

## ABA Retirement Funds Fund Performance

Periods Ended October 31, 2016

The Annual Disclosure Document for the American Bar Association Members/MTC Collective Trust, formerly known as the American Bar Association Members/Northern Trust Collective Trust, issued April 2016 (collectively, "Annual Disclosure Document"), describes the investment options available under the ABA Retirement Funds Program ("the Program"). Before you invest, you should read the Annual Disclosure Document. The Annual Disclosure Document is available at [www.abaretirement.com](http://www.abaretirement.com) after logging in to your account or you can request an e-mail copy by calling the Program toll free at (800) 348-2272. The Fund returns reported here do not reflect routine adjustments made in accordance with GAAP in connection with year-end audits for financial statement reporting purposes.

The tables below show the total return, after expenses, of the Program's Funds for the periods presented. Please refer to the Annual Disclosure Document for more complete information regarding the Funds and the Program, including fees and expenses and additional information relating to calculation of historical performance. Not all of the Funds have had the same Investment Advisor(s) for the entire period(s) for which performance is presented. Further, the various fees and expenses of the Program and of the respective Funds may have changed during the period(s) for which performance is presented. Past performance is not a guarantee or indicator of future results and current performance may be higher or lower than the performance shown. The Funds are not mutual funds and are not registered as investment companies under the Investment Company Act of 1940 and, therefore, are not subject to compliance with the requirements of the Act or the protections afforded by it. In addition, units of the Funds are not registered with the Securities and Exchange Commission and are not deposits of or obligations of, or guaranteed or endorsed by, Mercer Trust Company or its affiliates, are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency, and involve risks including the possible loss of principal.

### Tier I - Target Date Funds

Fund Name	Funds in Morningstar Category	Annualized					Inception to Date or 10 Year Annualized <sup>1</sup>	
		1 Month	3 Month	Year to Date	1 Year	3 Year	5 Year	Annualized <sup>1</sup>
<i>Comparative Benchmarks</i>								
<b>Lifetime Income Retirement Date Fund (Inception 8/9/06)</b>		<b>-1.04%</b>	<b>-0.81%</b>	<b>4.79%</b>	<b>2.86%</b>	<b>2.00%</b>	<b>3.72%</b>	<b>3.66%</b>
<i>Custom Benchmark<sup>2</sup></i>		-0.99%	-0.65%	5.58%	3.79%	2.80%	4.57%	4.52%
<i>Morningstar Category Average<sup>3</sup></i>	197	-1.09%	-0.71%	4.90%	3.46%	2.74%	4.22%	--
<b>2020 Retirement Date Fund (Inception 8/2/06)</b>		<b>-1.54%</b>	<b>-1.13%</b>	<b>5.84%</b>	<b>3.38%</b>	<b>3.35%</b>	<b>6.69%</b>	<b>4.79%</b>
<i>Custom Benchmark<sup>2</sup></i>		-1.49%	-0.99%	6.35%	4.03%	4.05%	7.47%	5.42%
<i>Morningstar Category Average<sup>3</sup></i>	272	-1.39%	-0.88%	5.09%	3.29%	3.33%	6.10%	--
<b>2030 Retirement Date Fund (Inception 8/2/06)</b>		<b>-1.98%</b>	<b>-1.46%</b>	<b>5.84%</b>	<b>3.20%</b>	<b>3.76%</b>	<b>7.81%</b>	<b>4.84%</b>
<i>Custom Benchmark<sup>2</sup></i>		-1.93%	-1.31%	6.28%	3.77%	4.43%	8.56%	5.48%
<i>Morningstar Category Average<sup>3</sup></i>	272	-1.74%	-1.07%	5.10%	3.03%	3.66%	7.36%	--
<b>2040 Retirement Date Fund (Inception 8/3/06)</b>		<b>-2.20%</b>	<b>-1.56%</b>	<b>5.72%</b>	<b>2.90%</b>	<b>3.71%</b>	<b>8.28%</b>	<b>4.74%</b>
<i>Custom Benchmark<sup>2</sup></i>		-2.15%	-1.41%	6.10%	3.41%	4.36%	9.04%	5.41%
<i>Morningstar Category Average<sup>3</sup></i>	272	-1.98%	-1.18%	4.92%	2.72%	3.77%	8.05%	--
<b>2050 Retirement Date Fund (Inception 1/17/12)</b>		<b>-2.29%</b>	<b>-1.58%</b>	<b>5.75%</b>	<b>2.86%</b>	<b>3.66%</b>	<b>--</b>	<b>7.80%</b>
<i>Custom Benchmark<sup>2</sup></i>		-2.23%	-1.42%	6.10%	3.35%	4.32%	--	8.55%
<i>Morningstar Category Average<sup>3</sup></i>	262	-2.05%	-1.22%	4.98%	2.74%	3.90%	--	--

<sup>1</sup> Inception to date returns are annualized where a fund has greater than 1 year of history. Inception to date performance begins with the first full month following the stated inception date.

<sup>2</sup> The composite benchmark for each Retirement Date Fund currently includes varying allocations, in some combination, but not all, of the Barclays Capital U.S. Long Government Bond Index, the Barclays Capital U.S. Aggregate Bond Index, the Barclays Capital U.S. High Yield Very Liquid Index, the Barclays 1-3 Year Government/Credit Index, the Barclays 1-10 Year U.S. Government Inflation Linked Bond Index, the Barclays Capital U.S. Treasury Inflation Protected Securities Index, the S&P 500, the Morgan Stanley Capital International All Country World ex-USA<sup>SM</sup> IMI Index, the Russell Small-Cap Completeness Index, the FTSE EPRA/NAREIT Global Developed Liquid Index and the Bloomberg Roll Select Commodity Index, which are weighted based on each Fund's target allocations to the respective asset classes to which such benchmarks relate.

<sup>3</sup> A description of the Morningstar Category Average is detailed on the Disclosure page.

Based on Mercer's review of the industry, the performance calculation methodology has been brought to industry standard, requiring slight modification to some of the performance since inception returns from where Northern Trust had presented them in the past.

# ABA Retirement Funds Fund Performance

Periods Ended October 31, 2016



Fund Name	Funds in Morningstar Category	Annualized						Inception to Date or 10 Year Annualized <sup>1</sup>
		1 Month	3 Month	Year to Date	1 Year	3 Year	5 Year	
<i>Comparative Benchmarks</i>								
<b>Conservative Risk Fund (Inception 7/7/09, redesigned 9/8/15)</b>		<b>-1.11%</b>	<b>-1.07%</b>	<b>5.08%</b>	<b>3.48%</b>	<b>3.00%</b>	<b>3.68%</b>	<b>5.32%</b>
Custom Benchmark <sup>2</sup>		-1.12%	-0.99%	5.46%	4.13%	3.68%	4.41%	6.10%
Morningstar Category Average <sup>3</sup>	602	-1.12%	-0.67%	5.63%	3.57%	3.02%	5.36%	--
<b>Moderate Risk Fund (Inception 7/7/09, redesigned 9/8/15)</b>		<b>-1.45%</b>	<b>-1.10%</b>	<b>5.29%</b>	<b>2.88%</b>	<b>2.92%</b>	<b>5.27%</b>	<b>6.82%</b>
Custom Benchmark <sup>2</sup>		-1.50%	-1.04%	5.53%	3.48%	3.58%	5.99%	7.63%
Morningstar Category Average <sup>3</sup>	919	-1.46%	-1.02%	4.82%	2.76%	3.99%	7.40%	--
<b>Aggressive Risk Fund (Inception 7/7/09, redesigned 9/8/15)</b>		<b>-1.73%</b>	<b>-1.17%</b>	<b>5.50%</b>	<b>2.43%</b>	<b>2.94%</b>	<b>6.77%</b>	<b>8.20%</b>
Custom Benchmark <sup>2</sup>		-1.81%	-1.09%	5.42%	2.68%	4.10%	8.61%	9.77%
Morningstar Category Average <sup>3</sup>	433	-1.82%	-1.24%	4.70%	2.46%	3.91%	7.97%	--
<b>Balanced Fund (Inception 1/2/92, closed to new investments as of 7/2/09)</b>		<b>-1.27%</b>	<b>-1.12%</b>	<b>3.89%</b>	<b>2.49%</b>	<b>5.76%</b>	<b>8.52%</b>	<b>5.31%</b>
Custom Benchmark <sup>4</sup>		-1.47%	-1.42%	5.62%	4.44%	6.61%	9.30%	6.27%
Morningstar Category Average <sup>3</sup>	919	-1.46%	-1.02%	4.82%	2.76%	3.99%	7.40%	--

<sup>1</sup> Inception to date returns are annualized where a fund has greater than 1 year of history. Inception to date performance begins with the first full month following the stated inception date.

<sup>2</sup> The composite benchmark for each Target Risk Fund currently includes varying allocations, in some combination, but not all, of the Barclays Capital U.S. Aggregate Bond Index, the Barclays Capital U.S. Treasury Inflation Protected Securities Index, the S&P 500 Index®, the Russell 2500® Index, the Morgan Stanley Capital International All Country World ex-USA Index, the FTSE EPRA/NAREIT Developed Liquid Index, the S&P Global Large MidCap Commodity and Resources Index, the S&P Global Infrastructure Index and the Bloomberg Roll Select Commodity IndexSM, which are weighted based on each Fund's target allocations to the respective asset classes to which such benchmarks relate.

<sup>3</sup> A description of the Morningstar Category Average is detailed on the Disclosure page.

<sup>4</sup> The Custom Benchmark for the Balanced Fund is 60% Russell 1000 Index /40% Barclays Capital U.S. Aggregate Bond Index.

Based on Mercer's review of the industry, the performance calculation methodology has been brought to industry standard, requiring slight modification to some of the performance since inception returns from where Northern Trust had presented them in the past.

# ABA Retirement Funds Fund Performance

Periods Ended October 31, 2016



## Tier II - U.S. Equity Funds

Fund Name	Funds in Morningstar Category	Annualized					Inception to Date or 10 Year Annualized <sup>1</sup>	
		1 Month	3 Month	Year to Date	1 Year	3 Year		5 Year
<b>Large Cap Equity Fund (Inception 7/2/09)</b>		<b>-1.56%</b>	<b>-1.34%</b>	<b>2.24%</b>	<b>0.48%</b>	<b>7.46%</b>	<b>12.34%</b>	<b>12.75%</b>
Broad Market Benchmark <sup>3</sup>		-1.95%	-1.74%	5.82%	4.26%	8.49%	13.51%	13.63%
Morningstar Category Average <sup>9</sup>	1,580	-1.90%	-1.80%	4.01%	2.09%	6.59%	11.89%	--
<b>Large Cap Index Equity Fund<sup>2</sup> (Inception 2/9/09)</b>		<b>-1.87%</b>	<b>-1.81%</b>	<b>5.30%</b>	<b>3.84%</b>	<b>8.13%</b>	<b>12.80%</b>	<b>16.48%</b>
Broad Market Benchmark <sup>4</sup>		-1.82%	-1.66%	5.89%	4.53%	8.85%	13.57%	17.33%
Morningstar Category Average <sup>9</sup>	1,580	-1.90%	-1.80%	4.01%	2.09%	6.59%	11.89%	--
<b>Mid Cap Index Equity Fund<sup>2</sup> (Inception 2/3/09)</b>		<b>-2.73%</b>	<b>-2.99%</b>	<b>8.78%</b>	<b>5.55%</b>	<b>6.34%</b>	<b>12.13%</b>	<b>18.10%</b>
Broad Market Benchmark <sup>5</sup>		-2.68%	-2.82%	9.39%	6.24%	7.05%	12.92%	18.91%
Morningstar Category Average <sup>9</sup>	466	-2.63%	-2.03%	5.04%	1.99%	4.55%	11.04%	--
<b>Small-Mid Cap Equity Fund (Inception 7/2/09)</b>		<b>-3.00%</b>	<b>-1.99%</b>	<b>4.68%</b>	<b>1.98%</b>	<b>2.92%</b>	<b>9.99%</b>	<b>11.44%</b>
Broad Market Benchmark <sup>6</sup>		-4.06%	-2.83%	6.31%	3.98%	5.18%	12.23%	13.77%
Morningstar Category Average <sup>9</sup>	95	-3.36%	-2.33%	5.29%	2.20%	3.92%	10.70%	--
<b>Small Cap Index Equity Fund<sup>2</sup> (Inception 2/3/09)</b>		<b>-4.79%</b>	<b>-2.17%</b>	<b>5.61%</b>	<b>3.45%</b>	<b>3.46%</b>	<b>10.74%</b>	<b>16.86%</b>
Broad Market Benchmark <sup>7</sup>		-4.75%	-1.99%	6.17%	4.12%	4.13%	11.51%	17.32%
Morningstar Category Average <sup>9</sup>	854	-3.81%	-2.07%	5.86%	2.84%	3.10%	10.52%	--
<b>All Cap Index Equity Fund (Inception 9/5/95)</b>		<b>-2.20%</b>	<b>-1.92%</b>	<b>5.25%</b>	<b>3.55%</b>	<b>7.46%</b>	<b>12.59%</b>	<b>6.10%</b>
Broad Market Benchmark <sup>8</sup>		-2.16%	-1.75%	5.86%	4.26%	8.14%	13.36%	6.76%
Morningstar Category Average <sup>9</sup>	103	-2.33%	-1.69%	3.72%	0.90%	3.94%	9.97%	5.16%

<sup>1</sup> Inception to date returns are annualized where a fund has greater than 1 year of history. Inception to date performance begins with the first full month following the stated inception date.

<sup>2</sup> The Index Funds introduced in February and March 2009 experienced tracking error for periods from inception through September 24, 2009 due to a difference in timing of investment of contributions by participants in the underlying funds in which the respective Funds invest and also a difference in timing of redemptions of investments of participants out of such underlying funds (in addition to the impact of Fund expenses). Since September 25, 2009, each of the Index Funds has been invested in an underlying fund that matches the timing of contributions and redemptions, which the trustee of the Collective Trust believes should lower future tracking error after taking into account the impact of Fund expenses.

<sup>3</sup> The Broad Market Benchmark for the Large Cap Equity Fund is the Russell 1000 Index.

<sup>4</sup> The Broad Market Benchmark for the Large Cap Index Equity Fund is the Standard & Poor's 500 Index.

<sup>5</sup> The Broad Market Benchmark for the Mid Cap Index Equity Fund is the Standard & Poor's Mid Cap 400 Index.

<sup>6</sup> The Broad Market Benchmark for the Small-Mid Cap Equity Fund is the Russell 2500 Index.

<sup>7</sup> The Broad Market Benchmark for the Small Cap Index Equity Fund is the Russell 2000 Index.

<sup>8</sup> The Broad Market Benchmark for the All Cap Index Equity Fund is the Russell 3000 Index.

<sup>9</sup> A description of the Morningstar Category Average is detailed on the Disclosure page.

Based on Mercer's review of the industry, the performance calculation methodology has been brought to industry standard, requiring slight modification to some of the performance since inception returns from where Northern Trust had presented them in the past.

# ABA Retirement Funds Fund Performance

Periods Ended October 31, 2016



## Tier II - Non-U.S. Equity Funds

Fund Name	Funds in Morningstar Category	Annualized					Inception to Date or 10 Year Annualized <sup>1</sup>	
		1 Month	3 Months	Year to Date	1 Year	3 Year		5 Year
<b>International All Cap Equity Fund<sup>2</sup> (Inception 9/5/95, redesigned 7/2/09)</b>		<b>-1.71%</b>	<b>0.34%</b>	<b>4.03%</b>	<b>0.69%</b>	<b>-0.87%</b>	<b>4.62%</b>	<b>0.81%</b>
Broad Market Benchmark <sup>4</sup>		-1.44%	0.40%	4.30%	0.23%	-1.50%	3.64%	1.61%
Morningstar Category Average <sup>8</sup>	905	-2.20%	-0.39%	0.69%	-2.06%	-1.24%	4.70%	--
<b>International Index Equity Fund<sup>2,3</sup> (Inception 3/3/09)</b>		<b>-1.48%</b>	<b>0.28%</b>	<b>4.54%</b>	<b>-0.15%</b>	<b>-1.95%</b>	<b>3.09%</b>	<b>8.30%</b>
Broad Market Benchmark <sup>4</sup>		-1.44%	0.40%	4.30%	0.23%	-1.50%	3.64%	9.10%
Morningstar Category Average <sup>8</sup>	905	-2.20%	-0.39%	0.69%	-2.06%	-1.24%	4.70%	--

## Tier II - World Equity Fund

<b>Global All Cap Equity Fund<sup>2</sup> (Inception 1/17/12)</b>		<b>-1.73%</b>	<b>-0.48%</b>	<b>3.42%</b>	<b>0.79%</b>	<b>2.85%</b>	<b>--</b>	<b>7.98%</b>
Broad Market Benchmark <sup>5</sup>		-1.94%	-0.85%	4.97%	2.40%	3.23%	--	7.94%
Morningstar Category Average <sup>8</sup>	1,221	-2.38%	-1.18%	3.30%	1.01%	2.67%	--	--

## Tier II - Fixed Income Funds

<b>Bond Core Plus Fund (Inception 9/5/95)</b>		<b>-0.84%</b>	<b>-0.81%</b>	<b>5.84%</b>	<b>4.99%</b>	<b>2.93%</b>	<b>2.84%</b>	<b>4.59%</b>
Broad Market Benchmark <sup>6</sup>		-0.76%	-0.93%	5.00%	4.40%	3.49%	2.91%	4.65%
Morningstar Category Average <sup>8</sup>	1,109	-0.62%	-0.49%	5.31%	4.34%	3.17%	3.20%	4.42%
<b>Bond Index Fund<sup>3</sup> (Inception 2/3/09)</b>		<b>-0.82%</b>	<b>-1.11%</b>	<b>4.41%</b>	<b>3.69%</b>	<b>2.83%</b>	<b>2.18%</b>	<b>3.79%</b>
Broad Market Benchmark <sup>6</sup>		-0.76%	-0.93%	5.00%	4.40%	3.49%	2.91%	4.57%
Morningstar Category Average <sup>8</sup>	1,109	-0.62%	-0.49%	5.31%	4.34%	3.17%	3.20%	--
<b>Stable Asset Return Fund (Inception 9/5/95, redesigned 12/8/10)</b>		<b>0.09%</b>	<b>0.28%</b>	<b>0.85%</b>	<b>1.04%</b>	<b>0.90%</b>	<b>1.03%</b>	<b>1.82%</b>
Hybrid Benchmark <sup>7</sup>		0.11%	0.34%	1.11%	1.32%	1.04%	0.80%	1.98%

<sup>1</sup> Inception to date returns are annualized where a fund has greater than 1 year of history. Inception to date performance begins with the first full month following the stated inception date.

<sup>2</sup> As described in the Annual Disclosure Document, the trustee of the Collective Trust may utilize fair value pricing adjustments for the Fund in certain circumstances that may at certain times result in a difference in the Fund's net asset value in comparison to that which would have resulted based on the Fund's more customary pricing methodology. The Morgan Stanley Capital International ("MSCI") All Country World Ex-U.S. Index does not apply fair value pricing adjustments, and the reported Index returns would not be adjusted for any fair value pricing adjustments made by the Fund.

<sup>3</sup> The Index Funds introduced in February and March 2009 experienced tracking error for periods from inception through September 24, 2009 due to a difference in timing of investment of contributions by participants in the underlying funds in which the respective Funds invest and also a difference in timing of redemptions of investments of participants out of such underlying funds (in addition to the impact of Fund expenses). Since September 25, 2009, each of the Index Funds has been invested in an underlying fund that matches the timing of contributions and redemptions, which the trustee of the Collective Trust believes should lower future tracking error after taking into account the impact of Fund expenses.

<sup>4</sup> The Broad Market Benchmark for the International All Cap Equity Fund and the International Index Equity Fund is the MSCI All Country World Ex-US Index.

<sup>5</sup> The Broad Market Benchmark for the Global All Cap Equity Fund is the MSCI All Country World Index.

<sup>6</sup> The Broad Market Benchmark for the Bond Core Plus Fund and the Bond Index Fund is the Barclays Capital U.S. Aggregate Bond Index.

<sup>7</sup> Effective December 8, 2010, the Stable Asset Return Fund restructured its investment portfolio and engaged a new line-up of Investment Advisors. In connection therewith, the benchmark of the Fund was changed from a combination of 70% Ryan Labs Three Year GIC Index / 30% iMoneyNet MFR Prime Institutional Money Market Fund Average to the Three Year Constant Maturity Treasury Yield. Accordingly, the Hybrid Benchmark represents, (i) for periods prior to January 1, 2011, the 70% Ryan Labs Three Year GIC Index / 30% iMoneyNet MFR Prime Institutional Money Market Fund Average, (ii) from January 1, 2011 - September 1, 2015, the Three Year Constant Maturity Treasury Yield and (iii) as of September 1, 2015, the Citigroup 3-Month TBill + 100 bp Premium Index.

<sup>8</sup> A description of the Morningstar Category Average is detailed on the Disclosure page.

Based on Mercer's review of the industry, the performance calculation methodology has been brought to industry standard, requiring slight modification to some of the performance since inception returns from where Northern Trust had presented them in the past.

# ABA Retirement Funds Fund Performance

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## Tier II - Non-Traditional Diversifying Funds

Fund Name	Funds in Morningstar Category	Annualized						Inception to Date <sup>1</sup>
		1 Month	3 Months	Year to Date	1 Year	3 Year	5 Year	
<i>Comparative Benchmarks</i>								
<b>Real Asset Return Fund (Inception 7/7/09, redesigned 9/8/15)</b>		<b>-2.52%</b>	<b>-4.04%</b>	<b>9.35%</b>	<b>5.40%</b>	<b>1.93%</b>	<b>1.33%</b>	<b>5.60%</b>
Hybrid Benchmark <sup>2</sup>		0.45%	0.85%	4.28%	4.80%	3.55%	3.59%	3.82%
Custom Benchmark <sup>3</sup>		-2.65%	-3.24%	8.37%	4.41%	1.43%	1.35%	5.85%
<b>Alternative Alpha Fund (Inception 1/17/12)</b>		<b>-0.75%</b>	<b>0.13%</b>	<b>3.26%</b>	<b>-0.44%</b>	<b>-1.43%</b>	<b>--</b>	<b>0.26%</b>
Hybrid Benchmark <sup>4</sup>		0.36%	1.09%	3.63%	4.37%	4.17%	--	4.14%
Custom Benchmark <sup>5</sup>		-1.29%	-1.29%	1.96%	1.01%	5.13%	--	7.19%

<sup>1</sup> Inception to date returns are annualized where a fund has greater than 1 year of history. Inception to date performance begins with the first full month following the stated inception date.

<sup>2</sup> The Hybrid benchmark represents, (i) for periods prior to July 1, 2014, a blended benchmark of Dow Jones U.S. Select REIT Index; Dow Jones-UBS Commodity Index; Barclays Capital U.S. Treasury Inflation Protected Securities Index and, (ii) from July 1, 2014 - September 1, 2015, U.S. All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (CPI U), + 2% per annum and (iii) as of September 1, 2015, CPI, +3%. The CPI is a measure of the average change over time in prices paid by consumers for a market basket of consumer goods and services. For purposes of calculating the benchmark, 3% annually (or approximately 0.25% monthly) is added to the return of the CPI to reflect the investment objective of the Fund of providing a return in excess of inflation as measured by the CPI. Due to the unavailability of the most current month's CPI at the time of release of this document, the CPI utilized in the benchmark is the CPI as published as of the end of the month prior to the end of the periods for which the Fund's performance is shown. The change in the Fund's benchmark has been effected to better align benchmark returns with the investment objective of the Fund.

<sup>3</sup> The Custom Benchmark for the Real Asset Return Fund is the composite performance of the benchmarks for the five underlying asset classes to which the Real Asset Return Fund allocates assets. The benchmarks comprising the Custom Benchmark currently include the FTSE EPRA/NAREIT Developed Liquid Index, the S&P Global Large MidCap Commodity and Resources Index, the S&P Global Infrastructure Index, the Bloomberg Roll Select Commodity Index<sup>SM</sup> and the Barclays Capital U.S. Treasury Inflation Protected Securities Index and are weighted based on the Fund's target allocations to the asset classes to which such benchmarks relate.

<sup>4</sup> The Hybrid Benchmark represents, (i) for periods prior to July 1, 2014, the Custom Benchmark, (ii) for periods on and after July 1, 2014, the BofA Merrill Lynch 3-Month Treasury Bill Index + 4% per annum. The BofA Merrill Lynch 3-Month Treasury Bill Index is an unmanaged index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income. For purposes of calculating the benchmark, 4% annually (or approximately 0.33% monthly) is added to the return of the Merrill Lynch 3-Month Treasury Bill Index to reflect the investment objective of the Fund of providing a return in excess of the yield on cash equivalent investments. The change in the Fund's benchmark has been effected to better align benchmark returns with the investment objective of the Fund.

<sup>5</sup> The Custom Benchmark for the Alternative Alpha Fund is 50% Standard & Poor's 500 Index/50% Barclays Capital U.S. Aggregate Bond Index.

Based on Mercer's review of the industry, the performance calculation methodology has been brought to industry standard, requiring slight modification to some of the performance since inception returns from where Northern Trust had presented them in the past.

# ABA Retirement Funds

## Fund Performance

Periods Ended October 31, 2016



### Morningstar Category Average Disclosure (Note - Morningstar categories are not available for the Stable Asset Return Fund, the Real Asset Return Fund, or the Alternative Alpha Fund)

In an effort to distinguish funds by the portfolios, objectives and styles, Morningstar developed the Morningstar Categories. While the objective identified in the Annual Disclosure Document states a Fund's investment goals based on the stated fund objective, the Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio and other statistics over the past three years). Morningstar category averages are equal-weighted category returns. The calculation is the average of the returns for all the funds in a given category. The standard category average calculation is based on constituents of the category at the end of the period.

#### Bond Core Plus Fund & Bond Index Fund

##### (Morningstar Category: Intermediate-Term Bond)

Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of 3.5 to 6 years (or, if duration is unavailable, average effective maturities of 4 to 10 years). These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations.

#### Large Cap Equity Fund & Large Cap Index Equity Fund

##### (Morningstar Category: Large Cap Blend)

Stocks of companies in the top 70% of capitalization of the U.S. equity market are defined as large-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are similar to those of the S&P 500 Index.

#### Small-Mid Cap Equity Fund

##### (Morningstar Category: Small-Mid Cap Blend)

Funds in Small-Mid Cap Blend have a flexible investing strategy that allows for pursuit of investments in small and mid capitalization ranges. The style score of portfolios in this group falls in the middle of the spectrum, either because of a focus on both growth and value investing or because stocks are selected from a variety of styles. Key strategies of Small-Mid portfolios include but are not limited to, investment in smaller mid cap companies, investment in small-cap and mid-cap companies, and movement between small and mid-capitalizations.

#### International All Cap Equity Fund & International Index Equity Fund

##### (Morningstar Category: Foreign Large Blend)

Foreign large-blend portfolios invest in a variety of large international company stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks of companies that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios typically will have less than 20% of assets invested in U.S. stocks.

#### Balanced Fund (Morningstar Category: Moderate Allocation)

Moderate-allocation portfolios seek to provide both capital appreciation and income by investing in three major asset classes: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

#### Global All Cap Equity Fund (Morningstar Category: World Stock)

World-stock portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in the U.S., Europe, and Japan, with the remainder divided among the globe's smaller markets. These portfolios typically have 20%-60% of assets in U.S. stocks.

#### Lifetime Income Retirement Date Fund

##### (Morningstar Category: Retirement Income)

Retirement income portfolios provide a mix of stocks, bonds, and cash for those investors already in or entering retirement. These portfolios tend to be managed to a more conservative asset allocation strategy. These portfolios aim to provide investors with steady income throughout retirement.

#### 2020 Retirement Date Fund

##### (Morningstar Category: Target Date 2016-2020)

Target date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2016-2020) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, the asset manager adjusts the allocation among asset classes to more conservative mixes as the target date approaches, following a preset glidepath. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

#### 2030 Retirement Date Fund

##### (Morningstar Category: Target Date 2026-2030)

Target date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-2030) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, the asset manager adjusts the allocation among asset classes to more conservative mixes as the target date approaches, following a preset glidepath. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

#### 2040 Retirement Date Fund

##### (Morningstar Category: Target Date 2036-2040)

Target date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, the asset manager adjusts the allocation among asset classes to more conservative mixes as the target date approaches, following a preset glidepath. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

#### 2050 Retirement Date Fund

##### (Morningstar Category: Target Date 2046-2050)

Target date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2046-2050) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, the asset manager adjusts the allocation among asset classes to more conservative mixes as the target date approaches, following a preset glidepath. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

### **All Cap Index Equity Fund (Morningstar Category: All-Cap Blend)**

All-cap core portfolios exhibit a profile broadly representative of the entire U.S. market. They maintain at least 20% exposure to each of the large, mid, and small market capitalization groups and they select stocks with a variety of growth and price characteristics. Style scores in this group will be roughly equivalent to the overall market average.

### **Mid Cap Index Equity Fund (Morningstar Category: Mid-Cap Blend)**

The typical mid-cap blend portfolio invests in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price conscious that they land in value territory. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

### **Small Cap Index Equity Fund (Morningstar Category: Small-Cap Blend)**

Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

## **Index Definitions**

### **Standard & Poor's Mid Cap 400 ® Index**

Includes approximately 10% of the capitalization of U.S. equities. Represented by 400 companies whose capitalization range is between \$250 million to \$5 billion. S&P 400 is a registered service mark of The McGraw-Hill Companies, Inc.

### **Standard & Poor's 500 ® Index**

The S&P 500 is comprised of 500 stocks representing major U.S. industrial sectors. Performance figures are inclusive of dividends reinvested. S&P 500 is a registered service mark of The McGraw Hill Companies, Inc.

### **Russell 1000 ® Index**

Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based

### **Russell 2000 ® Index**

Russell 2000® Index is an equity index representing 2,000 of the smallest companies within the larger Russell 3000® Index. Often looked at as one benchmark for small stock investors. Russell 2000 is a registered service mark of Frank Russell Company.

### **Russell 2500 ® Index**

Russell 2500® Index measures the performance of the small to mid-cap segment of the U.S. equity universe. The Russell 2500 Index is a subset of the Russell 3000 Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. Russell 2500 is a registered service mark of Frank Russell Company.

### **Russell 3000 ® Index**

Russell 3000® Index is composed of the 3,000 largest U.S. companies by market capitalization, representing approximately 98% of the U.S. equity market. The returns published for the index are total returns, which include reinvestment of dividends. Russell 3000 is a registered service mark of Frank Russell Company.

### **MSCI All Country World Index**

MSCI All Country World index is an equity benchmark for both U.S. and non-U.S. stock performance that aims to capture large and mid-cap representation across 23 Developed and 23 Emerging Markets countries. With over 2,500 constituents, the index covers approximately 84% of the global investable equity opportunity set.

### **Conservative Risk Fund (Morningstar Category: Conservative Allocation)**

Conservative-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold smaller positions in stocks than moderate-allocation portfolios. These portfolios typically have 20% to 50% of assets in equities and 50% to 80% of assets in fixed income and cash.

### **Moderate Risk Fund (Morningstar Category: Moderate Allocation)**

Moderate-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

### **Aggressive Risk Fund (Morningstar Category: Aggressive Allocation)**

Aggressive-allocation portfolios seek to provide capital appreciation by investing in stocks. These portfolios tend to hold larger positions in stocks than moderate-allocation portfolios. These portfolios typically have 70-90% of assets in equities.

### **MSCI All Country World ex US Index**

MSCI All Country World ex US index is an equity benchmark for international stock performance that aims to capture 85% of the (publicly available) total market capitalization of developed and emerging market countries excluding the U.S.

### **Real Asset Return Fund**

The Custom Benchmark for the Real Asset Return Fund is the composite performance of the benchmarks for the five underlying asset classes to which the Real Asset Return Fund allocates assets. Please refer to the Annual Disclosure Document for information concerning such benchmarks. Benchmark comparison begins July 1, 2009. The U.S. All Items Consumer Price Index for the U.S. Average, or CPI, is a measure of the average change over time in prices paid by consumers for a market based of consumer goods and services.

### **Retirement Date Funds**

Custom Benchmarks since inception data reflect performance from August 1, 2006. The Custom Benchmark for each of the Retirement Date Funds is the composite performance of the respective benchmarks for the underlying asset classes to which the respective Retirement Date Funds allocate assets from time to time. Please refer to the Annual Disclosure Document for information concerning the benchmarks that comprise the Custom Benchmark. Benchmark comparison begins August 1, 2006.

### **Target Risk Funds**

The Custom Benchmark for each of the Target Risk Funds is the composite performance of the respective benchmarks for the underlying asset classes to which the respective Target Risk Funds allocate assets. Please refer to the Annual Disclosure Document for information concerning such benchmarks. Benchmark comparison begins July 1, 2009.

### **Stable Asset Return Fund**

The benchmark for the Stable Asset Return Fund is the Citigroup 3-month T-bill Index plus a 1% premium. The Citigroup 3-month T-bill Index represents monthly returns of yield averages for the prior 3 month Treasury Bill issues.

### **Barclays Capital U.S. Aggregate Bond Index**

Barclays Capital U.S. Aggregate Bond Index is a market value-weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage securities, with maturities of one year or more.

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