



ERISA 3(21) and 3(38) Fiduciary Services

# Helping you manage your fiduciary responsibility

## Manager research is a part of Wilshire's DNA

As a plan fiduciary, you're required to navigate the landscape of available investment managers and to monitor plan investments on an on-going basis to meet the needs of your plan.

In response to these needs, Wilshire Associates Incorporated ("Wilshire®") offers ERISA 3(21) and 3(38) fiduciary services.

### ERISA 3(21)

#### Investment Advisor

Wilshire screens, monitors and recommends investment options for a plan's lineup, but it's up to you to either select investment options from a Select List or approve Wilshire's recommended Fund Menu.

### ERISA 3(38)

#### Investment Manager

Wilshire screens, selects and monitors a plan's investment options and adjusts as appropriate.

Investment manager research is a part of Wilshire's DNA with a methodology and due diligence process that's been developed over the last four decades from serving the institutional and pension marketplace. We can offer your plan the opportunity to gain access to the same manager research resources that help select investment options for some of the largest pension plans in the world.

Now your plan can benefit from ERISA 3(21) and 3(38) fiduciary services, a Wilshire program that delivers the following:

- *Thorough investment manager due diligence*
- *Investment option recommendations*
- *Investment policy template*
- *Regular monitoring and reporting*

## Why Wilshire

- **Over 40 years of experience providing analytics and customized investment solutions for retirement plan sponsors, investment managers and advisors worldwide.**
- **Over \$7 trillion\* in assets under advisement.**
- **More than \$30 billion in ERISA 3(21) & 3(38) fiduciary services serving over 5,000 plans.\*\***
- **More than 1,500 investment managers meetings annually.**
- **More than 65 investment professionals contributing to investment management research.\*\***

\* Client assets are as presented by Pensions and Investments (detailed in "P&I's Top 1,000 Largest Retirement Plans" and "P&I's Largest Money Manager Directory 2013" as of 9/30/2012 and 12/31/12, and published 2/4/13 and 5/27/13, respectively).

\*\* As of 4/30/2014.

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# Which service is right for your plan?

	No services	3(21) fiduciary service	3(38) fiduciary service
Service type	“Do it myself”	“Help me do it”	“Do it for me”
Primary responsibilities	You accept all responsibility for selecting and monitoring your plan’s investment options.	Wilshire provides the recommendations for the investment options in the lineups, and you retain discretion over which investment options are offered to the plan.	You delegate responsibility to Wilshire for selecting and monitoring plan investment options.
Program components	You select plan investment options offered by the service provider. Typically all available investment options are offered regardless of their appropriateness as investments for retirement plans.	You choose Wilshire and then one of the following services:  <b>Select List</b> — you select investment options from a list that Wilshire has concluded are appropriate for retirement plans, or <b>Fund Menu</b> — you select a Wilshire-recommended Fund Menu that consists of one investment option from the Select List for each asset class.*	You delegate responsibility to Wilshire — Wilshire selects, monitors and manages plan investment options through a Fund Menu, which consists of one investment option from the Select List for each asset class.*
Asset class selection	You	Wilshire	Wilshire
Investment option selection	You	You choose investment options from the Select List or select a Fund Menu.*	Wilshire creates a Fund Menu from the Select List.*
Periodic investment option monitoring	You	You, with Wilshire’s support.†	You periodically review Wilshire’s services.
Implementing changes to the lineup	You	You choose whether to implement changes to your plan’s lineup based on Wilshire’s changes to the Select List or recommendations for the Fund Menu, and you may direct the recordkeeper to automatically execute Wilshire’s recommendations for changes to the Fund Menu.	Wilshire directs the recordkeeper to implement any changes.
Fiduciary responsibility for investment selection and monitoring	You	Wilshire is co-fiduciary.*	Wilshire

## Before deciding which service is right for your plan, consider the following:

- *Participant investment sophistication*
- *Plan trustee investment experience*
- *Current investment resources*
- *Plan size and participant balances*

\* Wilshire creates a Fund Menu subject to any restrictions imposed by the recordkeeper (i.e., a minimum number of the funds on the Fund Menu be recordkeeper-sponsored funds).

† Select List: Wilshire monitors the investment options on the Select List, and you monitor Wilshire’s changes and determine whether to execute any changes to your plan’s lineup; Fund Menu: Wilshire monitors the investment options in the Fund Menu and alerts you to any changes in recommendations.

# Wilshire's process

## Step 1

### Platform Review

Through a disciplined and well-defined review process, Wilshire identifies investment options from a variety of asset classes and styles to create a diversified menu of investment options. Wilshire determines the asset classes that will be eligible to be included in the Select List and Fund Menu based on the investments offered.

## Step 2

### Investment Screening

Through a disciplined and well-defined review process, Wilshire identifies investment options from a variety of asset classes and styles to create a diversified menu of investment options. Wilshire determines the asset classes that will be eligible to be included in the Select List and Fund Menu based on the investments offered.

#### Ineligible Status

Wilshire considers sector, specialty and other similar strategies ineligible. The objectives of these types of investment options are too narrowly defined to permit adequate diversification for a plan.

#### Pending Status

Wilshire slots investments options with less than \$75 million in assets under management (AUM), a track record of less than one year or insufficient data (e.g., missing returns or expense data) for pending review until these requirements are met. An exception to the Pending Status is made in the case of target date funds (TDFs), which are treated collectively as a series.

## Step 3

### Manager Research Review

Through a secondary screening process, based on quantitative and qualitative factors, Wilshire evaluates investment options on six components and assigns a Component Rating based on relative ranking within respective asset classes. These rankings are compared with the rankings of other investment options in that class. Using proprietary weighting of the six Component Ratings, a single Wilshire Investment Rating of below average, average or above average is assigned to each investment option.

### Six Component Ratings for evaluating investment options

Performance 30%	Risk 20%	Style 10%	Organization 20%	Cost 15%	Track record 5%
Total return 1-, 3-, and 5-year	Standard deviation 1-, 3-, and 5-year	R-squared 1-, 3-, and 5-year	Wilshire organizational score	Prospectus net expense ratio	Years since inception
Sharpe ratio 1-, 3-, and 5-year	Tracking error 1-, 3-, and 5-year		Manager tenure (average)		

## Manager research review determines investment option status

Each reviewed investment option is assigned a status that will determine whether it receives fiduciary coverage on the Select List or is eligible to be included on the Fund Menu. In addition to Ineligible Status and Pending Status, an investment option can receive one of the following statuses:

### Exclude Status

An investment option will not be considered for either the Select List or Fund Menu if both of the following conditions apply:

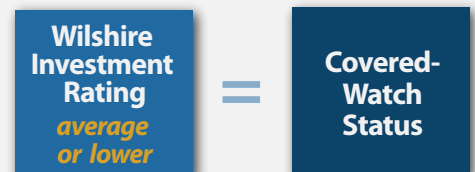
**Wilshire Investment Rating** is below average



### Covered-Watch Status

An investment option that retains fiduciary coverage but is flagged to monitor for factors that may lead to exclusion in the future:

**Wilshire Investment Rating** is average or lower



### Covered Status

Investment options passing the Ineligible/Pending screen with no Exclude Status are considered appropriate for retirement plans and, therefore, eligible for fiduciary coverage. Covered-Watch Status investment options are also eligible for fiduciary coverage on the Select List, and they may be included in a Fund Menu.

### Fund Menus

Wilshire applies a qualitative process to a Select List to create a Fund Menu. Wilshire has significant experience conducting manager research on investment strategies, and at this stage our team of analysts performs a qualitative assessment of investment options considered for the Fund Menu. Qualitative factors considered for an investment option's inclusion on the Fund Menu include firm reputation, buy-and-sell discipline, and the quality and experience of the investment management staff.

Additionally, Wilshire considers any Fund Menu requirements imposed by the recordkeeper. The resulting Fund Menu represents Wilshire's recommended investment options that are suitable for retirement plan investors and provide style consistency in representing each intended asset class. The Fund Menu, once recommended by Wilshire Manager Research, is subject to the approval of the Wilshire Funds Management Investment Committee.

**Step**

**4**

Quarterly Review

All investments are subject to the quantitative screening process on a quarterly basis. Those investment managers receiving low scores in multiple quantitative factors will undergo a more detailed and comprehensive review. In general, investments that have underperformed but have had no material changes to their investment process, risk management, organization or staffing tend to be retained. Investments that have underperformed and have had material adverse changes in these areas may be recommended for termination.

# Quarterly reporting

Each quarter, Wilshire will provide updated reports to help you monitor your plan's investment options. The 3(21) fiduciary service includes a Select List report. A separate report is available to plans electing the Fund Menus of either the 3(21) or the 3(38) service.

## Wilshire Select List report — 3(21) fiduciary service

Includes the current investment rating and data used to determine Component Ratings for each investment on the Select List.

Fund	Asset Class	Objective	Ticker	CUSIP	Wilshire Investment Rating	1 Year				3 Year				5 Year				10 Year				Net Expense		Gross Expense		Note
						1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year			
ClearBridge All Cap Value C	Large Blend	Growth and income	SPVCK	52469C306	Covered*	15.03	8.62	3.16	7.29	1.98	1.98															
ClearBridge Appreciation C	Large Blend	Growth	SAPCK	52468E303	Covered*	14.03	11.04	5.04	7.66	1.77	1.77															
Federated Capital Appreciation C	Large Blend	Growth	CPACK	314172883	Covered*	6.71	6.45	1.43	5.85	2.07	2.12															
Federated Max Cap Index C	Large Blend	Growth	MKCCX	31420E502	Covered	12.67	11.27	4.59	7.19	1.44	1.51															
Franklin Rising Dividends C	Large Blend	Growth and income	FRDIX	353825409	Covered	13.41	12.72	6.07	7.67	1.72	1.73															
Invesco Charter C	Large Blend	Growth	CHTCK	001413834	Covered	12.19	8.14	5.17	8.16	1.87	1.87															
Invesco U.S. Quantitative Core C	Large Blend	Growth	SCLUX	00141A784	Covered*	12.39	10.03	3.42	6.07	1.72	1.73															
Legg Mason Cap Mgmt All Cap C	Large Blend	Growth	SPRLX	52469E760	Exclude	11.52	11.18	6.37	4.71	1.90	1.90															
Legg Mason Cap Mgmt Value C	Large Blend	Growth	LMTX	52468E615	Exclude	12.55	7.65	0.67	3.64	1.80	1.80															
Mutual Beacon C	Large Blend	Growth and income	TEHEX	628380867	Covered*	13.77	8.39	2.27	7.26	1.84	1.84															
Openheimer Main Street C	Large Blend	Growth and income	MIGCX	68380D207	Covered	8.93	10.72	4.60	6.87	1.71	1.71															
Openheimer Main Street Select C	Large Blend	Growth	DMSCX	60300D050	Exclude	7.24	5.37	4.54	8.6																	
Openheimer Rising Dividends C	Large Blend	Growth	OCORD	68380H907	Covered	9.95	10.46	3.99	8.48	1.83	1.83															
Putnam Investors C	Large Blend	Growth	PCINX	748809300	Covered	11.98	10.95	5.40	6.56	1.94	1.94															
Putnam Research C	Large Blend	Growth	FRACK	74880E028	Covered	12.58	11.08	6.27	6.57	2.00	2.00															
Victory Diversified Stock C	Large Blend	Growth	VOSCK	52464E157	Covered*	11.67	8.04	2.67	7.96	1.93	1.93															
<b>Russell 1000 Index</b>						<b>14.41</b>	<b>12.93</b>	<b>6.15</b>	<b>8.97</b>																	
Allianore Core Opportunities C	Large Growth	Equity Income/Balanced	ADGCK	01879C039	Covered	12.20	13.13	5.30	7.7																	
Allianore Growth C	Large Growth	Growth	AGRCX	01877F608	Covered	5.23	10.00	4.56	6.8																	
Allianore Large Cap Growth C	Large Growth	Growth	APGCK	01877C309	Exclude	9.21	9.90	8.49	8.6																	
American Century Disciplined Growth C	Large Growth	Growth	ADGCK	02507M527	Covered	7.70	13.48	6.71																		
American Century Focused Growth C	Large Growth	Growth	AFGCK	02508H650	Pending	5.69	9.64	8.20																		
American Century Growth C	Large Growth	Growth	TWRCX	02508H626	Covered	5.12	9.97	4.90	7.4																	
American Century Select C	Large Growth	Growth	ACSLX	02508J339	Covered	2.97	9.55	4.55	5.5																	
American Century Ultra C	Large Growth	Growth	TWRCX	02508J388	Covered	4.66	10.04	4.52	5.2																	
American Funds AMCAP R-2	Large Growth	Growth	RAFEX	023375868	Covered	12.33	10.55	6.25	7.6																	
American Funds Growth Fund of America R-2	Large Growth	Growth	RGAXX	399874866	Covered	13.42	9.52	3.71	8.1																	
American Funds New Economy R-2	Large Growth	Growth	NEGEX	649822609	Exclude	15.96	11.42	4.49	10.5																	
BlackRock Capital Appreciation Inv C	Large Growth	Growth	MKFGX	092518305	Exclude	4.10	7.28	3.94	7.5																	
BlackRock Focus Growth Inv C	Large Growth	Growth	MCFGX	09251F309	Exclude	3.95	8.84	4.81	8.8																	
BlackRock Large Cap Growth Inv C	Large Growth	Growth	MGLCX	09252A009	Exclude	4.80	8.28	4.96	7.2																	
Calvert Equity C	Large Growth	Growth	TWRCX	02508J8704	Covered	8.01	10.06	5.44	7.2																	
Calvert Social Index C	Large Growth	Growth	CSNCK	13158Z789	Covered	10.89	10.21	4.89	6.4																	
ClearBridge Aggressive Growth C	Large Growth	Growth	SAPCK	52468E307	Covered	13.29	10.21	7.63	8.4																	
ClearBridge Large Cap Growth C	Large Growth	Growth	SCLCX	52469H792	Covered	15.89	10.65	6.44	7.2																	
Federated MDT Large Cap Growth C	Large Growth	Growth	ODGLX	114211809	Pending	9.97	10.22	3.13	3.1																	
Franklin DymallyTech C	Large Growth	Growth	FDYTX	35349E070	Covered	4.87	10.73	7.08	8.8																	
Franklin Flex Cap Growth C	Large Growth	Growth	FCUX	352512002	Covered	1.46	7.64	4.51	8.5																	
Franklin Growth C	Large Growth	Growth	FRGSX	35349E888	Covered	7.87	9.18	6.12	8.1																	
Franklin Growth Opportunities C	Large Growth	Growth	FRGCK	354713711	Covered	4.75	10.53	7.05	10.80																	
Invesco American Franchise C	Large Growth	Growth and income	VAFCX	001451052	Covered*	2.41	8.18	5.90	1.80	1.93	1.93															

## Wilshire Fund Menu report — 3(21) or 3(38) fiduciary service

Provides quarterly updates and commentary from Wilshire Manager Research on investment options selected for the Fund Menu.

American Funds AMCAP R-2	
<b>Investment Overview</b>	Capital Research and Management Company (CRMC), an experienced investment management organization founded in 1931, serves as the investment adviser to the American Funds AMCAP Fund. The Fund employs CRMC's long-standing multi-portfolio manager approach, dividing up the Fund's assets among four senior portfolio counselors in addition to a slice of the portfolio managed by the firm's research analyst staff. The Fund's objective is long-term growth of capital, primarily investing in common stocks of U.S. companies that have solid long-term growth records and the potential for strong future growth. The portfolio is diversified, typically holding between 120-160 stocks, with individual industry allocations limited to approximately 25% of the portfolio. The Fund has historically held a notable cash position and may invest up to 10% of the portfolio in non-U.S. stocks.
<b>1Q 2013 Summary</b>	<ul style="list-style-type: none"> <li>1Q Performance: American Funds AMCAP R-2: 10.17</li> <li>Russell 1000 Growth Index: 9.54</li> <li>The investment option's performance this quarter was primarily driven by security selection, specifically within the Information Technology and Consumer Discretionary sectors.</li> <li>The investment option's significant underweight position in Apple added significant value this quarter.</li> <li>Additionally, holdings in the Health Care sector, specifically in the biotechnology industry, aided relative results. Gilead Sciences was a top performing name within the sector.</li> <li>Conversely, holdings within the Telecommunication Services and Materials sectors weighed on relative results, as did a residual cash position.</li> <li>Wilshire continues to view this investment option favorably within the U.S. large cap growth universe.</li> </ul>
<b>Top Ten Holdings</b>	<ul style="list-style-type: none"> <li>Gilead Sciences Inc ORD</li> <li>Microsoft Corp ORD</li> <li>Oracle Corp ORD</li> <li>EOG Resources Inc ORD</li> <li>Biogen Idec Inc ORD</li> </ul>
Source: Lipper	

# Summary and fees

## Program benefits

To help you select and monitor your retirement plan's investment lineup, Wilshire delivers a third-party 3(21) and 3(38) fiduciary program with services that include investment selection, monitoring, reporting, mapping and automatic execution. The program offers the following advantages:

### 1. Independent investment advice

- Wilshire, as a third-party investment advisor, provides independent investment advice.
- Agreement and payment for this service is between you and Wilshire; the recordkeeper deducts fees for the service and pays directly to Wilshire.

### 2. Flexible program features

- You can select the service that best suits your plan's needs.

#### ERISA 3(21) Investment Advisor

##### "Help me do it"

Wilshire recommends, but you select the investment options for your plan.

#### ERISA 3(38) Investment Manager

##### "Do it for me"

Wilshire selects the plan's investment options for the Fund Menu.

- For easier plan conversions, Wilshire offers a mapping service.
- Automatic execution is available with Fund Menus within the 3(21) fiduciary service. Unless you opt out, the recordkeeper will automatically execute recommended changes to the investment option lineup of a Fund Menu to ensure it continues to stay in line with Wilshire's recommendations.

### 3. Straightforward program cost

- The cost for the program is a fee based on plan assets with no hidden charges, so sponsors know exactly what they're paying for the service.

Annual program cost	
3(21) service	3(38) service

0.02% of plan assets

0.05% of plan assets

Mapping fee: \$100 for 3(21) Fund Menu; included with 3(38) Fund Menus.



Wilshire's ERISA 3(21) and 3(38) fiduciary services program is provided pursuant to the agreement between Wilshire and the plan sponsor and is subject to the terms and conditions contained therein, including any limitations thereto. The recordkeeper requires that a minimum percentage of funds on the Fund Menu be recordkeeper-sponsored funds. Wilshire creates the Fund Menu subject to this restriction.

Fiduciary coverage means only that the fund is considered an appropriate investment option for a retirement plan. It does not guarantee a profit or protect against a loss.

Wilshire may have relationships with investment managers that are included in the investment options available to a plan. Please refer to our Form *ADV, Part II* for more information about how potential conflicts of interest are addressed.

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