



Investment Proposal

January 16, 2015



Current Plan

- Investment Options
 - 3 Risk-Based Allocation Portfolios
 - 2 Stand Alone Portfolios
- Pricing
 - Underlying Fund Expense: 4 – 17 bps
 - Service Fee: 67 – 77 bps
 - Total Annual Asset-Based Fee: 81 – 89 bps
 - Average Expense: 86 bps
 - Weighted Average Expense: 88 bps
- Fees
 - \$25 annual account fee (waived for Montana residents, account balance over \$25,000 and AIP or payroll direct deposit)

Ascensus Proposed Plan

- Investment Options
 - 1 Age-Based Track (5 Portfolios)
 - 5 Risk-Based Allocation Portfolios
 - 1 Savings Portfolio

- Pricing
 - Underlying Fund Expense: 0-11 bps
 - Investment Management Fee: 5 bps
 - Service Fee: 47 bps
 - State Fee: 20 bps
 - Total Annual Asset-Based Fee: 67–83 bps
 - Average Expense: 82 bps
 - Weighted Average Expense: 82 bps

- Fees
 - \$25 annual account fee (waived for Montana residents, account balance over \$25,000 and AIP or payroll direct deposit)

Asset Allocation

Expense Ratio	Asset Class	Fund Name	Ticker	Steps to GlidePath Age Range				
				1 0 to 4	2 5 to 10	3 11 to 14	4 15 to 17	5 18 +
0.08%	Large	DFA Large Company	DFUSX	38.0%	33.4%	24.7%	11.4%	0.00%
0.08%	Small and Mid	Vanguard Small Cap Value Institutional	VSIX	25.0%	22.0%	16.3%	7.5%	0.00%
0.08%	REIT	Vanguard REIT Index Institutional	VGSNX	10.0%	8.8%	6.4%	3.0%	0.00%
0.07%	International	Vanguard Developed Markets Index Institutional	VTMNX	15.0%	13.2%	9.8%	4.5%	0.00%
0.12%	Emerging Market	Vanguard Emerging Markets Stock Index Institutional	VEMIX	12.0%	10.6%	7.8%	3.6%	0.00%
	Total Stock			<u>100.0%</u>	<u>88.0%</u>	<u>65.0%</u>	<u>30.0%</u>	<u>0.00%</u>
0.07%	Short Inflation Protected	Vanguard Short-Term Infl-Prot Sec Index Institutional	VTSPX	0.0%	1.8%	4.5%	6.0%	4.5%
0.19%	Short Term Investment Grade	DFA Short-Term Government	DFFGX	0.0%	3.0%	7.5%	10.0%	7.5%
0.18%	Global Bond	DFA Two-Year Global Fixed Income	DFGFX	0.0%	1.8%	4.5%	6.0%	4.5%
0.12%	Medium Term Inflation Protected	DFA Inflation Protected Securities	DIPSX	0.0%	2.4%	6.0%	8.0%	6.0%
0.07%	Core Bond	Vanguard Total Bond Market Index Institutional	VBTLX	0.0%	3.0%	7.5%	10.0%	7.5%
	Total Fixed Income			<u>0.0%</u>	<u>12.0%</u>	<u>30.0%</u>	<u>40.0%</u>	<u>30.0%</u>
0.10%	Cash	Vanguard Prime Money Market	VMRXX	0.0%	0.0%	5.0%	30.0%	70.0%
	Total Asset Allocation			<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Total Investment Expense

Portfolio	Underlying Fund Expense	Investment Management Fee	Total Investment Expense
Age-Based Portfolio			
0 to 4	0.08%	0.05%	0.13%
5 to 10	0.09%	0.05%	0.14%
11 to 14	0.10%	0.05%	0.15%
15 to 17	0.10%	0.05%	0.15%
18 +	0.11%	0.05%	0.16%
Static Allocation Portfolio			
Equity 100	0.08%	0.05%	0.13%
Equity 88	0.09%	0.05%	0.14%
Equity 60	0.10%	0.05%	0.15%
Equity 30	0.10%	0.05%	0.15%
College Age	0.11%	0.05%	0.16%
Savings Portfolio	0.00%	0.00%	0.00%