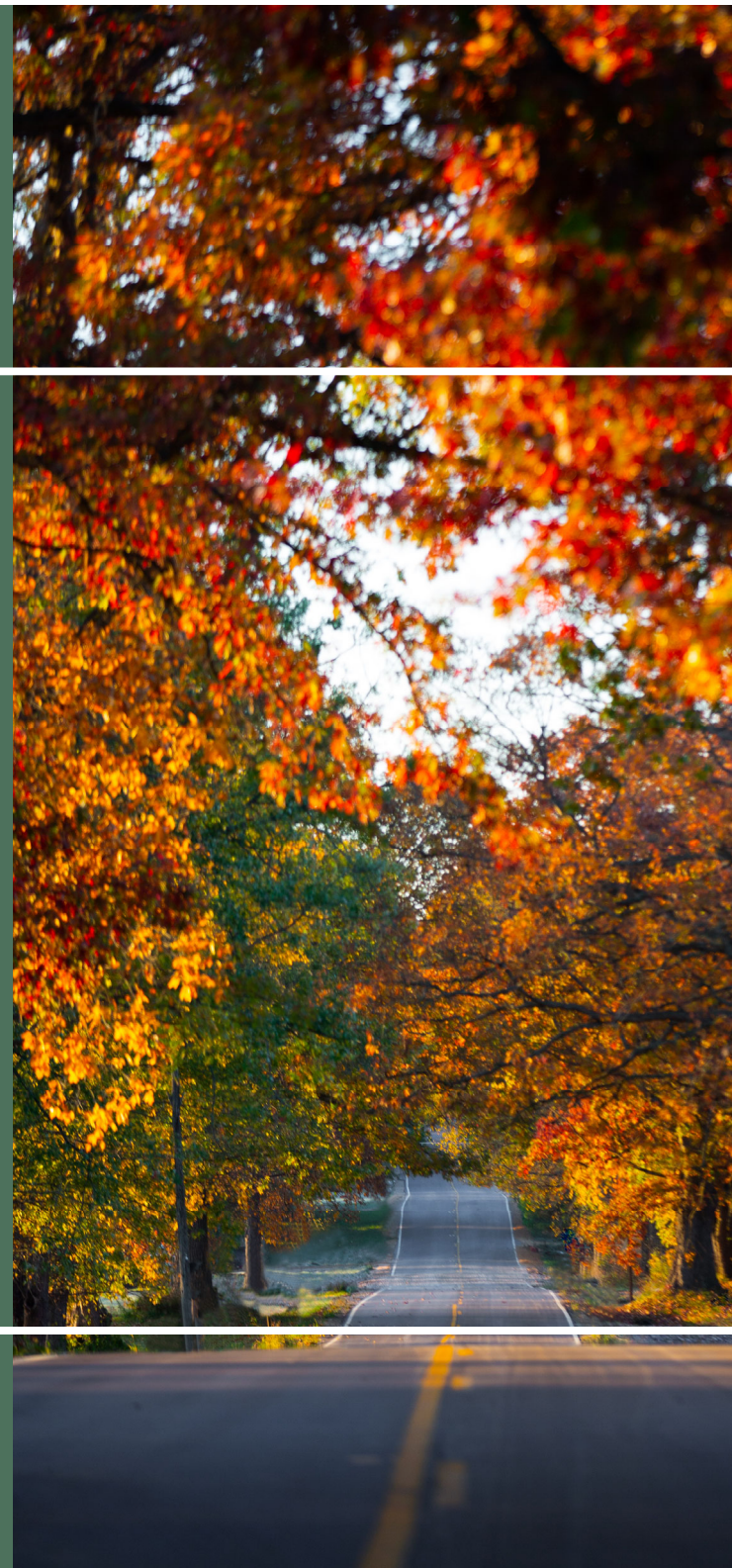




# Branch District Library

## MERS 457 Program

Using data as of December 31, 2024



MERS is an organization that administers **retirement** plans for Michigan's local units of government on a **not-for-profit basis**. We offer comprehensive services, keep costs low, and put your members interest first – making us the plan **fiduciary**.



Trusted with **84%** of municipal pension plans in the state



We provide reliable retirement benefits to over **140,000 participants**



We pool over **\$16 billion** in assets

# Independent Elected Board

- Elected by members
- No compensation
- Sole fiduciary responsibility

## Officer Members



## Employee Members



## Appointed Members



# Board Members

## Officer Members



**Keith Van Beek**  
Officer Member –  
Chairperson  
City Manager of Holland



**Kirk Harrier**  
Officer Member  
Managing Director –  
Otsego County Road  
Commission



**Lesley Foxx**  
Officer Member  
Executive Director  
for Saginaw Housing  
Commission

## Employee Members



**Jason Sarata**  
Employee Member –  
Chair Pro-Tem  
Firefighter/Paramedic  
for Delta Township



**Kyle Lewis**  
Employee Member  
Firefighter/Paramedic  
for Northville Township



**Lisa Rauch**  
Employee Member  
Senior Human Resources  
Generalist – Gerald R.  
Ford Airport Authority

## Appointed Members



**James R. Wiersma**  
Expert Member  
President, Family  
Investment & Resource  
Management, LLC, Holland



**Michael Gilmore**  
Expert Member  
President & CEO, The  
4100 Group, Inc.



**John Ogden, CPA**  
Retiree Member  
Retired Finance Director  
from the City of Port Huron



# What is Fiduciary Responsibility?

## Legal Compliance



## Investment Oversight



## Reasonable Expenses



# Degrees of Fiduciary Responsibility

Not all plan providers assume the same degree of responsibility



## *Plan Provider*

The plan provider takes fiduciary responsibility, establishes the plan document, determines the investment options available and monitors performance.

**As the sole fiduciary, MERS provides employers with this level of confidence.**

## *Co-Fiduciary Responsibility*

Some plan providers act as co-fiduciaries. The provider offers investment information and makes recommendations. The employer is responsible for selecting and monitoring the performance of the funds.

The plan provider and employer share fiduciary responsibility for the plan.

## *Employer*

Most plan providers act only as a record keeper and leave decisions regarding the plan document, investment options and performance monitoring to the employer.

The employer has unlimited choices under this scenario, but risks being held liable for fiduciary violations.

# Full-Service Plan Administration

No additional cost

Plan  
Governance

On-Staff  
Auditor

Legal Counsel

Legislative  
Advocacy

Financial  
Reporting

Administration  
of Benefits

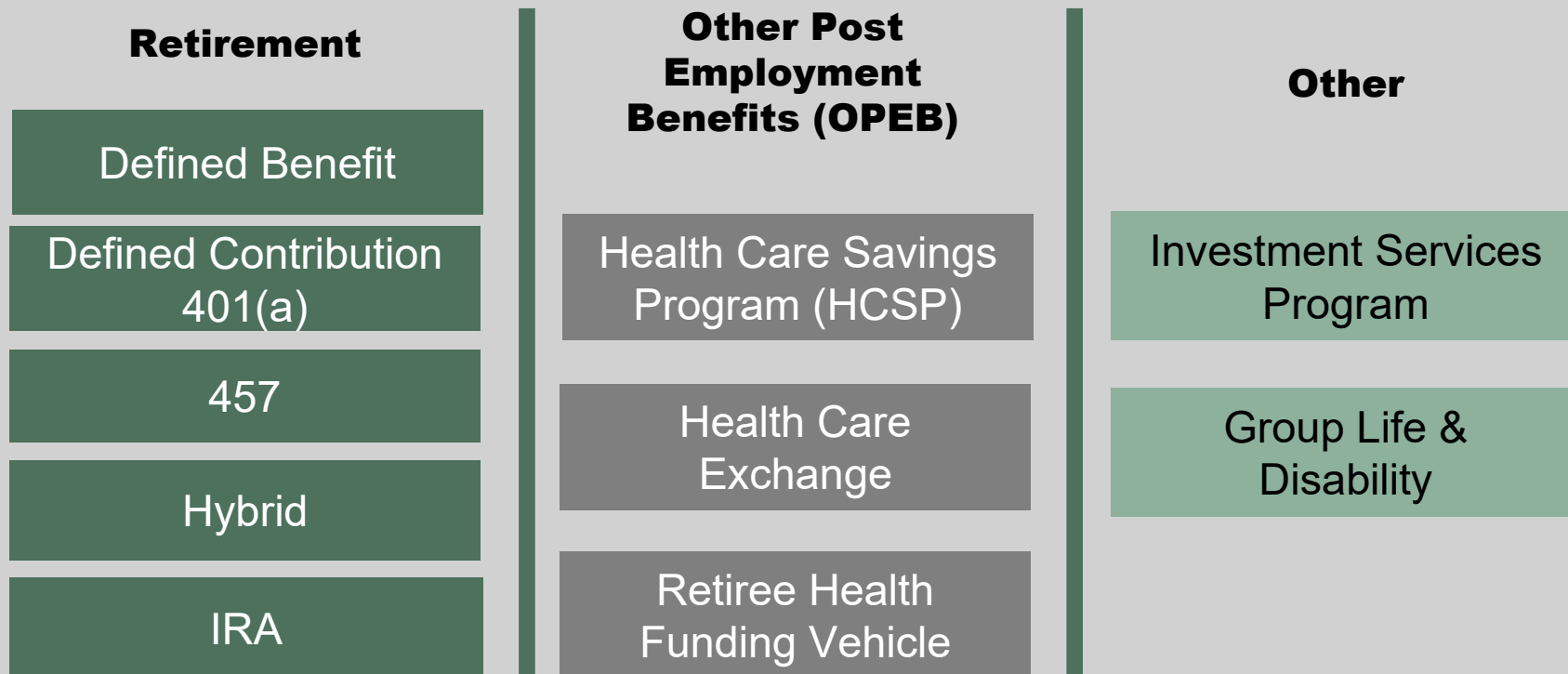
Actuarial  
Services

GASB 68  
Assistance

Portfolio  
Management

Participant  
Education and  
Resources

# Different Needs = Different Plans





# Investment Menu

Grouping investment options into logical categories helps participants easily create fully diversified portfolios

1

## Do it for me

Fully diversified target date funds that automatically adjust over time

2

## Help me do it

Prebuilt portfolios that are monitored and rebalanced quarterly

3

## I'll do it myself

Personal choice retirement account to access funds outside of MERS



## Built to Encourage Higher Savings Rates

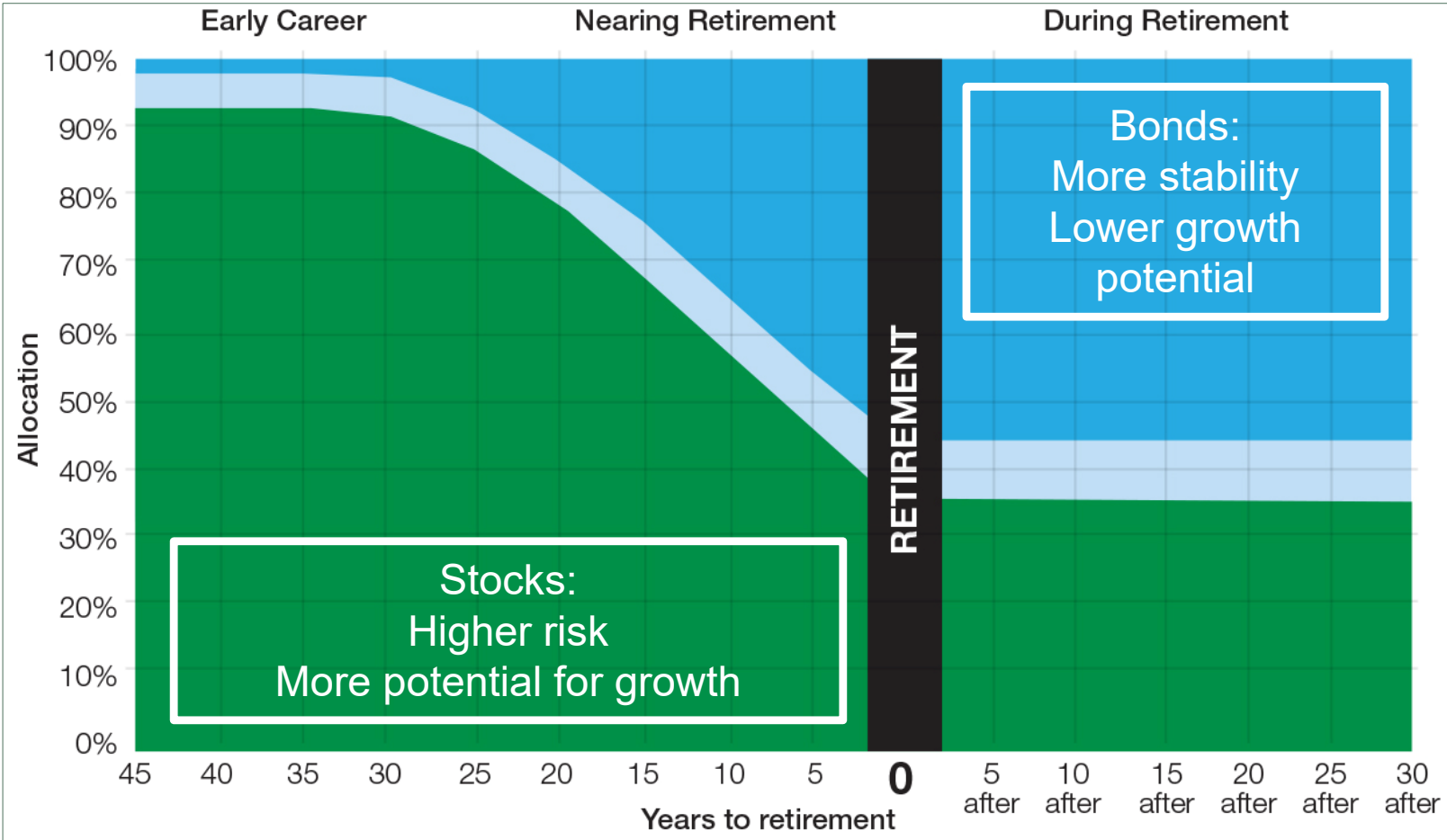
A study on consumer behavior experimented with jam displays. One table held 24 varieties of gourmet jam; the other held only six varieties. The large display attracted more interest, but people were **10 times more likely** to purchase from the small display.

- The principle of “less is more” applies to participation rates in retirement programs
- A large number of choices discourages participation, even amongst well-informed participants
- MERS groups investment options into logical categories to help participants easily create fully diversified portfolios

# 1

*“Do it for me”*

## LifePath Target Date Funds



# 2

## “Help me do it”

*Pre-Built Portfolios and Pre-Selected Funds to Build Your Own Portfolio*

### **Asset Allocation Portfolios**

- Total Market
- Global Stock
- Established Market
- Diversified Bond

### **Asset Specific Funds**

- Large Cap Stock Index
- Mid Cap Stock Index
- Small Cap Stock Index
- International Stock Index
- Emerging Market Stock
- Real Estate Stock
- Bond Index
- High Yield Bond
- Short-Term Income
- Stable Value

# 3

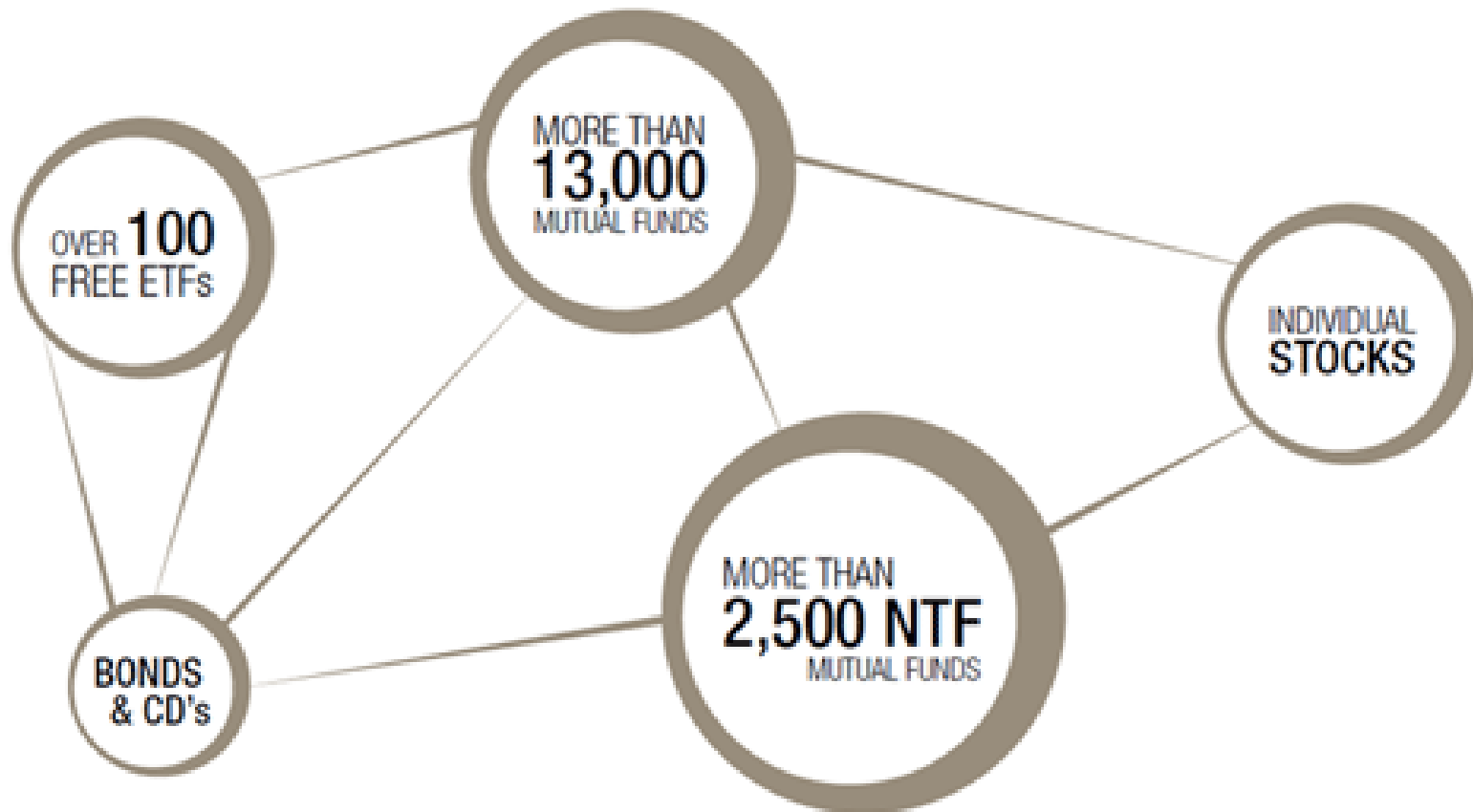
## “I’ll do it myself”

### Self-Directed Brokerage Account

**FLEXIBILITY**

**CONTROL**

**CHOICE**



# Straightforward Costs

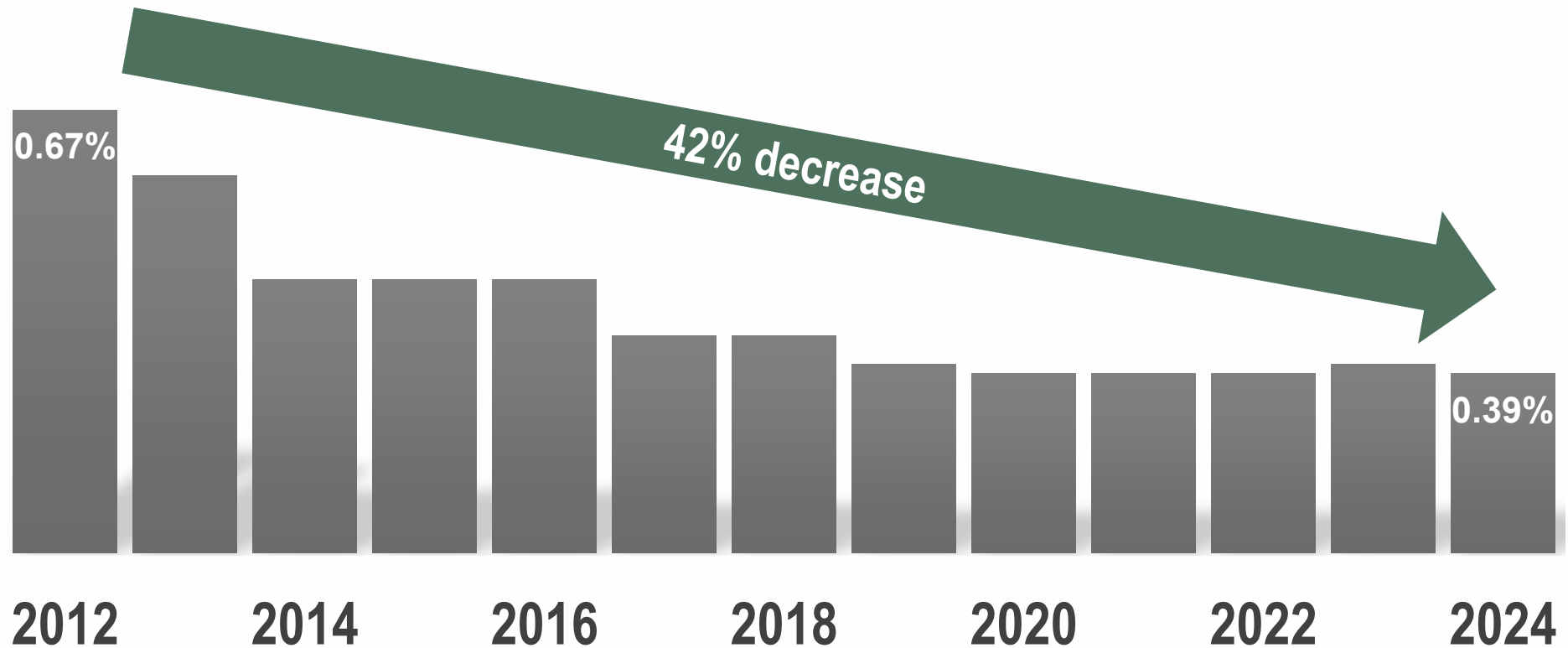
- Total expenses:

<b>MERS Operating</b> Plan service, participant education, fiduciary oversight, etc.	0.24%
<b>Custody &amp; Recordkeeping</b> Banking services, plan administration, etc.	0.09%
<b>Investment Management Expense</b> Underlying investment fund expense	varies

- As of 12/31/2024, the MERS' weighted average fund cost is 0.39%.
- Our economies of scale allow us to negotiate lower costs that are not boxed into a time frame.



# A History of Cost Reduction



The MERS asset-weighted average fund cost is determined by the percentage of assets participants invest in each fund offered on the MERS 401(a) Plan, MERS 457 Program, and MERS Health Care Savings Program.

# 457 Program Provider Comparison



# Provider Comparison *Nationwide*

Asset-Weighted Plan Averages <i>(Appendix III)</i>	Nationwide	MERS	Difference
<i>Expense</i>			
Asset-Weighted Average Expense	1.60%	0.36%	-1.24%
<i>Total Impact (Performance, Less Fund Fees)</i>			
1-Year Asset-Weighted Average Performance	10.92%	12.93%	2.01%
3-Year Asset-Weighted Average Performance*	3.12%	3.88%	0.76%
5-Year Asset-Weighted Average Performance*	2.91%	7.13%	4.22%
10-Year Asset-Weighted Average Performance*	5.05%	6.75%	1.70%

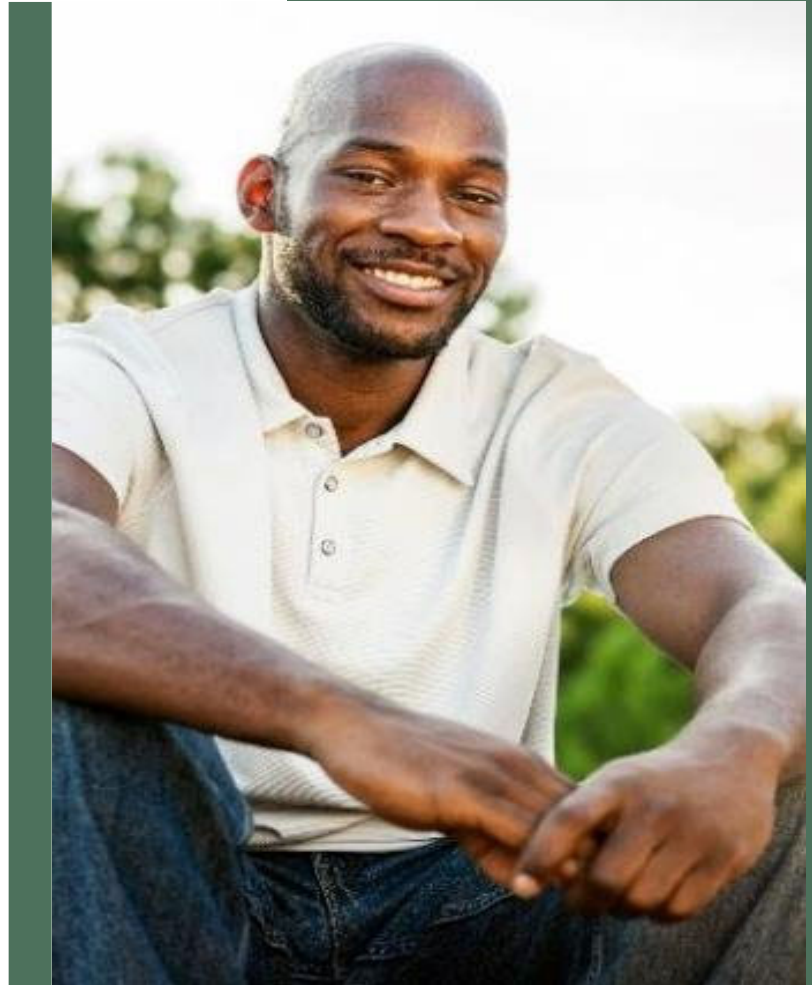
\*Note that assets held in a Nationwide fund that did not have a 3-, 5-, and/or 10-Year performance, and that Nationwide did not provide a benchmark return for the same period that could be used as an alternative, were excluded from the asset-weighted performance calculation and the rate shown is based on a calculation with the remaining assets in the plan for that period. This is shown in Appendix III.

- 1) The Asset-Weighted Average is calculated by multiplying expense or performance by the percentage of assets held in each fund.
- 2) Branch District Library provided MERS with its Nationwide “Investment Option Summary – 10/1/2024 to 12/31/2024” statement. This report provided the amount of plan assets held in each fund and performance information. These details are shown in Appendix III.
- 3) The funds are mapped to the closest “like-style” asset class available on the MERS investment menu. Note that assets (\$47,305) held in the Nationwide Fixed Account could not be included as there is no performance provided over the measurement periods, and MERS does not offer a fixed account option. as shown in Appendix III.
- 4) 1-, 3-, 5-, and 10-Year Impact (Performance, Less Fund Fees) are used to provide a long-term perspective.
- 5) Branch District Library provided MERS with its Nationwide “Investment Option Summary – 10/1/2024 to 12/31/2024” statement, which provided each individual fund’s “expense ratio.” In addition, it shows the additional “Variable Account Expense Fees” of (0.70% - 0.95%). Each fund’s total expense ratio is shown in Appendix I.
- 6) The fees reflected for MERS include all operating, custody, recordkeeping, and investment management expense charged by MERS as shown in Appendix II.
- 7) The asset-weighted averages shown above are not intended to show actual expense or performance experienced by the plan during the periods shown because the calculation does not account for plan activity (i.e. contributions, distributions, participant transfers between investment options) during the periods. The asset-weighted averages reflect a hypothetical illustration based on assets held in each investment option as reported at a specific point in time.

# Why fund costs matter

## Meet Jim

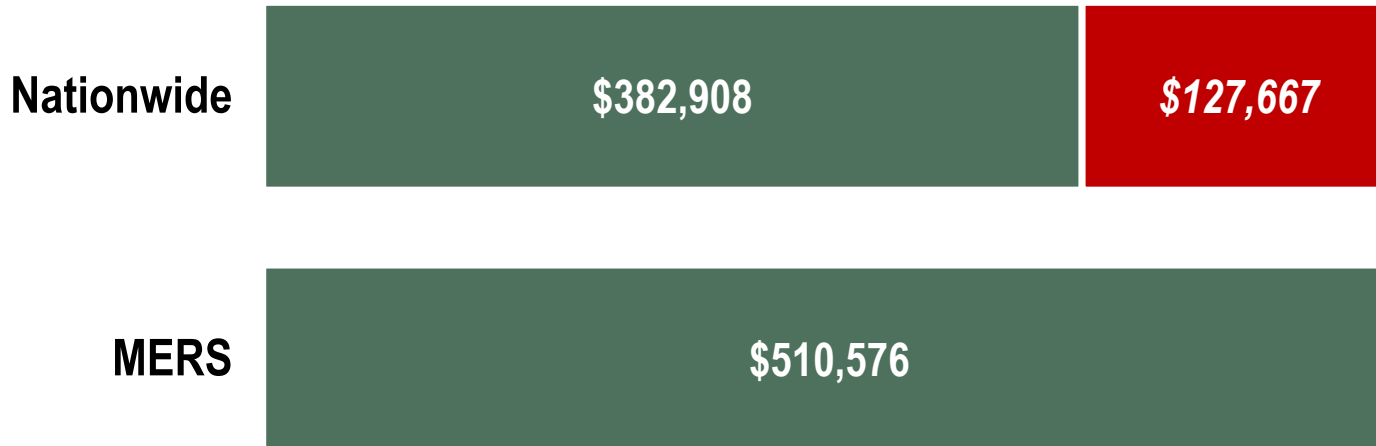
- Jim is currently 30 years old, makes \$50,000/year, and anticipates a 2% annual salary increase
- Jim makes bi-weekly 5% voluntary contributions into his 457 account, which currently has a \$10,000 balance
- Both Jim and his employer make 6.2% contributions into his 401(a) account, which currently has a \$25,000 balance
- Jim anticipates a 7% investment return *before factoring in the investment expenses*
- Jim plans to retire at age 62
  - He plans to receive his balance through equal monthly payments until age 90 (*28 years of payments*)
  - He anticipates a lower investment return of 5% during his retirement *before factoring in the investment expenses*



# Balance at Retirement *(Appendix IV)*

*This comparison shows the impact of higher costs during Jim's projected accumulation phase.*

- Jim's 457 Account Balance
- Amount Jim Lost to Higher Fees



Investing with MERS would provide Jim with

**33%**

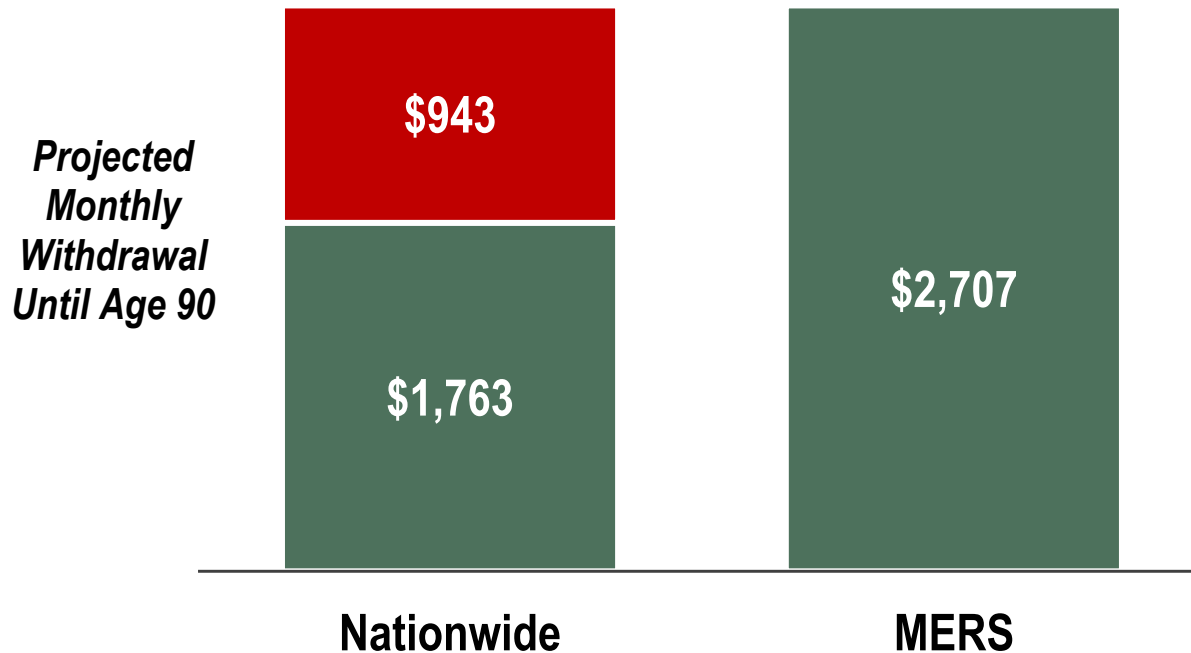
more at retirement!

**Weighted Average Expenses:** *Nationwide – 1.60%; and MERS – 0.36%.*

# Monthly Income in Retirement *(Appendix V)*

*This comparison shows the impact of higher costs during Jim's projected distribution phase.*

- Income Jim Lost to Higher Fees
- Jim's Monthly 457 Income



Investing with MERS would provide Jim with

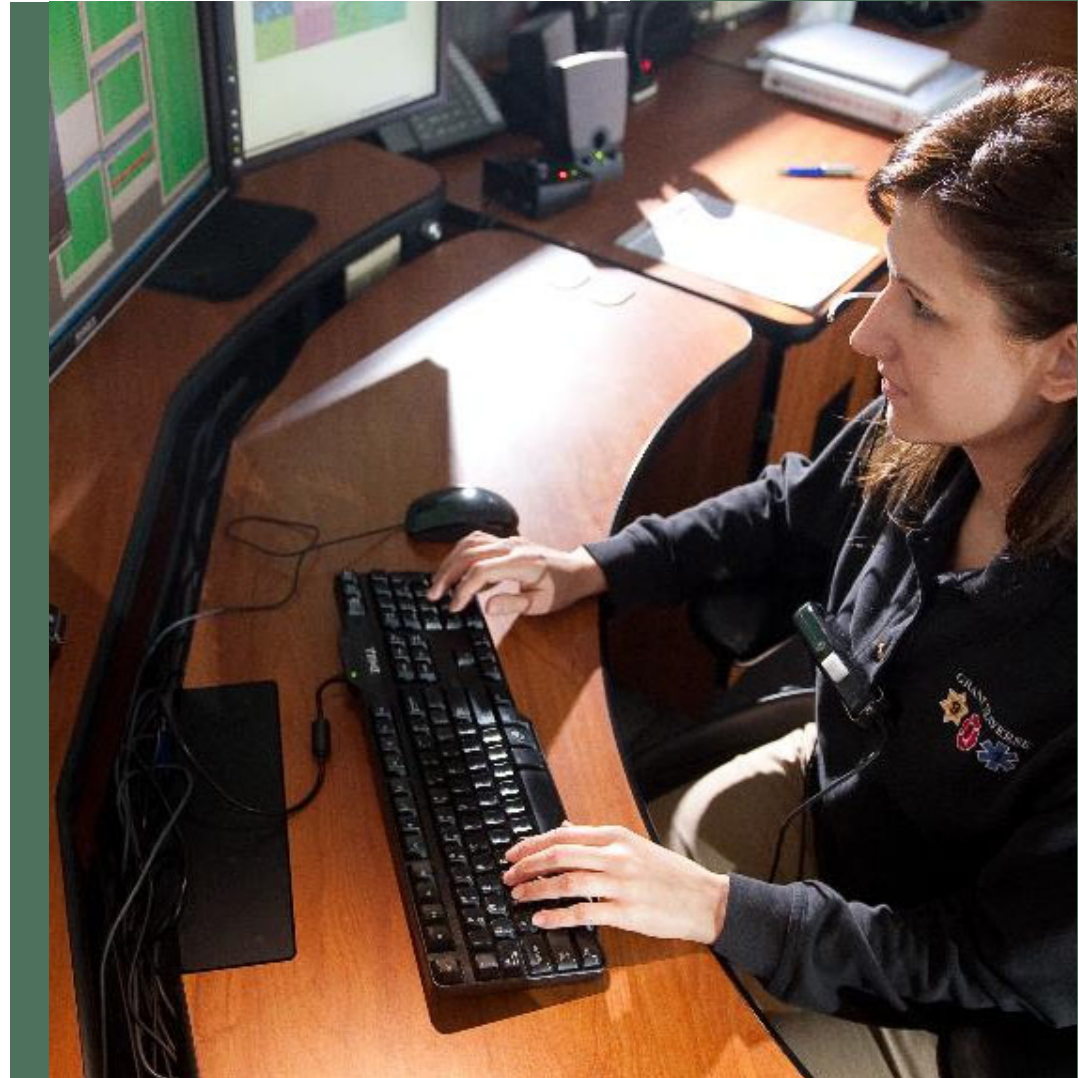
**53%**

more in monthly income during retirement!

**Weighted Average Expenses:** *Nationwide – 1.60%; and MERS – 0.36%.*



# Participant Education & Resources



# Consolidated Statements

- Consolidated quarterly statements show how participant directed accounts will work together to provide income in retirement
- Annual projection of estimated monthly withdrawal at retirement

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN  
1134 MUNICIPAL WAY  
LANSING, MI 48917



CALL CENTER 800.767.MERS (6377)  
WWW.MERSOFMICH.COM

QUARTERLY ACCOUNT STATEMENT  
PERIOD 10.01.2021 — 12.31.2021

SAMPLE EMPLOYEE  
123 MAIN STREET  
LANSING, MI 48917

TOTAL CURRENT ACCOUNT BALANCE ..... **\$100,000.14**

#### ACCOUNT SUMMARY

	457 Account
Division	40,120
Beginning Balance on 10.01.2021	\$99,751.01
Contributions	\$2,903.70
Gain/Loss	\$5,109.43
Distributions	\$0.00
Fees/Expenses	\$0.00
Other	\$0.00
Ending Balance on 12.31.2021	\$100,000.14
Weighted Balance <sup>1</sup>	\$100,100.14
Your Personal Rate of Return <sup>2</sup>	
This Period	3.87%
Year To Date	12.27%

<sup>1</sup>The weighted balance shown may reflect multiple accounts of the same product with your MERS accounts online for the specified plan's weighted balance.  
<sup>2</sup>Your personal rate of return (as listed) using the Modified Dietz Method which assumes an constant rate for the period, weight big wash as if flow by the flow held and relative balances in each investment.



#### MESSAGE CENTER

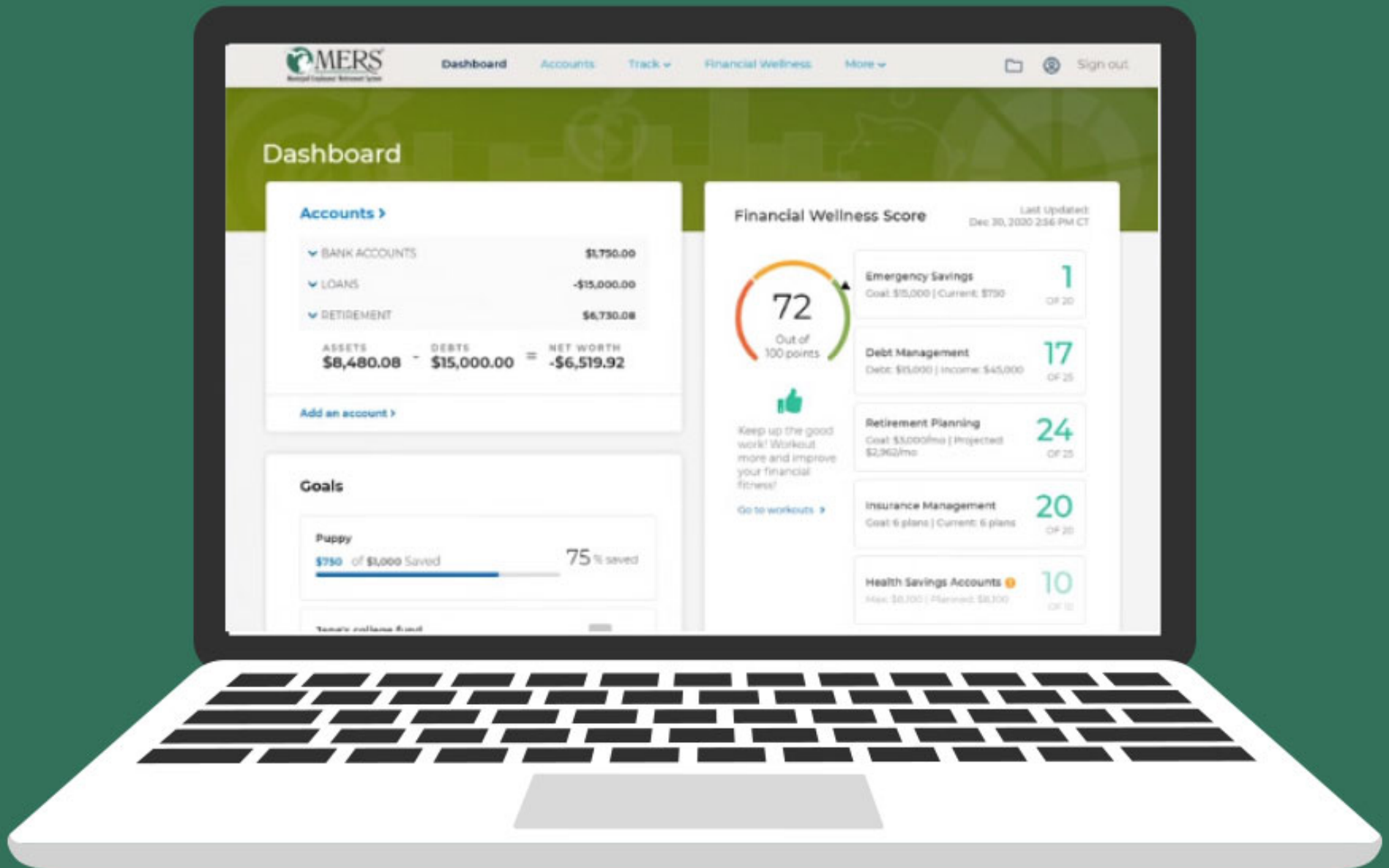
Have you had a chance to check out the Financial Fitness tool in your myMERS account? With this tool, you can bring all of your financial information together in one place. By completing easy, interactive workouts on emergency savings, debt management, retirement planning, insurance management, and health care savings, you can take steps to become better prepared for retirement, monitor your progress and build greater financial confidence.

Check it out today by logging into your myMERS account!

SAMPLE CITY

12.31.2021 | 1

# Creating Financially Well Employees



# Participant Resources

## Webinars

- Live and recorded
- Finances
- Investment
- Retirement planning
- Social Security
- Medicare



## Customer Support

- Phone
- Online chat



## 1-on-1 Scheduler

- Schedule time to speak with MERS experts about your account, benefits, or the retirement process



## On-Site Education

- Customizable presentations
- In-person or virtual group meetings



# Employer Resources

## Employer Meetings

- Roundtable events hosted by your Regional Team
- Conversations with MERS CEO

## Annual Conference

- Education on retirement plans, health care, pension & OPEB funding, legislative updates

## MERS News

- CEO Updates
- Municipal Matters
- Mailings
- Web resources

## Inside MERS Investments

- Podcast with MERS Chief Investment Officer

# Benefits of Partnering with MERS



Local, independent  
governance



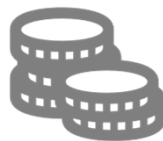
Full fiduciary  
responsibility and  
plan compliance



Investment  
expertise



MERS-to-MERS  
Service



Cost-effective  
benefits



Customer service  
excellence



# Appendices



# Appendix I *Nationwide Fund Expenses*

Funds	Inception Date	Asset Style	Fund Expense Ratio	Variable Account Expense Fee	Total Expense Ratio
Income America-Retired*	July 22, 2022	Target Date 1	1.31%	0.80%	2.11%
Income America 2025*	July 23, 2022	Target Date 2	1.31%	0.80%	2.11%
Income America 2030*	July 22, 2022	Target Date 3	1.31%	0.80%	2.11%
Income America 2035*	July 22, 2022	Target Date 4	1.31%	0.80%	2.11%
Income America 2040*	July 22, 2022	Target Date 5	1.30%	0.80%	2.10%
NCIT Index Retired*	June 16, 2021	Target Date 6	0.49%	0.70%	1.19%
NCIT Index 2030*	June 16, 2021	Target Date 7	0.49%	0.70%	1.19%
NCIT Index 2035*	June 16, 2021	Target Date 8	0.49%	0.70%	1.19%
NCIT Index 2040*	June 16, 2021	Target Date 9	0.49%	0.70%	1.19%
NCIT Index 2045*	June 16, 2021	Target Date 10	0.49%	0.70%	1.19%
NCIT Index 2050*	June 16, 2021	Target Date 11	0.49%	0.70%	1.19%
NCIT Index 2055*	June 16, 2021	Target Date 12	0.49%	0.70%	1.19%
NCIT Index 2060*	June 16, 2021	Target Date 13	0.49%	0.70%	1.19%
NCIT Index 2065*	June 16, 2021	Target Date 14	0.49%	0.70%	1.19%
<i>Average Target Date Fund</i>					1.52%
Income America Balanced*	November 22, 2023	Asset Allocation 1	1.29%	0.80%	2.09%
Fidelity Puritan	April 16, 1947	Asset Allocation 2	0.48%	0.95%	1.43%
Manage4Me Aggressive*	November 10, 2023	Asset Allocation 3	0.87%	0.80%	1.67%
Manage4Me Mod Aggr*	November 10, 2023	Asset Allocation 4	0.85%	0.80%	1.65%
Manage4Me Moderate*	November 10, 2023	Asset Allocation 5	0.83%	0.80%	1.63%
Manage4Me Mod Cons*	November 10, 2023	Asset Allocation 6	0.82%	0.80%	1.62%
Manage4Me Conservative*	November 10, 2023	Asset Allocation 7	0.76%	0.80%	1.56%
<i>Average Asset Allocation Fund</i>					1.66%
Edgar Lomax Value	December 12, 1997	Large Cap Stock 1	1.02%	0.95%	1.97%
Fidelity Contrafund	May 17, 1967	Large Cap Stock 2	0.39%	0.95%	1.34%
Fidelity OTC	December 31, 1984	Large Cap Stock 3	0.73%	0.95%	1.68%
NCIT AB LC Growth ^	April 6, 2023	Large Cap Stock 4	0.82%	0.80%	1.62%
NCIT AC Eq Income ^	June 16, 2021	Large Cap Stock 5	0.86%	0.80%	1.66%
NCIT CB LC Value ^	June 16, 2021	Large Cap Stock 6	0.82%	0.80%	1.62%
Nationwide Fund	May 11, 1933	Large Cap Stock 7	0.68%	0.80%	1.48%

# Appendix I *Nationwide Fund Expenses*

Funds	Inception Date	Asset Style	Fund Expense Ratio	Variable Account Expense Fee	Total Expense Ratio
NW US Qlty Equity ^	January 25, 2021	Large Cap Stock 8	1.10%	0.80%	<b>1.90%</b>
NW LC Growth	April 27, 2007	Large Cap Stock 9	0.95%	0.80%	<b>1.75%</b>
NW S&P 500 Index	July 24, 1998	Large Cap Stock 10	0.44%	0.80%	<b>1.24%</b>
Parnassus Core Eq	August 31, 1992	Large Cap Stock 11	0.82%	0.80%	<b>1.62%</b>
SEI S&P 500 Index	February 28, 1996	Large Cap Stock 12	0.54%	0.95%	<b>1.49%</b>
NCIT Allspring Discovery ^	June 16, 2021	Mid Cap Stock 1	0.97%	0.80%	<b>1.77%</b>
NCIT MFS MC Value ^	June 17, 2022	Mid Cap Stock 2	1.00%	0.80%	<b>1.80%</b>
NW MC Mkt Index	December 29, 1999	Mid Cap Stock 3	0.70%	0.80%	<b>1.50%</b>
NCIT AC SC Income ^	June 17, 2022	Small Cap Stock 1	1.07%	0.80%	<b>1.87%</b>
NW SC Index	April 9, 1997	Small Cap Stock 2	0.74%	0.80%	<b>1.54%</b>
NW Sm Co Growth	January 3, 2012	Small Cap Stock 3	1.18%	0.80%	<b>1.98%</b>
NW NVIT MM Sm Co	October 23, 1995	Small Cap Stock 4	1.07%	0.80%	<b>1.87%</b>
NB Genesis	September 27, 1988	Small Cap Stock 5	1.09%	0.80%	<b>1.89%</b>
NW Global Sust Equity	January 28, 1994	World Stock 1	0.95%	0.80%	<b>1.75%</b>
NCIT JH Overseas ^	April 6, 2023	International Stock 1	0.86%	0.80%	<b>1.66%</b>
NW Intl Index	December 29, 1999	International Stock 2	0.74%	0.80%	<b>1.54%</b>
AF New World	June 17, 1999	International Stock 3	0.92%	0.80%	<b>1.72%</b>
C&S Real Estate	September 2, 1997	Sector Stock 1	1.10%	0.00%	<b>1.10%</b>
<i>Average Stock Fund</i>					<b>1.65%</b>
LS Limited Trm Govt	March 31, 1994	Bond 1	0.53%	0.80%	<b>1.33%</b>
LA High Yield ^	June 30, 2015	Bond 2	0.72%	0.80%	<b>1.52%</b>
NW Amundi Strategic Inc	November 2, 2015	Bond 3	1.20%	0.80%	<b>2.00%</b>
NW Bond Index	April 3, 1997	Bond 4	0.73%	0.80%	<b>1.53%</b>
NW Loomis Core	February 15, 1984	Bond 5	0.73%	0.80%	<b>1.53%</b>
PIMCO Intl Bond	December 2, 1992	Bond 6	1.15%	0.80%	<b>1.95%</b>
Invesco Sht-Trm Treasury	April 12, 1984	Bond 7	0.22%	0.95%	<b>1.17%</b>
NW Govt Money Mkt	March 3, 1980	Money Mkt 1	0.56%	0.80%	<b>1.36%</b>
Nationwide Fixed Account	Various	Fixed Account 1	0.00%	0.00%	<b>0.00%</b>
<i>Average Fixed Income Fund</i>					<b>1.38%</b>
<b>Arithmetic Average Fund Expense--ALL FUNDS</b>					<b>1.58%</b>
*Denotes a fund that does not have a 1, 3, 5, and/or 10-Year performance, and the fund provides no benchmark data available to use for the missing period(s).					
^Denotes a fund that does not have a 1, 3, 5, and/or 10-Year performance, so the fund's stated benchmark is used for the period, less the fund's expense ratio.					

# Appendix II *MERS Fund Expenses*

<b>MERS Funds</b>				
<b>Target Date Funds</b>	<b>Investment Mng. Expense<sup>1</sup></b>	<b>Custody &amp; Record-keeping Costs<sup>2</sup></b>	<b>MERS Operating<sup>3</sup></b>	<b>Total Annual Expense</b>
LifePath Retire Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2030 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2035 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2040 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2045 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2050 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2055 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2060 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2065 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
LifePath 2070 Fund	0.06%	0.09%	0.24%	<b>0.39%</b>
<b>Average Target Date Fund</b>				<b>0.39%</b>
<b>Diversified Asset Allocation Funds</b>				
MERS Total Market Portfolio	0.37%	0.09%	0.24%	<b>0.70%</b>
MERS Global Stock Portfolio	0.03%	0.09%	0.24%	<b>0.36%</b>
MERS Established Market Portfolio	0.05%	0.09%	0.24%	<b>0.38%</b>
MERS Diversified Bond Portfolio	0.08%	0.09%	0.24%	<b>0.41%</b>
<b>Average Asset Allocation Fund</b>				<b>0.46%</b>

# Appendix II *MERS Fund Expenses*

<b>MERS Funds</b>				
<b>Stock Funds</b>	<b>Investment Mng. Expense<sup>1</sup></b>	<b>Custody &amp; Record-keeping Costs<sup>2</sup></b>	<b>MERS Operating<sup>3</sup></b>	<b>Total Annual Expense</b>
Large Cap Stock Index	0.01%	0.09%	0.24%	<b>0.34%</b>
Mid Cap Stock Index	0.02%	0.09%	0.24%	<b>0.35%</b>
Small Cap Stock Index	0.02%	0.09%	0.24%	<b>0.35%</b>
International Stock Index	0.04%	0.09%	0.24%	<b>0.37%</b>
Emerging Market Stock	0.07%	0.09%	0.24%	<b>0.40%</b>
Real Estate Stock Index	0.04%	0.09%	0.24%	<b>0.37%</b>
<b>Average Stock Fund</b>				<b>0.36%</b>
<b>Fixed Income Funds</b>				
Bond Index	0.02%	0.09%	0.24%	<b>0.35%</b>
High Yield Bond Index	0.05%	0.09%	0.24%	<b>0.38%</b>
Short-Term Income	0.05%	0.09%	0.24%	<b>0.38%</b>
Stable Value	0.30%	0.09%	0.24%	<b>0.63%</b>
<b>Average Fixed Income Fund</b>				<b>0.43%</b>
<b><i>MERS Arithmetic Average of ALL Funds</i></b>				<b>0.40%</b>

<sup>1</sup>Investment Management Expense: All costs incurred in the direct management of the fund.

<sup>2</sup>Custody and Recordkeeping Costs: Costs related to bookkeeping, settling trade activity, and holding assets in custody at a bank.

<sup>3</sup>MERS Operating Costs: Costs to run the day-to-day operations of the plan, which include legal, investment committee oversight, accounting, auditing, compliance, printing, and overhead costs.

# Appendix III Asset-Weighted Calculation

Fund	Assets	% Assets	Exp.	1 Yr	3 Yr	5 Yr	10 Yr	Wtd Exp.	Wtd 1 Yr	Wtd 3 Yr	Wtd 5 Yr	Wtd 10 Yr	MERS	Exp.	1 Yr	3 Yr	5 Yr	10 Yr	Wtd Exp.	Wtd 1 Yr	Wtd 3Yr	Wtd 5 Yr	Wtd 10 Yr
NCIT Index 2040*	\$1,581	0.9%	1.19%	11.5%	3.2%	0.0%	0.0%	0.01%	0.1%	0.1%	0.0%	0.0%	LifePath 2040	0.39%	12.3%	3.1%	0.0%	0.0%	0.00%	0.1%	0.1%	0.0%	0.0%
NCIT Index 2045*	\$14,373	8.1%	1.19%	12.3%	3.4%	0.0%	0.0%	0.10%	1.0%	1.3%	0.0%	0.0%	LifePath 2045	0.39%	13.9%	3.9%	0.0%	0.0%	0.03%	1.1%	1.6%	0.0%	0.0%
NCIT Index 2050*	\$4,090	2.3%	1.19%	12.9%	3.6%	0.0%	0.0%	0.03%	0.3%	0.4%	0.0%	0.0%	LifePath 2050	0.39%	15.2%	4.5%	0.0%	0.0%	0.01%	0.3%	0.5%	0.0%	0.0%
Manage4Me Aggressive*	\$142,386	80.1%	1.67%	11.1%	0.0%	0.0%	0.0%	1.34%	8.7%	0.0%	0.0%	0.0%	MERS Gbl Stk Portfolio	0.36%	12.8%	0.0%	0.0%	0.0%	0.29%	10.3%	0.0%	0.0%	0.0%
Manage4Me Moderate*	\$22	0.0%	1.63%	7.2%	0.0%	0.0%	0.0%	0.00%	0.0%	0.0%	0.0%	0.0%	MERS Est Mrkt Portfolio	0.38%	8.4%	0.0%	0.0%	0.0%	0.00%	0.0%	0.0%	0.0%	0.0%
Fidelity Contrafund	\$420	0.2%	1.34%	34.7%	9.7%	16.4%	14.2%	0.00%	0.1%	0.1%	0.4%	0.4%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.1%	0.4%	0.3%
Fidelity OTC	\$70	0.0%	1.68%	33.3%	8.2%	17.9%	16.6%	0.00%	0.0%	0.0%	0.1%	0.1%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.0%	0.0%	0.1%	0.1%
NCIT AB LC Growth ^	\$1,079	0.6%	1.62%	24.4%	8.9%	17.3%	15.2%	0.01%	0.1%	0.6%	0.0%	1.0%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.3%	1.0%	0.9%
NCIT AC Eq Income ^	\$836	0.5%	1.66%	9.6%	2.8%	7.0%	6.8%	0.01%	0.0%	0.1%	0.0%	0.4%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.2%	0.8%	0.7%
NCIT CB LC Value ^	\$586	0.3%	1.62%	7.2%	4.1%	7.1%	6.9%	0.01%	0.0%	0.1%	0.0%	0.3%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.1%	0.5%	0.5%
Nationwide Fund	\$1,046	0.6%	1.48%	21.0%	6.5%	12.8%	11.3%	0.01%	0.1%	0.2%	0.9%	0.8%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.3%	1.0%	0.9%
NW S&P 500 Index	\$505	0.3%	1.24%	23.5%	7.6%	13.1%	11.7%	0.00%	0.1%	0.1%	0.4%	0.4%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.1%	0.1%	0.5%	0.4%
SEI S&P 500 Index	\$221	0.1%	1.49%	23.5%	7.6%	13.2%	11.7%	0.00%	0.0%	0.0%	0.2%	0.2%	Large Cap Stock Index	0.34%	24.6%	8.6%	14.1%	12.7%	0.00%	0.0%	0.1%	0.2%	0.2%
NCIT Allspring Discovery ^	\$272	0.2%	1.77%	17.3%	-4.7%	8.2%	7.9%	0.00%	0.0%	0.0%	0.0%	0.1%	Mid Cap Stock Index	0.35%	13.7%	4.5%	10.0%	9.4%	0.00%	0.0%	0.0%	0.2%	0.2%
NCIT MFS MC Value ^	\$274	0.2%	1.80%	12.8%	2.1%	6.8%	6.3%	0.00%	0.0%	0.0%	0.0%	0.1%	Mid Cap Stock Index	0.35%	13.7%	4.5%	10.0%	9.4%	0.00%	0.0%	0.0%	0.2%	0.2%
NCIT AC SC Income ^	\$236	0.1%	1.87%	10.5%	0.1%	5.4%	5.3%	0.00%	0.0%	0.0%	0.0%	0.1%	Small Cap Stock Index	0.35%	8.5%	1.5%	8.2%	8.8%	0.00%	0.0%	0.0%	0.1%	0.1%
NW Sm Co Growth	\$60	0.0%	1.98%	9.5%	-7.1%	1.8%	7.6%	0.00%	0.0%	0.0%	0.0%	0.0%	Small Cap Stock Index	0.35%	8.5%	1.5%	8.2%	8.8%	0.00%	0.0%	0.0%	0.0%	0.0%
NB Genesis	\$290	0.2%	1.89%	8.1%	-0.3%	7.5%	8.6%	0.00%	0.0%	0.0%	0.1%	0.2%	Small Cap Stock Index	0.35%	8.5%	1.5%	8.2%	8.8%	0.00%	0.0%	0.0%	0.2%	0.2%
NCIT JH Overseas ^	\$1,973	1.1%	1.66%	4.7%	-0.8%	2.4%	3.1%	0.02%	0.0%	-0.1%	0.0%	0.4%	MERS Gbl Stk Portfolio	0.36%	12.8%	3.5%	8.2%	8.3%	0.00%	0.1%	0.2%	1.1%	1.1%
NW Intl Index	\$775	0.4%	1.54%	2.1%	0.2%	3.3%	3.9%	0.01%	0.0%	0.0%	0.2%	0.2%	International Stock Index	0.37%	3.9%	1.4%	4.3%	4.8%	0.00%	0.0%	0.0%	0.2%	0.2%
AF New World	\$731	0.4%	1.72%	5.7%	-2.1%	3.9%	5.4%	0.01%	0.0%	0.0%	0.2%	0.2%	Emerg Mkt Stock Index	0.40%	8.6%	-1.7%	2.5%	3.2%	0.00%	0.0%	0.0%	0.1%	0.2%
C&S Real Estate	\$392	0.2%	1.10%	5.6%	-4.8%	3.3%	5.9%	0.00%	0.0%	-0.1%	0.1%	0.1%	Real Estate Stock Index	0.37%	7.7%	-3.3%	3.8%	5.4%	0.00%	0.0%	0.0%	0.1%	0.1%
LA High Yield ^	\$135	0.1%	1.52%	7.9%	0.5%	2.2%	3.6%	0.00%	0.0%	0.0%	0.0%	0.0%	High Yield Bond Index	0.38%	8.9%	2.7%	3.5%	4.5%	0.00%	0.0%	0.0%	0.0%	0.0%
NW Bond Index	\$20	0.0%	1.53%	-0.2%	-3.8%	-1.8%	-0.2%	0.00%	0.0%	0.0%	0.0%	0.0%	Bond Index	0.35%	1.0%	-2.7%	-0.3%	1.1%	0.00%	0.0%	0.0%	0.0%	0.0%
NW Loomis Core	\$324	0.2%	1.53%	1.1%	-3.1%	-0.9%	0.7%	0.00%	0.0%	0.0%	0.0%	0.0%	MERS Div Bond Portfolio	0.41%	2.2%	-1.1%	-0.2%	1.5%	0.00%	0.0%	0.0%	0.0%	0.0%
NW Govt Money Mkt	\$5,131	2.9%	1.36%	4.0%	2.7%	1.3%	0.6%	0.04%	0.1%	0.4%	0.4%	0.1%	Short-Term Income	0.38%	4.5%	1.7%	1.8%	1.5%	0.01%	0.1%	0.2%	0.6%	0.5%
<b>Plan Totals</b>	<b>\$177,828</b>	<b>100.0%</b>						<b>1.60%</b>	<b>10.9%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>5.1%</b>	<b>MERS Totals</b>						<b>0.36%</b>	<b>12.9%</b>	<b>3.9%</b>	<b>7.1%</b>	<b>6.8%</b>
													<b>Difference in Weighted Averages</b>						<b>-1.24%</b>	<b>2.01%</b>	<b>0.76%</b>	<b>4.22%</b>	<b>1.70%</b>
Fixed Assets	\$259		*Denotes a fund that does not have a 1, 3, 5, or 10-Year performance, and there is no benchmark data available to use for the missing period(s). Therefore it is 0% for both the NW & MERS fund and highlighted in yellow.																				
NW Fixed Account	\$47,305																						
<b>Total Plan Assets</b>	<b>\$225,392</b>		^Denotes a fund that does not have a 3, 5, or 10-Year performance, but the fund's benchmark is used for the period, less the fund's expense ratio, and is highlighted in orange.																				



# Appendix IV 457 Account Growth Illustration

Salary Growth Rate	2.0%
457 Contribution Rate	5.0%

	Nationwide	MERS
Market Return	7.00%	7.00%
Expense	1.60%	0.36%
<b>Net Return</b>	<b>5.40%</b>	<b>6.64%</b>

Age	Salary	457 Contr.	Nationwide			MERS		
			Start	Growth	End	Start	Growth	End
30	\$50,000	\$2,500	\$20,000	\$1,175	\$23,675	\$20,000	\$1,453	\$23,953
31	\$51,000	\$2,550	\$23,675	\$1,379	\$27,604	\$23,953	\$1,725	\$28,228
32	\$52,020	\$2,601	\$27,604	\$1,599	\$31,804	\$28,228	\$2,020	\$32,849
33	\$53,060	\$2,653	\$31,804	\$1,833	\$36,289	\$32,849	\$2,339	\$37,841
34	\$54,122	\$2,706	\$36,289	\$2,083	\$41,078	\$37,841	\$2,683	\$43,230
35	\$55,204	\$2,760	\$41,078	\$2,350	\$46,188	\$43,230	\$3,054	\$49,044
36	\$56,308	\$2,815	\$46,188	\$2,634	\$51,638	\$49,044	\$3,454	\$55,314
37	\$57,434	\$2,872	\$51,638	\$2,938	\$57,447	\$55,314	\$3,886	\$62,072
38	\$58,583	\$2,929	\$57,447	\$3,261	\$63,638	\$62,072	\$4,351	\$69,352
39	\$59,755	\$2,988	\$63,638	\$3,606	\$70,232	\$69,352	\$4,852	\$77,192
40	\$60,950	\$3,047	\$70,232	\$3,973	\$77,252	\$77,192	\$5,392	\$85,631
41	\$62,169	\$3,108	\$77,252	\$4,364	\$84,725	\$85,631	\$5,972	\$94,712
42	\$63,412	\$3,171	\$84,725	\$4,780	\$92,675	\$94,712	\$6,597	\$104,480
43	\$64,680	\$3,234	\$92,675	\$5,222	\$101,131	\$104,480	\$7,269	\$114,983
44	\$65,974	\$3,299	\$101,131	\$5,692	\$110,122	\$114,983	\$7,991	\$126,273
45	\$67,293	\$3,365	\$110,122	\$6,192	\$119,679	\$126,273	\$8,767	\$138,405
46	\$68,639	\$3,432	\$119,679	\$6,724	\$129,835	\$138,405	\$9,601	\$151,438
47	\$70,012	\$3,501	\$129,835	\$7,289	\$140,624	\$151,438	\$10,497	\$165,436
48	\$71,412	\$3,571	\$140,624	\$7,888	\$152,083	\$165,436	\$11,459	\$180,466
49	\$72,841	\$3,642	\$152,083	\$8,525	\$164,250	\$180,466	\$12,492	\$196,600
50	\$74,297	\$3,715	\$164,250	\$9,202	\$177,167	\$196,600	\$13,601	\$213,916
51	\$75,783	\$3,789	\$177,167	\$9,920	\$190,875	\$213,916	\$14,790	\$232,495
52	\$77,299	\$3,865	\$190,875	\$10,681	\$205,422	\$232,495	\$16,067	\$252,427
53	\$78,845	\$3,942	\$205,422	\$11,490	\$220,854	\$252,427	\$17,436	\$273,805
54	\$80,422	\$4,021	\$220,854	\$12,347	\$237,222	\$273,805	\$18,904	\$296,730
55	\$82,030	\$4,102	\$237,222	\$13,256	\$254,580	\$296,730	\$20,479	\$321,310
56	\$83,671	\$4,184	\$254,580	\$14,221	\$272,984	\$321,310	\$22,166	\$347,660
57	\$85,344	\$4,267	\$272,984	\$15,243	\$292,494	\$347,660	\$23,976	\$375,903
58	\$87,051	\$4,353	\$292,494	\$16,327	\$313,173	\$375,903	\$25,915	\$406,171
59	\$88,792	\$4,440	\$313,173	\$17,475	\$335,088	\$406,171	\$27,993	\$438,603
60	\$90,568	\$4,528	\$335,088	\$18,692	\$358,308	\$438,603	\$30,220	\$473,352
61	\$92,379	\$4,619	\$358,308	\$19,981	<b>\$382,908</b>	\$473,352	\$32,605	<b>\$510,576</b>

# Appendix V *Distribution Calculation*

Distribution Illustration		
Assumptions	Nationwide	MERS
Balance at Retirement (PV)	\$382,908	\$510,576
Balance after Retirement (FV)	\$0	\$0
<b>Equal Monthly Payment (PMT)</b>	<b>\$1,763</b>	<b>\$2,707</b>
Years of Payments	28	28
Total Monthly Payments (N)	336	336
Market Return	5.00%	5.00%
Average Fee	1.60%	0.36%
<b>Net Investment Return (Rate)</b>	<b>3.40%</b>	<b>4.64%</b>
Annual Income	\$21,160	\$32,481
<b>Total of All Payments</b>	<b>\$592,489</b>	<b>\$909,463</b>

Calculation uses the Time Value of Money (TVM), where PV=Payment; FV=Future Value; PMT=Payment; N=Number of Periods; ip=Interest Rate per period, and k=1 if payment made at the end of period, or 1+ip if made at the beginning:

$$PMT = \left( PV + \frac{PV + FV}{(1 + ip)^N - 1} \right) \times \frac{-ip}{k}$$

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