WELCOME

Managing Your Investments with Daily Valuation:
More benefits than you might think!

APRIL 27, 2017
Agenda

- Opening Remarks: Len Teitellbaum
- Market & Plan Performance Update: David Baskin
- Managing Your Investments with Daily Valuation: Michael Kimmel & David Baskin
- Q & A
MARKET & PLAN PERFORMANCE UPDATE
2017 Q1 Key Themes

• Evolving view of Trump administration policy implementation
  – Failed Affordable Care Act repeal
  – Potential delays to tax reforms and infrastructure spending
  – Continued Russian questions

• Partial reversal of Trump rally over quarter
  – Weaker US dollar
  – US Equity relative underperformance
  – Interest rate declines

• Past performance not indicative of future results
## Asset Class Performance Comparison

| Year | MLP | Core Bonds | EM | REITs | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | Core Bonds | EM | MLP | 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### Asset Class Descriptions

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM 11.4%</td>
<td>Emerging Market Stock Index</td>
</tr>
<tr>
<td>EAFE 7.2%</td>
<td>Developed Market International Stock Index</td>
</tr>
<tr>
<td>US Equities 5.7%</td>
<td>US Large and Small Stock Index</td>
</tr>
<tr>
<td>MLP 3.9%</td>
<td>Master Limited Partnerships (Pipelines) Index</td>
</tr>
<tr>
<td>High Yield 2.7%</td>
<td>High Yield Bonds (Non-Investment Grade Bonds) Index</td>
</tr>
<tr>
<td>REITs 1.0%</td>
<td>Real Estate Investment Trust Index</td>
</tr>
<tr>
<td>Core Bonds 0.8%</td>
<td>Diversified US Investment Grade Bond Index</td>
</tr>
</tbody>
</table>

Source: Bloomberg
RPB Trailing 12-Month Tier I Investment Returns*

April 1, 2016 through March 31, 2017

*As of March 31, 2017, net of investment management fee.

Since Inception Volatility – Lower is Less Risky

January 1, 2013 through March 31, 2017

RPB Q1 Tier II Investment Returns*

January 1, 2017 through March 31, 2017

*As of March 31, 2017, net of investment management fee.
MANAGING YOUR INVESTMENTS WITH DAILY VALUATION
What is Daily Valuation?

- Accounts balances will be updated every day the NYSE is open

And, access to more advanced features.
More Flexibility. More Control. More Benefits

- More frequent investment changes
- Invest future contributions differently from current balances
- Transfer money between funds
- Control rebalancing frequency
- For retirees, request distributions from specific funds
More Frequent Investment Changes

• **Change your investments every 5 business days**
  – If change made before 4PM close of NYSE, valued at that day’s closing price
  – If change made after 4PM close of NYSE, valued at next business day’s closing price

• **Additional Vanguard 30 day rule**
  – If move money FROM a Tier 2 fund, there’s a 30 calendar day waiting period before you can move money back into that fund [includes the 5 business day waiting period]

Let’s look at some examples
More Frequent Investment Changes
From Tier 1 Funds

<table>
<thead>
<tr>
<th>“FROM” FUND</th>
<th>“TO” FUND</th>
<th>WAITING PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIER 1</td>
<td>TIER 1</td>
<td>5 business days before any additional allocation changes may be made</td>
</tr>
<tr>
<td>TIER 1</td>
<td>TIER 2</td>
<td></td>
</tr>
</tbody>
</table>
More Frequent Investment Changes
From Tier 2 funds

<table>
<thead>
<tr>
<th>“FROM” FUND</th>
<th>“TO” FUND</th>
<th>WAITING PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIER 2</td>
<td>TIER 1</td>
<td>5 business days before any additional allocation changes may be made</td>
</tr>
</tbody>
</table>
| TIER 2      | TIER 2    | 30 calendar days (Tier 2)* before you may move money into, or increase the allocation to, the “From” Vanguard fund

*Tier 2 waiting period includes the 5 business day waiting period.
Rebalancing: What is it?

If invested in more than one fund:

- Investment gains or losses may cause your holdings to shift from your desired asset allocation
- Check/adjust your investment mix periodically to make sure it’s aligned with objectives
Rebalancing: An Example

Rise in equities market causes the Capital Appreciation Fund to grow in value, while the Income-Focused Fund doesn’t grow as fast, shifting the allocation of your portfolio.
Rebalancing: More Control with Daily Valuation

You decide how often to rebalance your account
- Quarterly, semi-annually, annually
- Not at all
- Both Tier 1 and Tier 2 funds

Auto-rebalancing is on
- Automatically maintain your strategic investment allocation

Auto-rebalancing is off
- Your investments move with the market

GOOD TO KNOW:
- Auto-rebalance your account if more than one fund
- Quarterly Frequency
Current Balances and Future Contributions

A new way of looking at your retirement account

- **Current Balances**
  - Money already invested in Tier 1 and/or Tier 2 Funds

- **Future Contributions**
  - Money you will receive from your employer in the future. These are not yet invested in the RPB funds

- **Now, you can invest current balances separately from future contributions:**
  - In different funds
  - With different percentages
Current Balances and Future Contributions

<table>
<thead>
<tr>
<th>CURRENT</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund A</td>
<td>Fund A $200/40%</td>
</tr>
<tr>
<td>$200/50%</td>
<td>Fund B $200/40%</td>
</tr>
<tr>
<td>Fund B</td>
<td>Fund C $200/33%</td>
</tr>
<tr>
<td>$200/50%</td>
<td>Fund C $200/33%</td>
</tr>
</tbody>
</table>

You are content with your existing investments, but want your future contributions to be invested in a different fund offered by RPB.

For illustrative purposes only.

MONTH 1

Fund A $200/40%
Fund B $200/40%
Fund C $100/20%

MONTH 2

Fund A $200/33%
Fund B $200/33%
Fund C $200/33%

*Total may not equal 100% due to rounding

Rather than change your current investments, only future contributions are invested in Fund C.
Current Balances and Future Contributions

Summary

• Invest current balances separately from future contributions
• Or, keep all your money invested the same way....it’s your choice
• InfoExpress – Change Investments:
  – Select Current Balances
  – Select Future Contributions
• Rebalancing: keep rebalancing turned off for as long as you want future contributions and current balances to be invested differently
Transfer Money Between Funds

- Move money on a one time basis
- Existing investment elections remain intact
- Manually shift your asset allocation based on your objectives

GOOD TO KNOW:

- Transfers subject to 5 day and 30 day trading rules
- Turns rebalancing off
Transfer Money Between Funds

You want to move 5% from Fund A to Fund B
Retiree Monthly Distributions: Proportionate

Today, take distributions proportionately from each fund

Objective: Maintain investment objectives

Monthly Distribution

$$ 32\% - \text{Capital Appreciation}$$

$$ 60\% - \text{Income Focused}$$

$ 8\% - \text{Capital Preservation}$

Note: Allocation percentages don’t change
Retiree Monthly Distributions: Specific Fund(s)

Example A
Objective: Fund in-retirement living expenses while letting your longer-term money grow in more aggressive funds

Monthly Distribution

- Capital Appreciation
- Income Focused
- $ - Capital Preservation

Note: Allocation percentages will change
Retiree Monthly Distributions: Specific Fund(s)

Example B
Objective: Reduce exposure to the stock market

Monthly Distribution

$ - Capital Appreciation

Income Focused

Capital Preservation

Note: Allocation percentages will change
Daily Valuation Features Summary

• Change investments every 5 business days
• Invest current balances separately from future contributions
• Make transfers when needed
• Retirees: request monthly distribution from specific fund(s)
• Decide how often you want to rebalance or not at all
QUESTIONS?
THANK YOU