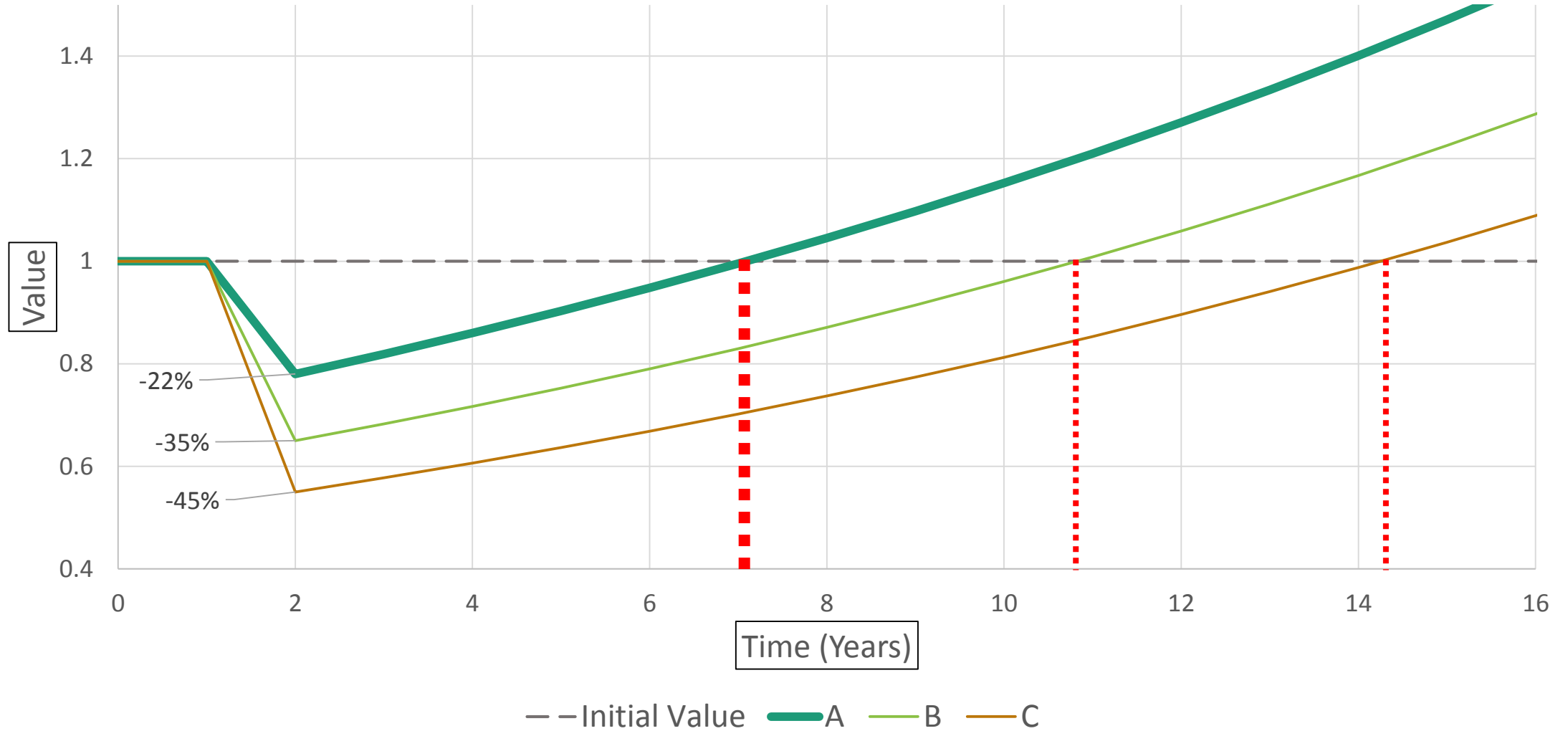
S&P 500 lost about 50% of its value

Dow Jones Industrial Average lost about 54% of its value

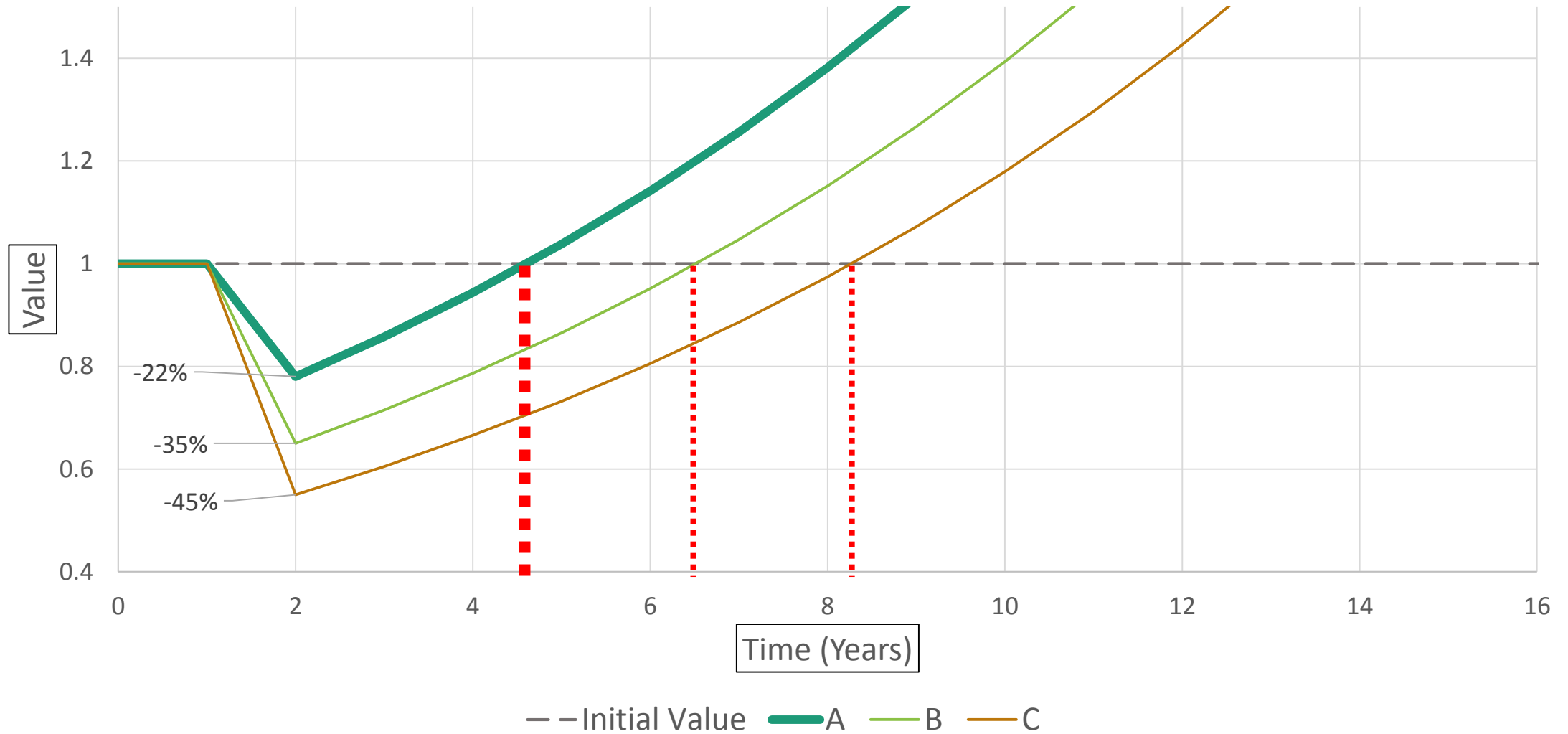
# Three Portfolios: Digging a 2 Foot Hole, a 3 Foot Hole and a 4 Foot Hole



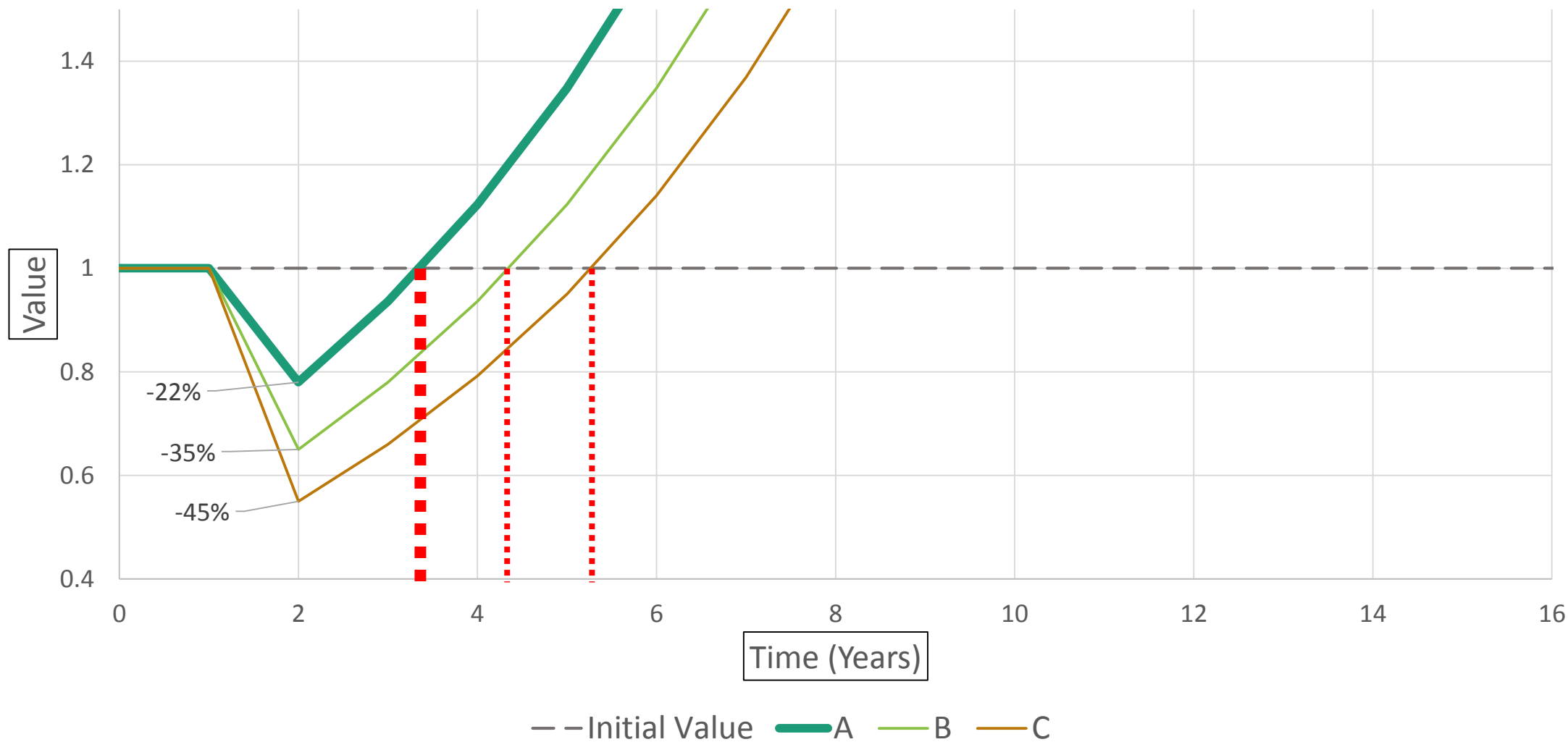
# 5% Recovery Rate of Return



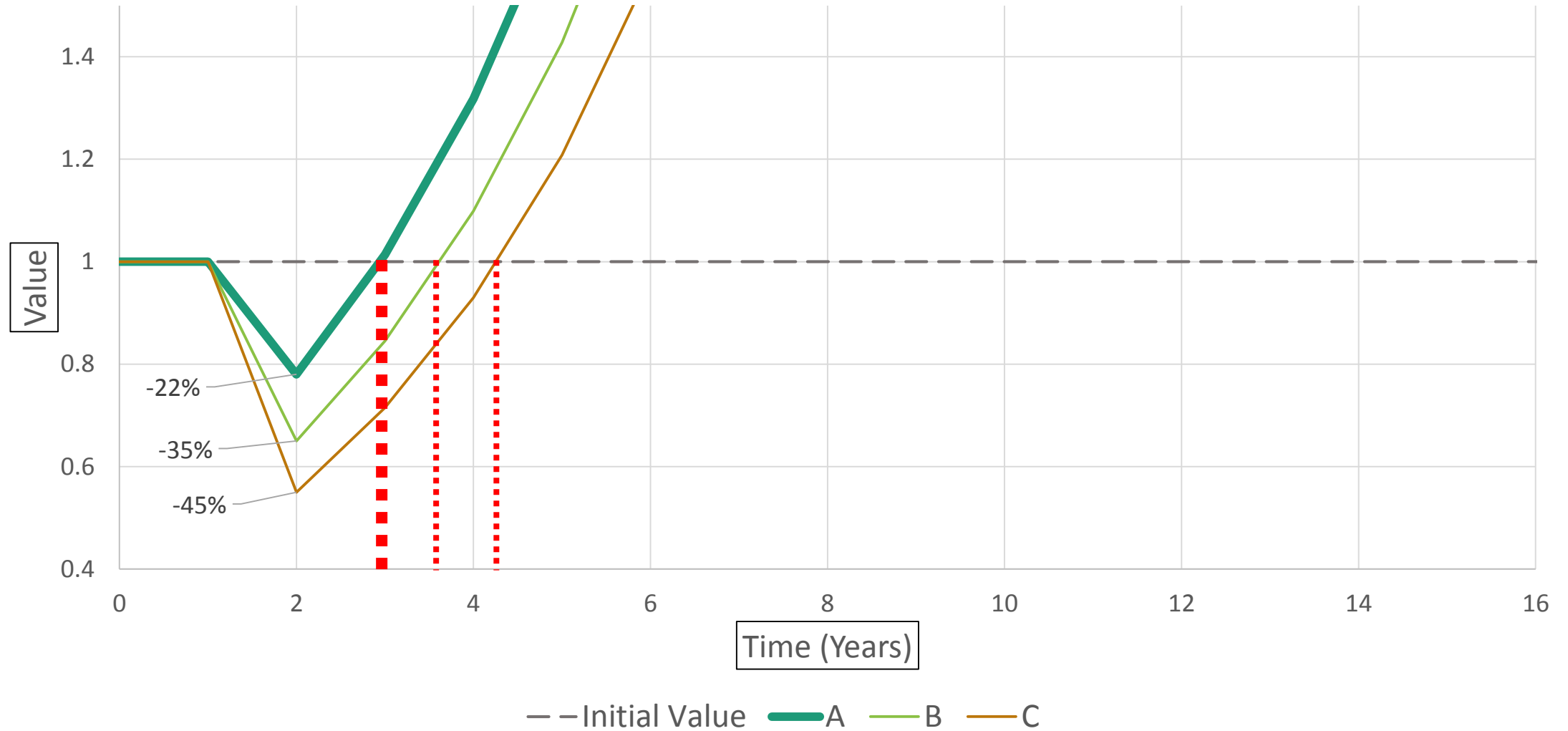
# 10% Recovery Rate of Return



# 20% Recovery Rate of Return



# 30% Recovery Rate of Return





# PIA Dimensions Portfolios<sup>SM</sup>

Built on More than a Half-Century of Academic Research

*Legally Sound, Academically Based, Cost Efficient*

## All PIA Dimensions Portfolios<sup>SM</sup>

Fourth Quarter Performance Report

As of December 31, 2017

*Prepared for:*

**Tri-City Medical Center**

Retirement Plans



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## Periodic Performance

By 12/2017; Default Currency: USD

	YTD	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Report Date Range: 07/2001 to 12/2017	Since Inception	Std Dev Since Inception	Inception Date	Currency
PIA Dimensions 100/0 Portfolio	23.01	1.73	5.90	11.61	23.01	9.91	11.63	6.21	9.06	8.78	16.08	2000	USD
PIA Dimensions 90/10 Portfolio	20.79	1.59	5.34	10.49	20.79	9.08	10.59	6.01	8.63	8.36	14.35	2000	USD
PIA Dimensions 80/20 Portfolio	18.77	1.46	4.78	9.44	18.77	8.30	9.57	5.75	8.19	7.96	12.63	2000	USD
PIA Dimensions 70/30 Portfolio	16.57	1.31	4.22	8.32	16.57	7.45	8.53	5.49	7.73	7.56	10.95	2000	USD
PIA Dimensions 60/40 Portfolio	14.57	1.18	3.66	7.28	14.57	6.66	7.47	5.19	7.29	7.20	9.37	2000	USD
PIA Dimensions 50/50 Portfolio	12.38	1.02	3.08	6.15	12.38	5.81	6.41	4.90	6.81	6.80	7.81	2000	USD
PIA Dimensions 40/60 Portfolio	10.39	0.89	2.52	5.11	10.39	5.00	5.33	4.55	6.25	6.31	6.37	2000	USD
PIA Dimensions 30/70 Portfolio	8.17	0.69	1.86	3.88	8.17	4.11	4.31	4.21	5.68	5.81	4.90	2000	USD
PIA Dimensions 20/80 Portfolio	6.11	0.50	1.23	2.75	6.11	3.25	3.27	3.75	4.95	5.15	3.63	2000	USD
PIA Dimensions 0/100 Portfolio	1.95	0.14	-0.01	0.48	1.95	1.51	1.10	2.91	3.75	4.09	2.90	2000	USD

### See Standardized Performance Data & Disclosures.

Performance for periods greater than one year are annualized unless marked with an asterisk (\*). Selection of funds, indices and time periods presented chosen by client's advisor. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results.



## Performance

Annual: 01/2002 - 12/2017; Default Currency: USD

	Annualized Return (%)	Total Return (%)	Growth of Wealth	Annualized Standard Deviation* (%)	Average Return (%)	Standard Deviation (%)	Currency
PIA Dimensions 100/0 Portfolio	9.64	336.17	4.36	20.67	11.74	20.67	USD
PIA Dimensions 90/10 Portfolio	9.15	306.09	4.06	18.40	10.81	18.40	USD
PIA Dimensions 80/20 Portfolio	8.64	276.83	3.77	16.22	9.92	16.22	USD
PIA Dimensions 70/30 Portfolio	8.11	248.17	3.48	14.03	9.05	14.03	USD
PIA Dimensions 60/40 Portfolio	7.60	223.00	3.23	11.97	8.28	11.97	USD
PIA Dimensions 50/50 Portfolio	7.06	197.96	2.98	9.82	7.52	9.82	USD
PIA Dimensions 40/60 Portfolio	6.43	171.20	2.71	7.80	6.72	7.80	USD
PIA Dimensions 30/70 Portfolio	5.78	145.55	2.46	5.59	5.92	5.59	USD
PIA Dimensions 20/80 Portfolio	4.97	117.25	2.17	3.68	5.03	3.68	USD
PIA Dimensions 0/100 Portfolio	3.62	76.75	1.77	2.73	3.66	2.73	USD

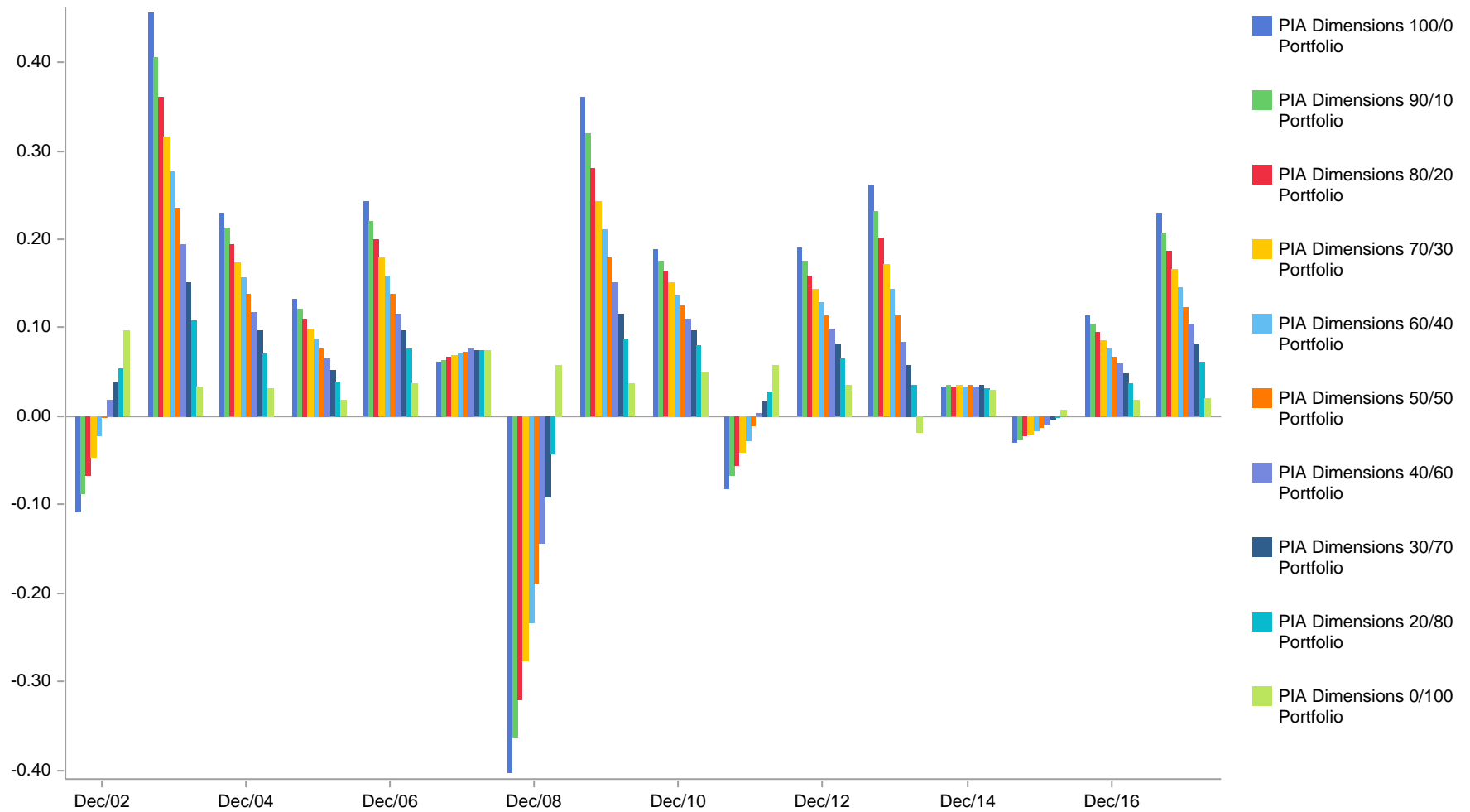
\*Annualized number is presented as an approximation by multiplying the monthly or quarterly number by the square root of the number of periods in a year. Please note that the number computed from annual data may differ materially from this estimate.

### See Standardized Performance Data & Disclosures.

Selection of funds, indices and time periods presented chosen by client's advisor. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results.

## Returns Chart

Annual: 01/2002 - 12/2017; Default Currency: USD



### See Standardized Performance Data & Disclosures.

Selection of funds, indices and time periods presented chosen by client's advisor. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results.

## Periodic Returns

Annual: 01/2002 - 12/2017; Default Currency: USD

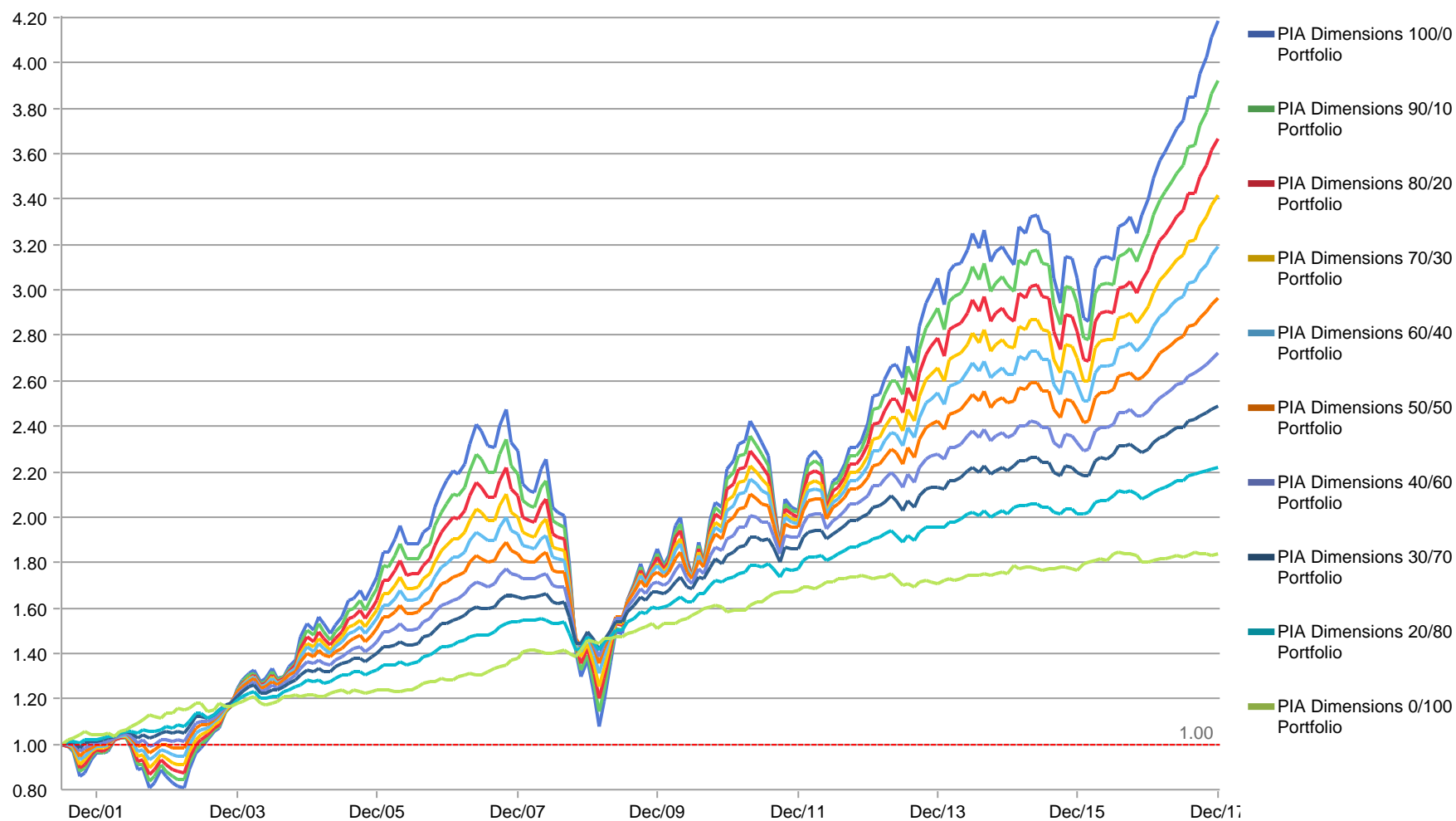
	PIA Dimensions 100/0 Portfolio %	PIA Dimensions 90/10 Portfolio %	PIA Dimensions 80/20 Portfolio %	PIA Dimensions 70/30 Portfolio %	PIA Dimensions 60/40 Portfolio %	PIA Dimensions 50/50 Portfolio %	PIA Dimensions 40/60 Portfolio %	PIA Dimensions 30/70 Portfolio %	PIA Dimensions 20/80 Portfolio %	PIA Dimensions 0/100 Portfolio %
12/2002	-10.85	-8.74	-6.74	-4.63	-2.35	-0.06	1.85	3.91	5.43	9.74
12/2003	45.65	40.62	36.07	31.63	27.71	23.55	19.38	15.08	10.80	3.42
12/2004	22.99	21.23	19.34	17.44	15.67	13.85	11.81	9.64	7.15	3.21
12/2005	13.31	12.20	11.05	9.85	8.79	7.68	6.48	5.23	3.94	1.79
12/2006	24.28	22.09	19.98	17.92	15.79	13.77	11.54	9.65	7.58	3.64
12/2007	6.16	6.34	6.76	6.83	7.18	7.22	7.60	7.47	7.40	7.40
12/2008	-40.33	-36.25	-32.06	-27.74	-23.47	-18.91	-14.50	-9.17	-4.32	5.73
12/2009	36.07	31.91	27.97	24.32	21.11	17.87	15.07	11.60	8.76	3.67
12/2010	18.85	17.64	16.36	15.07	13.72	12.43	11.02	9.63	8.02	5.01
12/2011	-8.23	-6.81	-5.57	-4.13	-2.77	-1.18	0.30	1.72	2.75	5.87
12/2012	19.04	17.50	15.93	14.39	12.86	11.38	9.88	8.20	6.53	3.46
12/2013	26.24	23.09	20.25	17.21	14.34	11.31	8.46	5.79	3.45	-1.92
12/2014	3.41	3.54	3.41	3.54	3.35	3.47	3.27	3.44	3.14	2.95
12/2015	-3.09	-2.73	-2.36	-2.00	-1.66	-1.29	-0.96	-0.46	-0.03	0.76
12/2016	11.36	10.46	9.52	8.60	7.70	6.78	5.89	4.81	3.77	1.83
12/2017	23.01	20.79	18.77	16.57	14.57	12.38	10.39	8.17	6.11	1.95

### See Standardized Performance Data & Disclosures.

Selection of funds, indices and time periods presented chosen by client's advisor. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results.

## Growth of Wealth

Monthly: 07/2001 - 12/2017; Default Currency: USD

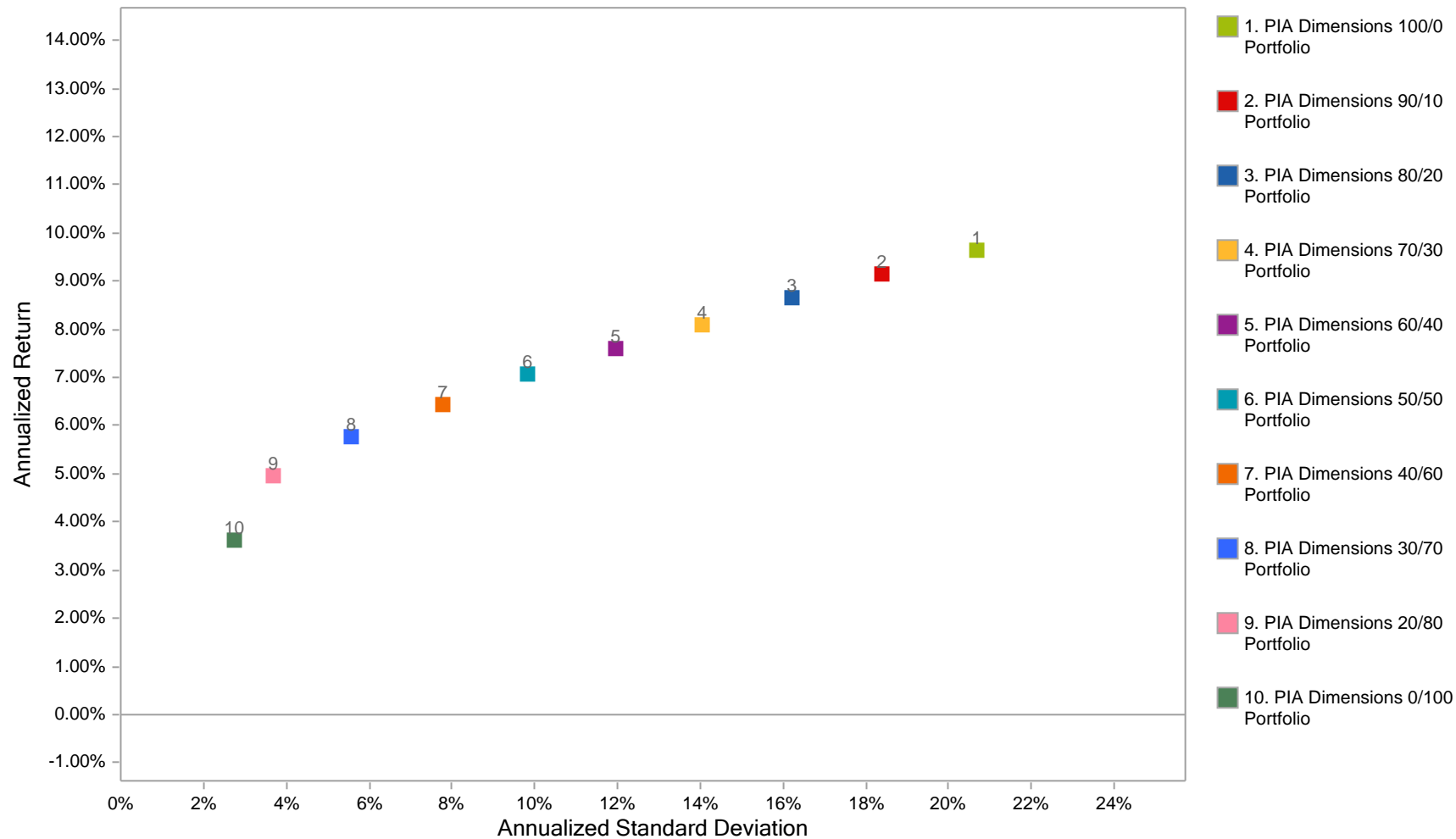


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Return-Standard Deviation Chart

Annual: 01/2002 - 12/2017; Default Currency: USD



See Standardized Performance Data & Disclosures.

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## Up and Down Periods: PIA Dimensions 100/0 Portfolio

Quarterly: 07/2001 - 12/2017; Default Currency: USD

Summary Statistics: All Dates

	No. of Periods	Annualized Compound Return	Average Return	Standard Deviation	Correlation (R)
PIA Dimensions 100/0 Portfolio	66	9.06%	2.62%	9.27%	1.00
PIA Dimensions 90/10 Portfolio	66	8.63%	2.43%	8.19%	1.00
PIA Dimensions 80/20 Portfolio	66	8.19%	2.24%	7.16%	1.00
PIA Dimensions 70/30 Portfolio	66	7.73%	2.07%	6.16%	1.00
PIA Dimensions 60/40 Portfolio	66	7.29%	1.91%	5.20%	0.99
PIA Dimensions 50/50 Portfolio	66	6.81%	1.75%	4.25%	0.98
PIA Dimensions 40/60 Portfolio	66	6.25%	1.58%	3.35%	0.96
PIA Dimensions 30/70 Portfolio	66	5.68%	1.42%	2.45%	0.91
PIA Dimensions 20/80 Portfolio	66	4.95%	1.23%	1.71%	0.77
PIA Dimensions 0/100 Portfolio	66	3.75%	0.93%	1.51%	-0.35

Summary Statistics: PIA Dimensions 100/0 Portfolio: Up

	No. of Periods	Annualized Compound Return	Average Return	Standard Deviation	Correlation (R)
PIA Dimensions 100/0 Portfolio	48	29.92%	6.90%	5.68%	1.00
PIA Dimensions 90/10 Portfolio	48	26.81%	6.23%	4.96%	1.00
PIA Dimensions 80/20 Portfolio	48	23.85%	5.58%	4.32%	1.00
PIA Dimensions 70/30 Portfolio	48	20.94%	4.93%	3.71%	0.99
PIA Dimensions 60/40 Portfolio	48	18.19%	4.31%	3.18%	0.98
PIA Dimensions 50/50 Portfolio	48	15.45%	3.69%	2.67%	0.96
PIA Dimensions 40/60 Portfolio	48	12.78%	3.08%	2.22%	0.92

### See Standardized Performance Data & Disclosures.

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## Up and Down Periods: PIA Dimensions 100/0 Portfolio

Quarterly: 07/2001 - 12/2017; Default Currency: USD

PIA Dimensions 30/70 Portfolio	48	10.07%	2.44%	1.80%	0.84
PIA Dimensions 20/80 Portfolio	48	7.43%	1.82%	1.45%	0.71
PIA Dimensions 0/100 Portfolio	48	2.47%	0.62%	1.28%	0.11

### Summary Statistics: PIA Dimensions 100/0 Portfolio: Down

	No. of Periods	Annualized Compound Return	Average Return	Standard Deviation	Correlation (R)
PIA Dimensions 100/0 Portfolio	18	-31.60%	-8.79%	7.04%	1.00
PIA Dimensions 90/10 Portfolio	18	-28.09%	-7.71%	6.25%	1.00
PIA Dimensions 80/20 Portfolio	18	-24.55%	-6.65%	5.45%	1.00
PIA Dimensions 70/30 Portfolio	18	-20.86%	-5.57%	4.68%	0.99
PIA Dimensions 60/40 Portfolio	18	-17.12%	-4.51%	3.95%	0.98
PIA Dimensions 50/50 Portfolio	18	-13.19%	-3.42%	3.20%	0.96
PIA Dimensions 40/60 Portfolio	18	-9.37%	-2.40%	2.52%	0.92
PIA Dimensions 30/70 Portfolio	18	-5.18%	-1.31%	1.80%	0.79
PIA Dimensions 20/80 Portfolio	18	-1.38%	-0.34%	1.32%	0.47
PIA Dimensions 0/100 Portfolio	18	7.22%	1.77%	1.77%	-0.56

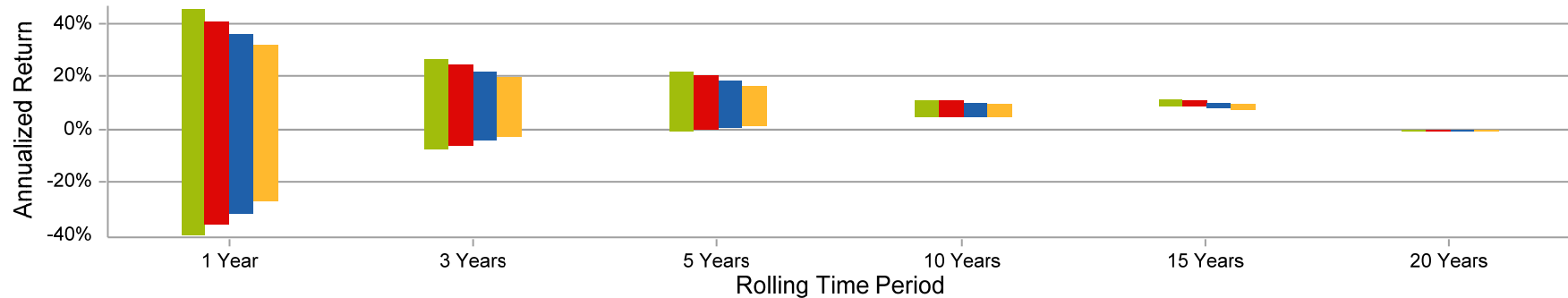
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## Best/ Worst Return

Annual: 01/2002 - 12/2017; Default Currency: USD

Annualized Average Rolling Return	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
<b>PIA Dimensions 100/0 Portfolio</b>	<b>11.74%</b>	<b>9.74%</b>	<b>8.98%</b>	<b>7.46%</b>	<b>9.98%</b>	<b>N/A</b>
Best Return (%)	45.65% (12/2003)	26.61% (12/2003)	21.78% (12/2003)	10.94% (12/2003)	11.17% (12/2003)	N/A
Worst Return (%)	-40.33% (12/2008)	-7.66% (12/2006)	-1.23% (12/2007)	4.66% (12/2007)	8.80% (12/2002)	N/A
<b>PIA Dimensions 90/10 Portfolio</b>	<b>10.81%</b>	<b>9.18%</b>	<b>8.53%</b>	<b>7.23%</b>	<b>9.44%</b>	<b>N/A</b>
Best Return (%)	40.62% (12/2003)	24.13% (12/2003)	19.95% (12/2003)	10.40% (12/2003)	10.46% (12/2003)	N/A
Worst Return (%)	-36.25% (12/2008)	-6.11% (12/2006)	-0.40% (12/2007)	4.66% (12/2007)	8.42% (12/2002)	N/A
<b>PIA Dimensions 80/20 Portfolio</b>	<b>9.92%</b>	<b>8.61%</b>	<b>8.07%</b>	<b>6.97%</b>	<b>8.88%</b>	<b>N/A</b>
Best Return (%)	36.07% (12/2003)	21.72% (12/2003)	18.23% (12/2003)	9.85% (12/2003)	9.76% (12/2003)	N/A
Worst Return (%)	-32.06% (12/2008)	-4.53% (12/2006)	0.39% (12/2007)	4.63% (12/2007)	8.00% (12/2002)	N/A
<b>PIA Dimensions 70/30 Portfolio</b>	<b>9.05%</b>	<b>8.03%</b>	<b>7.58%</b>	<b>6.67%</b>	<b>8.29%</b>	<b>N/A</b>
Best Return (%)	31.63% (12/2003)	19.30% (12/2003)	16.43% (12/2003)	9.26% (12/2003)	9.02% (12/2003)	N/A
Worst Return (%)	-27.74% (12/2008)	-3.09% (12/2006)	1.14% (12/2007)	4.57% (12/2007)	7.57% (12/2002)	N/A



### See Standardized Performance Data & Disclosures.

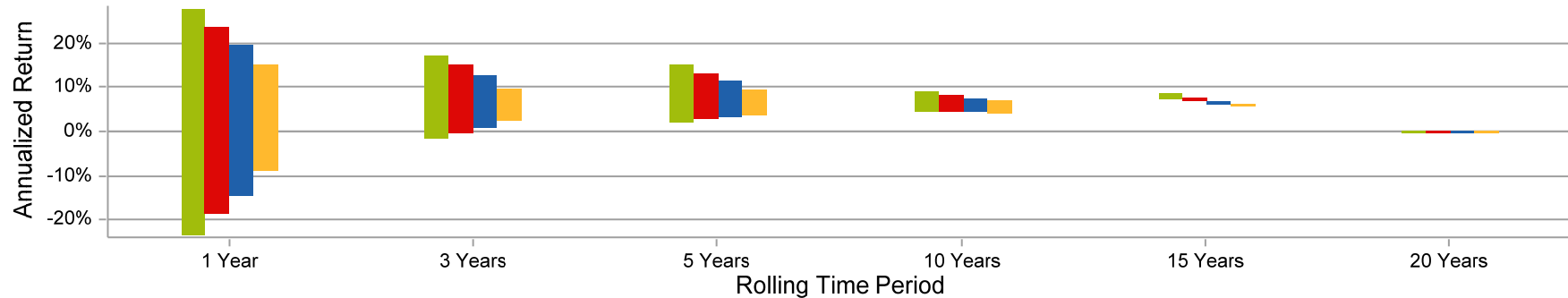
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## Best/ Worst Return

Annual: 01/2002 - 12/2017; Default Currency: USD

Annualized Average Rolling Return	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
<b>PIA Dimensions 60/40 Portfolio</b>	<b>8.28%</b>	<b>7.47%</b>	<b>7.11%</b>	<b>6.38%</b>	<b>7.73%</b>	<b>N/A</b>
Best Return (%)	27.71% (12/2003)	17.13% (12/2003)	14.81% (12/2003)	8.72% (12/2003)	8.30% (12/2003)	N/A
Worst Return (%)	-23.47% (12/2008)	-1.70% (12/2006)	1.90% (12/2007)	4.49% (12/2007)	7.15% (12/2002)	N/A
<b>PIA Dimensions 50/50 Portfolio</b>	<b>7.52%</b>	<b>6.90%</b>	<b>6.62%</b>	<b>6.07%</b>	<b>7.14%</b>	<b>N/A</b>
Best Return (%)	23.55% (12/2003)	14.84% (12/2003)	13.06% (12/2003)	8.13% (12/2003)	7.55% (12/2003)	N/A
Worst Return (%)	-18.91% (12/2008)	-0.36% (12/2006)	2.63% (12/2007)	4.41% (12/2007)	6.72% (12/2002)	N/A
<b>PIA Dimensions 40/60 Portfolio</b>	<b>6.72%</b>	<b>6.25%</b>	<b>6.07%</b>	<b>5.69%</b>	<b>6.46%</b>	<b>N/A</b>
Best Return (%)	19.38% (12/2003)	12.43% (12/2003)	11.27% (12/2003)	7.46% (12/2003)	6.75% (12/2003)	N/A
Worst Return (%)	-14.50% (12/2008)	0.86% (12/2006)	3.34% (12/2007)	4.29% (12/2007)	6.18% (12/2002)	N/A
<b>PIA Dimensions 30/70 Portfolio</b>	<b>5.92%</b>	<b>5.59%</b>	<b>5.50%</b>	<b>5.28%</b>	<b>5.76%</b>	<b>N/A</b>
Best Return (%)	15.08% (12/2003)	9.91% (12/2003)	9.37% (12/2003)	6.71% (12/2003)	5.90% (12/2003)	N/A
Worst Return (%)	-9.17% (12/2008)	2.29% (12/2006)	3.69% (12/2011)	4.14% (12/2007)	5.62% (12/2002)	N/A



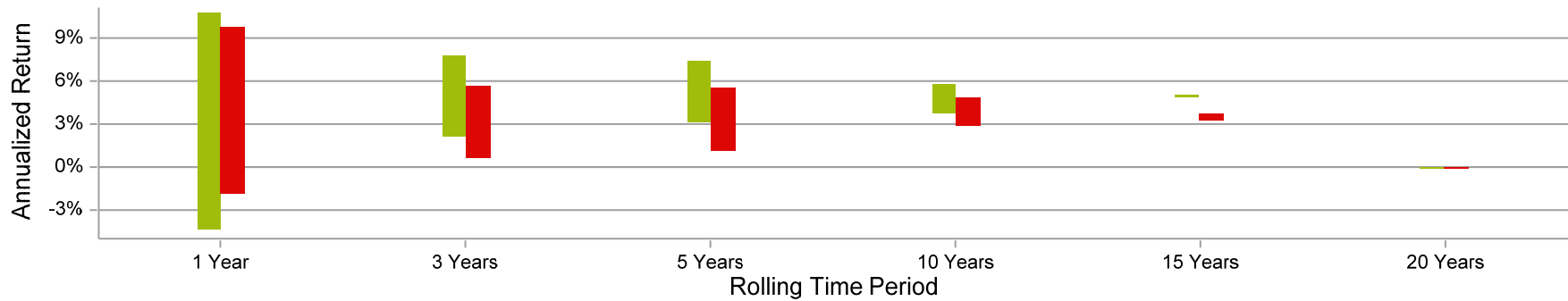
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Best/ Worst Return

Annual: 01/2002 - 12/2017; Default Currency: USD

Annualized Average Rolling Return	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
<div></div> PIA Dimensions 20/80 Portfolio	5.03%	4.80%	4.79%	4.72%	4.92%	N/A
Best Return (%)	10.80% (12/2003)	7.77% (12/2002)	7.35% (12/2003)	5.78% (12/2003)	4.94% (12/2003)	N/A
Worst Return (%)	-4.32% (12/2008)	2.17% (12/2013)	3.15% (12/2011)	3.75% (12/2008)	4.89% (12/2002)	N/A
<div></div> PIA Dimensions 0/100 Portfolio	3.66%	3.48%	3.60%	3.81%	3.48%	N/A
Best Return (%)	9.74% (12/2002)	5.59% (12/2007)	5.53% (12/2007)	4.93% (12/2002)	3.74% (12/2002)	N/A
Worst Return (%)	-1.92% (12/2013)	0.58% (12/2013)	1.10% (12/2013)	2.91% (12/2008)	3.23% (12/2003)	N/A



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# Tri-City Medical Center

2017 - End of Year Review

HR Employee Fiduciary Retirement Subcommittee

April 10<sup>th</sup>, 2018



# 2017: Year of Surprises

## Consensus for 2017 <sup>1</sup>

- Inflation would awaken: inflation nudged up from 2.07% to 2.17%
- Bond yields would reboot: yields on 10-year US Treasury notes went from 2.45% to 2.40%.
- Stocks would tumble: Stocks moved higher around the world, 20 out of 47 countries had returns in excess of 30%.
- New US presidency, DOW was positive every month in 2017.
- Korean stocks were among the top performers with total return of 29.5% in local currency, 46% in US dollars.
- Chinese Stock Market: 3<sup>rd</sup> best performing stock market with total return of 51.6% in local currency and 50.7% in US dollars.
- 7 year string of increasing auto sales ended in 2017 yet General Motors returned 22.5%, and Fiat/Chrysler's total return was 96.3%, even with a +10% drop in sales.

1. Weston Wellington, Nine Experts, Four Surprises, and One Million Dollar Bet, Dimensional Fund Advisors, January, 2018.

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## Lessons of 2017

- Strong global markets in 2017 underscore the importance of following an investment approach based on **diversification** and **discipline** rather than predictions and timing.
- 2017 reinforces the challenge of drawing a link between positive or negative events in the world and positive or negative returns in the stock market.

Focus on the things we **can** control.

1. Broad Diversification: reduce risk and increase returns.
2. Tax efficiency: saving on a pre-tax basis.
3. Low Costs: minimize cost to increase returns.

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## Controlling Costs

- All Model Portfolios had a decrease in their expense ratios, ranging from 5%-9%\*.
- 10 of the 21 individual mutual funds in the Retirement Program line-up had a drop in their expense ratios as well\*.
- 3 of the Target Date Retirement Income Funds had a decrease in their expense ratios\*.
- No increases!

\*As of 12/31/2017



## 2008 - 2017 Investment Scoreboard

DJIA: 25.08%

NASDAQ: 29.64%

S&P 500: 21.83%

### 2008 - 2017 Year-End Returns

<u>Cash/Fixed Income</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
One-Month US Treasury Bills %	1.60%	0.10%	0.12%	0.04%	0.06%	0.02%	0.02%	0.02%	0.20%	0.80%
BofA Merrill Lynch 1-Yr US T-Note Index	4.75%	0.80%	0.83%	0.57%	0.24%	0.25%	0.18%	0.15%	0.76%	0.57%
Barclays Int Term Treasury Index	11.35%	-1.41%	5.29%	6.57%	1.71%	-1.34%	4.30%	1.18%	1.06%	1.14%
Barclays L.T. Treasury Index	24.03%	-12.92%	9.38%	29.93%	3.56%	-12.66%	15.70%	-1.21%	1.33%	8.53%
<u>US Stocks</u>										
DJIA	-31.93%	22.68%	14.06%	8.38%	10.24%	29.65%	7.50%	0.19%	13.42%	25.08%
NASDAQ	-40.54%	43.90%	16.90%	-1.80%	17.87%	40.12%	13.40%	6.96%	7.50%	29.64%
S&P 500	-37.00%	26.46%	12.80%	2.11%	16.00%	32.39%	11.40%	1.38%	11.96%	21.83%
Russell 2000	-33.79%	27.17%	25.30%	-4.18%	16.35%	38.82%	3.50%	-4.41%	12.08%	14.65%
Russell 2000 Value	-28.92%	20.58%	24.50%	-5.50%	18.05%	34.52%	4.22%	-7.47%	19.85%	7.84%
Wilshire 5000	-37.34%	29.42%	16.71%	0.98%	15.36%	33.06%	12.38%	-0.24%	13.37%	21.00%
DJ US Select REIT TR USD (Morningstar)	-39.20%	28.46%	28.07%	9.37%	17.12%	1.22%	32.00%	4.48%	7.22%	3.76%
<u>International Stocks</u>										
MSCI EAFE LCL (EAFE)	-43.06%	32.46%	8.21%	-11.73%	17.90%	23.29%	-4.48%	-0.39%	1.51%	25.62%
MSCI World Ex US LCL (MWXUG)	-43.23%	34.39%	9.43%	-11.78%	17.02%	21.57%	-3.88%	-2.60%	3.29%	24.81%
MSCI Emg. Markets LCL (MEMFG)	-53.18%	79.02%	19.20%	-18.17%	18.63%	-2.27%	-1.82%	-14.60%	11.60%	37.75%

\*The above information has been provided by sources deemed to be reliable (The Wall Street Journal, Morningstar, Russell.com, Wilshire.com and MSCIBarra.com) but its accuracy cannot be guaranteed.



## Periodic Performance

By 12/2017; Default Currency: USD

	YTD	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Report Date Range: 07/2001 to 12/2017	Since Inception	Std Dev Since Inception	Inception Date	Currency
PIA Dimensions 100/0 Portfolio	23.01	1.73	5.90	11.61	23.01	9.91	11.63	6.21	9.06	8.78	16.08	2000	USD
PIA Dimensions 90/10 Portfolio	20.79	1.59	5.34	10.49	20.79	9.08	10.59	6.01	8.63	8.36	14.35	2000	USD
PIA Dimensions 80/20 Portfolio	18.77	1.46	4.78	9.44	18.77	8.30	9.57	5.75	8.19	7.96	12.63	2000	USD
PIA Dimensions 70/30 Portfolio	16.57	1.31	4.22	8.32	16.57	7.45	8.53	5.49	7.73	7.56	10.95	2000	USD
PIA Dimensions 60/40 Portfolio	14.57	1.18	3.66	7.28	14.57	6.66	7.47	5.19	7.29	7.20	9.37	2000	USD
PIA Dimensions 50/50 Portfolio	12.38	1.02	3.08	6.15	12.38	5.81	6.41	4.90	6.81	6.80	7.81	2000	USD
PIA Dimensions 40/60 Portfolio	10.39	0.89	2.52	5.11	10.39	5.00	5.33	4.55	6.25	6.31	6.37	2000	USD
PIA Dimensions 30/70 Portfolio	8.17	0.69	1.86	3.88	8.17	4.11	4.31	4.21	5.68	5.81	4.90	2000	USD
PIA Dimensions 20/80 Portfolio	6.11	0.50	1.23	2.75	6.11	3.25	3.27	3.75	4.95	5.15	3.63	2000	USD
PIA Dimensions 0/100 Portfolio	1.95	0.14	-0.01	0.48	1.95	1.51	1.10	2.91	3.75	4.09	2.90	2000	USD

See Standardized Performance Data & Disclosures.

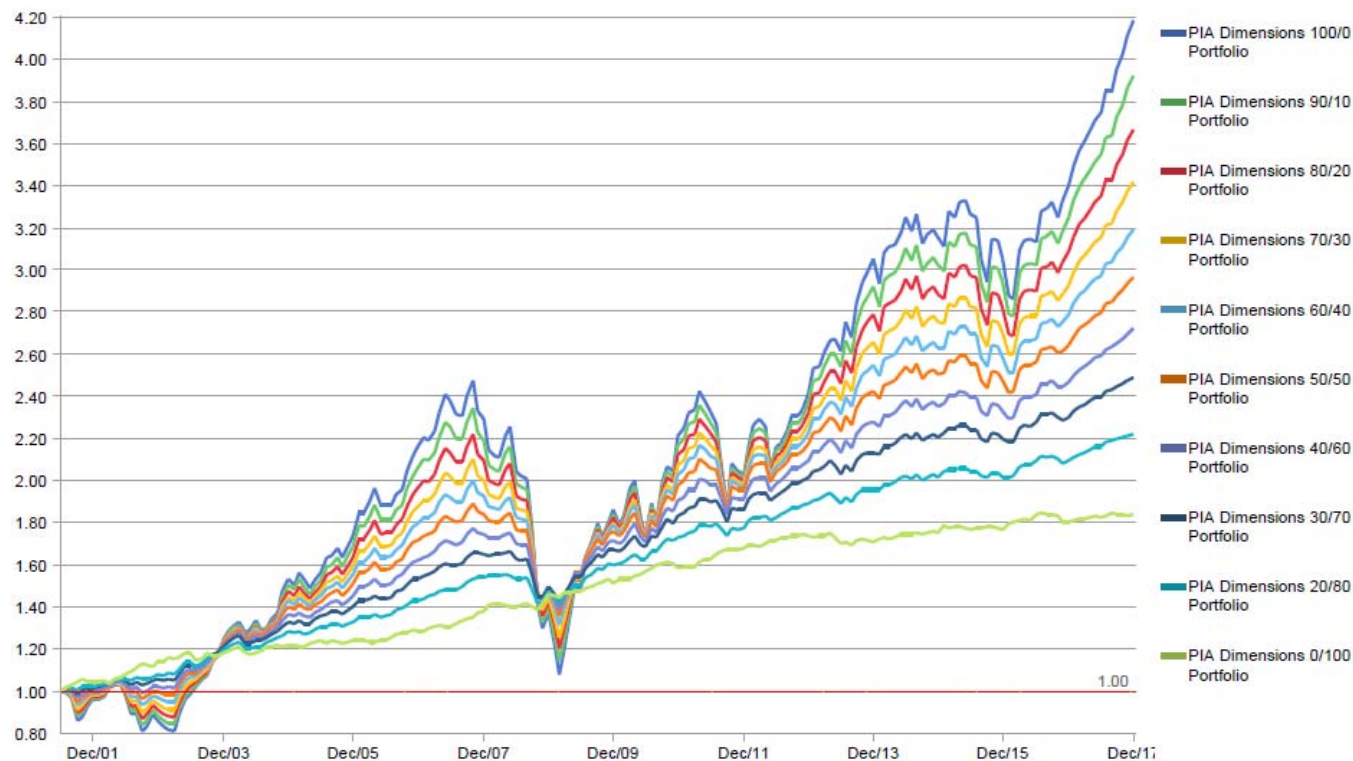
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## Growth of Wealth

Monthly: 07/2001 - 12/2017; Default Currency: USD



See Standardized Performance Data & Disclosures.

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# Dimensional Target Date Retirement Income Funds

Performance as December 31, 2017

Annualized Returns <sup>1</sup> (%)	4th Quarter 2017	1 Year	Since Portfolio 1st Full Month <sup>2</sup>	1st Full Month
<b>DIMENSIONAL 2060 TARGET DATE INCOME FUND</b>	6.15	22.68	14.15	12/2015
S&P STRIDE Glide Path 2060 Index	5.85	22.19	14.07	—
<b>DIMENSIONAL 2055 TARGET DATE INCOME FUND</b>	6.28	22.62	14.16	12/2015
S&P STRIDE Glide Path 2055 Index	5.85	22.19	14.07	—
<b>DIMENSIONAL 2050 TARGET DATE INCOME FUND</b>	6.28	22.77	14.21	12/2015
S&P STRIDE Glide Path 2050 Index	5.85	22.19	14.07	—
<b>DIMENSIONAL 2045 TARGET DATE INCOME FUND</b>	6.26	22.65	14.16	12/2015
S&P STRIDE Glide Path 2045 Index	5.85	22.19	14.07	—
<b>DIMENSIONAL 2040 TARGET DATE INCOME FUND</b>	5.53	20.49	12.86	12/2015
S&P STRIDE Glide Path 2040 Index	5.33	20.36	13.01	—
<b>DIMENSIONAL 2035 TARGET DATE INCOME FUND</b>	5.39	18.24	11.60	12/2015
S&P STRIDE Glide Path 2035 Index	5.17	18.19	11.76	—
<b>DIMENSIONAL 2030 TARGET DATE INCOME FUND</b>	5.75	16.81	11.29	12/2015
S&P STRIDE Glide Path 2030 Index	5.36	16.57	11.12	—
<b>DIMENSIONAL 2025 TARGET DATE INCOME FUND</b>	5.40	14.41	10.20	12/2015
S&P STRIDE Glide Path 2025 Index	4.86	14.09	9.93	—
<b>DIMENSIONAL 2020 TARGET DATE INCOME FUND</b>	4.34	11.15	8.45	12/2015
S&P STRIDE Glide Path 2020 Index	3.86	10.95	8.28	—
<b>DIMENSIONAL 2015 TARGET DATE INCOME FUND</b>	3.52	9.07	6.98	12/2015
S&P STRIDE Glide Path 2015 Index	2.99	8.88	6.86	—
<b>DIMENSIONAL 2010 TARGET DATE INCOME FUND</b>	2.97	8.36	6.40	12/2015
S&P STRIDE Glide Path 2010 Index	2.48	8.26	6.38	—
<b>DIMENSIONAL 2005 TARGET DATE INCOME FUND</b>	2.37	7.25	5.46	12/2015
S&P STRIDE Glide Path 2005 Index	1.93	6.87	5.47	—
<b>DIMENSIONAL RETIREMENT INCOME FUND</b>	2.05	6.40	4.77	12/2015
20% S&P Global BMI/80% S&P 1-5 Yr US TIPS Index	1.23	5.12	4.19	—

Performance for the portfolio is reported net of all advisory fees and includes reinvestment of dividends and other earnings.

Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain the most current month-end performance data, visit [us.dimensional.com](http://us.dimensional.com).

1. Returns for periods shorter than one year are not annualized.

2. All Dimensional Target Date Income Funds inception on November 2, 2015. First full month is December 2015.

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## Participation Rates

Age Group	Deferred Comp.		MAPP		NSRP	
	9/31/2013	12/31/2017	9/31/2013	12/31/2017	9/31/2013	12/31/2017
≥ 20	0%	20%	0%	0%	0%	25%
21-30	11%	16%	50%	52%	16%	7%
31-40	22%	34%	61%	71%	30%	24%
41-50	31%	44%	70%	83%	41%	42%
51-60	35%	54%	75%	85%	46%	44%
≥ 61	31%	54%	74%	85%	41%	49%
Average	28%	42%	68%	79%	37%	34%

## Contribution Rates

Average	6.3%	7.1%	4.5%	5.2%	fixed 6.7%
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