

Nebraska Investment Council

Third Quarter 2017 Performance Review

Aon Hewitt
Retirement and Investment

Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company.



Highlights

Total Assets by Plan	
Total Defined Benefit Plan	\$11,806,350,004
Defined Cont. & Deferred Comp.	\$1,108,628,963
Total Cash Balance Benefit	\$2,064,745,565
OSERS	\$1,217,596,601
Hartford Options	\$33,491,932
College Savings Plan	\$4,152,268,028
State Farm CSP	\$502,566,436
Enable Savings Plan	\$3,261,043
Health Care Endowments	\$412,689,460
50/50 Endowments	\$875,084,213
Excess Liability Fund	\$67,573,028
In-House Trusts	\$9,233,992
Internal Short-Term Liquidity Pool	\$473,330,404
Operating Investment Pool (Internal Government/Corporate)	\$3,148,571,595
Time Deposit Open Account	\$43,300,596
University of Nebraska Foundation	\$319,078,429
Total	\$26,237,770,290

	Performance(%)					
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
Major Capital Markets						
Dow Jones U.S. Total Stock Market Index	4.6	14.0	18.7	10.7	14.2	7.6
MSCI AC World ex USA Index (Net)	6.2	21.1	19.6	4.7	7.0	1.3
Bimbg. Barc. Universal	1.0	3.7	1.0	3.1	2.5	4.6
CPI	0.8	2.2	2.2	1.2	1.3	1.7

As of September 30, 2017, aggregated assets totaled \$26,237,770,290, which represented an increase of approximately \$0.9 billion from the end of the previous quarter.

Evidence of improving global growth and low inflation continued to sustain the global equity market rally over the third quarter. Moreover, the markets were broadly unperturbed by heightened tensions between the U.S. and North Korea. U.S. equities, as measured by the Dow Jones U.S. Total Stock Market Index, gained 4.6% during the third quarter. Non-U.S. equities outperformed U.S. equities, returning 6.2% for the quarter, as measured by the MSCI AC World ex-U.S. Index. The U.S. Dollar depreciated against most major currencies.

The Barclays Universal Bond Index returned 1.0% in the third quarter as the yield curve marginally flattened. The index has produced a return of 1.0% for the past year.

Selected* Plans

As of September 30, 2017

Asset Allocation & Performance

	Allocation	Performance(%)							
	Market Value (\$)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Defined Benefit Plan	11,806,350,004	3.8	12.2	13.6	7.9	9.6	5.8	9.2	07/01/1983
Policy Benchmark		3.7	11.8	12.7	7.4	9.1	5.7	9.3	
Total Cash Balance Benefit Plan	2,064,745,565	3.8	12.1	13.6	7.9	9.6	5.8	8.0	01/01/2003
Policy Benchmark		3.7	11.8	12.7	7.4	9.1	5.7	8.0	
OSERS	1,217,596,601	2.6	9.5	6.2	2.3	5.3	3.9	9.2	12/01/1989
Policy Index		3.0	9.8	10.2	5.2	7.8	5.0	N/A	
Health Care Endowments	412,689,460	3.8	11.8	12.9	7.5	9.8	5.8	6.8	01/01/2001
Health Care Policy		3.8	12.0	13.6	7.6	9.5	5.6	5.8	
50/50 Endowments	875,084,213	2.7	7.9	8.8	6.1	7.4	5.8	7.5	01/01/1996
50/50 Endowment Policy		2.9	9.2	9.2	6.4	7.4	5.6	7.0	
Excess Liability Fund	67,573,028	1.3	4.2	1.7	3.4	2.7	5.2	5.7	07/01/1997
Performance Benchmark		1.0	3.7	1.0	3.1	2.5	4.6	5.4	
Total OIP	3,626,207,811	0.6	2.1	0.1	2.0	1.4	2.8	3.9	01/01/1997
Policy Benchmark		0.5	1.9	0.1	1.9	1.4	3.2	4.4	
Aeronautics	6,562,878	0.5	2.3	-1.7	2.2	1.4	4.1	6.2	01/01/1990
Blmbg. Barc. U.S. Treasury		0.4	2.3	-1.7	2.0	1.2	3.7	5.7	
Agricultural Development	2,671,115	0.6	2.3	-1.9	2.1	1.4	3.8	6.4	01/01/1989
Blmbg. Barc. U.S. Treasury		0.4	2.3	-1.7	2.0	1.2	3.7	6.0	

*Only includes Plans that have a total fund return. As such, Defined Contribution, Deferred Compensation, Hartford, College Savings Plans, TDOA, and University Fund N Plan are not shown

The Defined Benefit, Cash Balance Benefit, Health Care Endowments, Excess Liability Fund, Total OIP, Aeronautics, and Agricultural Development approximated or outperformed their respective benchmarks during the quarter. It is also noteworthy that the majority of the asset pools have matched or exceeded their policy benchmarks over the trailing three-, five-, and ten-year periods.

All Plans – Actual vs. Policy Allocation

	Defined Benefit Plan				Cash Balance Benefit			
	Actual	Policy	Difference	Policy Ranges	Actual	Policy	Difference	Policy Ranges
U.S. Equity	31.8%	30.5%	1.3%	25.5% - 35.5%	31.6%	30.5%	1.1%	25.5% - 35.5%
Non-U.S. Equity	11.3%	13.5%	-2.2%	8.5% - 18.5%	11.2%	13.5%	-2.3%	8.5% - 18.5%
Global Equity	16.5%	15.0%	1.5%	10.0% - 20.0%	16.4%	15.0%	1.4%	10.0% - 20.0%
Fixed Income	29.9%	30.0%	-0.1%	25.0% - 35.0%	30.4%	30.0%	0.4%	25.0% - 35.0%
Real Estate	5.7%	6.0%	-0.3%	1.0% - 11.0%	5.7%	6.0%	-0.3%	1.0% - 11.0%
Private Equity*	4.8%	5.0%	-0.2%	0.0% - 10.0%	4.7%	5.0%	-0.3%	0.0% - 10.0%

	Health Care Endowment				50/50 Endowment			
	Actual	Policy	Difference	Policy Ranges	Actual	Policy	Difference	Policy Ranges
U.S. Equity	38.0%	40.0%	-2.0%	35.0% - 45.0%	26.3%	25.0%	1.3%	20.0% - 30.0%
Non-U.S. Equity	14.2%	15.0%	-0.8%	10.0% - 20.0%	9.6%	10.0%	-0.4%	5.0% - 15.0%
Global Equity	14.4%	10.0%	4.4%	5.0% - 15.0%	5.4%	5.0%	0.4%	0.0% - 10.0%
Fixed Income	21.8%	25.0%	-3.2%	20.0% - 30.0%	46.6%	50.0%	-3.4%	45.0% - 55.0%
Real Estate	5.6%	5.0%	0.6%	0.0% - 10.0%	4.8%	5.0%	-0.2%	0.0% - 10.0%
Private Equity*	6.0%	5.0%	1.0%	0.0% - 10.0%	7.3%	5.0%	2.3%	0.0% - 10.0%

- The intermediate-term Private Equity policy allocation is 4% for the Defined Benefit and Cash Balance Benefit Plans.
- The long-term target allocation to Real Estate within the DB and CBB Plans is 7.5% and will be funded from U.S. Equity over time.

As of September 30, 2017, the asset class allocations within each portfolio were within permissible ranges. In some cases, the U.S. equity allocation is above its policy target, which is largely a result of the relative outperformance U.S. equities have experienced in recent years. It should also be noted that the U.S. equity allocation will serve as a source of funding for additional alternative investments in the DB and CBB Plans.

Defined Benefit & Cash Balance Benefit Plans

As of September 30, 2017

Asset Allocation & Performance

	Allocation		Performance(%)								
	Market Value \$	%	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Defined Benefit Plan	\$11,806,350,004	100.0	3.8 (31)	12.2 (25)	3.8 (31)	13.6 (20)	7.9 (5)	9.6 (12)	5.8 (13)	9.2	07/01/1983
<i>Policy Benchmark</i>			3.7 (40)	11.8 (41)	3.7 (40)	12.7 (36)	7.4 (16)	9.1 (22)	5.7 (14)	9.3	
Total U.S. Equity	\$3,756,026,683	31.8	4.5 (49)	13.4 (50)	4.5 (49)	18.7 (33)	10.8 (17)	14.3 (13)	7.5 (26)	9.8	07/01/1983
<i>Dow Jones U.S. Total Stock Market</i>			4.6 (49)	14.0 (29)	4.6 (49)	18.7 (33)	10.7 (21)	14.2 (18)	7.6 (18)	10.6	
Total Non-U.S. Equity	\$1,330,049,319	11.3	7.1 (12)	24.2 (15)	7.1 (12)	21.7 (11)	6.6 (31)	8.5 (38)	1.2 (80)	5.9	10/01/1991
<i>MSCI All Country World ex-U.S. IMI*</i>			6.3 (33)	21.5 (65)	6.3 (33)	19.6 (48)	5.2 (75)	7.3 (70)	1.6 (66)	6.2	
Total Global Equity	\$1,949,007,118	16.5	5.2 (41)	18.9 (35)	5.2 (41)	20.0 (33)	8.2 (42)	11.0 (49)	4.7 (51)	7.6 (32)	09/01/2005
<i>MSCI All Country World IMI*</i>			5.3 (40)	17.2 (46)	5.3 (40)	18.7 (43)	7.7 (50)	10.4 (58)	4.0 (65)	6.6 (60)	
Total Fixed Income	\$3,526,215,591	29.9	1.3 (25)	4.3 (38)	1.3 (25)	2.4 (28)	3.4 (43)	2.7 (45)	5.1 (29)	8.1	07/01/1983
<i>Barclays Universal Bond Index*</i>			1.0 (56)	3.7 (54)	1.0 (56)	1.0 (63)	3.1 (50)	2.5 (53)	4.6 (60)	8.0	
Total Real Estate	\$678,730,129	5.7	2.4	4.7	2.4	6.9	10.8	10.4	3.7	6.9	12/01/2004
<i>Performance Benchmark</i>			1.6	4.7	1.6	6.7	9.6	10.2	6.0	9.1	
Total Private Equity	\$562,015,352	4.8	5.1	15.1	5.1	18.8	13.2	13.4	8.5	3.7	09/01/2005
<i>Dow Jones U.S. Total Stock Market + 3%</i>			5.3	16.5	5.3	22.2	14.0	17.5	10.9	11.9	
Total Cash	\$4,305,812	0.0									

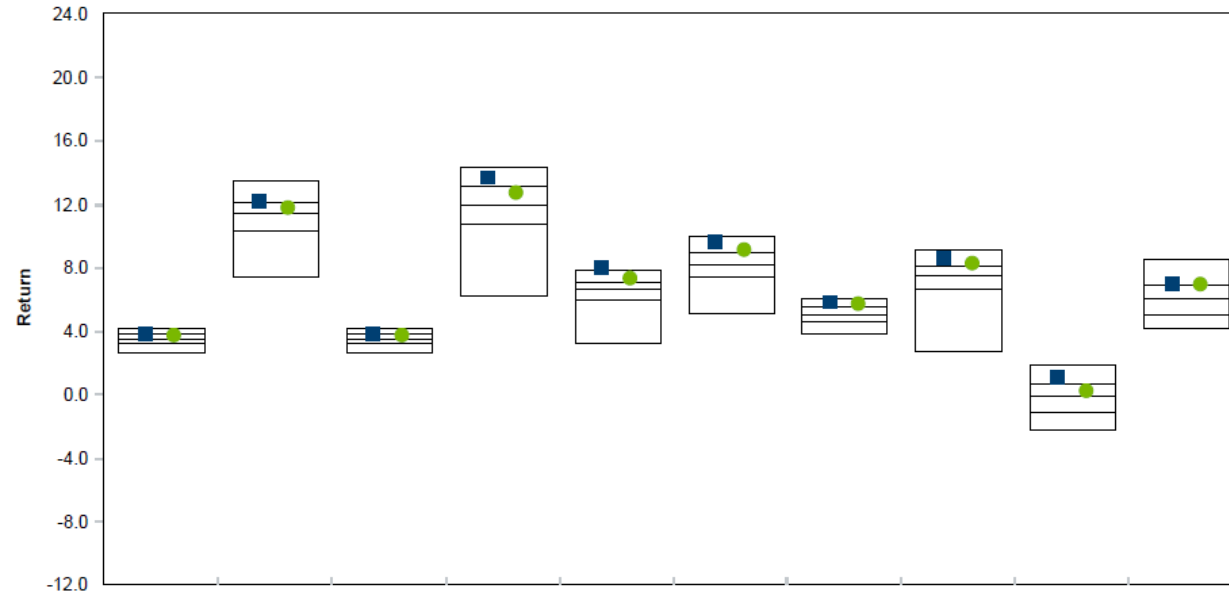
	Allocation		Performance(%)								
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Total Cash Balance Benefit Plan	2,064,745,565	100.0	3.8 (32)	12.1 (28)	13.6 (20)	7.9 (5)	9.6 (12)	5.8 (13)	8.0 (27)	01/01/2003	
<i>Policy Benchmark</i>			3.7 (40)	11.8 (41)	12.7 (36)	7.4 (16)	9.1 (22)	5.7 (14)	8.0 (27)		
Total U.S. Equity	652,552,109	31.6	4.5 (49)	13.4 (50)	18.7 (33)	10.8 (17)	14.3 (13)	7.5 (26)	10.0 (13)	01/01/2003	
<i>Dow Jones U.S. Total Stock Market</i>			4.6 (49)	14.0 (29)	18.7 (33)	10.7 (21)	14.2 (18)	7.6 (18)	10.1 (6)		
Total Non-U.S. Equity	231,075,698	11.2	7.1 (12)	24.2 (15)	21.7 (11)	6.6 (31)	8.5 (38)	1.2 (80)	8.5 (64)	01/01/2003	
<i>MSCI All Country World ex-U.S. IMI*</i>			6.3 (33)	21.5 (65)	19.6 (48)	5.2 (75)	7.3 (70)	1.6 (66)	8.9 (55)		
Total Global Equity	338,610,136	16.4	5.2 (41)	18.9 (35)	20.0 (33)	8.2 (42)	11.0 (49)	5.2 (39)	8.0 (25)	09/01/2005	
<i>MSCI All Country World IMI*</i>			5.3 (40)	17.2 (46)	18.7 (43)	7.7 (50)	10.4 (58)	4.0 (65)	6.6 (60)		
Total Fixed Income	626,947,098	30.4	1.2 (31)	4.2 (40)	2.4 (28)	3.3 (44)	2.7 (47)	5.1 (29)	4.8 (54)	01/01/2003	
<i>Barclays Universal Bond Index*</i>			1.0 (56)	3.7 (54)	1.0 (63)	3.1 (50)	2.5 (53)	4.6 (60)	4.6 (56)		
Total Real Estate	117,918,964	5.7	2.4	4.7	6.9	10.8	10.4	3.8	7.0	12/01/2004	
<i>Performance Benchmark</i>			1.6	4.7	6.7	9.6	10.2	6.0	9.1		
Total Private Equity	97,641,560	4.7	5.1	15.1	18.8	13.2	13.4	8.5	3.7	09/01/2005	
<i>Dow Jones U.S. Total Stock Market + 3%</i>			5.3	16.5	22.2	14.0	17.5	10.9	11.9		

*Denotes a performance benchmark is a splice of more than one index. Descriptions can be found in the appendix of this report.
 Note: The Total Fixed Income market value for the Cash Balance Benefit plan includes the CBB-GICS & Money Market.

The Defined Benefit Plan and the Cash Balance Benefit Plan outperformed the policy benchmark during the quarter. The Non-U.S. equity and Fixed Income components were the main drivers of positive relative performance for the quarter. Total fund peer rankings are favorable across all trailing periods. The equity component of each Plan has been the main driver of absolute performance in recent years with Non-U.S. equity contributing to relative performance over the past year and U.S. equity exposure contributing to relative performance over longer trailing periods.

Plan Sponsor Peer Group Analysis

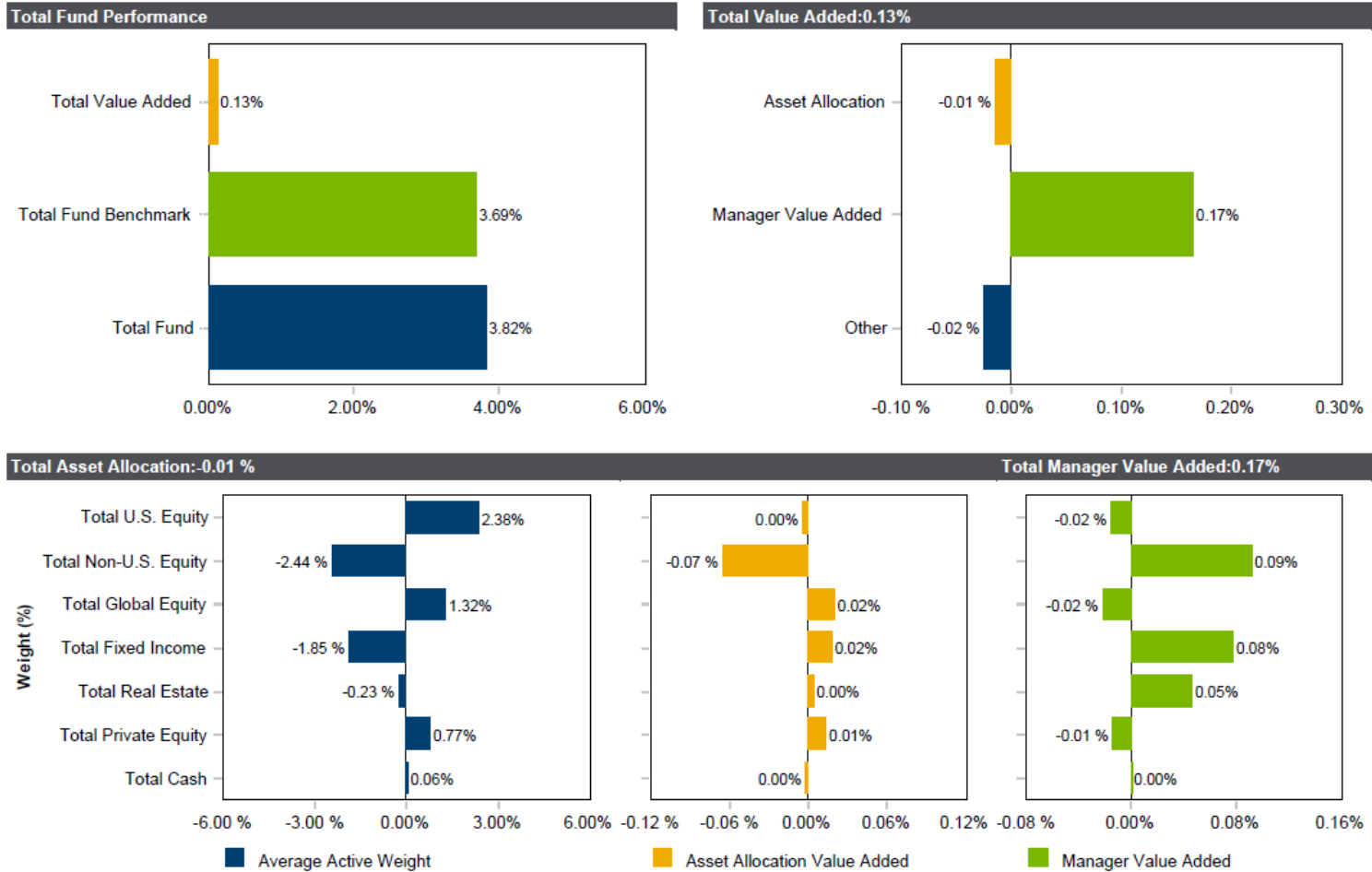
All Public Plans > \$1B-Total Fund



	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years	10 Years	2016	2015	2014
■ Total Defined Benefit Plan	3.8 (31)	12.2 (25)	3.8 (31)	13.6 (20)	7.9 (5)	9.6 (12)	5.8 (13)	8.6 (12)	1.1 (17)	6.9 (25)
● Policy Benchmark	3.7 (40)	11.8 (41)	3.7 (40)	12.7 (36)	7.4 (16)	9.1 (22)	5.7 (14)	8.2 (21)	0.3 (40)	6.9 (26)
5th Percentile	4.2	13.5	4.2	14.4	7.9	9.9	6.1	9.1	1.9	8.6
1st Quartile	3.9	12.2	3.9	13.2	7.2	9.0	5.5	8.1	0.7	6.9
Median	3.5	11.5	3.5	12.0	6.6	8.2	5.0	7.5	0.0	6.1
3rd Quartile	3.3	10.4	3.3	10.7	6.0	7.4	4.6	6.6	-1.1	5.0
95th Percentile	2.6	7.4	2.6	6.3	3.3	5.2	3.9	2.8	-2.2	4.2
Population	104	99	104	95	90	90	82	110	96	80

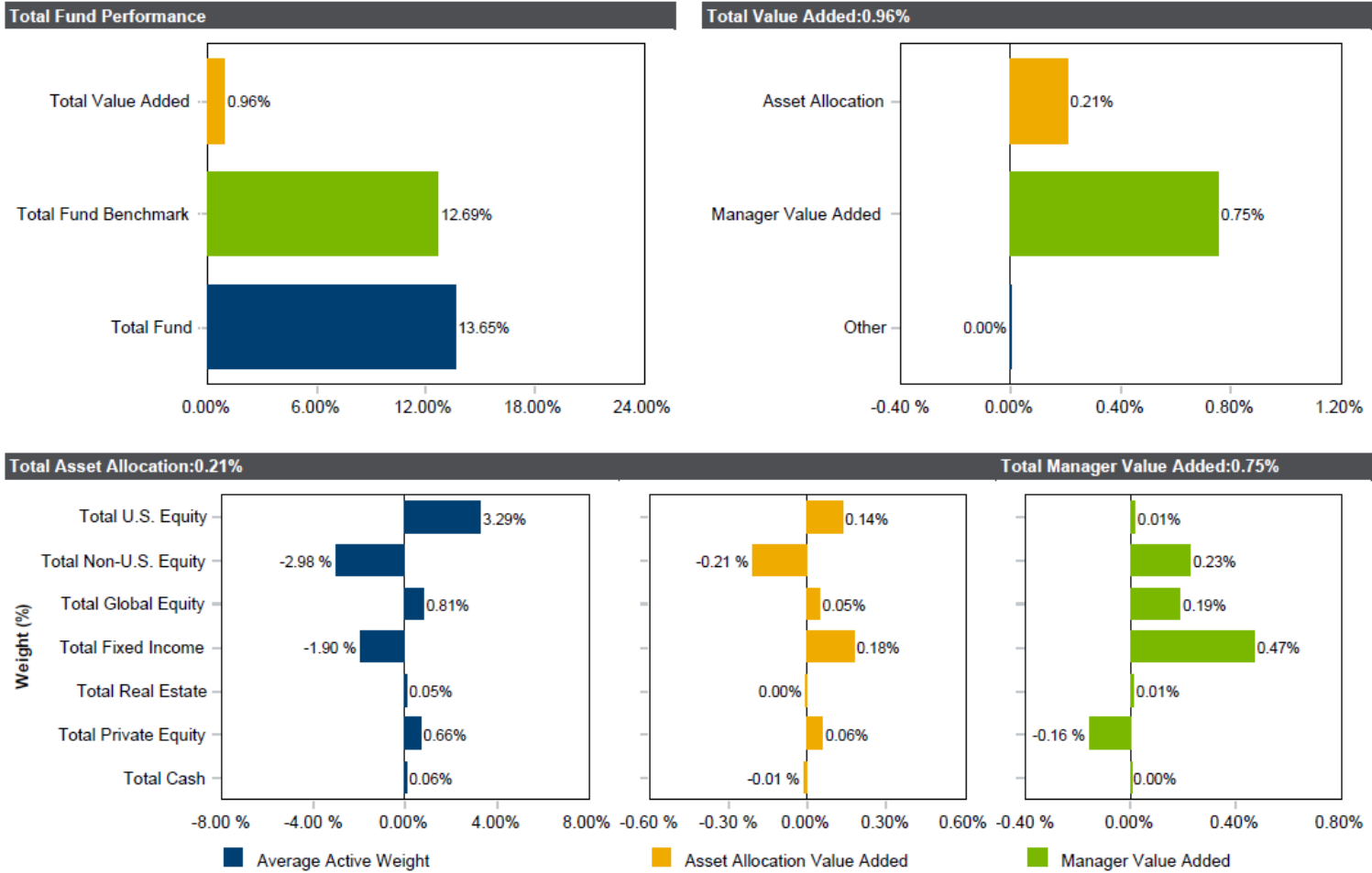
Universe rankings highlight that the Defined Benefit Plan outperformed the majority of its peers over the one-, three-, five-, and ten-year periods. Over the trailing one-, three-, five-, and ten-year periods, the DB Plan ranks in the 20th, 5th, 12th, and 13th percentile relative to peers. Furthermore, the Plan has matched or exceeded its policy benchmark return over all trailing periods shown.

Total Fund Attribution



During the third quarter, the Plan's underlying managers added 0.17% (net-of-fees) to absolute performance while the overweight and underweight asset class positions had a slightly negative impact in aggregate, detracting 0.01% from total portfolio performance. The (non-tactical) timing of cash flows also had a negative impact during the quarter, detracting 0.02% from the Fund's overall return.

Total Fund Attribution



The Plan's underlying managers added 0.75% (net-of-fees) to absolute performance over the one-year period. Also, the Plan's overweight and underweight asset class positions contributed 0.21% to absolute performance over the past year. The (non-tactical) timing of cash flows had a negligible impact during the one-year period on the Fund's overall return.

Total Defined Cont. & Deferred Comp.

As of September 30, 2017

Asset Allocation & Performance

	Allocation		Performance(%)							
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Defined Cont. & Deferred Comp.	1,108,628,963	100.0								
DFA Small Cap	59,702,326	5.4	5.4	7.4	19.8	11.8	14.5	8.9	9.9	01/01/2001
<i>Russell 2000 Index</i>			5.7	10.9	20.7	12.2	13.8	7.8	8.4	
Russell 1000 Growth Index Fund	57,326,764	5.2	5.9	20.6	21.8	12.7	15.3	9.2	5.0	10/01/1999
<i>Russell 1000 Growth Index</i>			5.9	20.7	21.9	12.7	15.3	9.1	4.9	
Russell 1000 Value Index Fund	45,252,402	4.1	3.1	8.0	15.2	8.6	13.2	6.0	7.1	10/01/1999
<i>Russell 1000 Value Index</i>			3.1	7.9	15.1	8.5	13.2	5.9	7.0	
U.S. Equity Index Fund	187,343,566	16.9	4.5	14.2	18.6	10.8	14.3	7.5	7.0	01/01/1998
<i>S&P 500 Index</i>			4.5	14.2	18.6	10.8	14.2	7.4	6.9	
BlackRock All-Country World ex-U.S. Index Fund	38,027,061	3.4	6.2	21.4	19.7	4.8	7.0	1.5	5.8	07/01/2005
<i>MSCI AC World ex USA Index (Net)</i>			6.2	21.1	19.6	4.7	7.0	1.3	5.7	
U.S. Debt Index Fund	18,733,184	1.7	0.9	3.2	0.0	2.7	2.1	4.3	5.1	01/01/1998
<i>Blmbg. Barc. U.S. Aggregate</i>			0.8	3.1	0.1	2.7	2.1	4.3	5.0	
T. Rowe Stable Value	125,147,842	11.3	0.5	1.3	1.7	1.6	1.7	2.6	4.3	01/01/1997
<i>Performance Benchmark</i>			0.5	1.4	1.9	1.8	1.8	2.5	3.4	
SSgA STIF	9,000,559	0.8	0.3	0.7	0.9	0.5	0.3	0.6	2.2	01/01/1998
<i>Barclays 90-Day T-Bill Index</i>			0.3	0.6	0.7	0.3	0.2	0.5	2.1	
Conservative Premixed	42,462,678	3.8	2.0	5.9	5.3	4.4	4.7	4.8	5.0	10/01/1999
<i>Conservative Policy</i>			1.8	5.6	4.7	4.2	4.5	4.5	4.7	
Moderate Premixed	414,862,641	37.4	3.0	8.9	9.7	6.5	7.7	6.0	5.9	10/01/1999
<i>Moderate Policy</i>			2.9	9.0	9.4	6.4	7.4	5.7	5.8	
Aggressive Premixed	91,208,831	8.2	4.0	11.6	14.3	8.2	10.3	6.4	6.2	10/01/1999
<i>Aggressive Policy</i>			4.0	12.0	14.2	8.2	10.1	6.1	6.1	
Investor Select Fund	19,561,110	1.8	3.2	11.3	11.7	7.2	9.2	6.2	7.2	10/01/2005
<i>Performance Benchmark</i>			3.5	11.4	11.9	7.3	9.0	5.6	6.7	

The Fund options offered to participants span the risk / return spectrum, which is consistent with best practices.

Watchlist

Summary of Funds Not Assigned a Green Status

Plan/Fund	Status as of 3Q 2017	Trigger Event	AHIC Comment
Defined Benefit & CBB None			
Deferred Contribution & Deferred Compensation Plan None			
Hartford Plan American Funds Growth Fund of America Goldman Sachs Mid-Cap Value Munder Mid-Cap Core Growth Mutual Discovery	Yellow Yellow Yellow Yellow	Performance Performance Performance Performance	Continue to monitor Continue to monitor Continue to monitor Continue to monitor
College Savings Plans Oppenheimer Capital Appreciation Fund	Yellow	Performance	Continue to monitor

Status	Number of Criteria Met	Suggested Action
	Less than 2	Active – No action required
	2 to 3	Active – On “closely monitored” list
	4	Closed – all allocations to the fund must be stopped, but
	Greater than 4	Closed Out – All invested balances must be moved to another active

Funds listed under the College Savings Plan section register “Yellow” in at least one of the three underlying plans

Three funds (American Funds Growth Fund of America, Mutual Discovery, and Oppenheimer Capital Appreciation Fund) were added to the watch list during the quarter due to performance. No action is recommended at this time.

OSERS – Summary of Transition Activity During 3Q

	Allocation as of 12/31/16 (%)	Allocation as of 3/31/17 (%)	Allocation as of 6/30/17 (%)	Allocation as of 9/30/17 (%)	Transition Year 1 Target	Long-Term Target AA
U.S. Equity	13.4%	21.8%	23.1%	22.5%	22.5%	29.0%
Non-U.S. Equity	--	7.3	8.1	9.6	10.5	13.5
Global Equity	18.5	8.1	8.9	9.1	11.5	15.0
Fixed Income (Core)	11.5	17.9	18.8	25.2	25.0	21.5
Fixed Income (RS)	--	--	--	--	--	8.5
Hedge Funds	9.1	9.1	5.8	2.8	30.5	--
Real Assets	14.9	3.5	3.6	3.5		--
Real Estate	21.1	21.7	21.2	16.1		7.5
Private Equity	10.3	10.5	10.6	11.2		5.0
Cash	1.4	--	--	--	--	--
Total Fund	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- An additional ≈8% of the OSERS portfolio transitioned during 3Q
 - One hedge fund (Orbimed) and one core-plus real estate fund (JP Morgan Special Situations) were liquidated, two core real estate funds (JP Morgan and UBS) were trimmed
- The bulk of the “Year 1” transition activity has been completed
 - The portfolio ended 2Q with approximately 67% in equities and core fixed income, and 33% in legacy illiquids / semi-liquids
 - As additional liquidity becomes available the actual allocations to Non-U.S. Equity and Global Equity will be increased towards their Year 1 transition targets
- It will be several years before the Long-Term Target allocation is reached

The table above summarizes OSERS’ transition activity / progress towards its long-term target allocation to date in 2017.

Defined Benefit & Cash Balance Benefit Fees

Manager	Assets (\$ in dollars)	Total Fee (\$ in dollars)	Total Fee (bps)
DFA – U.S. Small Cap	\$469,298,760	\$1,736,405	37
BlackRock Russell 1000 Index	\$3,939,168,199	\$531,788	1
BlackRock World ex-U.S. IMI	\$897,038,641	\$358,815	4
Baillie Gifford Emerging Markets	\$269,611,163	\$1,482,861	55
Gryphon	\$394,475,213	\$1,972,376	50
Acadian Global Equity	\$219,132	\$0	--
Arrowstreet	\$704,621,274	\$3,241,258	46
MFS Global Equity	\$456,700,751	\$1,918,143	42
Ironbridge	\$1,572,117	\$0	--
Dodge & Cox	\$308,062,022	\$1,940,791	63
Mondrian	\$382,302	\$0	--
BlackRock All Country World IMI	\$575,418,124	\$115,084	2
Wellington Global Equity	\$240,641,531	\$1,877,004	78
BlackRock Core Plus	\$578,400,660	\$1,168,369	20
PIMCO Total Return	\$739,607,070	\$1,937,771	26
BlackRock Bond Index	\$719,866,098	\$143,973	2
Wellington Global	\$443,049,390	\$1,550,673	35
Loomis Sayles Multi-Sector Full Discretion	\$189,018,231	\$648,333	34
Loomis Sayles Bank Loans	\$306,526,464	\$1,278,215	42
Franklin Templeton	\$382,921,551	\$1,799,731	47
Neuberger Berman	\$633,002,607	\$1,012,804	16
Total RE ¹	\$796,649,093	\$8,109,731	102
Total PE ²	\$659,656,912	\$8,823,951	134
Annual Fee Paid to Nebraska Investment Council	--	\$1,543,379	1
Total DB/CBB	\$13,705,907,307	\$43,191,456	32

1. Total Fee (in dollars) of trailing 12-month period as of 6/30/2017.
2. Total Fee (in dollars) of trailing 12-month period as of 6/30/2017.

Fees remain extremely competitive for both the Defined Benefit Plan and the Cash Balance Plan. The total fee as of September 30, 2017, is 32 basis points (0.32%) annually.

Total Defined Cont. & Deferred Comp

As of September 30, 2017

Fee Schedule**

	Market Value As of 09/30/2017 \$000	% of Portfolio	Estimated Annual Fee \$000	Estimated Annual Fee (%)
Total Defined Cont. & Deferred Comp.	1,108,629	100.00	881	0.08
DFA Small Cap	59,702	5.39	221	0.37
Russell 1000 Growth Index Fund	57,327	5.17	11	0.02
Russell 1000 Value Index Fund	45,252	4.08	9	0.02
U.S. Equity Index Fund	187,344	16.90	28	0.02
BlackRock All-Country World ex-U.S. Index Fund	38,027	3.43	38	0.10
U.S. Debt Index Fund	18,733	1.69	6	0.03
T. Rowe Stable Value	125,148	11.29	163	0.13
SSgA STIF	9,001	0.81	-	0.00
Conservative Premixed	42,463	3.83	25	0.06
Moderate Premixed	414,863	37.42	249	0.06
Aggressive Premixed	91,209	8.23	64	0.07
Investor Select Fund	19,561	1.76	67	0.34

** In addition to the fees listed above, \$124,349 (~1 bp on assets) in annual fees are paid to the Nebraska Investment Council.

The fees for the funds within the DC Plans are extremely favorable, ranging from 0.02% to 0.37% per annum. The DFA Small Cap Fund fee is 0.37%, which ranks very favorably relative to other active small cap managers.