



SIGMA

INVESTMENT MANAGEMENT COMPANY

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Stoll Stoll Berne Lokting & Shlachter PC Emp PSP

Quarterly Portfolio Review

As of March 31, 2018

Stoll Stoll Berne Lokting & Shlachter PC Emp PSP
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Executive Summary

In the first quarter of 2018, the performance of both the Russell and Vanguard lifecycle funds beat index benchmarks, with the Russell options outperforming the Vanguard options. Heavier than average foreign equity weightings and specialty areas (e.g. commodities, real estate, foreign and emerging markets bonds and global infrastructure) throughout the past five years hurt performance of the Russell LifePoints funds relative to standard index benchmarks, and these affect multi-year performance comparisons.

The underlying component funds within the Russell lifecycle funds had above-average peer group performances in the quarter and over longer periods, indicating that performance lags are a portfolio allocation, rather than investment management, issue.



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Fund and Benchmark Summary

Funds

| Benchmark Description* | Qtr Return | YTD Return | 1 Yr Return | 3Yr Return | 5Yr Return | Fund Expense |
|------------------------------------|------------|------------|-------------|------------|------------|--------------|
| 1--American Century S/T Gov | -0.17% | -0.17% | -0.16% | 0.04% | 0.09% | 0.55% |
| 1--Russell Lifepoints Conservative | -0.40% | -0.40% | 3.21% | 2.76% | 3.08% | 0.76% |
| 2--Russell Lifepoints Moderate | -0.09% | -0.09% | 5.48% | 4.21% | 4.66% | 0.91% |
| 3--Russell Lifepoints Balanced | -0.08% | -0.08% | 6.59% | 4.97% | 5.94% | 1.02% |
| 3--Vanguard Life Moderate Growth | -0.58% | -0.58% | 9.60% | 6.03% | 7.38% | 0.13% |
| 4--Russell Lifepoints Growth | -0.39% | -0.39% | 8.96% | 5.82% | 6.84% | 1.05% |
| 4--Vanguard Life Growth | -0.56% | -0.56% | 12.27% | 7.43% | 9.07% | 0.14% |
| 5--Russell Lifepoints Equity | -0.44% | -0.44% | 10.05% | 6.64% | 7.74% | 1.33% |
| 5--Vanguard Total Stock Market | -0.60% | -0.60% | 13.84% | 10.19% | 13.01% | 0.04% |
| 5--Vanguard Total World Stock | -0.53% | -0.53% | 15.27% | 8.53% | 9.54% | 0.19% |

Benchmarks

| | Qtr Return | YTD Return | 1Yr Return | 3Yr Return | 5Yr Return |
|-----------------------|------------|------------|------------|------------|------------|
| 1--Sigma Conservative | -1.33% | -1.33% | 3.80% | 2.80% | 3.65% |
| 2--Sigma Moderate | -1.20% | -1.20% | 6.44% | 4.38% | 5.47% |
| 3--Sigma Balanced | -1.07% | -1.07% | 9.13% | 5.95% | 7.29% |
| 4--Sigma Growth | -0.94% | -0.94% | 11.86% | 7.50% | 9.10% |
| 5--Sigma Equity | -0.96% | -0.96% | 14.85% | 8.12% | 9.20% |

Returns for periods exceeding 12 months are annualized



*Match fund(s) with benchmarks using the preceding number.

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Glossary

Benchmark Return – A performance comparison for the portfolio's total return, using component indexes to match the client's target allocation weighting.

Market Capitalization (cap) – The median total market valuation (shares of common stock times price) of a company.

- Large Cap – Companies exceeding approximately \$16.5 billion
- Mid-cap – Companies between approximately \$3.5 and \$16.5 billion
- Small cap – Companies under approximately \$3.5 billion

Indexes

Russell 3000® Index – Composed of the 3000 largest U.S. companies by market capitalization, representing approximately 98% of the U.S. equity market.

MSCI ACWI® (All Country World Index) – A market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The index consists of 46 individual country indexes; 23 developed and 23 emerging market country indexes.

Barclays U.S. Aggregate Bond Index – a market capitalization – weighted index with most U.S. traded investment grade bonds represented. The index includes treasuries, government-related and corporate securities, mortgage-backed bonds, agency bonds and a small amount of foreign bonds traded in the U.S.

Benchmarks

1 Sigma Conservative – 14% Russell 3000® Index, 6% MSCI ACWI ex US Index and 80% Barclays US Aggregate Bond Index.

2 Sigma Moderate – 28% Russell 3000® Index, 12% MSCI ACWI ex US Index and 60% Barclays US Aggregate Bond Index.

3 Sigma Balanced – 42% Russell 3000® Index, 18% MSCI ACWI ex US Index and 40% Barclays US Aggregate Bond Index.

4 Sigma Growth – 56% Russell 3000® Index, 24% MSCI ACWI ex US Index and 20% Barclays US Aggregate Bond Index.

5 Sigma Equity – 100% MSCI ACWI Index.

Disclaimers

Returns are shown net of mutual fund expense ratios, which include varying amounts for different funds that are rebated back to the plan. These rebates are directed by the investment committee to pay for recordkeeping and consulting services. Past performance is no guarantee of future results. Part 2 of Sigma's Form ADV, Sigma's privacy policy, Sigma's code of ethics and Sigma's proxy voting policy and record are all available upon request. Data is obtained from sources believed to be reliable, but accuracy cannot be guaranteed.

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Component fund weightings in LifePoints® Funds are as indicated by Russell Investment Company, and may vary over time.

