Morningstar's 2018 IRA Contribution Guide

A companion to the Morningstar.com Premium Member exclusive webinar, "Top Ideas For Your IRA"

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Contents

Highlights

- The first step in making the most of your IRA contributions is determining what type of IRA is right for you—and be sure to fund a spousal IRA if you have a spouse who isn't currently generating income.
- You can use your IRA contributions to balance out your portfolio each year.
- Use IRA funding time to review all of your IRAs and their roles in your overall portfolio.
- Those who cannot contribute directly to a Roth IRA because they earn too much are prime candidates for backdoor Roth IRAs.
- An IRA conversion can often trigger a tax bill. If you deducted your contribution on your tax return and/or your investments have made money since you purchased them, when you convert those assets to a Roth IRA you'll owe taxes on your contribution, your investment gains, or both.
- The logistics of opening a backdoor Roth IRA aren't very cumbersome.
- Opinions vary about how long you should wait to convert after initially funding your IRA.
- Although Congress could clamp down on the backdoor Roth IRA, it's highly unlikely that any new legislation will have any impact on assets that have already been converted to Roth.
- Some investors over age 65 can contribute to IRAs if they meet three requirements.
- If you qualify, should you make IRA contributions after age 65? The longer the holding period, the greater the tax benefits of utilizing any type of tax-sheltered savings vehicle.

How to Get The Most Out of Your IRA Contributions

Tips for selecting the right account type, using new contributions to adjust your portfolio's allocations.

By Christine Benz
Published February 26, 2018

In an ideal world you wouldn't wait until the last minute—your tax-filing deadline, which is April 18 this year—to contribute to these accounts for the year prior. These 11th-hour contributions can cost you some compounding.

But let's face it, many investors do wait until the following year to make their IRA contributions, and it's better later than never. If you're just getting around to contributing to an IRA for the 2017 tax year—or if you're ahead of the game and making your 2018 contribution—here are some tips for getting the most from your contribution.

Identify the Right Type

One of the first decisions you'll need to make when contributing to an IRA is whether to steer those dollars into a traditional IRA or a Roth account. Of course, income limits may rule out a traditional deductible IRA right out of the box; to make a traditional IRA contribution and deduct it on your tax return, your adjusted gross income needs to be less than $73,000 if you're a single filer and $121,000 if you're part of a married couple filing jointly, assuming you can contribute to a retirement plan at work. Meanwhile, income limits are more generous for Roth contributions, and even investors with very high incomes can get into a Roth via the "backdoor" as discussed in this article.

If your income puts both account types within reach, the key question to ask is if you're better off taking the tax break now, at the time of your contribution, or waiting until you're retired to take it. (The same calculus comes into play if you can steer your 401(k) contributions to either a Roth account or a traditional one.) If the answer is "now" because you think you're in a high tax bracket relative to where you're apt to be in retirement, you're a good candidate for a traditional deductible IRA, assuming your income allows you to contribute to such an account. (That's not often the case for investors in this situation, as their taxable income is high so they cannot deduct their contributions.)

If the answer is that you're more likely to need the tax break in retirement, or that your current tax rate is quite low relative to what it's apt to be in the future (for example, you're a bright shiny new graduate who's not making much currently), a Roth IRA is the better bet. It's also possible to split your contributions across both account types in a single year.

Don't Forget about the Nonearning Spouse

Single-earner couples can fall behind on the retirement-savings front, which is why it's so important for them to fund an IRA on behalf of the spouse who's not generating an income currently. You won't find an account called a "spousal IRA" on your brokerage firm or fund company's website, but you can fund the IRA of your choice in the nonearning spouse's name. The one caveat is that the earning spouse must have enough earned income to cover the contribution(s).

Use New Contributions to Address Portfolio Problem Spots

After selecting your IRA type and getting the IRA account funded, the next step is deciding what type of investment to put that money into. Many investors stall out on this step, according to Vanguard research, likely paralyzed by their (too?) many investment choices. My advice is to start by using Morningstar X-Ray to view your portfolio's asset allocation and suballocations; you can then identify areas where your portfolio is light, such as bonds or international stocks. (The weightings in Morningstar's Lifetime Allocation Indexes—or those of a good target-date fund, such as the Vanguard or Blackrock series—provide some benchmarks for sensible asset allocations.) Of course, if you have a larger portfolio and its allocations are seriously out of whack, new IRA contributions won't be enough to move the needle; you'll need to engage in rebalancing.

Take Time to Conduct 'IRA Maintenance'

For many investors, their IRAs play second fiddle to their company retirement plans, which allow for higher annual contributions. It can be easy to lose track of what investments you hold in your IRA accounts, or to think of them as unimportant supporting players in your overall plan. Thus, if you haven't taken a close look at what's in your IRA for awhile, or if you have several smaller IRAs, it's valuable to use IRA-contribution season as an impetus to check up on how these accounts fit into the whole of your portfolio. It's also a good time to check up on the status of your accounts: For example, if you've been getting into a Roth IRA via the backdoor, make sure that you're periodically converting those traditional IRA accounts to Roth.

Backdoor Roth IRAs: What You Need to Know

Understand the 'pro rata' rules, the logistics, and the long-term viability of this maneuver.

By Christine Benz
Published February 26, 2018

The Tax Increase Prevention and Reconciliation Act of 2005 extended several popular provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003. Not only did TIPRA renew the low tax rates on qualified dividends and long-term capital gains rates that so many investors hold dear today (it seems like a lifetime ago that dividends were taxed at ordinary income tax rates!), but it also lifted the income restrictions for converting a traditional IRA to Roth, starting in 2010. Before 2010, you could only convert traditional IRAs to Roth if your adjusted gross income was below $100,000.

And with the lifting of those income limits—but not the income limits governing who can contribute to a Roth IRA directly—the "backdoor Roth IRA" was born. The backdoor Roth IRA strategy is often touted as an easy way for high-income folks who are otherwise shut out of direct Roth IRA contributions because they earn too much to get at least some assets into the Roth column without having to pay a big tax bill. The basic idea is to fund a traditional IRA, for which there are no income limits (assuming you're not deducting the contribution), then convert to a Roth—again, no income limits thanks to TIPRA. That sounds simple enough, but there's still plenty of confusion about backdoor Roths. Who should consider one, and who shouldn't bother? What are the tax implications? And importantly, could this loophole eventually go away, and what would happen if it did?

What follows are some frequently asked questions about the backdoor Roth IRA maneuver.

Q: Who should consider a backdoor Roth IRA?
A: People who cannot contribute directly to a Roth IRA because they earn too much are prime candidates for backdoor Roth IRAs. For 2018 single filers with less than $120,000 in modified adjusted gross income and married couples filing jointly with less than $189,000 in modified adjusted gross income can make full, direct Roth IRA contributions. They can make partial direct Roth IRA contributions if their incomes fall between $120,000 and $135,000 for single filers and $189,000 and $199,000 for married couples filing jointly, but it's hard to see why they'd bother with a partial contribution; the backdoor Roth IRA gives them the latitude to make a full IRA contribution of $5,500 if they're younger than 50 or $6,500 if they're 50-plus. Single filers with modified adjusted gross income above $135,000 and married couples filing jointly with modified adjusted gross income above $199,000 cannot make a direct Roth IRA contribution, so a backdoor Roth IRA is the only reasonable option.

Q: Forget backdoor. What's the big deal about Roth IRAs in the first place?
A: The tax treatment of a Roth IRA is almost exactly opposite of the tax treatment of a traditional IRA. With a traditional IRA, you get a tax break at the time you make your contribution (assuming your income is below the thresholds to make a deductible contribution) but pay ordinary income tax on your

money when you pull it out in retirement (save for dollars that you've already paid taxes on). With a Roth IRA, you put in money that you've already paid tax on, but you're able to take your money out tax-free during retirement.

If you knew your tax rate would be the same when you took your money out in retirement as it was when you made the contribution, it wouldn't matter whether you made a Roth or traditional IRA contribution. It's a wash. The virtue of Roth contributions, however, is that if your tax rate is higher when you take the money out in retirement—either because your income is higher than it was at the time of your contribution or because tax rates have gone up secularly since then—you'll be glad you made Roth contribution. Another big benefit of Roth IRAs is that they don't carry required minimum distributions, unlike traditional IRA assets. Thus, they can be ideal accounts for your heirs to inherit: Not only will you not have to draw down Roth accounts in your lifetime, but your heirs can inherit them free of federal taxes. (Estate taxes may apply, however.)

Finally, there's a logistical reason that higher-income folks often fund Roth IRA accounts: the income limit on direct Roth contributions is higher than is the case for traditional deductible IRAs, and the backdoor maneuver is open to investors of all income levels.

Q: I've always heard that IRA conversions mean a tax bill. Won't that be the case if I open a traditional IRA and then convert it to Roth?
A: You're right that an IRA conversion can often trigger a tax bill. If you deducted your contribution on your tax return and/or your investments have made money since you purchased them, when you convert those assets to a Roth IRA you'll owe taxes on your contribution, your investment gains, or both.

In the case of a nondeductible contribution, however, you're putting in money that you've already paid taxes on, so you won't owe taxes on it again. Moreover, if you convert your new traditional IRA account to Roth before your investments have made any money, you won't owe taxes on investment appreciation, either. That's why the backdoor Roth IRA can be a tax-free or nearly tax-free maneuver for many investors.

Q: You say the backdoor Roth IRA can be a tax-free or nearly tax-free maneuver for many investors. Why not all investors?
A: The key reason a backdoor IRA could be taxable is what's called the pro rata rule for IRA conversions. That means that for the purpose of calculating the tax you owe for the year of the conversion (and at the time you pull your money out in retirement, too), you need to look at the tax complexion of all of your IRAs in aggregate. If you have additional IRA assets that you've never paid taxes on (consisting of pretax contributions and/or investment gains) the ratio between your never-been-taxed IRA assets and your already-been-taxed IRA assets will determine your tax bill at the time you convert your IRAs.

Let's assume a person who earns $200,000 a year and has $20,000 in traditional IRA assets rolled over from a former employer's 401(k) puts $5,000 into a traditional nondeductible IRA, seeking to take advantage of the backdoor option. At first blush, it seems like this converter shouldn't owe any taxes, either. Her contribution to the new IRA was already taxed, and if she makes the conversion right away, before her investment goes up in value, she wouldn't owe any taxes on investment gains, either.

But here's where the pro rata rule comes in. Her other traditional IRA assets consist entirely of money that she had rolled over from an old 401(k) plan, meaning that money has never been taxed. Because of those other IRA assets, the tax she'll owe upon conversion will depend on percentage of taxable versus tax-free assets in all of her IRA accounts, not just the one she just opened.

In her case, $20,000 of her IRA assets haven't yet been taxed totals and her new nondeductible IRA contribution of $5,000 already has. That means that 80%, or $4,000, of her recent $5,000 contribution would be taxable upon conversion; only $1,000 (the other 20%) would not be.

All of this means that if you have other traditional IRA assets, or SEP and SIMPLE IRAs, you'll need to proceed carefully before opening up a traditional nondeductible IRA with an eye toward immediately converting to a Roth.

Q: Do my 401(k) assets count in the pro rata calculation? They've never been taxed, either.
A: No. Any company retirement plan assets—whether 401(k), 403(b), or 457—are considered distinct from the IRA assets. They wouldn't affect the taxation of any IRA conversion.

Q: Is there any way around the pro rata rule if I have other traditional IRA assets?
A: Participants in 401(k) plans that allow external assets to be rolled into the plan can roll their traditional IRA assets into the plan, effectively removing them from the pro rata calculation. This maneuver is only advisable if the 401(k) plan is low-cost and high-quality, however. This article takes a closer look at that workaround.

Q: How complicated are the logistics of a backdoor Roth IRA?
A: Not very. The first step is to contribute to a traditional IRA. You'll also need to file IRS Form 8606, specifying that you made a nondeductible IRA contribution, for the tax year in which you made the contribution. When you eventually convert the assets to Roth from traditional you'll need to fill out a form with your investment provider. You'll also need to indicate the amount you converted, and the amount of the conversion that was taxable, on your tax return for the conversion year (line 15a on form 1040; note that in the IRS' eyes, your conversion is considered a "distribution"). And if you don't already have a Roth IRA, you'll need to set one up so that it can "receive" the assets. Finally, once the Roth IRA is established, you'll need to specify what you'd like the money invested in.

Q: How long after initially funding my IRA do I have to wait to convert?
A: That's a subject of some debate. Financial planning guru Michael Kitces urges a cautious tack, arguing that would-be backdoor Roth IRA investors should wait a year between the initial funding of the

IRA and the conversion to Roth. Meanwhile, IRA experts Ed Slott and Jeffrey Levine believe that investors needn't wait a protracted period of time to conduct the conversion. My own two cents is that because backdoor IRA funders are subject to the annual contribution limits of $5,500 ($6,500 if over 50)—not huge sums of money—it's hard to imagine the IRS taking a very aggressive tack in going after backdoor Roth IRA investors, even if Congress didn't intend for investors to take advantage of the loophole. More likely, Congress would close the loophole on a going-forward basis, as discussed below.

Q: Should I invest the money in my traditional IRA in long-term assets, or leave it in cash until I do the conversion?
A: Here's another area where expert opinions vary. The virtue of leaving the money in cash is that with cash yields close to nil currently, there will be a limited chance of investment appreciation in the traditional IRA between the time the account is funded and when the conversion occurs. That limits the possibility that the conversion will be taxable in any way. On the other hand, Kitces urges a more cautious approach, suggesting getting the traditional IRA assets invested in long-term assets; that demonstrates that the investor actually intended to invest within the traditional IRA and wasn't simply trying to skirt a loophole.

Q: Could Congress clamp down on this maneuver? And what would happen if it does?
A: This is the $64,000 question. Congress has put limits on tax-sheltered investment options in an effort to limit their use by very high-income investors; the Roth IRA maneuver runs counter to the spirit of those limits. Further limiting the appeal of the backdoor IRA in the eyes of Congress is that, unlike other IRA conversions, a correctly executed backdoor Roth IRA is unlikely to bring new tax revenues in the door. On the other hand, a Republican-led Congress may have less of an appetite to kill a tax-saving option that's appealing to high-income investors; indeed, the new tax laws crack down on recharacterizations but don't address the backdoor Roth. In any case, it's highly unlikely that any new legislation will have any impact on assets that have already been converted to Roth.

Should You Make IRA Contributions After 65?

The longer the holding period, the greater the benefits of making these contributions.

By Christine Benz
Published February 22, 2018

As I was listening to my voicemail on a Saturday morning, I picked up a message from a relative. "Christine, I have some extra money to invest," she said. "I put some cash into my traditional IRA earlier this year, but this time I wonder if I should make a Roth contribution instead. Call me back, please."

Uh-oh, I thought to myself.

Her basic question, of course, is commonplace—people often want to know which IRA (or 401(k)) contribution type to make, and the right answer is usually not abundantly clear. But my relative is already retired—she's no longer earning an income—and that's where the "uh-oh" comes in. She can't make an IRA contribution at all, because all of her income is unearned income—she lives on income from Social Security and her investment accounts. Only people with earned income (usually income from paid work or some variant of it, discussed below) can contribute to an IRA.

I hear some version of my relative's question from retirees a lot. Can I take my RMD proceeds and use them to invest in a Roth IRA? (No, unless you have earned income.) Are IRA contributions even worth it later in life? (Probably.) Can I put my inheritance into an IRA, even though I'm retired? (Yes, but you'll be subject to the annual IRA contribution limits and you need to have enough earned income to cover the contribution.) And so on.

Indeed, even as a healthy share of the population struggles to make ends meet in retirement, other retirees find themselves in the enviable position of still being able to save, either because they're working part-time and/or because their other sources of income supply them with more than enough to live on. But is investing in an IRA later in life a good idea?

To answer that question, you need to address two separate issues. First, are you allowed to make an IRA contribution, given your age and the type and level of income you have? And if you can make an IRA contribution, should you opt for traditional or Roth contributions, assuming both are open to you? Would you be better off saving in a taxable account instead?

Will It Float?
The answer to the first question—is an IRA contribution even allowable for you?—is easier to answer, and hinges on meeting three requirements.

Having earned income is the first one: Your income from paid work in the year for which you're making the contribution must be at least equal to or above the amount of the contribution. Note that spousal income counts, too. Even if you personally didn't have any earned income, if your 65-year-old spouse earned $15,000 from a consulting gig in a given year and wanted to make $6,500 IRA contributions for each of you, that would be perfectly allowable. Income from a job, net earnings from self-employment, and disability benefits received prior to minimum retirement age all count as earned income. Income from other common sources—Social Security, portfolio income, pension income, annuity payments, RMDs, and rental properties—doesn't count.

Age limits also come into play: While Roth IRA contributions are allowable at any age, provided a person meets the earned income test outlined above, traditional IRA contributions aren't allowable after age 70 1/2. Not coincidentally, that's the same age when required minimum distributions from traditional IRAs must commence.

Finally, income limits apply to IRA contributions throughout your life. The contribution limits for traditional IRA contributions that you can deduct on your tax return are the most stringent; Roth IRA contributions are allowable at a higher income limit. Anyone can make a traditional nondeductible IRA contribution, regardless of income, assuming they're younger than age 70 1/2. Those contributions could then be converted to Roth for a "backdoor Roth IRA." However, such a maneuver isn't advisable in the (likely) scenario that a retiree has significant traditional IRA assets that have never been taxed yet.

Should You Make Them?
Assuming you meet the income and age tests that apply to IRA contributions, the next question is whether those contributions are advisable. And if you're eligible for both types of contributions, which type is best?

Generally speaking, the longer the holding period, the greater the tax benefits of utilizing any type of tax-sheltered savings vehicle. Young accumulators, for example, have many years to benefit from the tax-deferred compounding on their money. Not only can they stash away assets without paying taxes on them, in the case of deductible contributions, but they won't owe any taxes on the money on a year-to-year basis, either. In the case of Roth contributions, they'll benefit from tax-free compounding in the years leading up to retirement, and will also be able to take tax-free withdrawals on the account in retirement. The longer the holding period, the greater the appreciation and the greater the tax-saving benefit of using some type of tax-sheltered wrapper.

Contributions to IRAs made later in life benefit less from the tax-sheltered compounding simply because of a domino effect: with a shorter time horizon, the investment gains are less, and so are the taxes due upon them. That's not to say that older adults, even those past age 65, shouldn't run any additional savings through an IRA, though--just that the benefits may be limited if your plan is to put the money in at 65 and take it out at 70.

To use a simple example, let's say a 65-year-old woman who's retired from her full-time occupation decides to pick up some part-time work and is able to save $6,000 a year in a Roth IRA for five years. Assuming she earns a 4% annualized return on her money, she'd have $32,500 five years later. Her

$2,500 in investment gains (the amount over and above her $30,000 in contributions) would be tax-free, and she wouldn't have to pay any income or capital gains taxes during that five-year holding period, either.

By contrast, if she steered the same amount into a taxable account, she'd have to pay taxes on any income and capital gains that her holdings kick off during her holding period, and she'd also owe capital gains taxes when she withdraws the money. She'd receive a step-up in her cost basis to account for the income and capital gains distributions she already paid taxes on, but the fact that she’s having to pay those taxes each year means that she has less money working for her during her holding period. Assuming a modest tax-cost ratio of 0.25% (taking her return down to 3.75% from 4%) and a 15% capital gains rate at the time of withdrawal, her take-home return would be about a bit less than $32,000, $500 less than the Roth.

That's a pretty small differential, for sure—an inevitable outgrowth of the fact that IRA contributions are limited to $6,500 as well as her short holding period and modest return. But the advantage of funneling her contributions through the IRA grow if she's able to keep the money in the account longer, as she can do with a Roth IRA, provided she doesn't need the money. (Roths, in contrast with traditional IRAs, don't carry required minimum distributions.) If she leaves the money in the account until age 80 and continued to earn 4% on her dough, she'd be able to take a $48,106 tax-free withdrawal from the Roth--even though she only put in $30,000 in those first five years. Meanwhile, her taxable account would amount to $44,086 on an after-tax basis. Again, that's not a huge differential, but $4,000 is $4,000. If her ultimate plan is to not spend the money and instead leave the money undisturbed even longer--or pass it to her heirs—the advantage of the Roth IRA would grow even more.

No RMDs—and the ability to stretch out the holding period—is the key reason that people who can make IRA contributions in the post-retirement, pre-RMD period should prioritize Roth rather than traditional contributions. A person approaching 70 1/2 wouldn't get a lot of bang from traditional IRA contributions because required minimum distributions from the IRA account would soon commence. (Of course, there may be extenuating circumstances that would call for prioritizing a traditional IRA contribution over Roth later in life; check with your financial or tax advisor to be sure.)

Accidents Will Happen

Finally, what about my relative's IRA contribution, which she made before she realized she was ineligible? Her first job is to contact the investment provider and let them know her mistake. Her improper IRA contribution is classified as an excess contribution, so she'll need to fill out a form spelling out the excess contribution—when it was made and when it was corrected. The taxes due—as well as whether the 6% excess contribution penalty would apply—would depend on when the excess contribution was corrected and appreciation in the account since the contribution was made.

FMI Large Cap

Ticker	Yield	Total Assets	Mstar Category
FMIHX	0.7%	$6,755 mil	Large Blend

Benchmark 1: Russell 1000 TR USD
Benchmark 2: S&P 500 TR USD

Morningstar Analyst Rating 01-11-18

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Neutral

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

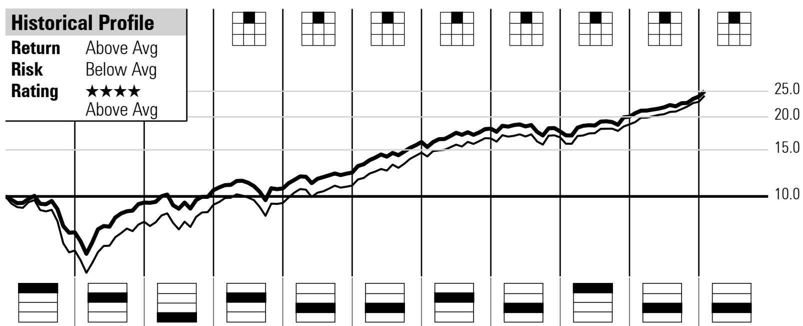
Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return Above Avg
Risk Below Avg
Rating ★★★★ Above Avg

Investment Style
Equity



Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
11.04	14.14	15.61	15.25	17.10	20.86	21.22	18.61	19.72	21.50	22.53	NAV
-26.91	29.68	11.41	1.49	14.86	30.48	12.36	-2.44	13.79	19.19	4.79	Total Return %
10.69	1.25	-4.68	-0.01	-1.56	-2.63	-0.88	-3.35	1.74	-2.50	-0.70	+/- Bmark 1
10.09	3.22	-3.65	-0.62	-1.14	-1.90	-1.33	-3.82	1.83	-2.64	-0.93	+/- Bmark 2
0.75	1.55	0.97	1.14	1.29	1.03	0.87	0.98	1.23	0.86	0.00	Income Return %
-27.66	28.13	10.44	0.35	13.57	29.45	11.49	-3.42	12.56	18.33	4.79	Capital Return %
3	34	81	26	58	67	39	69	12	71	70	Total Rtn % Rank Cat
0.11	0.17	0.14	0.18	0.20	0.18	0.18	0.21	0.23	0.17	0.00	Income $
0.00	0.00	0.00	0.42	0.21	1.24	2.05	1.84	1.25	1.82	0.00	Capital Gains $
1.11	0.97	0.97	0.97	0.96	0.96	0.94	0.93	0.90	0.86	—	Expense Ratio %
1.13	1.80	1.18	1.03	1.25	0.95	0.87	0.87	1.09	0.71	—	Income Ratio %
30	32	20	28	21	30	31	18	17	16	—	Turnover Rate %
1,543	2,404	3,676	4,477	6,233	8,689	9,631	8,245	4,943	3,753	3,851	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	11.40	3.10	4.48	8.74	30.48
2014	2.49	5.75	-1.77	5.53	12.36
2015	1.79	0.19	-7.58	3.52	-2.44
2016	3.39	1.87	3.06	4.83	13.79
2017	5.48	2.88	3.60	6.02	19.19

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	10.84	0.92	0.67	20	11,084
6 Mo	12.88	-2.31	-2.55	80	11,288
1 Yr	21.15	-4.69	-5.26	83	12,115
3 Yr Avg	12.53	-1.75	-2.13	65	14,249
5 Yr Avg	13.94	-1.78	-1.97	67	19,206
10 Yr Avg	9.91	0.06	0.13	16	25,735
15 Yr Avg	11.74	0.98	1.21	4	52,837

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	9.99	68	2.26	81
5 Yr (estimated)	11.41	69	2.22	78
10 Yr (estimated)	8.43	34	1.35	74

Potential Capital Gain Exposure: 41% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	21.15			
3 Yr	12.53	Avg	-Avg	★★★
5 Yr	13.94	Avg	-Avg	★★★
10 Yr	9.91	+Avg	-Avg	★★★★★
Incept	9.59			

Other Measures	Standard Index	Best Fit Index
Alpha	-0.7	1.6
Beta	0.91	0.93
R-Squared	87	90
Standard Deviation	9.94	
Mean	12.53	
Sharpe Ratio	1.20	

Portfolio Analysis 09-30-17

Total Stocks: 29

Share change since 06-30-17	Sector	YTD Ret %	% Assets
⊖ Berkshire Hathaway Inc B	Finan Svcs	8.15	5.06
⊖ Comcast Corp Class A	Comm Svcs	6.59	4.83
⊖ UnitedHealth Group Inc	Hlth Care	7.40	4.82
⊖ Honeywell International I	Industrl	4.11	4.50
⊖ Dollar General Corp	Cnsmr Def	11.15	4.14
⊖ Accenture PLC A	Technology	4.97	4.02
⊖ eBay Inc	Cnsmr Cyc	7.53	3.96
⊖ JPMorgan Chase & Co	Finan Svcs	8.69	3.84
⊖ Cerner Corp	Technology	2.58	3.80
⊖ Progressive Corp	Finan Svcs	-3.94	3.70
⊖ Stanley Black & Decker In	Industrl	-2.04	3.55
⊖ Expeditors International	Industrl	0.40	3.38
⊖ PACCAR Inc	Industrl	4.90	3.35
⊖ AmerisourceBergen Corp	Hlth Care	8.55	3.32
⊖ Bank of New York Mellon C	Finan Svcs	5.72	3.26
⊖ Potash Corp of Saskatchew	Basic Mat	—	3.13
⊖ TE Connectivity Ltd	Technology	7.88	3.12
⊕ Schlumberger Ltd	Energy	9.19	3.09
⊖ Nestle SA ADR	Cnsmr Def	—	2.98
⊕ TJX Companies Inc	Cnsmr Cyc	5.05	2.96

Current Investment Style

Value Blend Growth

Market Cap	%
Giant	39.0
Large	46.0
Mid	15.0
Small	0.0
Micro	0.0
Avg $mil: 61,901	

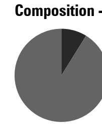
Value Measures		Rel Category
Price/Earnings	20.09	1.02
Price/Book	3.12	1.03
Price/Sales	1.22	0.57
Price/Cash Flow	11.54	0.96
Dividend Yield %	1.76	0.94

Growth Measures	%	Rel Category
Long-Term Erngs	8.95	0.88
Book Value	1.88	0.46
Sales	6.61	5.92
Cash Flow	1.22	0.57
Historical Erngs	4.04	0.75

Profitability	%
Return on Equity	23.68
Return on Assets	8.18
Net Margin	13.32

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	34.38	0.98
BasicMat	3.44	1.11
CnsmrCyc	13.55	1.12
FinanSvcs	17.39	1.04
Real Est	0.00	0.00
Sensitive	46.65	1.13
CommSrvs	8.83	2.71
Energy	4.75	0.82
Industrl	16.22	1.47
Technlgy	16.85	0.80
Defensive	18.97	0.80
CnsmrDef	10.05	1.33
Hlthcare	8.92	0.66
Utilities	0.00	0.00

Composition - Net



Cash	8.8
Stocks	91.2
Bonds	0.0
Other	0.0
Foreign (% of Stock)	8.9

Morningstar's Take by Alec Lucas, Ph.D. 01-11-18

FMI Large Cap earns a Morningstar Analyst Rating of Gold for its consistent execution.

CIO and longest-tenured manager Patrick English helped mold this fund's value-oriented, team-based approach. English and research director Jonathan Bloom vet each team member's investment ideas. They look for proven businesses that are trading meaningfully below their estimated intrinsic worth, often because of controversy, uncertainty, or short-term headwinds.

An opportunistic streak helps the team find such bargains. In mid-2014, it thought the business model of off-price retailers Ross Stores ROST and TJX Companies TJX held more promise against Internet-based competition than the market was giving them credit for. The team bought Ross Stores because its shares were then a better bargain. In early 2017, the team swapped Ross for TJX because the valuation gap between the two had closed, and it thought TJX's international business made it more attractive.

Paying heed to fundamentals in building the fund's 20-30 stock portfolio leads to sector weightings that often differ substantially from the S&P 500's and can change as management finds opportunities. Adding consumer discretionary stocks such as Ross and TJX between early 2014 and late 2017 hiked the fund's stake in that sector 15 percentage points to 17.4%, versus 11.9% for the index at the time.

The portfolio tends to be resilient in down markets and fares best when value stocks lead the way, as in 2016. The fund held up well in early 2016's equity-market shock, and its 13.8% calendar-year gain placed in the large-blend Morningstar Category's top quintile. On the other hand, the fund typically lags when growth stocks surge. That was the case with 2017's bottom-third 19.2% return.

Since the fund's year-end 2001 inception, management's stock-picking prowess has produced index- and peer-beating results that look even more impressive when adjusted for risk. Reopened to new investors since mid-2016, the fund remains a topnotch option, especially for investors worried about stretched valuations.

Address:	FMI Funds Inc Milwaukee, WI 53202 800-811-5311
Web Address:	www.fmifunds.com
Inception:	12-31-01
Advisor:	Fiduciary Management, Inc. of Milwaukee
Subadvisor:	None

Minimum Purchase:	$1000	Add: $100	IRA: $1000
Min Auto Inv Plan:	$1000	Add: $50	
Sales Fees:	No-load		
Management Fee:	0.75% mx./0.60% mn.		
Actual Fees:	Mgt:0.66%	Dist:—	
Expense Projections:	3Yr:$271	5Yr:$471	10Yr:$1049
Income Distribution:	None		

Fidelity® Low-Priced Stock

Ticker	Yield	Total Assets	Mstar Category
FLPSX	1.3%	$40,514 mil	Mid-Cap Value

Benchmark 1: Russell Mid Cap Value TR USD
Benchmark 2: S&P 500 TR USD

Morningstar Analyst Rating 07-11-17

Silver

Morningstar Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive

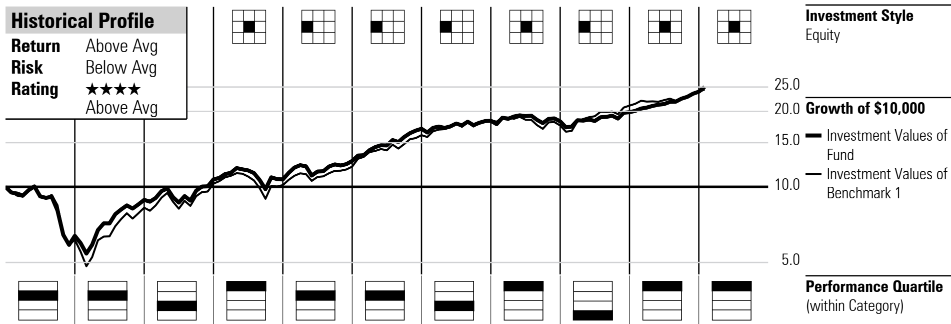
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
⊕ Positive ⊖ Negative ⊙ Neutral

Historical Profile
Return Above Avg
Risk Below Avg
Rating ★★★★ Above Avg

Investment Style
Equity



History

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
23.12	31.94	38.38	35.73	39.50	49.46	50.25	47.75	49.48	54.52	56.89	NAV
-36.17	39.08	20.70	-0.06	18.50	34.31	7.65	-0.56	8.79	20.67	4.35	Total Return %
2.27	4.87	-4.05	1.32	-0.01	0.86	-7.10	4.22	-11.21	7.32	2.05	+/- Bmark 1
0.82	12.61	5.64	-2.17	2.49	1.93	-6.04	-1.95	-3.17	-1.17	-1.38	+/- Bmark 2
0.43	0.53	0.47	0.75	1.40	1.01	1.07	1.25	1.27	1.66	0.00	Income Return %
-36.60	38.55	20.23	-0.81	17.10	33.31	6.59	-1.82	7.52	19.00	4.35	Capital Return %
29	28	68	17	26	48	69	12	98	5	18	Total Rtn % Rank Cat
0.17	0.12	0.15	0.28	0.49	0.39	0.52	0.62	0.60	0.79	0.00	Income $
4.11	0.08	0.01	2.21	2.28	2.91	2.44	1.61	1.80	4.06	0.00	Capital Gains $
0.99	0.99	0.99	0.83	0.88	0.79	0.82	0.79	0.88	0.67	—	Expense Ratio %
0.68	0.67	0.21	0.61	1.00	1.14	1.07	1.02	1.24	1.46	—	Income Ratio %
36	31	20	15	19	11	12	9	9	8	—	Turnover Rate %
18,351	24,672	27,094	23,444	23,433	31,079	30,318	28,055	28,263	30,330	31,537	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	10.38	4.45	8.01	7.86	34.31
2014	2.02	2.81	-1.49	4.18	7.65
2015	1.77	2.50	-6.20	1.63	-0.56
2016	0.98	-0.62	4.93	3.31	8.79
2017	4.30	3.29	5.03	6.63	20.67

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	9.41	2.35	-0.77	22	10,941
6 Mo	14.57	5.77	-0.86	13	11,457
1 Yr	24.45	10.42	-1.96	4	12,445
3 Yr Avg	12.01	1.65	-2.64	26	14,054
5 Yr Avg	13.40	-0.16	-2.51	36	18,750
10 Yr Avg	10.15	0.29	0.37	26	26,301
15 Yr Avg	12.45	0.11	1.92	9	58,134

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	10.28	30	1.55	59
5 Yr (estimated)	11.65	36	1.54	44
10 Yr (estimated)	8.81	28	1.22	59

Potential Capital Gain Exposure: 43% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	24.45			
3 Yr	12.01	+Avg	Low	★★★★
5 Yr	13.40	Avg	Low	★★★★
10 Yr	10.15	+Avg	-Avg	★★★★
Incept	14.03			

Other Measures	Standard Index	Best Fit Index
Alpha	0.4	2.0
Beta	0.79	0.78
R-Squared	83	89
Standard Deviation	8.84	
Mean	12.01	
Sharpe Ratio	1.28	

Portfolio Analysis 10-31-17

Total Stocks: 903

Share change since 07-31-17	Sector	YTD Ret %	% Assets
⊕ Fidelity Revere Str Tr	—	—	11.39
⊖ UnitedHealth Group Inc	Hlth Care	7.40	5.59
⊖ Ross Stores Inc	Cnsmr Cyc	2.67	2.67
⊖ Best Buy Co Inc	Cnsmr Cyc	6.70	2.61
⊕ Seagate Technology PLC	Technology	—	2.45
⊖ Next PLC	Cnsmr Cyc	—	2.32
⊖ Unum Group	Finan Svcs	-2.68	2.13
⊖ Metro Inc	Cnsmr Def	—	2.10
⊖ Aetna Inc	Hlth Care	3.84	1.96
Hon Hai Precision Industr	Technology	—	1.75
⊖ Barratt Developments PLC	Cnsmr Cyc	—	1.70
⊖ Ansys Inc	Technology	9.53	1.46
⊖ Oracle Corp	Technology	9.52	1.32
⊖ Kingboard Chemical Holdin	Basic Mat	—	1.22
⊖ DCC PLC	Energy	—	1.21
⊖ AutoZone Inc	Cnsmr Cyc	7.60	1.19
⊖ Amgen Inc	Hlth Care	6.99	1.18
⊖ Amdocs Ltd	Technology	4.46	1.14
⊖ Lincoln National Corp	Finan Svcs	8.14	1.06
⊖ Anthem Inc	Hlth Care	10.15	1.05

Current Investment Style
Value Blend Growth; Large Mid Small

Market Cap	%
Giant	12.0
Large	20.3
Mid	42.9
Small	16.7
Micro	8.1
Avg $mil: 6,710	

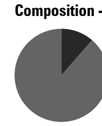
Value Measures		Rel Category
Price/Earnings	15.21	0.85
Price/Book	1.81	0.88
Price/Sales	0.80	0.57
Price/Cash Flow	6.28	0.72
Dividend Yield %	2.17	1.09

Growth Measures	%	Rel Category
Long-Term Erngs	10.36	1.14
Book Value	1.88	0.84
Sales	1.39	-2.57
Cash Flow	2.65	-1.20
Historical Erngs	3.02	1.22

Profitability	%
Return on Equity	18.10
Return on Assets	7.36
Net Margin	9.18

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	42.90	0.84
BasicMat	4.83	0.83
CnsmrCyc	24.49	1.99
FinanSvcs	12.44	0.64
Real Est	1.14	0.08
Sensitive	32.06	1.17
CommSrvs	0.08	0.10
Energy	4.30	0.51
Industrl	9.87	0.85
Technlgy	17.81	2.69
Defensive	25.03	1.17
CnsmrDef	10.07	2.02
Hlthcare	14.27	2.14
Utilities	0.69	0.07

Composition - Net



Cash	11.4
Stocks	88.6
Bonds	0.0
Other	0.0
Foreign (% of Stock)	46.6

Morningstar's Take by Katie Rushkewicz Reichart, CFA 07-11-17

Fidelity Low-Priced Stock remains a winner amid subtle changes. Led by a legendary manager who's posted tremendous long-term results despite a huge asset base, the fund's eclectic portfolio reinforces its place as a standout actively managed fund, resulting in a Morningstar Analyst Rating of Silver.

Joel Tillinghast hasn't changed his stripes since starting the fund in late 1989. His low-turnover, value-oriented approach searches for compelling stocks around the world trading below $35 per share, a construct initially designed to focus on small caps. But the fund is a unique collection of more than 800 names drawn from across the globe and market-cap spectrum. And while Tillinghast has the support of Fidelity's 25-person small-cap team and broader firm resources, his knowledge and insights of the sprawling portfolio are what have long set the fund apart.

Capacity has long been a concern here, especially given the fund's focus on less-liquid small-cap names and Fidelity-wide ownership limits for individual companies. It's not surprising, then, that Tillinghast's smaller, more nimble charges (one run exclusively for Fidelity's target-date series and another sold in Canada) have outperformed this fund since launching in the past few years. He also doesn't have to contend with the $35 price restriction elsewhere, which limits his ability to add to appealing stocks trading below their estimated intrinsic values here, such as Autozone AZO.

The fact that a handful of comanagers have run 6% of the fund since 2011 doesn't detract or add to its appeal. The roster has changed slightly, which may say more about the fund's future post-Tillinghast than its return potential at any point in time. In April, Jamie Harmon, who ran a 3% slice, moved off to focus on his underperforming stand-alone fund, leaving his portion of assets to two managers picking global stocks and another comanager employing a quantitative approach that seeks to learn from Tillinghast's methods. No machine can replace Tillinghast, but despite Fidelity's experimentation around the edges, the fund maintains appeal in its current form.

Address:	Fidelity Puritan Trust Boston, MA 02109 800-544-8544
Web Address:	www.institutional.fidelity.com
Inception:	12-27-89
Advisor:	Fidelity Management & Research Company
Subadvisor:	FMR Investment Management (U.K.) Limited

Minimum Purchase:	$2500	Add: —	IRA: $2500
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load		
Management Fee:	0.35%		
Actual Fees:	Mgt:0.52%	Dist:—	
Expense Projections:	3Yr:$218	5Yr:$379	10Yr:$847
Income Distribution:	None		

Tweedy, Browne Global Value

Ticker	Yield	Total Assets	Mstar Category
TBGVX	1.1%	$10,407 mil	Foreign Large Value

Benchmark 1: MSCI ACWI Ex USA Value NR USD
Benchmark 2: MSCI ACWI Ex USA NR USD

Morningstar Analyst Rating 08-23-17

Bronze

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Negative

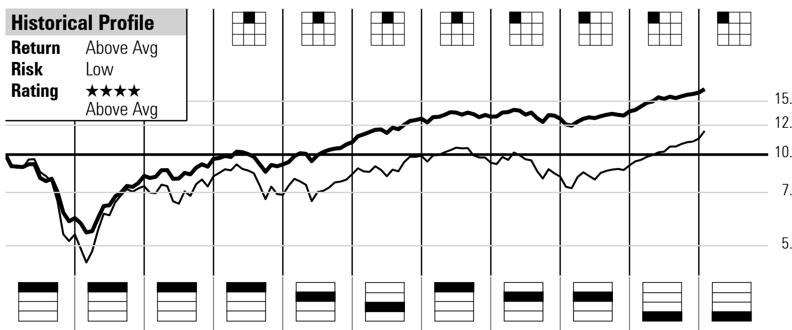
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold · Silver · Bronze · Neutral · Negative

Pillar Spectrum
Positive · Negative · Neutral

Historical Profile
Return: Above Avg
Risk: Low
Rating: ★★★★ Above Avg

Investment Style
Equity



Growth of $10,000
— Investment Values of Fund
— Investment Values of Benchmark 1

Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
15.62	21.20	23.82	21.85	23.24	26.62	26.04	24.46	25.04	28.49	29.23	NAV
-38.31	37.85	13.82	-4.13	18.38	19.62	1.51	-1.46	5.62	15.43	2.60	Total Return %
7.16	-6.43	5.98	9.07	1.42	4.58	6.61	8.60	-3.30	-7.23	-3.34	+/- Bmark 1
7.22	-3.60	2.66	9.58	1.55	4.33	5.37	4.20	1.13	-11.76	-2.97	+/- Bmark 2
2.52	2.13	1.20	1.76	1.60	1.38	1.24	0.81	1.19	1.25	0.00	Income Return %
-40.82	35.73	12.62	-5.89	16.78	18.25	0.27	-2.27	4.43	14.18	2.60	Capital Return %
9	17	5	5	30	70	1	39	26	91	94	Total Rtn % Rank Cat
0.75	0.33	0.25	0.42	0.35	0.32	0.33	0.21	0.29	0.31	0.00	Income $
2.07	0.00	0.06	0.56	2.29	0.86	0.66	1.00	0.50	0.10	0.00	Capital Gains $
1.37	1.40	1.40	1.39	1.38	1.38	1.37	1.36	1.37	1.38	—	Expense Ratio %
1.45	3.05	1.62	1.16	1.80	1.45	1.30	0.94	0.83	1.25	—	Income Ratio %
9	16	7	12	9	16	4	8	1	3	—	Turnover Rate %
3,615	4,199	4,663	4,368	5,221	7,388	8,720	8,881	8,995	10,262	10,407	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	8.05	-0.68	6.42	4.75	19.62
2014	1.39	3.30	-1.18	-1.92	1.51
2015	3.57	-1.97	-5.37	2.55	-1.46
2016	-2.33	2.80	3.30	1.83	5.62
2017	6.79	3.03	2.00	2.86	15.43

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	4.35	-4.60	-4.46	93	10,435
6 Mo	5.87	-6.76	-7.63	94	10,587
1 Yr	17.08	-8.97	-12.61	89	11,708
3 Yr Avg	7.17	-1.61	-2.69	80	12,307
5 Yr Avg	7.41	1.56	0.30	40	14,296
10 Yr Avg	6.02	3.21	2.57	1	17,936
15 Yr Avg	9.43	0.03	0.02	22	38,640

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	6.06	72	1.03	55
5 Yr (estimated)	6.20	33	1.12	52
10 Yr (estimated)	4.61	3	1.32	69

Potential Capital Gain Exposure: 33% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	17.08			
3 Yr	7.17	-Avg	Low	★★★
5 Yr	7.41	Avg	Low	★★★★
10 Yr	6.02	High	Low	★★★★★
Incept	9.56			

Other Measures	Standard Index	Best Fit Index
Alpha	1.5	1.5
Beta	0.54	0.56
R-Squared	78	84
Standard Deviation	7.54	
Mean	7.17	
Sharpe Ratio	0.90	

Portfolio Analysis 12-31-17

Total Stocks: 95

Share change since 09-30-17	Sector	Country	% Assets
⊖ Dreyfus Treasury Secs Cas	—	United States	7.73
Safran SA	Industrl	France	4.34
Heineken Holding NV	Cnsmr Def	Netherlands	3.06
Nestle SA	Cnsmr Def	Switzerland	3.01
⊕ Roche Holding AG Dividend	Hlth Care	Switzerland	3.01
Axel Springer SE	Cnsmr Cyc	Germany	2.90
Diageo PLC	Cnsmr Def	United Kingdom	2.83
Novartis AG	Hlth Care	Switzerland	2.71
Standard Chartered PLC	Finan Svcs	United Kingdom	2.68
⊖ Total SA	Energy	France	2.59
Royal Dutch Shell PLC Cla	Energy	United Kingdom	2.46
Zurich Insurance Group AG	Finan Svcs	Switzerland	2.40
SCOR SE	Finan Svcs	France	2.36
DBS Group Holdings Ltd	Finan Svcs	Singapore	2.33
Henkel AG & Co KGaA	Cnsmr Def	Germany	2.27
HSBC Holdings PLC	Finan Svcs	United Kingdom	2.24
GlaxoSmithKline PLC	Hlth Care	United Kingdom	2.17
Hyundai Motor Co	Cnsmr Cyc	South Korea	2.11
Antofagasta PLC	Basic Mat	United Kingdom	2.02
Cisco Systems Inc	Technology	United States	1.95

Current Investment Style
Value Blend Growth · Large Mid Small

Market Cap	%
Giant	56.5
Large	23.5
Mid	15.9
Small	3.6
Micro	0.5
Avg $mil: 38,749	

Value Measures		Rel Category
Price/Earnings	14.95	1.12
Price/Book	1.67	1.13
Price/Sales	1.21	1.14
Price/Cash Flow	3.93	0.87
Dividend Yield %	2.97	0.83

Growth Measures	%	Rel Category
Long-Term Erngs	8.10	0.83
Book Value	4.60	4.68
Sales	-1.23	0.35
Cash Flow	-3.69	-2.19
Historical Erngs	-3.48	47.91

Composition - Net

Cash	11.2	Bonds	0.0
Stocks	88.6	Other	0.2
Foreign (% of Stock)			87.4

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	42.73	0.73
BasicMat	3.60	0.45
CnsmrCyc	15.19	1.62
FinanSvcs	23.27	0.63
Real Est	0.67	0.15
Sensitive	27.25	0.96
CommSrvs	0.00	0.00
Energy	7.95	0.75
Industrl	12.22	1.55
Technlgy	7.08	1.92
Defensive	30.03	2.32
CnsmrDef	17.65	5.36
Hlthcare	12.23	2.44
Utilities	0.15	0.03

Regional Exposure	% Stock		
UK/W. Europe	69	N. America	14
Japan	2	Latn America	1
Asia X Japan	14	Other	0

Country Exposure	% Stock		
UK	24	United States	13
Switzerland	15	Germany	9
France	15		

Morningstar's Take by Kevin McDevitt, CFA 08-23-17

Tweedy, Browne Global Value's 2017 struggles are largely cyclical, but concerns about the fund's growing expense gap and the team's future composition are long-term issues. Those issues lead to a downgrade of its Morningstar Analyst Rating to Bronze from Silver.

This fund has been on the wrong end of the currency market in 2017. Hedging most of its foreign-currency exposure has helped the fund versus most of its foreign large-value Morningstar Category rivals over the past 10 years, as the dollar has generally appreciated versus most developed currencies during that time. But the dynamic has reversed so far in 2017, with the unhedged MSCI EAFE Index up 17.1% through July versus 9.1% for this fund's benchmark, the MSCI 100% Hedged Index. In that light, the fund's 11.9% year-to-date gain looks quite good. That said, the fund still trails its benchmark by a wide margin over the past five years mainly because of its value orientation, although it beats its typical peer.

More troubling is the growing gap between the fund's expense ratio and what its median peer charges. In 2013, the median no-load foreign large-cap fund charged 1.11%, but that figure has dropped 9 basis points to 1.02%. Meanwhile, this fund's expense ratio has returned to 1.38% per its 2017 prospectus, leaving it 36 basis points more expensive than the median. This is a big hurdle for the fund to overcome year in and year out versus its cheaper peers, especially if the median fee keeps falling.

The four lead managers have shown that they're up to the task over the long run, but it's fair to ask how the team's composition might change in the future. While the managers say they have no plans to step aside, it's tougher to be confident that the lineup won't change at some point in the next five years or so given that Will Browne is 72 years old and John Spears is 68. Three senior analysts are on the investment committee, and they would likely fill any vacancies, but they do not have public records of their own. So, while this remains a very experienced and well-resourced team, there is some uncertainty on the horizon.

Address:	Tweedy Browne Fund Inc New York, NY 10022 800-432-4789
Web Address:	www.tweedy.com
Inception:	06-15-93
Advisor:	Tweedy, Browne Co LLC
Subadvisor:	None

Minimum Purchase:	$2500	Add: $200	IRA: $500
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load, 2.00%R		
Management Fee:	1.25%, 0.03%A		
Actual Fees:	Mgt:1.25%	Dist:—	
Expense Projections:	3Yr:$437	5Yr:$755	10Yr:$1657
Income Distribution:	Annually		

Dodge & Cox Balanced

Ticker	Yield	Total Assets	Mstar Category
DODBX	1.9%	$16,387 mil	Allocation--50% to 70% Equity

Benchmark 1: Morningstar Mod Tgt Risk TR USD
Benchmark 2: Morningstar Mod Tgt Risk TR USD

Morningstar Analyst Rating 07-17-17

Gold

Morningstar Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive

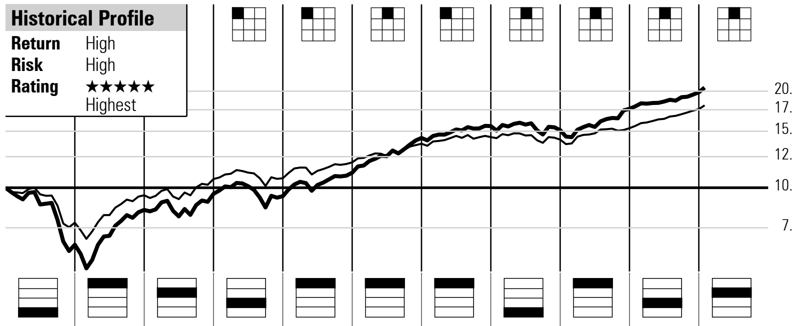
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
⊕ Positive ⊖ Negative ⊙ Neutral

Historical Profile
Return High
Risk High
Rating ★★★★★ Highest

Investment Style
Equity



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
51.26	64.03	70.22	67.45	78.06	98.30	102.48	94.42	103.35	107.00	110.66	NAV
-33.57	28.37	12.22	-1.66	18.32	28.37	8.87	-2.87	16.56	12.59	3.42	Total Return %
-11.37	6.60	-0.11	-2.25	6.28	14.06	3.98	-1.08	7.99	-2.06	0.70	+/- Bmark 1
-11.37	6.60	-0.11	-2.25	6.28	14.06	3.98	-1.08	7.99	-2.06	0.70	+/- Bmark 2
2.46	2.98	2.39	2.33	2.47	2.13	2.08	2.04	2.52	2.26	0.00	Income Return %
-36.03	25.39	9.83	-3.98	15.85	26.24	6.79	-4.90	14.04	10.34	3.42	Capital Return %
89	23	43	69	1	1	18	79	3	64	27	Total Rtn % Rank Cat
1.95	1.51	1.52	1.62	1.66	1.65	2.03	2.06	2.34	2.29	0.00	Income $
1.34	0.00	0.00	0.00	0.00	0.07	2.41	3.07	3.96	6.79	0.00	Capital Gains $
0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	—	—	Expense Ratio %
2.85	2.61	2.13	2.26	2.21	1.85	2.00	2.03	2.41	—	—	Income Ratio %
27	19	12	19	16	25	23	20	24	—	—	Turnover Rate %
14,700	15,468	14,849	12,220	12,217	14,404	15,465	14,269	15,382	16,387	—	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	8.83	3.46	5.19	8.38	28.37
2014	2.44	3.73	0.68	1.77	8.87
2015	-0.26	1.37	-6.87	3.16	-2.87
2016	0.31	2.01	6.65	6.80	16.56
2017	3.74	1.56	3.14	3.61	12.59

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	6.79	1.54	1.54	12	10,679
6 Mo	9.15	0.82	0.82	27	10,915
1 Yr	14.42	-1.49	-1.49	61	11,442
3 Yr Avg	10.84	2.68	2.68	2	13,619
5 Yr Avg	11.98	4.08	4.08	2	17,611
10 Yr Avg	7.79	1.37	1.37	12	21,179
15 Yr Avg	8.98	0.74	0.74	10	36,348

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	8.81	2	1.83	80
5 Yr (estimated)	10.30	1	1.50	60
10 Yr (estimated)	6.48	12	1.22	63

Potential Capital Gain Exposure: 32% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	14.42			
3 Yr	10.84	High	High	★★★★★
5 Yr	11.98	High	High	★★★★★
10 Yr	7.79	+Avg	High	★★★★
Incept	9.93			

Other Measures	Standard Index	Best Fit Index
Alpha	1.0	1.4
Beta	1.22	0.80
R-Squared	75	91
Standard Deviation	8.56	
Mean	10.84	
Sharpe Ratio	1.20	

Portfolio Analysis 12-31-17

Total Stocks: 68 Share change since 09-30-17	Sector	YTD Ret %	% Assets
⊖ Charles Schwab Corp	Finan Svcs	3.83	2.64
Capital One Financial Cor	Finan Svcs	4.40	2.58
⊕ Wells Fargo & Co	Finan Svcs	8.42	2.52
⊖ Bank of America Corporati	Finan Svcs	8.40	2.46
⊕ Comcast Corp Class A	Comm Svcs	6.59	2.04
⊖ Alphabet Inc C	Technology	—	1.96
⊖ Microsoft Corp	Technology	11.07	1.91
⊖ Charter Communications In	Comm Svcs	12.29	1.84
Novartis AG ADR	Hlth Care	—	1.75

Total Fixed Income: 340	Date of Maturity	Amount 000	Value $000	% Assets
Jpmorgan Chase FRN	—	254,565	279,716	1.71
Wells Fargo Co New FRN	—	227,645	252,128	1.54

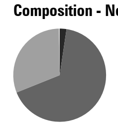
Equity Style
Style: Blend
Size: Large-Cap

Value Measures		Rel Category
Price/Earnings	17.68	0.94
Price/Book	2.13	0.84
Price/Sales	1.89	0.97
Price/Cash Flow	10.25	1.04
Dividend Yield %	1.87	0.84

Growth Measures	%	Rel Category
Long-Term Erngs	10.78	1.06
Book Value	0.28	0.13
Sales	-1.90	0.98
Cash Flow	-2.59	39.38
Historical Erngs	0.12	0.24

Market Cap %			
Giant	38.7	Small	0.2
Large	50.0	Micro	0.0
Mid	11.2	Avg $mil:	72,542

Composition - Net



Cash	2.4
Stocks	66.6
Bonds	30.8
Other	0.2
Foreign (% of Stock)	11.2

Fixed-Income Style
Duration: Limited
Quality: Medium

Avg Eff Duration[1]	4.3
Avg Eff Maturity	8.4 Yrs
Avg Credit Quality	BBB
Avg Wtd Coupon	4.56%

[1] figure provided by fund as of 12-31-17

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	35.91	0.87
BasicMat	0.99	0.18
CnsmrCyc	6.30	0.54
FinanSvcs	28.62	1.54
Real Est	0.00	0.00
Sensitive	39.87	1.07
CommSrvs	7.46	2.27
Energy	8.17	1.40
Industrl	5.24	0.45
Technlgy	19.00	1.13
Defensive	24.21	1.14
CnsmrDef	1.50	0.19
Hlthcare	22.71	2.18
Utilities	0.00	0.00

Morningstar's Take by Andrew Daniels, CFA, CMA 07-17-17

Dodge & Cox Balanced's deep investment team, decisive approach, and rock-bottom fees inspire confidence in its ability to outperform over the long term. The fund also benefits from the exemplary stewardship practices of its San Francisco-based parent company. The fund merits a Morningstar Analyst Rating of Gold.

Dodge & Cox's U.S. equity and U.S. fixed-income investment committees manage this fund. Each committee is composed of eight members who have been with the firm for an average of more than 20 years. Moreover, a deep and experienced analyst team, most of whom are Dodge & Cox lifers, supports the committees. The seasoned investment staff, combined with the consensus-oriented team approach, limits key-person risk.

The fund ranges beyond the 60%/40% balance between stocks and bonds that its name implies. By prospectus, the equity stake can range from 25% to 75% of assets, and it has been toward the high end in recent years. The allocation depends on relative valuations, and the portfolio is built with a three- to five-year time horizon in mind.

It's not just asset allocation that sets the fund apart. The stock portfolio holds primarily large-cap stocks that look cheap on a range of valuation measures. Management often takes advantage of bad news or a bad economic environment to buy fundamentally strong firms. While the approach is bottom-up, picks tend to cluster in sectors. As of March 2017, the stock portfolio had a combined 68% of assets in financials, technology, and healthcare stocks. The fixed-income portfolio is also distinctive, with an emphasis on investment-grade corporate bonds.

The fund has been a long-term winner. During the 20 years ended June 2017, the fund's 8.5% annualized gain beat 95% of its allocation--50% to 70% equity peers. Still, the strategy is bound to lag at times, as it did in the 2007-09 financial crisis, as well as in the choppy market environments of 2011 and 2015. This fund is an outstanding option for patient investors willing to stomach short-term pain.

Address:	Dodge & Cox Funds San Francisco, CA 94104 800-621-3979
Web Address:	www.dodgeandcox.com
Inception:	06-26-31
Advisor:	Dodge & Cox
Subadvisor:	None

Minimum Purchase:	$2500	Add: $100	IRA: $1000
Min Auto Inv Plan:	—	Add: $100	
Sales Fees:	No-load		
Management Fee:	0.50%		
Actual Fees:	Mgt:0.50%	Dist:—	
Expense Projections:	3Yr:$170	5Yr:$296	10Yr:$665
Income Distribution:	Quarterly		

Oakmark Global Select Investor

Ticker	Yield	Total Assets	Mstar Category
OAKWX	0.8%	$3,090 mil	World Large Stock

Benchmark 1: MSCI ACWI Large Cap NR USD
Benchmark 2: MSCI ACWI Ex USA NR USD

Morningstar Analyst Rating 12-14-17

Silver

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Neutral

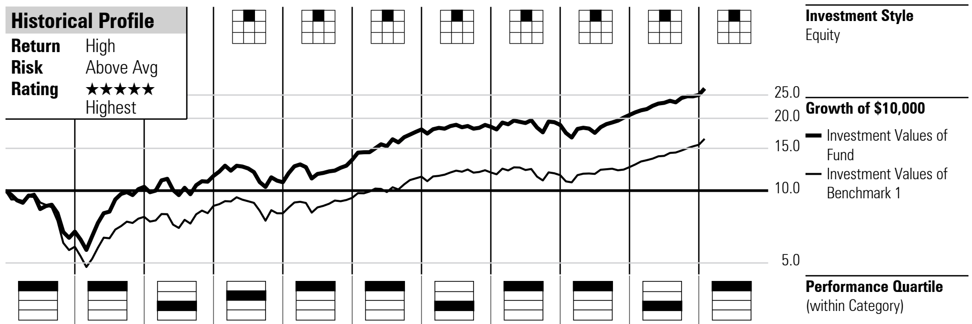
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile
Return High
Risk Above Avg
Rating ★★★★★ Highest

Investment Style
Equity



Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
6.53	9.99	11.07	10.42	12.65	16.51	16.02	15.45	16.81	19.30	20.53	NAV
-32.49	53.58	11.06	-5.87	23.95	33.80	2.57	1.85	9.93	21.18	6.37	Total Return %
9.10	20.44	-0.06	1.03	7.96	11.31	-1.55	4.37	1.93	-2.69	0.56	+/- Bmark 1
13.04	12.13	-0.09	7.84	7.12	18.51	6.44	7.52	5.43	-6.01	0.80	+/- Bmark 2
3.45	0.59	0.25	0.00	1.55	1.07	0.86	0.78	1.09	1.03	0.00	Income Return %
-35.93	52.99	10.81	-5.87	22.40	32.73	1.71	1.07	8.84	20.15	6.37	Capital Return %
11	8	66	33	3	11	51	21	14	67	20	Total Rtn % Rank Cat
0.35	0.04	0.02	0.00	0.16	0.14	0.14	0.13	0.17	0.17	0.00	Income $
0.00	0.00	0.00	0.00	0.10	0.27	0.77	0.74	0.00	0.89	0.00	Capital Gains $
1.35	1.43	1.29	1.24	1.23	1.15	1.13	1.13	1.15	1.18	—	Expense Ratio %
1.41	0.88	0.40	0.33	0.72	1.01	0.92	0.70	1.12	1.25	—	Income Ratio %
62	41	50	49	36	36	24	48	17	39	—	Turnover Rate %
198	299	363	443	630	1,476	1,966	2,265	2,081	1,915	2,032	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	7.59	5.88	9.02	7.74	33.80
2014	1.51	2.98	-3.65	1.83	2.57
2015	2.43	1.22	-8.55	7.42	1.85
2016	-3.82	-3.70	10.48	7.43	9.93
2017	5.83	6.18	4.71	2.98	21.18

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	7.70	-1.76	-1.11	73	10,770
6 Mo	12.51	-1.95	-1.00	63	11,251
1 Yr	25.69	-2.11	-3.99	56	12,569
3 Yr Avg	13.97	1.99	4.12	14	14,803
5 Yr Avg	13.08	2.11	5.97	15	18,492
10 Yr Avg	10.73	4.74	7.28	1	27,700
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	12.85	14	0.98	53
5 Yr (estimated)	11.86	16	1.08	47
10 Yr (estimated)	9.84	1	0.80	49

Potential Capital Gain Exposure: 27% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	25.69			
3 Yr	13.97	+Avg	High	★★★★
5 Yr	13.08	+Avg	+Avg	★★★★
10 Yr	10.73	High	+Avg	★★★★★
Incept	9.64			

Other Measures	Standard Index	Best Fit Index
Alpha	4.1	5.5
Beta	0.98	0.96
R-Squared	79	87
Standard Deviation	13.55	
Mean	13.97	
Sharpe Ratio	1.00	

Portfolio Analysis 12-31-17

Total Stocks: 20

Share change since 09-30-17	Sector	Country	% Assets
⊖ Daimler AG	Cnsmr Cyc	Germany	7.91
Lloyds Banking Group PLC	Finan Svcs	United Kingdom	7.87
⊖ CNH Industrial NV	Industrl	United States	7.05
Alphabet Inc C	Technology	United States	6.06
Credit Suisse Group AG	Finan Svcs	Switzerland	5.79
TE Connectivity Ltd	Technology	United States	5.47
Bank of America Corporati	Finan Svcs	United States	5.38
⊕ WPP PLC	Cnsmr Cyc	United Kingdom	5.29
Citigroup Inc	Finan Svcs	United States	5.28
⊕ LafargeHolcim Ltd	Basic Mat	Switzerland	5.21
⊕ American International Gr	Finan Svcs	United States	4.56
⊕ Willis Towers Watson PLC	Finan Svcs	United States	4.47
Mastercard Inc A	Finan Svcs	United States	4.33
Oracle Corp	Technology	United States	4.03
⊕ Apache Corp	Energy	United States	3.70
⊖ Cie Financiere Richemont	Cnsmr Cyc	Switzerland	3.24
General Electric Co	Industrl	United States	2.89
⊖ Danone SA	Cnsmr Def	France	2.74
Diageo PLC	Cnsmr Def	United Kingdom	2.74
Kuehne + Nagel Internatio	Industrl	Switzerland	2.34

Current Investment Style

Value Blend Growth / Large Mid Small

Market Cap	%
Giant	57.8
Large	25.3
Mid	16.9
Small	0.0
Micro	0.0
Avg $mil: 58,205	

Value Measures		Rel Category
Price/Earnings	15.14	0.80
Price/Book	1.61	0.57
Price/Sales	1.46	0.69
Price/Cash Flow	7.06	0.72
Dividend Yield %	2.76	1.23

Growth Measures	%	Rel Category
Long-Term Erngs	8.91	0.81
Book Value	-0.23	-0.06
Sales	-0.71	-2.03
Cash Flow	-9.59	-2.58
Historical Erngs	6.42	1.51

Composition - Net

Cash	3.6	Bonds	0.0
Stocks	96.4	Other	0.0
Foreign (% of Stock)			44.8

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	61.57	1.60
BasicMat	5.41	1.16
CnsmrCyc	17.06	1.60
FinanSvcs	39.10	1.86
Real Est	0.00	0.00
Sensitive	32.74	0.85
CommSrvs	0.00	0.00
Energy	3.84	0.56
Industrl	12.74	1.33
Technlgy	16.16	0.90
Defensive	5.69	0.25
CnsmrDef	5.69	0.61
Hlthcare	0.00	0.00
Utilities	0.00	0.00

Regional Exposure % Stock

UK/W. Europe	45	N. America	55
Japan	0	Latn America	0
Asia X Japan	0	Other	0

Country Exposure % Stock

United States	55	Germany	8
Switzerland	17	France	3
UK	17		

Morningstar's Take by Greg Carlson 12-14-17

Oakmark Global Select features the highest-conviction ideas from a proven team employing a disciplined approach, and thus earns a Morningstar Analyst Rating of Silver.

This fund is helmed by Bill Nygren of Gold-rated Oakmark OAKMX and David Herro of Gold-rated Oakmark International OAKIX. They have overseen the U.S. and non-U.S. portions of the portfolio, respectively, since its 2006 inception. In November 2016, Tony Coniaris joined Nygren and Eric Liu joined Herro as comanagers here. Coniaris has comanaged Oakmark Select OAKLX with Nygren since 2013, while Liu has overseen Japan-focused separately managed accounts for the firm. The managers are backed by roughly 20 other team members, most of them highly experienced.

The promotions are part of long-term succession planning at Harris Associates, but Herro and Nygren (who will be 57 and 59 at the end of 2017, respectively) aren't expected to leave anytime soon. They continue to serve as leads here and draw ideas from their respective charges.

The managers collaborate on portfolio construction, deciding on the fund's U.S./non-U.S. split and ensuring sector weightings don't get too lopsided when the managers favor the same sectors. For example, both Oakmark International and Oakmark have owned several banks at the top of their portfolios in recent years, but Herro and Nygren have worked to keep this fund's weighting in that subsector from growing too large. That said, the overall financials weighting was still 38%--double the world large stock Morningstar Category norm--in September 2017.

Concentration at both the sector and stock level (the fund typically owns just 20 stocks) have resulted in significantly more volatility than the fund's typical peer or its MSCI World Index benchmark. True, the fund surpassed more than 90% of peers and trounced the index from its November 2006 inception through November 2017 on both a total-return and risk-adjusted basis. But investors have to hang on through bumpy periods to reap the rewards.

This fund is an excellent holding, but it's best used by patient investors.

Address:	Harris Associates LP Chicago, IL 606057 800-625-6275
Web Address:	www.oakmark.com
Inception:	10-02-06
Advisor:	Harris Associates L.P.
Subadvisor:	None

Minimum Purchase:	$1000	Add: $100	IRA: $1000
Min Auto Inv Plan:	$500	Add: $100	
Sales Fees:	No-load		
Management Fee:	1.00% mx./0.85% mn.		
Actual Fees:	Mgt:0.97%	Dist:—	
Expense Projections:	3Yr:$356	5Yr:$617	10Yr:$1363
Income Distribution:	Annually		

T. Rowe Price Emerging Markets Stock

Ticker	Yield	Total Assets	Mstar Category
PRMSX	0.4%	$11,480 mil	Diversified Emerging Mkts

Benchmark 1: MSCI EM NR USD
Benchmark 2: MSCI ACWI Ex USA NR USD

Morningstar Analyst Rating 11-08-17

Silver

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

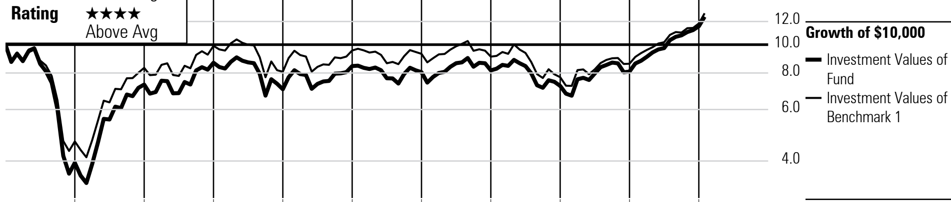
Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return Above Avg
Risk Above Avg
Rating ★★★★ Above Avg

Investment Style
Equity



Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
16.34	30.09	35.28	28.51	34.06	32.22	32.38	28.50	31.68	44.99	48.50	NAV
-60.54	85.07	18.75	-18.84	20.03	-4.69	1.41	-11.49	11.94	42.85	7.80	Total Return %
-7.21	6.57	-0.13	-0.42	1.81	-2.09	3.60	3.42	0.75	5.57	-0.53	+/- Bmark 1
-15.02	43.63	7.60	-5.14	3.20	-19.98	5.28	-5.83	7.44	15.66	2.23	+/- Bmark 2
1.42	0.92	0.33	0.34	0.56	0.70	0.59	0.46	0.56	0.57	0.00	Income Return %
-61.96	84.16	18.42	-19.18	19.47	-5.40	0.82	-11.96	11.38	42.28	7.80	Capital Return %
92	15	44	45	33	73	11	33	25	11	37	Total Rtn % Rank Cat
0.61	0.15	0.10	0.12	0.16	0.24	0.19	0.15	0.16	0.18	0.00	Income $
0.00	0.00	0.34	0.00	0.00	0.00	0.09	0.01	0.06	0.08	0.00	Capital Gains $
1.24	1.32	1.27	1.26	1.27	1.25	1.24	1.24	1.26	1.23	—	Expense Ratio %
2.19	0.79	0.37	0.65	0.55	0.72	0.58	0.52	0.50	0.53	—	Income Ratio %
31	37	27	19	24	30	23	16	24	31	—	Turnover Rate %
2,340	4,685	5,475	5,588	7,090	7,054	7,592	7,892	6,306	8,975	—	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	-2.29	-7.03	3.46	1.41	-4.69
2014	-0.62	8.00	-2.75	-2.84	1.41
2015	3.61	-0.15	-15.70	1.48	-11.49
2016	5.37	4.70	8.94	-6.85	11.94
2017	12.34	7.08	10.57	7.39	42.85

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	12.83	0.38	4.02	22	11,283
6 Mo	20.25	1.74	6.75	11	12,025
1 Yr	44.51	3.50	14.83	12	14,451
3 Yr Avg	14.60	2.77	4.75	6	15,052
5 Yr Avg	8.01	2.27	0.90	10	14,699
10 Yr Avg	3.63	-0.25	0.18	45	14,277
15 Yr Avg	13.13	0.18	3.72	33	63,637

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	14.39	5	0.18	19
5 Yr (estimated)	7.74	8	0.25	21
10 Yr (estimated)	3.27	36	0.34	19

Potential Capital Gain Exposure: 39% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	44.51			
3 Yr	14.60	High	Avg	★★★★★
5 Yr	8.01	High	+Avg	★★★★
10 Yr	3.63	Avg	+Avg	★★★
Incept	8.74			

Other Measures	Standard Index	Best Fit Index
Alpha	3.9	3.2
Beta	1.08	0.93
R-Squared	74	94
Standard Deviation	15.49	
Mean	14.60	
Sharpe Ratio	0.93	

Portfolio Analysis 12-31-17

Total Stocks: 90

Share change since 09-30-17	Sector	Country	% Assets
⊖ Tencent Holdings Ltd	Technology	China	7.24
⊕ Samsung Electronics Co Lt	Technology	South Korea	5.34
⊕ Alibaba Group Holding Ltd	Cnsmr Cyc	China	4.98
⊕ Taiwan Semiconductor Manu	Technology	Taiwan	4.82
⊕ Itau Unibanco Holding SA	Finan Svcs	Brazil	3.28
⊕ Sberbank of Russia PJSC A	Finan Svcs	Russia	3.27
⊖ Reserve Invt Fds	—	United States	3.24
⊕ AIA Group Ltd	Finan Svcs	Hong Kong	2.48
⊕ LG Household & Health Car	Cnsmr Def	South Korea	2.46
⊕ Lojas Renner SA	Cnsmr Cyc	Brazil	2.32
⊕ Raia Drogasil SA	Cnsmr Def	Brazil	2.29
⊕ Ping An Insurance (Group)	Finan Svcs	China	2.13
⊕ Baidu Inc ADR	Technology	China	2.03
⊕ Largan Precision Co Ltd	Technology	Taiwan	1.95
⊕ CP All PCL Shs Foreign Re	Cnsmr Def	Thailand	1.92
⊖ Firstrand Ltd	Finan Svcs	South Africa	1.57
⊕ Naspers Ltd Class N	Technology	South Africa	1.55
⊕ Housing Development Finan	Finan Svcs	India	1.54
⊕ Shoprite Holdings Ltd	Cnsmr Cyc	South Africa	1.49
⊕ Hengan International Grou	Cnsmr Def	China	1.37

Current Investment Style

Value Blend Growth; Large Mid Small

Market Cap	%
Giant	61.1
Large	33.3
Mid	5.4
Small	0.0
Micro	0.2
Avg $mil: 43,936	

Value Measures		Rel Category
Price/Earnings	15.89	1.16
Price/Book	3.35	1.49
Price/Sales	2.64	1.48
Price/Cash Flow	10.52	1.66
Dividend Yield %	1.68	0.73

Growth Measures	%	Rel Category
Long-Term Erngs	16.79	1.16
Book Value	10.39	2.81
Sales	8.03	-11.16
Cash Flow	9.07	2.30
Historical Erngs	9.05	1.27

Composition - Net

Cash	0.0	Bonds	0.0
Stocks	96.8	Other	3.2
Foreign (% of Stock)			99.1

Sector Weightings	% of Stocks	Rel Bmark 1
Cyclical	46.40	1.01
BasicMat	2.72	0.35
CnsmrCyc	16.56	1.47
FinanSvcs	25.91	1.07
Real Est	1.21	0.42
Sensitive	32.31	0.76
CommSrvs	0.00	0.00
Energy	0.00	0.00
Industrl	3.26	0.70
Technlgy	29.05	1.09
Defensive	21.30	1.90
CnsmrDef	18.37	2.93
Hlthcare	1.50	0.57
Utilities	1.43	0.61

Regional Exposure			% Stock
UK/W. Europe	1	N. America	1
Japan	0	Latn America	17
Asia X Japan	65	Other	16

Country Exposure			% Stock
China	25	Taiwan	10
Brazil	11	South Africa	8
South Korea	11		

Morningstar's Take by Patricia Oey 11-08-17

T. Rowe Price Emerging Markets Stock is being upgraded to a Morningstar Analyst Rating of Silver to reflect our increased confidence in its experienced fund manager, large supporting team, and proven investment process.

Gonzalo Pangaro has 25 years of experience investing in emerging markets. He was a manager of T. Rowe Latin America for seven years prior to becoming a named manager here in 2008. At the end of 2015, his co-pilot and Asia specialist, Mark Edwards, retired. The transition has been smooth and Pangaro's strong stock-picking in Asia over the past 18 months is bolstering our confidence in the fund. He shows a solid grasp on that part of the portfolio and is surrounded by several emerging-Asia experts on his team, as well as a large and experienced analyst team dedicated to other emerging markets. Since Edwards' departure, Pangaro has been able to sustain top-quartile performance on a trailing three-year basis.

Pangaro is maintaining the fund's well-established process, which focuses on attractively priced, growth-oriented firms. The resulting portfolio blends conservative and aggressive bets, with about 60% of assets in consumer and technology names. On the reserved side, he holds blue chips such as Taiwan Semiconductor and AIA Group. On the bolder side, he has overweightings in retailers such as Brazil's Raia Drogasil and Thailand's CP ALL and owns highly specialized Taiwan component makers such as Largan Precision and Catcher Tech.

Like many emerging-markets funds, he has a large exposure to Chinese Internet names, such as Tencent and Alibaba. Deteriorating growth or government interference could negatively affect those firms and hurt the fund's performance, but its overweighting to very large, high-quality firms from across the emerging markets should provide ballast. It's worth noting that the fund has been able to weather various market environments over Pangaro's tenure.

At $18 billion in total assets, this is a large emerging-markets strategy, and its size should be monitored. That said, T. Rowe has a track record of closing funds before they get too large.

Address:	T. Rowe Price International Funds, Inc. Baltimore, MD 21202 800-638-5660
Web Address:	www.troweprice.com
Inception:	03-31-95
Advisor:	T. Rowe Price Associates, Inc.
Subadvisor:	T. Rowe Price International Limited

Minimum Purchase:	$2500	Add: $100	IRA: $1000
Min Auto Inv Plan:	—	Add: $100	
Sales Fees:	No-load, 2.00%R		
Management Fee:	0.75%		
Actual Fees:	Mgt:1.04%	Dist:—	
Expense Projections:	3Yr:$400	5Yr:$692	10Yr:$1523
Income Distribution:	Annually		

Fidelity® Total Bond

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
FTBFX	2.7%	2.59%	$32,135 mil	Intermediate-Term Bond

Benchmark 1: BBgBarc US Agg Bond TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 10-03-17

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

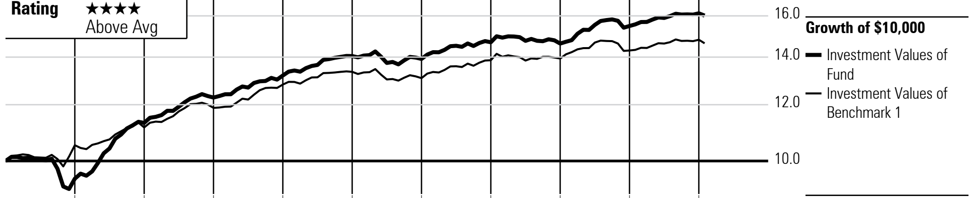
Pillar Spectrum

Positive Negative Neutral

Historical Profile

Return Above Avg
Risk Above Avg
Rating ★★★★ Above Avg

Investment Style
Fixed Income



Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
9.20	10.47	10.72	10.92	10.95	10.44	10.68	10.26	10.52	10.64	10.54	NAV
-5.56	19.80	8.55	7.40	6.51	-0.92	5.54	-0.42	5.86	4.19	-0.74	Total Return %
-10.80	13.87	2.01	-0.44	2.30	1.10	-0.42	-0.97	3.21	0.65	0.42	+/- Bmark 1
-10.80	13.87	2.01	-0.44	2.30	1.10	-0.42	-0.97	3.21	0.65	0.42	+/- Bmark 2
5.03	5.34	4.15	3.82	2.97	2.78	2.92	3.05	3.06	2.80	0.22	Income Return %
-10.59	14.46	4.41	3.58	3.54	-3.71	2.62	-3.47	2.79	1.38	-0.95	Capital Return %
57	15	29	18	53	28	46	64	4	32	24	Total Rtn % Rank Cat
0.51	0.48	0.42	0.40	0.32	0.30	0.30	0.32	0.31	0.29	0.02	Income $
0.07	0.03	0.21	0.18	0.36	0.11	0.03	0.06	0.03	0.03	0.00	Capital Gains $
0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	—	Expense Ratio %
5.12	5.52	4.37	3.89	3.29	2.75	3.07	2.99	3.25	2.84	—	Income Ratio %
122	104	130	168	155	201	108	140	134	137	—	Turnover Rate %
8,280	11,443	10,956	11,937	12,894	11,611	15,933	17,600	20,709	24,390	24,500	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	0.30	-2.50	0.84	0.47	-0.92
2014	2.17	2.12	-0.06	1.22	5.54
2015	1.93	-1.44	-0.12	-0.76	-0.42
2016	3.23	2.91	1.79	-2.11	5.86
2017	1.32	1.30	1.11	0.40	4.19

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	-0.40	0.43	0.43	20	9,960
6 Mo	0.17	0.52	0.53	22	10,017
1 Yr	2.88	0.73	0.73	31	10,288
3 Yr Avg	2.26	1.12	1.11	10	10,693
5 Yr Avg	2.74	0.73	0.73	12	11,448
10 Yr Avg	4.69	0.98	0.97	14	15,810
15 Yr Avg	4.74	0.68	0.68	19	20,035

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	0.87	11	1.36	83
5 Yr (estimated)	1.33	13	1.38	78
10 Yr (estimated)	3.02	17	1.60	83

Potential Capital Gain Exposure: 0% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	2.88			
3 Yr	2.26	High	+Avg	★★★★★
5 Yr	2.74	+Avg	+Avg	★★★★
10 Yr	4.69	+Avg	+Avg	★★★★
Incept	4.89			

Other Measures	Standard Index	Best Fit Index
Alpha	1.2	0.3
Beta	0.90	0.77
R-Squared	74	92
Standard Deviation	2.81	
Mean	2.26	
Sharpe Ratio	0.63	

Portfolio Analysis 12-31-17

Total Fixed Income: 1482	Date of Maturity	Amount 000	Value $000	% Assets
High Yield Investments	—	—	3,642,661	11.09
US Treasury Note 1.875%	03-31-22	1,455,761	1,439,213	4.38
US Treasury Note 1.25%	03-31-21	1,180,775	1,151,541	3.51
US Treasury Note 1.75%	06-30-22	952,845	935,518	2.85
US Treasury Note 2%	12-31-21	906,934	902,274	2.75
US Treasury Note 1.875%	07-31-22	903,426	891,085	2.71
US Treasury Bond 3%	02-15-47	658,626	691,901	2.11
Fannie Mae 3.5% 30 Year	—	669,986	689,686	2.10
US Treasury Note 2.125%	07-31-24	649,329	641,469	1.95
US Treasury Note 2.25%	12-31-24	618,783	615,296	1.87
US Treasury Note 1.75%	12-31-20	600,000	595,784	1.81
US Treasury Note 1.25%	10-31-21	453,470	439,271	1.34
US Treasury Note	07-15-25	396,692	413,690	1.26
US Treasury Note	01-15-27	396,460	402,382	1.23
US Treasury Note 1.5%	05-15-20	408,760	404,800	1.23
Fannie Mae 3% 30 Year	—	389,700	391,259	1.19
Ginnie Mae 3% 30 Year	—	375,803	379,770	1.16
Fannie Mae 3% 15 Year	—	363,249	370,661	1.13
US Treasury Note 2.125%	12-31-22	368,686	367,101	1.12
Freddie Mac 3.5% 30 Yea	—	341,738	352,590	1.07

Current Investment Style

Duration: Ltd Mod Ext; Quality: High Med Low

[1] figure provided by fund

Avg Eff Duration[1]	5.5
Avg Eff Maturity	—
Avg Credit Quality	BBB
Avg Wtd Coupon	2.96%
Avg Wtd Price	90.47% of par

Sector Breakdown	% Assets
Government	46
Government Related	2
Corporate	25
Agency MBS	17
Non-Agency Residential MBS	0
Commercial MBS	1
Covered Bond	0
Asset Backed	1
Municipal	1
Cash & Equivalents	6
Other	0

Coupon Range	% of Bonds
0% PIK	0.0
0% to 4%	78.3
4% to 6%	15.3
6% to 8%	5.6
8% to 10%	0.7
More than 10%	0.1

Composition - Net			
Cash	4.4	Bonds	95.5
Stocks	0.0	Other	0.1

Special Securities	
Restricted/Illiquid Secs	5
Emerging-Markets Secs	3
Options/Futures/Warrants	0

Credit Analysis		% bonds 12-31-17	
AAA	60	BB	7
AA	1	B	4
A	9	Below B	1
BBB	17	Not Rated	0

Morningstar's Take by Emory Zink 10-03-17

Fidelity Total Bond benefits from a deep bench of sector specialists and resources at the firm, which is adroitly orchestrated by experienced portfolio managers. Those characteristics, taken together with attractive fees, support the fund's Morningstar Analyst Rating of Gold.

This fund's greatest strength is its process. Experienced sector specialists, many with lauded track records in their own rights, provide guidance to lead manager Ford O'Neil and team. Besides investing in the typical investment-grade credit, mortgages, and U.S. Treasuries in the fund's Bloomberg Barclays U.S. Aggregate Bond Index benchmark, the fund may allocate up to 20% in non-investment-grade bonds, including high-yield and emerging-markets debt, when the team finds market valuations compelling. This gives the fund an edge versus more-conservative benchmarklike intermediate-term bond peers, but it may also invite more volatility.

The team has executed this mandate with skill. For example, through early 2016, anxiety over dipping oil prices caused volatility in energy-related names, but sector specialists recommended exposures to hard-hit emerging-markets and high-yield bonds, which rebounded sharply later in the year. Since then, the team has pared back risk, exchanging corporate credit for U.S. Treasuries through the first half of 2017. That agile positioning helped the fund to a 2.1% gain for the year ended August 2017, and this performance landed in the intermediate-term bond Morningstar Category's best quartile.

Long-term results have also been impressive. During the trailing 10-year period ended August 2017, the fund generated 5.2% annualized, ahead of the Aggregate Index's 4.4% and ranking in the top quartile of the competitive intermediate-bond category, all while keeping volatility in line with its typical peer. Still, the fund's weightings in lower-quality bonds and emerging-markets bonds make it more susceptible to losses and have burned it before (2008's financial crisis), but over time, thoughtful positioning and intentional risk-taking have delivered attractive results.

Address:	Fidelity Income Fund Boston, MA 02109 800-544-8544
Web Address:	www.institutional.fidelity.com
Inception:	10-15-02
Advisor:	Fidelity Management & Research Company
Subadvisor:	FMR Investment Management (U.K.) Limited

Minimum Purchase:	$2500	Add: —	IRA: $2500
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load		
Management Fee:	0.20%		
Actual Fees:	Mgt:0.31%	Dist:—	
Expense Projections:	3Yr:$144	5Yr:$252	10Yr:$567
Income Distribution:	Monthly		

Western Asset Core Plus Bond I

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
WACPX	3.1%	2.82%	$22,419 mil	Intermediate-Term Bond

Benchmark 1: BBgBarc US Agg Bond TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 03-10-17

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold · Silver · Bronze · Neutral · Negative

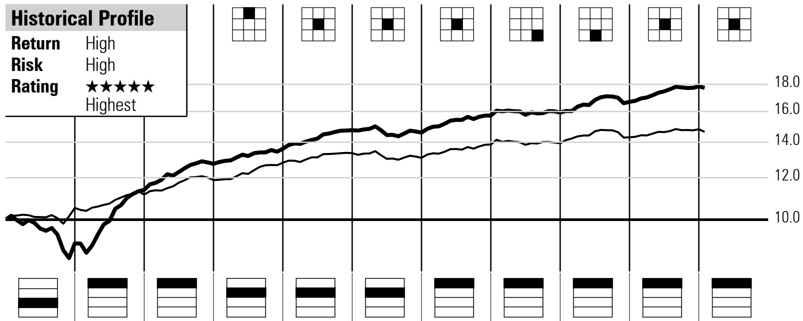
Pillar Spectrum

Positive · Negative · Neutral

Historical Profile

Return High
Risk High
Rating ★★★★★ Highest

Investment Style
Fixed Income



History	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18
NAV	8.66	10.14	10.78	11.11	11.67	11.19	11.64	11.43	11.43	11.84	11.73
Total Return %	-9.78	26.20	11.97	6.72	8.44	-1.07	7.68	1.31	4.79	6.96	-0.67
+/- Bmark 1	-15.02	20.27	5.43	-1.12	4.22	0.96	1.72	0.76	2.14	3.41	0.48
+/- Bmark 2	-15.02	20.27	5.43	-1.12	4.22	0.96	1.72	0.76	2.14	3.41	0.48
Income Return %	5.63	6.85	5.62	3.61	3.34	3.10	3.63	3.17	3.91	3.20	0.26
Capital Return %	-15.41	19.35	6.35	3.11	5.09	-4.17	4.05	-1.86	0.87	3.76	-0.93
Total Rtn % Rank Cat	75	7	3	36	28	31	3	7	13	1	18
Income $	0.56	0.57	0.56	0.38	0.37	0.36	0.40	0.36	0.44	0.36	0.03
Capital Gains $	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.02	0.00
Expense Ratio %	0.46	0.46	0.45	0.45	0.46	0.51	0.49	0.52	0.52	—	—
Income Ratio %	5.50	5.20	4.20	3.28	3.06	2.98	3.39	3.05	3.21	—	—
Turnover Rate %	124	202	464	734	127	109	78	93	97	—	—
Net Assets $mil	6,580	5,417	5,162	4,686	4,746	4,035	5,567	9,641	12,130	14,685	14,894

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	0.55	-2.64	0.64	0.41	-1.07
2014	2.78	2.84	0.35	1.52	7.68
2015	2.18	-1.80	0.72	0.24	1.31
2016	2.59	2.91	1.58	-2.29	4.79
2017	1.91	2.68	1.74	0.47	6.96

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	0.05	0.88	0.88	7	10,005
6 Mo	0.60	0.95	0.95	8	10,060
1 Yr	5.79	3.64	3.64	2	10,579
3 Yr Avg	3.36	2.22	2.22	2	11,042
5 Yr Avg	3.78	1.77	1.77	2	12,038
10 Yr Avg	5.71	2.00	2.00	2	17,430
15 Yr Avg	5.74	1.68	1.68	5	23,096

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	1.78	2	1.53	94
5 Yr (estimated)	2.24	1	1.48	87
10 Yr (estimated)	4.01	1	1.61	84

Potential Capital Gain Exposure: 1% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	5.79			
3 Yr	3.36	High	High	★★★★★
5 Yr	3.78	High	+Avg	★★★★★
10 Yr	5.71	High	High	★★★★★
Incept	6.13			

Other Measures	Standard Index	Best Fit Index
Alpha	2.2	1.3
Beta	0.99	0.82
R-Squared	77	89
Standard Deviation	3.03	
Mean	3.36	
Sharpe Ratio	0.95	

Portfolio Analysis 12-31-17

Total Fixed Income: 1815	Date of Maturity	Amount 000	Value $000	% Assets
US Treasury Bond 3.75%	11-15-43	1,158,380	1,385,986	6.28
US Treasury Bond 3%	02-15-47	756,630	804,312	3.64
Fed Natl Mort Assc 3.5%	01-15-46	751,400	771,477	3.50
US Treasury Bond 3%	05-15-45	622,540	656,342	2.97
Fx Fut Mexican Peso Fut	03-19-18	10,191,000	-520,866	2.36
Fx Fut Mexican Peso Fut	03-19-18	10,191,000	520,866	2.36
US Treasury Note 1.875%	08-31-22	383,910	380,986	1.73
Fed Natl Mort Assc 3%	01-15-31	308,900	314,632	1.43
US Treasury Note	04-15-22	312,350	314,747	1.43
Freddie Mac Gold Single	01-01-47	310,400	310,351	1.41
Fx Fut Jpn Yen Curr Fut	03-19-18	33,825,000	300,266	1.36
Fx Fut Jpn Yen Curr Fut	03-19-18	33,825,000	-300,266	1.36
FHLMC 3.5%	01-15-46	212,400	218,119	0.99
Govt Natl Mtg Asso 3.5%	01-15-46	207,900	214,917	0.97
Ginnie Mae Jumbos TBA 3	01-01-47	203,100	204,941	0.93
FHLMC 4%	01-15-46	185,000	193,455	0.88
US Treasury Bond 3%	05-15-47	182,636	192,764	0.87
FNMA	—	189,480	189,480	0.86
US Treasury Note 1.375%	04-30-21	194,370	190,636	0.86
US Treasury Bond 2.75%	08-15-47	185,920	188,111	0.85

Current Investment Style

Duration: Ltd Mod Ext
Quality: High Med Low

[1] figure provided by fund

Avg Eff Duration[1]	6.6
Avg Eff Maturity	12.7 Yrs
Avg Credit Quality	BBB
Avg Wtd Coupon	3.88%
Avg Wtd Price	—

Sector Breakdown	% Assets
Government	24
Government Related	4
Corporate	23
Agency MBS	19
Non-Agency Residential MBS	2
Commercial MBS	3
Covered Bond	0
Asset Backed	4
Municipal	0
Cash & Equivalents	10
Other	10

Coupon Range	% of Bonds
0% PIK	4.8
0% to 4%	63.0
4% to 6%	23.0
6% to 8%	6.7
8% to 10%	2.1
More than 10%	0.4

Composition - Net			
Cash	0.0	Bonds	99.3
Stocks	0.0	Other	0.7

Special Securities	
Restricted/Illiquid Secs	13
Emerging-Markets Secs	8
Options/Futures/Warrants	4

Credit Analysis	% bonds 12-31-17		
AAA	55	BB	8
AA	3	B	3
A	15	Below B	4
BBB	12	Not Rated	1

Morningstar's Take by Maciej Kowara 03-10-17

Risk management infrastructure enhancements and an improved Parent Pillar rating bolster an already impressive package at Western Asset Core Plus Bond, prompting an upgrade of the fund's Morningstar Analyst Rating to Gold.

The fund has long been rated Silver, in recognition of its thoughtful process, stable and experienced management team, research resources, excellent performance, and reasonable pricing. These good aspects haven't changed, but there were two changes that prompted the upgrade. One is the Parent rating, which is part of Morningstar's overall take on a fund. Western Asset's parent, Legg Mason, was recently upgraded to a Positive rating to better reflect the strength of its nine underlying affiliates' investment cultures; of these, Western Asset manages the most assets.

A change more relevant to the fund itself involves the 2016 rollout of Western's own risk management system. The introduction of this system, which took six years to build, puts Western Asset in the company of the more advanced players in this space. The benefit for the fund itself is that it allows for a more detailed and timely awareness of the various risks the fund is exposed to. As part of the management process itself, it should allow for better measurement of how well managers' and analysts' convictions line up with the fund's risk contributions, as well as help uncover unintended risk exposures (even a trained eye has trouble processing nonlinear covariance matrix information).

How much effect the new risk system had on the fund's performance in 2016 is perhaps debatable, but it was another good year. The fund outperformed its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, by 200 basis points and landed in the category's top quintile. Given the fund's ingrained bias toward spread product, good performance in the credit-happy 2016 is unsurprising. But, coming as it did after its competitive results in 2015, which was much tougher for credit-sensitive fare, it strengthens the argument that the fund can navigate a variety of markets to its advantage.

Address:	Western Asset Funds Inc Baltimore MD 21202 877-721-1926
Web Address:	www.leggmason.com
Inception:	07-08-98
Advisor:	Legg Mason Partners Fund Advisor, LLC
Subadvisor:	Western Asset Management Company Pte Ltd

Minimum Purchase:	$1000000	Add: —	IRA: $1000000
Min Auto Inv Plan:	$1000000	Add: —	
Sales Fees:	No-load		
Management Fee:	0.45% mx./0.40% mn.		
Actual Fees:	Mgt:0.40%	Dist:—	
Expense Projections:	3Yr:$160	5Yr:$284	10Yr:$646
Income Distribution:	Monthly		

Baird Aggregate Bond Inst

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
BAGIX	2.6%	2.63%	$14,681 mil	Intermediate-Term Bond

Benchmark 1: BBgBarc US Agg Bond TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 03-06-17

Silver

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

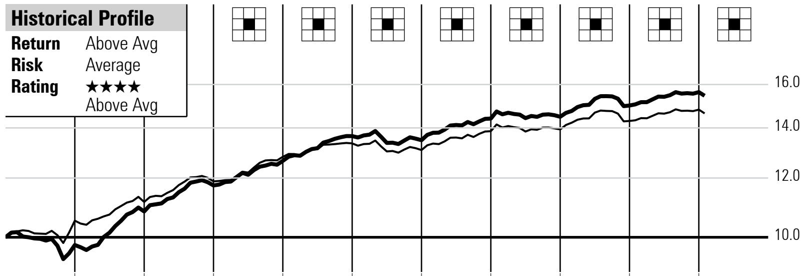
Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return Above Avg
Risk Average
Rating ★★★★ Above Avg

Investment Style
Fixed Income



Growth of $10,000
— Investment Values of Fund
— Investment Values of Benchmark 1

Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
9.74	10.23	10.52	10.65	10.89	10.41	10.81	10.61	10.70	10.87	10.73	NAV
-2.36	10.88	8.34	7.85	7.92	-1.25	6.89	0.55	3.52	4.20	-1.12	Total Return %
-7.60	4.95	1.79	0.01	3.70	0.77	0.93	0.00	0.87	0.66	0.03	+/- Bmark 1
-7.60	4.95	1.79	0.01	3.70	0.77	0.93	0.00	0.87	0.66	0.03	+/- Bmark 2
5.42	5.64	4.90	4.50	4.08	3.21	3.02	2.44	2.51	2.61	0.17	Income Return %
-7.77	5.24	3.44	3.35	3.84	-4.47	3.87	-1.89	1.01	1.60	-1.29	Capital Return %
45	62	31	9	34	36	8	22	37	31	78	Total Rtn % Rank Cat
0.56	0.54	0.49	0.46	0.43	0.34	0.31	0.26	0.26	0.28	0.02	Income $
0.00	0.00	0.06	0.21	0.16	0.00	0.00	0.00	0.02	0.00	0.00	Capital Gains $
0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	—	—	Expense Ratio %
5.46	5.37	4.44	4.10	3.51	3.01	2.81	2.24	2.25	—	—	Income Ratio %
22	38	41	46	64	28	32	40	36	—	—	Turnover Rate %
841	1,360	1,657	1,480	1,497	1,663	3,441	6,323	9,754	13,563	13,876	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	0.45	-2.52	0.71	0.13	-1.25
2014	2.36	2.38	0.24	1.76	6.89
2015	1.79	-1.64	1.08	-0.64	0.55
2016	3.03	2.55	0.76	-2.76	3.52
2017	1.04	1.66	0.99	0.45	4.20

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	-0.80	0.03	0.02	62	9,920
6 Mo	-0.17	0.18	0.18	45	9,983
1 Yr	2.68	0.53	0.53	38	10,268
3 Yr Avg	1.62	0.48	0.48	32	10,495
5 Yr Avg	2.60	0.59	0.59	16	11,369
10 Yr Avg	4.30	0.59	0.59	27	15,238
15 Yr Avg	4.66	0.60	0.60	23	19,791

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	0.52	22	1.08	43
5 Yr (estimated)	1.39	10	1.18	52
10 Yr (estimated)	2.76	26	1.48	68

Potential Capital Gain Exposure: 0% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	2.68			
3 Yr	1.62	+Avg	Avg	★★★★
5 Yr	2.60	+Avg	Avg	★★★★
10 Yr	4.30	+Avg	Avg	★★★★
Incept	5.35			

Other Measures	Standard Index	Best Fit Index
Alpha	0.5	0.5
Beta	1.00	1.00
R-Squared	99	99
Standard Deviation	2.70	
Mean	1.62	
Sharpe Ratio	0.43	

Portfolio Analysis 12-31-17

Total Fixed Income: 1061	Date of Maturity	Amount 000	Value $000	% Assets
US Treasury Bond 2.875%	05-15-43	690,750	710,258	4.97
US Treasury Bond 3.5%	02-15-39	462,356	528,079	3.70
US Treasury Note 2.5%	05-15-24	356,975	361,005	2.53
US Treasury Note 1.875%	03-31-22	282,675	279,484	1.96
US Treasury Note 1.75%	03-31-22	276,655	272,116	1.90
US Treasury Note 2%	11-15-26	194,675	188,401	1.32
US Treasury Note 2.25%	11-15-25	169,750	168,258	1.18
FHLMC 3%	02-01-32	86,325	88,043	0.62
FHLMC 3%	05-01-47	79,081	79,237	0.55
FHLMC CMO	08-25-25	72,374	75,277	0.53
FNMA 3.5%	10-01-43	74,011	76,280	0.53
FNMA 3.5%	09-01-43	65,635	67,798	0.47
FNMA 3.5%	11-01-46	64,667	66,431	0.47
FHLMC CMO 3.49%	01-25-24	61,625	64,699	0.45
FNMA 3.5%	01-01-32	59,793	62,179	0.44
FNMA 4%	02-01-42	54,725	57,464	0.40
FNMA 3.5%	02-01-45	51,921	53,607	0.38
Diamond 1 Fin Corp/Diam	06-15-21	50,575	52,700	0.37
FNMA 4%	11-01-45	50,835	53,173	0.37
FHLMC 3.5%	02-01-44	49,991	51,590	0.36

Current Investment Style
Duration: Ltd Mod Ext
Quality: High Med Low

[1] figure provided by fund

Avg Eff Duration[1]	6.0
Avg Eff Maturity	7.9 Yrs
Avg Credit Quality	A
Avg Wtd Coupon	3.51%
Avg Wtd Price	103.68% of par

Sector Breakdown	% Assets
Government	18
Government Related	0
Corporate	43
Agency MBS	24
Non-Agency Residential MBS	2
Commercial MBS	4
Covered Bond	0
Asset Backed	5
Municipal	1
Cash & Equivalents	3
Other	0

Coupon Range	% of Bonds
0% PIK	0.0
0% to 4%	75.9
4% to 6%	19.6
6% to 8%	3.0
8% to 10%	1.4
More than 10%	0.0

Composition - Net

Cash	2.5	Bonds	97.3
Stocks	0.0	Other	0.2

Special Securities	
Restricted/Illiquid Secs	16
Emerging-Markets Secs	1
Options/Futures/Warrants	0

Credit Analysis % bonds 12-31-17

AAA	53	BB	0
AA	5	B	0
A	19	Below B	0
BBB	23	Not Rated	0

Morningstar's Take by Emory Zink 03-06-17

While Baird Aggregate Bond inhabits a well-trodden investment-grade landscape, management's experience, nimble implementation, and low fees have given the fund an edge, delivering attractive and dependable results to investors over the longer term and earning this fund a Morningstar Analyst Rating of Silver.

Mary Ellen Stanek leads a team of six named co-portfolio managers who average 33 years of experience in the industry and have contributed to this strategy from its inception in 2000. The team is rounded out with three additional senior portfolio managers and eight analysts. Although this is fewer in number than many larger firms with comparable funds, Stanek and her support counter this by sticking to sectors and investments that they can thoroughly research with the fund's given resources.

It is not only the firm's leadership that has remained stalwart--the process has been consistent as well. Similar to many intermediate-term bond Morningstar Category peers, the team invests in a mix of corporates, mortgages, and Treasuries, and it benchmarks itself against the Bloomberg Barclays U.S. Aggregate Bond Index. Emphasis has been on higher-quality holdings; the fund tends to have a higher allocation to A and BBB rated securities and a lower allocation to non-investment-grade fare than its average category peer. Over the strategy's life, the fund has maintained a persistent overweighting to credit and underweighting to Treasuries and government-related securities. As of early 2017, the credit allocation occupied 45% of the portfolio--toward the higher end of its historical allocation range.

The fund's lack of leverage and derivatives as well as its duration-neutral approach enable management to focus on its strengths--security selection and sector rotation. Over the 10 years ended February 2017, the fund generated a 4.7% annualized return, a step ahead of the index and better than 60% of its category peers. Low volatility and rock-bottom fees further contribute to this fund's appeal.

Address:	Baird Funds Inc Milwaukee, WI 53202 866-442-2473
Web Address:	www.bairdfunds.com
Inception:	09-29-00
Advisor:	Robert W. Baird & Co. Incorporated
Subadvisor:	None

Minimum Purchase:	$25000	Add: —	IRA: $25000
Min Auto Inv Plan:	$25000	Add: —	
Sales Fees:	No-load		
Management Fee:	0.25%, 0.05%A		
Actual Fees:	Mgt:0.25%	Dist:—	
Expense Projections:	3Yr:$97	5Yr:$169	10Yr:$381
Income Distribution:	Monthly		

Baird Short-Term Bond Inst

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
BSBIX	1.7%	2.07%	$5,673 mil	Short-Term Bond

Benchmark 1: BBgBarc US Govt/Credit 1-5 Yr TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 03-06-17

Silver

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

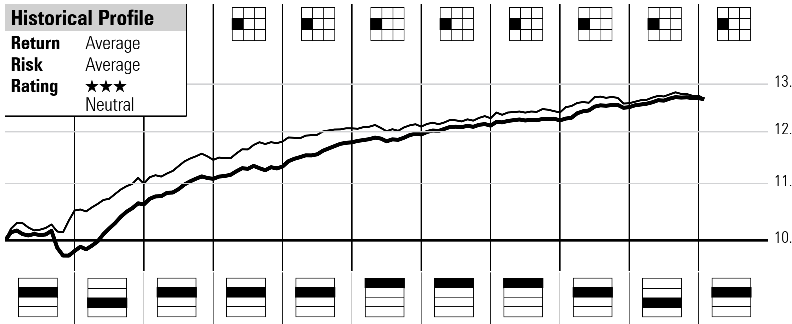
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile
Return Average
Risk Average
Rating ★★★ Neutral

Investment Style
Fixed Income



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
9.24	9.57	9.68	9.59	9.75	9.69	9.67	9.60	9.66	9.64	9.61	NAV
-1.79	8.14	4.39	2.08	4.16	1.33	1.49	0.89	2.25	1.53	-0.19	Total Return %
-6.91	3.53	0.31	-1.05	1.92	1.04	0.07	-0.09	0.68	0.26	0.34	+/- Bmark 1
-7.03	2.21	-2.15	-5.76	-0.06	3.35	-4.47	0.34	-0.40	-2.01	0.96	+/- Bmark 2
5.17	4.48	3.03	2.44	2.32	1.76	1.65	1.58	1.62	1.72	0.12	Income Return %
-6.96	3.67	1.37	-0.35	1.83	-0.43	-0.16	-0.69	0.63	-0.20	-0.31	Capital Return %
47	54	36	29	38	17	24	10	33	56	43	Total Rtn % Rank Cat
0.50	0.41	0.29	0.23	0.22	0.17	0.16	0.15	0.15	0.17	0.01	Income $
0.00	0.00	0.02	0.06	0.01	0.02	0.01	0.00	0.00	0.00	0.00	Capital Gains $
0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	—	—	Expense Ratio %
5.01	4.28	2.92	2.40	2.23	1.71	1.56	1.30	1.57	—	—	Income Ratio %
99	56	59	61	40	45	51	38	44	—	—	Turnover Rate %
215	605	919	1,022	1,288	1,989	2,641	2,974	3,764	5,403	5,540	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	0.52	-0.36	0.60	0.56	1.33
2014	0.59	0.72	-0.02	0.20	1.49
2015	0.79	0.08	0.26	-0.24	0.89
2016	1.21	1.12	0.27	-0.36	2.25
2017	0.58	0.52	0.51	-0.09	1.53

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	-0.33	0.46	0.50	50	9,967
6 Mo	-0.11	0.64	0.24	49	9,989
1 Yr	1.02	0.54	-1.13	60	10,102
3 Yr Avg	1.28	0.51	0.14	38	10,389
5 Yr Avg	1.41	0.40	-0.60	24	10,725
10 Yr Avg	2.26	0.06	-1.45	43	12,505
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	0.56	31	0.71	51
5 Yr (estimated)	0.67	19	0.73	60
10 Yr (estimated)	1.26	48	0.97	65

Potential Capital Gain Exposure: -1% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	1.02			
3 Yr	1.28	Avg	Avg	★★★
5 Yr	1.41	+Avg	Avg	★★★★
10 Yr	2.26	Avg	-Avg	★★★
Incept	2.72			

Other Measures	Standard Index	Best Fit Index
Alpha	0.6	0.6
Beta	0.26	0.76
R-Squared	66	80
Standard Deviation	0.82	
Mean	1.28	
Sharpe Ratio	0.92	

Portfolio Analysis 12-31-17

Total Fixed Income: 559	Date of Maturity	Amount 000	Value $000	% Assets
US Treasury Note 1.375%	08-31-20	836,075	823,860	15.04
US Treasury Note 1.625%	08-31-19	162,750	162,089	2.96
US Treasury Note 1.125%	09-30-21	105,000	101,313	1.85
Citibank Ccit 2017-A3 1	04-07-22	33,225	33,018	0.60
Chesapeake Fdg Ii Llc 2	05-15-29	29,965	29,869	0.55
Keysight Tech 3.3%	10-30-19	28,625	28,896	0.53
FHLMC CMO 3.531%	06-25-20	27,325	28,070	0.51
Vale Overseas 5.875%	06-10-21	25,594	27,872	0.51
Zimmer Biomet Hldgs 2.7	04-01-20	27,610	27,623	0.50
Broadcom Corp/Broadcom	01-15-20	27,000	26,817	0.49
Molex Electnc Tech 144A	04-15-20	25,115	25,120	0.46
Natl Australia Bk N Y B	01-10-20	24,600	24,575	0.45
Newell Brands 3.15%	04-01-21	24,283	24,555	0.45
Dxc Tech 2.875%	03-27-20	23,714	23,829	0.44
Jackson Natl Life Gbl F	01-30-20	24,125	24,039	0.44
Verizon Comms 2.946%	03-15-22	23,880	24,025	0.44
Cap One Cc Tr 2017-4 1.	07-17-23	23,500	23,351	0.43
Comm Mtg Tr 2012-Ccre1	05-17-45	23,360	23,667	0.43
Natl Bk Of Canada 2.15%	06-12-20	23,525	23,391	0.43
Sonoma Cnty Calif Pensi	12-01-22	20,910	22,252	0.41

Current Investment Style
Duration: Ltd Mod Ext
Quality: High Med Low
[1] figure provided by fund

Avg Eff Duration[1]	1.9
Avg Eff Maturity	2.1 Yrs
Avg Credit Quality	A
Avg Wtd Coupon	2.77%
Avg Wtd Price	100.69% of par

Sector Breakdown	% Assets
Government	20
Government Related	1
Corporate	57
Agency MBS	2
Non-Agency Residential MBS	1
Commercial MBS	2
Covered Bond	0
Asset Backed	13
Municipal	2
Cash & Equivalents	3
Other	0

Coupon Range	% of Bonds
0% PIK	0.0
0% to 4%	82.6
4% to 6%	11.3
6% to 8%	4.3
8% to 10%	1.8
More than 10%	0.0

Composition - Net			
Cash	2.9	Bonds	97.1
Stocks	0.0	Other	0.0

Special Securities	
Restricted/Illiquid Secs	24
Emerging-Markets Secs	1
Options/Futures/Warrants	0

Credit Analysis		% bonds 12-31-17	
AAA	37	BB	0
AA	9	B	0
A	22	Below B	0
BBB	32	Not Rated	0

Morningstar's Take by Emory Zink 03-06-17

While Baird Short-Term Bond inhabits a well-trodden investment-grade landscape, management's experience, nimble implementation, and low fees have given the fund an edge, delivering attractive and dependable results to investors over the longer term and earning this fund a Morningstar Analyst Rating of Silver.

Mary Ellen Stanek leads a team of six named co-portfolio managers who average 33 years of experience in the industry and have contributed to this strategy from its inception in 2004. The team is rounded out with three additional senior portfolio managers and eight analysts. Although this is fewer in number than many larger firms with comparable funds, Stanek and her support counter this by sticking to sectors and investments that they can thoroughly research with the fund's given resources.

It is not only the firm's leadership that has remained stalwart--the process has been consistent as well. Similar to many of its short-term bond Morningstar Category peers, the team invests in a mix of corporates, mortgages, and Treasuries, and it benchmarks itself against the Bloomberg Barclays U.S. Government/Credit 1-3 Year Index. Emphasis is on higher-quality holdings, and the fund tends to have a higher allocation to A and BBB rated securities, as well as a lower allocation to non-investment-grade or nonrated securities than its average category peer. Over the life of the strategy, the fund has maintained a persistent overweighting to credit and an underweighting to Treasuries and government-related securities. As of early 2017, the credit allocation occupied 63% of the portfolio--the middle of its historical allocation range.

The fund's lack of leverage and derivatives and its duration-neutral approach enable management to focus on its strengths--security selection and sector rotation. Over the five years ended February 2017, the portfolio generated 1.8% of annualized return, ahead of the index and better than around 80% of its category peers. Low volatility and rock-bottom fees further contribute to the fund's appeal.

Address:	Baird Funds Inc Milwaukee, WI 53202 866-442-2473
Web Address:	www.bairdfunds.com
Inception:	08-31-04
Advisor:	Robert W. Baird & Co. Incorporated
Subadvisor:	None

Minimum Purchase:	$25000	Add: —	IRA: $25000
Min Auto Inv Plan:	$25000	Add: —	
Sales Fees:	No-load		
Management Fee:	0.25%, 0.05%A		
Actual Fees:	Mgt:0.25%	Dist:—	
Expense Projections:	3Yr:$97	5Yr:$169	10Yr:$381
Income Distribution:	Monthly		

T. Rowe Price High Yield I

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
PRHIX	5.6%	4.84%	$8,590 mil	High Yield Bond

Benchmark 1: ICE BofAML US High Yield TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 04-25-17

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

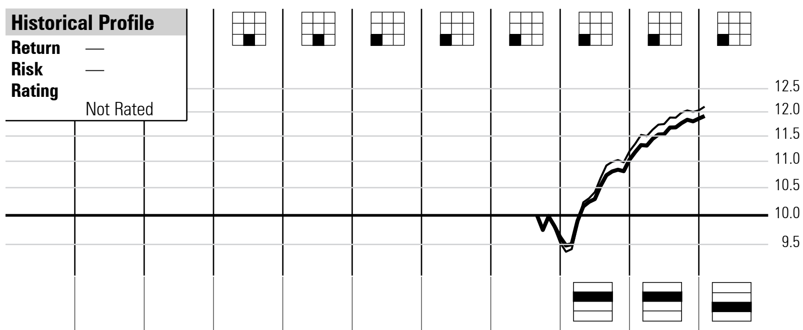
Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return —
Risk —
Rating Not Rated



Investment Style
Fixed Income

Growth of $10,000
Investment Values of Fund
Investment Values of Benchmark 1

Performance Quartile
(within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
—	—	—	—	—	—	—	6.18	6.65	6.76	6.76	NAV
—	—	—	—	—	—	—	—	14.64	7.50	0.46	Total Return %
—	—	—	—	—	—	—	—	-2.84	0.02	-0.18	+/- Bmark 1
—	—	—	—	—	—	—	—	12.00	3.96	1.61	+/- Bmark 2
—	—	—	—	—	—	—	—	6.47	5.86	0.46	Income Return %
—	—	—	—	—	—	—	—	8.17	1.65	0.00	Capital Return %
—	—	—	—	—	—	—	—	33	27	60	Total Rtn % Rank Cat
—	—	—	—	—	—	—	0.14	0.39	0.38	0.03	Income $
—	—	—	—	—	—	—	—	0.02	0.00	0.00	Capital Gains $
—	—	—	—	—	—	—	—	0.60	0.61	—	Expense Ratio %
—	—	—	—	—	—	—	—	6.23	5.99	—	Income Ratio %
—	—	—	—	—	—	—	—	68	74	—	Turnover Rate %
—	—	—	—	—	—	—	951	2,094	1,696	—	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	—	—	—	—	—
2014	—	—	—	—	—
2015	—	—	—	-1.27	—
2016	2.89	3.94	4.99	2.10	14.64
2017	2.51	2.02	1.98	0.80	7.50

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	0.66	0.00	1.49	53	10,066
6 Mo	2.05	0.12	2.41	41	10,205
1 Yr	6.54	-0.20	4.40	30	10,654
3 Yr Avg	—	—	—	—	—
5 Yr Avg	—	—	—	—	—
10 Yr Avg	—	—	—	—	—
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	—	—	—	—
5 Yr (estimated)	—	—	—	—
10 Yr (estimated)	—	—	—	—

Potential Capital Gain Exposure: -3% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	6.54			
3 Yr	—	—	—	—
5 Yr	—	—	—	—
10 Yr	—	—	—	—
Incept	7.48			

Other Measures	Standard Index	Best Fit Index
Alpha	—	—
Beta	—	—
R-Squared	—	—
Standard Deviation	—	
Mean	—	
Sharpe Ratio	—	

Portfolio Analysis 12-31-17

Total Fixed Income: 407	Date of Maturity	Amount 000	Value $000	% Assets
Altice Sa 144A 7.625%	02-15-25	117,950	112,937	1.33
Scientific Games Intl I	12-01-22	102,455	112,316	1.33
ASURION LLC TL B2 2L BA	07-13-25	83,425	85,641	1.01
Neptune Finco 144A 10.8	10-15-25	59,012	70,077	0.83
Cco Hldgs Llc / Cco Hld	05-01-26	68,220	69,755	0.82
UBER TECHNOLOGIES INC T	07-07-23	69,125	69,453	0.82
VERITAS US INC TL B1 1L	01-27-23	68,156	68,270	0.81
Nrg Engy 7.25%	05-15-26	60,885	66,289	0.78
Tesla 144A 5.3%	08-15-25	67,720	64,842	0.77
Western Digital 10.5%	04-01-24	54,705	63,389	0.75
Altice Financing S.A. 1	05-15-26	56,740	60,428	0.71
Cco Hldgs Llc / Cco Hld	02-01-28	61,625	60,007	0.71
Intelsat Jackson Hldgs	09-30-22	49,250	56,761	0.67
Standardaero Aviation H	07-15-23	51,990	57,124	0.67
Standard Chartered 144A	12-29-49	50,680	54,734	0.65
ENERGY FUTURE INTERMEDI	06-28-18	52,310	52,422	0.62
Amer Axle & Mfg 144A 6.	04-01-25	48,610	51,284	0.61
Ardagh Packaging 144A 7	05-15-24	47,000	51,113	0.60
Intesa Sanpaolo S P A 1	12-29-49	46,885	50,952	0.60
Unicredit Spa Cv	04-03-49	45,755	50,102	0.59

Current Investment Style

Duration: Ltd Mod Ext
Quality: High Med Low

1 figure provided by fund

Avg Eff Duration[1]	3.3
Avg Eff Maturity	6.7 Yrs
Avg Credit Quality	B
Avg Wtd Coupon	6.82%
Avg Wtd Price	117.53% of par

Coupon Range	% of Bonds
0% PIK	0.0
0% to 4%	1.9
4% to 6%	35.7
6% to 8%	42.5
8% to 10%	15.8
More than 10%	4.1

Credit Analysis	% bonds 12-31-17		
AAA	3	BB	27
AA	0	B	47
A	0	Below B	18
BBB	1	Not Rated	4

Sector Breakdown	% Assets
Government	0
Government Related	0
Corporate	99
Agency MBS	0
Non-Agency Residential MBS	0
Commercial MBS	0
Covered Bond	0
Asset Backed	0
Municipal	0
Cash & Equivalents	0
Other	0

Composition - Net			
Cash	0.2	Bonds	89.1
Stocks	1.3	Other	9.4

Special Securities	
Restricted/Illiquid Secs	49
Emerging-Markets Secs	2
Options/Futures/Warrants	0

Morningstar's Take by Cara Esser, CFA 04-25-17

T. Rowe Price High Yield has implemented the same value-driven process since manager Mark Vaselkiv took over in 1996. Rigorous bottoms-up credit selection has been successfully married with top-down macro analysis from T. Rowe Price's veteran investment committee members, all at a reasonable price. T. Rowe Price and Vaselkiv have a history of putting shareholders first, including by closing this fund to new investors in April 2012 (the second time during Vaselkiv's tenure). The fund retains its Morningstar Analyst Rating of Gold.

Post-2008, Vaselkiv and his team have taken a more opportunistic approach here, crossing the credit spectrum, significantly over- and underweighting sectors, and adding out-of-benchmark securities as valuations warrant. Since 2009, the team has taken its non-U.S. stake as high as one third of the portfolio, including, at times, a sizable allocation to emerging-markets corporate bonds. Bank loans have figured prominently here in recent years, reaching 14% of the portfolio as of December 2016, up from about 8% a year earlier. Vaselkiv has believed we are in the last stages of a credit cycle for some time and prefers higher-quality credits, including first-lien bank loans. He's also using these securities as a hedge against rising interest rates.

The team backing Vaselkiv is an experienced one and has proven its worth over time. Credit selection typically accounts for most of the fund's strong relative returns--this includes what they don't own. For example, the fund had a years' long underweight position to energy and commodity names heading into the 2014 decline in oil prices, which helped rein in the fund's losses amid the sell-off. Vaselkiv has since waded back into energy and commodity sectors, favoring higher-quality names including so-called "fallen angels" (formerly investment-grade-rated bonds), raising the portfolio's overall quality. This team isn't perfect, however, and a significant allocation to troubled pharmaceutical firm Valeant has weighed on recent returns. In all though, Vaselkiv has had more hits than misses and this fund remains a top choice in the Morningstar Category.

Address:	T. Rowe Price High Yield Fund, Inc. Baltimore MD 21202 800-638-8790
Web Address:	www.troweprice.com
Inception:	08-28-15
Advisor:	T. Rowe Price Associates, Inc.
Subadvisor:	None

Minimum Purchase:	$1000000	Add: —	IRA: —
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load, 2.00%R		
Management Fee:	0.30%		
Actual Fees:	Mgt:0.59%	Dist:—	
Expense Projections:	3Yr:$195	5Yr:$340	10Yr:$762
Income Distribution:	Monthly		

Templeton Global Bond Adv

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
TGBAX	3.6%	4.98%	$37,875 mil	World Bond

Benchmark 1: Citi WGBI NonUSD USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 10-19-17

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Positive

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

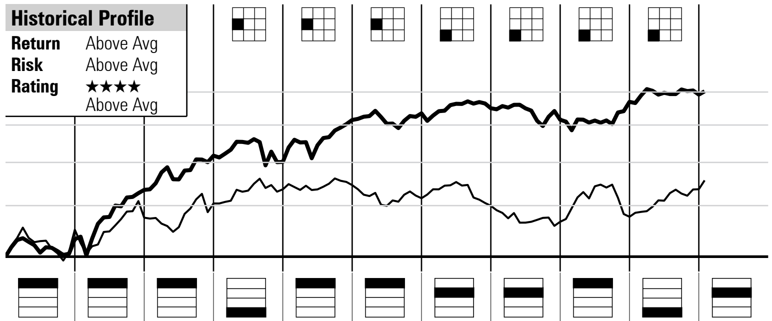
Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return Above Avg
Risk Above Avg
Rating ★★★★ Above Avg

Investment Style
Fixed Income



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
11.17	12.69	13.56	12.37	13.34	13.09	12.41	11.53	11.96	11.85	11.96	NAV
6.47	19.21	13.00	-2.21	16.15	2.41	1.84	-4.03	6.61	2.62	1.17	Total Return %
-3.64	14.82	7.79	-7.38	14.65	6.97	4.51	1.51	4.80	-7.71	-2.03	+/- Bmark 1
1.23	13.28	6.46	-10.05	11.94	4.43	-4.13	-4.58	3.96	-0.92	2.32	+/- Bmark 2
8.56	5.22	6.02	6.29	6.70	4.28	6.93	3.19	0.00	3.63	0.24	Income Return %
-2.09	14.00	6.98	-8.50	9.45	-1.88	-5.09	-7.23	6.61	-1.01	0.93	Capital Return %
15	16	5	96	4	4	45	44	13	83	45	Total Rtn % Rank Cat
0.95	0.57	0.75	0.83	0.81	0.56	0.89	0.39	0.00	0.43	0.03	Income $
0.00	0.00	0.00	0.08	0.17	0.00	0.03	0.00	0.31	0.00	0.00	Capital Gains $
0.67	0.67	0.66	0.63	0.64	0.61	0.65	0.65	0.71	—	—	Expense Ratio %
4.53	5.24	4.65	4.01	3.55	3.09	3.08	2.93	4.47	—	—	Income Ratio %
30	66	12	26	42	42	35	43	23	—	—	Turnover Rate %
2,618	7,762	17,972	25,165	30,909	34,854	36,945	28,343	20,907	20,831	—	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	1.41	-2.73	1.07	2.71	2.41
2014	0.76	2.68	0.06	-1.63	1.84
2015	0.22	-0.27	-6.11	2.26	-4.03
2016	0.09	-0.37	-1.27	8.28	6.61
2017	4.65	-1.30	1.19	-1.81	2.62

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	-0.07	-5.69	0.75	83	9,993
6 Mo	0.98	-3.66	1.33	77	10,098
1 Yr	4.27	-8.00	2.12	74	10,427
3 Yr Avg	2.16	-1.45	1.02	60	10,663
5 Yr Avg	1.99	1.35	-0.02	30	11,034
10 Yr Avg	5.73	3.37	2.01	2	17,451
15 Yr Avg	7.68	3.48	3.62	1	30,328

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	1.18	58	0.97	65
5 Yr (estimated)	0.41	47	1.55	88
10 Yr (estimated)	3.74	6	1.88	91

Potential Capital Gain Exposure: 1% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	4.27			
3 Yr	2.16	Avg	+Avg	★★★
5 Yr	1.99	+Avg	+Avg	★★★★
10 Yr	5.73	High	+Avg	★★★★★
Incept	6.99			

Other Measures	Standard Index	Best Fit Index
Alpha	2.1	-3.3
Beta	-0.35	0.39
R-Squared	2	35
Standard Deviation	6.59	
Mean	2.16	
Sharpe Ratio	0.28	

Portfolio Analysis 12-31-17

Total Fixed Income: 107	Date of Maturity	Amount 000	Value $000	% Assets
United Mexican States 8	06-11-20	529,790	2,719,397	7.02
Secretaria Tesouro Nacl	01-01-23	4,647	1,419,601	3.66
United Mexican States 6	06-10-21	281,607	1,385,751	3.58
Brazil Federative Rep 1	01-01-21	4,149	1,289,396	3.33
India (Rep Of) 8.83%	11-25-23	52,330,900	875,952	2.26
Indonesia(Rep Of) 8.375	03-15-24	10,037,615,000	822,503	2.12
Brazil Federative Rep	07-01-20	3,281	806,217	2.08
Korea(Republic Of) 1.75	12-10-18	759,465,000	710,881	1.83
Argentina (Rep Of) 15.5	10-17-26	11,470,275	624,294	1.61
Republic Of Colombia 7.	09-18-30	1,657,779,800	606,666	1.57
Brazil Federative Rep	01-01-20	2,325	601,006	1.55
Argentina (Rep Of) 18.2	10-03-21	10,583,367	583,897	1.51
Indonesia(Rep Of) 9.5%	07-15-23	6,667,220,000	568,563	1.47
Indonesia(Rep Of) 8.375	09-15-26	6,518,855,000	543,899	1.40
Indonesia(Rep Of) 8.25%	07-15-21	5,990,194,000	474,463	1.22
Korea Monetary Stab Bon	10-08-18	473,590,000	443,022	1.14
Brazil Federative Rep 1	01-01-25	1,338	402,934	1.04
Republic Of Colombia 7.	08-26-26	1,072,334,700	383,830	0.99
Food Corp Of India 9.95	03-07-22	22,550,000	379,770	0.98
Ukraine Cabinet Of Mini	05-31-40	650,958	362,746	0.94

Current Investment Style
Duration: Ltd Mod Ext
Quality: High Med Low
[1] figure provided by fund

Avg Eff Duration[1]	-0.4
Avg Eff Maturity	3.3 Yrs
Avg Credit Quality	BB
Avg Wtd Coupon	8.79%
Avg Wtd Price	—

Sector Breakdown	% Assets
Government	62
Government Related	3
Corporate	0
Agency MBS	0
Non-Agency Residential MBS	0
Commercial MBS	0
Covered Bond	0
Asset Backed	0
Municipal	0
Cash & Equivalents	36
Other	0

Coupon Range	% of Bonds
0% PIK	12.5
0% to 4%	9.0
4% to 6%	2.3
6% to 8%	26.4
8% to 10%	37.4
More than 10%	12.3

Composition - Net

Cash	35.7	Bonds	64.4
Stocks	-0.4	Other	0.3

Special Securities

Restricted/Illiquid Secs	1
Emerging-Markets Secs	60
Options/Futures/Warrants	0

Credit Analysis % bonds 12-31-17

AAA	7	BB	20
AA	7	B	10
A	21	Below B	0
BBB	35	Not Rated	0

Morningstar's Take by Karin Anderson 10-19-17

Templeton Global Bond benefits from a skilled lead manager and analyst bench, consistent approach, and reasonable fees, supporting a Morningstar Analyst Rating of Gold.

For years, lead manager Michael Hasenstab has mostly avoided low-yielding debt of the United States, eurozone, and Japan, which dominate most peer funds' portfolios. Instead, he has preferred emerging-markets bonds and currencies given what he views as those countries' better fiscal prospects. That includes longtime portfolio anchors Indonesia (12% as of July 2017) and South Korea (9%), as well as more recent additions of Mexico (16%) and Brazil (16%). As Mexican and Brazilian debt sold off in 2015's third quarter, Hasenstab significantly built out those positions. Over time, he's shown ample willingness to buy what the rest of the market shuns. He loaded up on Irish bonds in the depths of the 2011 eurozone crisis. And he stuck with a low-single-digit stake in conflict-torn Ukraine in 2014 and into 2015 as the country restructured its debt.

The fund also stands out from the crowd thanks to its significant, and longtime, bets against the yen (36% as of July 2017) and euro (41%) that are meant to serve as a hedge against rises in U.S. interest rates (a negative factor for emerging-markets bonds). Though the fund courts ample currency and credit risk, it shuns interest-rate risk given Hasenstab's concerns about global inflation which he believes could lead to permanent loss of capital. As a result, the fund's duration ran around one year in 2013 and 2014, already a very low level within the category, but it's run close to zero since late 2015.

The fund's cautious tack on interest rates and currency hedges have held the fund back at various times in recent years, and its emerging-markets-heavy profile has caused it to move in sync with riskier assets and sport one of the highest correlations to equities in the group. Still, patient investors remain in good hands given the manager's knack for finding long-term winners. The fund's absolute returns are topnotch during Hasenstab's decade-plus tenure.

Address:	Templeton Income Trust Fort Lauderdale, FL 33394-3091 800-342-5236
Web Address:	www.franklintempleton.com
Inception:	01-02-97
Advisor:	Franklin Advisers, Inc.
Subadvisor:	None

Minimum Purchase:	$0	Add: —	IRA: —
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load		
Management Fee:	0.65% mx./0.46% mn., 0.15%A		
Actual Fees:	Mgt:0.48% Dist:—		
Expense Projections:	3Yr:$231	5Yr:$406	10Yr:$915
Income Distribution:	Monthly		

Vanguard Shrt-Term Infl-Prot Sec Idx Adm

Ticker	Yield	SEC Yield	Total Assets	Mstar Category
VTAPX	1.5%	0.11%	$19,368 mil	Inflation-Protected Bond

Benchmark 1: BBgBarc US Treasury US TIPS TR USD
Benchmark 2: BBgBarc US Agg Bond TR USD

Morningstar Analyst Rating 01-03-18

Gold

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum
Gold Silver Bronze Neutral Negative

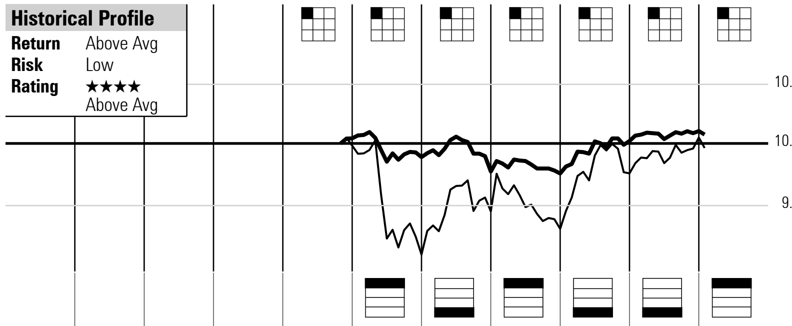
Pillar Spectrum
Positive Negative Neutral

Historical Profile

Return: Above Avg
Risk: Low
Rating: ★★★★ Above Avg

Investment Style: Fixed Income

Growth of $10,000
— Investment Values of Fund
— Investment Values of Benchmark 1



Performance Quartile (within Category)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	01-18	History
—	—	—	—	25.10	24.70	24.21	24.17	24.64	24.47	24.40	NAV
—	—	—	—	—	-1.54	-1.18	-0.17	2.72	0.82	-0.29	Total Return %
—	—	—	—	—	7.07	-4.82	1.27	-1.96	-2.18	0.57	+/- Bmark 1
—	—	—	—	—	0.49	-7.15	-0.72	0.07	-2.72	0.87	+/- Bmark 2
—	—	—	—	—	0.06	0.80	0.00	0.77	1.51	0.00	Income Return %
—	—	—	—	—	-1.59	-1.98	-0.17	1.95	-0.69	-0.29	Capital Return %
—	—	—	—	—	5	89	2	92	86	20	Total Rtn % Rank Cat
—	—	—	—	0.03	0.01	0.20	0.00	0.19	0.37	0.00	Income $
—	—	—	—	—	0.00	0.00	0.00	0.00	0.00	0.00	Capital Gains $
—	—	—	—	—	0.10	0.10	0.08	0.07	0.06	—	Expense Ratio %
—	—	—	—	—	0.11	0.98	-0.44	0.51	1.35	—	Income Ratio %
—	—	—	—	—	13	18	26	28	27	—	Turnover Rate %
—	—	—	—	37	1,048	1,479	2,554	3,734	5,372	5,602	Net Assets $mil

Performance 01-31-18

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013	0.52	-2.42	0.61	-0.23	-1.54
2014	0.16	1.54	-1.39	-1.46	-1.18
2015	0.33	0.54	-0.61	-0.41	-0.17
2016	1.82	0.85	0.24	-0.21	2.72
2017	0.69	-0.52	0.45	0.21	0.82

Trailing	Total Return%	+/- Bmark 1	+/- Bmark 2	%Rank Cat	Growth of $10,000
3 Mo	-0.28	-0.46	0.55	77	9,972
6 Mo	0.09	-0.72	0.44	76	10,009
1 Yr	0.09	-1.18	-2.06	81	10,009
3 Yr Avg	0.73	0.02	-0.41	28	10,221
5 Yr Avg	0.01	-0.09	-1.99	24	10,007
10 Yr Avg	—	—	—	—	—
15 Yr Avg	—	—	—	—	—

Tax Analysis	Tax Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr (estimated)	0.40	15	0.33	12
5 Yr (estimated)	-0.26	9	0.27	8
10 Yr (estimated)	—	—	—	—

Potential Capital Gain Exposure: -2% of assets

Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	0.09			
3 Yr	0.73	+Avg	Low	★★★★
5 Yr	0.01	+Avg	Low	★★★★
10 Yr	—	—	—	—
Incept	0.15			

Other Measures	Standard Index	Best Fit Index
Alpha	0.1	0.2
Beta	0.26	0.34
R-Squared	29	64
Standard Deviation	1.31	
Mean	0.73	
Sharpe Ratio	0.18	

Portfolio Analysis 12-31-17

Total Fixed Income: 14	Date of Maturity	Amount 000	Value $000	% Assets
US Treasury Note	04-15-18	2,223,988	2,369,805	10.01
US Treasury Note	04-15-20	2,233,638	2,347,915	9.92
US Treasury Note	04-15-19	2,233,014	2,344,773	9.90
US Treasury Note	04-15-21	1,965,073	2,036,172	8.60
US Treasury Note	04-15-22	1,961,663	1,974,714	8.34
US Treasury Note	07-15-22	1,814,520	1,942,943	8.21
US Treasury Note	01-15-22	1,732,442	1,879,497	7.94
US Treasury Note	07-15-21	1,562,313	1,741,870	7.36
US Treasury Note	01-15-21	1,429,221	1,659,165	7.01
US Treasury TIP 1.25%	07-15-20	1,245,355	1,454,099	6.14
US Treasury Note	01-15-20	803,781	940,624	3.97
US Treasury Note	07-15-19	654,437	779,296	3.29
US Treasury Note	07-15-18	624,977	722,593	3.05
US Treasury Note	01-15-19	575,424	674,620	2.85

Current Investment Style

Duration: Ltd Mod Ext
Quality: High Med Low

1 figure provided by fund

Avg Eff Duration[1]	2.5
Avg Eff Maturity	2.5 Yrs
Avg Credit Quality	AAA
Avg Wtd Coupon	0.52%
Avg Wtd Price	108.86% of par

Coupon Range	% of Bonds
0% PIK	0.0
0% to 4%	100.0
4% to 6%	0.0
6% to 8%	0.0
8% to 10%	0.0
More than 10%	0.0

Credit Analysis	% bonds 12-31-17		
AAA	100	BB	0
AA	0	B	0
A	0	Below B	0
BBB	0	Not Rated	0

Sector Breakdown	% Assets
Government	97
Government Related	0
Corporate	0
Agency MBS	0
Non-Agency Residential MBS	0
Commercial MBS	0
Covered Bond	0
Asset Backed	0
Municipal	0
Cash & Equivalents	3
Other	0

Composition - Net			
Cash	3.4	Bonds	96.6
Stocks	0.0	Other	0.0

Special Securities	
Restricted/Illiquid Secs	0
Emerging-Markets Secs	0
Options/Futures/Warrants	0

Morningstar's Take by Phillip Yoo 01-03-18

Vanguard Short-Term Inflation-Protected Securities Index is one of the cheapest short-term Treasury Inflation-Protected Securities funds available, underpinning its Morningstar Analyst Rating of Gold. The fund's short duration reduces interest-rate risk and provides a high correlation to immediate inflation but leads to a lower yield and return than most of its peers.

The fund provides protection against inflation, credit, and interest-rate risk because it only invests in TIPS with less than five years until maturity. These securities are backed by the full faith and credit of the U.S. government. The fund's duration was 2.6 years as of November 2017, shorter than the inflation-protected bond Morningstar Category average of 5.9 years, as many of the funds in the category invest in longer-dated TIPS. If rates rise by 1 percentage point, this fund would lose approximately 2.6% of its value, while the average TIPS fund would decline by 5.9%.

The fund's returns are directly correlated to short-term inflation, as its principal and distributions evolve with changes in the Consumer Price Index. Gains and losses from price volatility are mitigated thanks to the fund's short duration. As a result, this fund more closely tracks the realized inflation fluctuations over the short-run than its longer-duration counterparts do.

However, the fund's low volatility and high correlation with the inflation rate come at the cost of low expected returns with a yield of 1.8%, as of this writing. The fund gained 0.09% annually over the five years through November 2017, while its category peers declined by 0.53% over the same period. But it tracked its underlying benchmark closely, lagging the index by 0.05% per year. This gap was in line with the fund's expense ratio of 0.07%.

Address:	Vanguard Malvern Funds Valley Forge PA 19482 800-662-7447
Web Address:	www.vanguard.com
Inception:	10-16-12
Advisor:	Vanguard Group Inc
Subadvisor:	None

Minimum Purchase:	$10000	Add: $1	IRA: —
Min Auto Inv Plan:	—	Add: —	
Sales Fees:	No-load		
Management Fee:	0.05%		
Actual Fees:	Mgt:0.05%	Dist:—	
Expense Projections:	3Yr:$19	5Yr:$34	10Yr:$77
Income Distribution:	Quarterly		

Compass Minerals International Inc(USD)
CMP

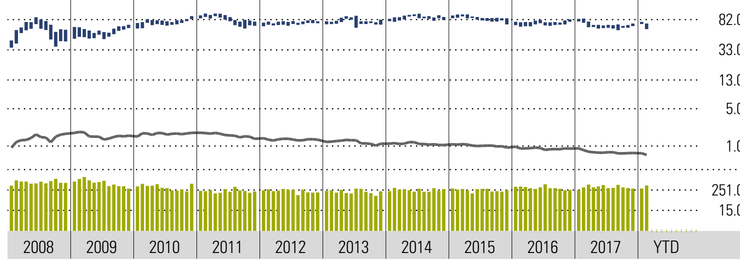
Last Close $	Sales $Mil	Mkt Cap $Mil	Industry	Currency
$62.80	$1,350	$2,124	Industrial Metals & Minerals	USD

Compass Minerals produces two primary products: salt and sulfate of potash, a specialty fertilizer. The company's main assets include rock salt mines in Ontario, Louisiana, and the United Kingdom and salt brine operations at the Great Salt Lake in Utah. Compass' salt products are used for deicing and also by industrial and consumer end markets. The firm's fertilizer products are used by growers of high-value crops that are sensitive to standard potash.

Morningstar Rating	Fair Value Uncertainty	Fair Value	Economic Moat	Style	Sector
★★★★ As of 02-23-2018	High	$82.00	Wide	Small Core	Basic Materials

9900 West 109th Street
Overland Park, KS 66210
Phone: +1 913 344-9200
Website: http://www.compassminerals.com

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
87.88	70.27	90.91	98.10	81.13	91.88	97.50	95.68	82.55	84.40	76.65	Annual Price High
35.29	45.64	62.79	62.85	67.16	64.24	76.61	71.00	66.30	59.72	61.70	Low
											Recent Splits



Price Volatility
Monthly High/Low
Rel Strength to S&P 500
52 week High/Low $ 77.71-59.72
10 Year High/Low $ 98.10-35.29
Trading Volume Thousand

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Stock Performance
46.3	17.0	35.2	-20.9	11.4	10.1	11.5	-10.3	7.8	-4.1	-13.1	Total Return %
83.3	-9.5	20.1	-23.0	-4.6	-22.3	-2.2	-11.7	-4.2	-25.9	-16.1	+/- Market
100.9	-90.7	4.7	8.3	-0.9	21.1	40.0	30.5	-48.4	-39.1	-19.7	+/- Industry
2.3	2.1	1.8	2.6	2.7	2.7	2.8	3.5	3.6	4.0	4.6	Dividend Yield %
1903	2193	2929	2266	2486	2680	2918	2537	2647	2444	2124	Market Cap $Mil

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TTM	Financials (USD)
857	1168	963	1069	1106	942	1130	1283	1099	1138	1350	Revenue $Mil
24.7	30.5	36.8	29.5	28.0	24.1	25.3	32.9	30.0	26.3	23.2	Gross Margin %
144	274	270	227	215	133	186	311	221	175	144	Oper Income $Mil
16.8	23.5	28.1	21.2	19.5	14.1	16.4	24.3	20.2	15.3	10.7	Operating Margin %
80	160	164	151	149	89	131	218	159	163	145	Net Income $Mil
2.43	4.81	4.92	4.51	4.45	2.65	3.88	6.44	4.69	4.79	4.25	Earnings Per Share $
1.28	1.34	1.42	1.56	1.80	1.98	2.18	2.40	2.64	2.78	2.86	Dividends $
33	33	33	33	33	33	33	34	34	34	34	Shares Mil
-0.14	1.99	6.83	10.60	12.38	15.13	15.69	18.33	18.40	19.75	22.11	Book Value Per Share $Mil
119	254	119	241	252	152	238	243	138	167	187	Oper Cash Flow $Mil
-48	-68	-94	-112	-107	-131	-123	-125	-218	-182	-115	Cap Spending $Mil
71	186	25	129	145	21	116	118	-80	-15	72	Free Cash Flow $Mil

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TTM	Profitability
10.4	19.4	18.0	14.2	12.9	7.1	9.6	14.3	9.8	8.0	6.4	Return on Assets %
—	532.6	114.0	52.8	37.5	18.7	24.5	36.1	24.6	24.0	20.5	Return on Equity %
1.12	1.42	1.05	1.01	0.95	0.75	0.84	0.84	0.67	0.56	0.59	Asset Turnover
9.3	13.7	17.0	14.1	13.5	9.4	11.5	17.0	14.5	14.3	10.7	Net Margin %
—	12.8	4.5	3.2	2.7	2.6	2.5	2.5	2.5	3.4	3.3	Financial Leverage

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	Financial Health (USD)
603	492	487	483	327	478	475	623	718	1195	1274	Long-Term Debt $Mil
-5	65	223	348	447	504	554	654	640	717	748	Total Equity $Mil
—	7.62	2.18	1.39	0.73	0.95	0.86	0.95	1.12	1.67	1.70	Debt/Equity
201	175	299	339	189	308	320	465	342	343	381	Working Capital $Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Valuation
12.2	13.7	19.8	13.9	28.2	26.3	15.0	14.1	21.5	17.0	14.8	Price/Earnings
0.0	0.0	0.0	—	0.0	0.0	0.0	0.0	—	—	0.6	P/E vs. Market
1.7	2.3	2.7	2.0	2.6	2.6	2.4	2.0	2.7	1.8	1.6	Price/Sales
29.5	9.8	8.4	5.6	4.9	5.1	4.7	4.1	4.0	3.3	2.8	Price/Book
7.7	18.4	12.1	8.3	16.3	16.5	12.9	12.2	17.6	13.1	11.4	Price/Cash Flow

Growth Rates Compound Annual

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	3.6	0.3	0.6	5.6
Operating Income %	-21.1	-2.0	-4.1	3.9
Earnings/Share %	2.1	7.3	1.5	11.0
Dividends %	5.3	8.4	9.1	8.6
Book Value/Share %	11.8	8.6	9.4	—
Stock Total Return	-13.2	-7.9	0.2	4.2
+/- Industry	-39.9	-16.2	1.9	6.6
+/- Market	-31.7	-19.4	-14.8	-5.5

Profitability Analysis

Grade: A	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	20.5	25.6	10.5	22.0
Return on Assets %	6.4	9.7	3.7	7.6
Revenue/Employee $K	435.0	542.5	—	876.3
Fixed Asset Turns	1.3	1.6	0.7	7.2
Inventory Turns	3.4	3.6*	4.5	11.4
Gross Margin %	23.2	27.7	38.8	43.3
Operating Margin %	10.7	18.1	24.4	21.0
Net Margin %	10.7	13.3	11.0	15.0
Free Cash Flow/Rev %	5.4	—	20.2	16.7
R&D/Rev %	—	—	0.7	—

Financial Position (USD)

Grade: C	12-16 $Mil	09-17 $Mil
Cash	77	39
Inventories	281	336
Receivables	321	210
Current Assets	715	632
Fixed Assets	1092	1140
Intangibles	570	573
Total Assets	2467	2447
Payables	105	95
Short-Term Debt	130	55
Current Liabilities	372	251
Long-Term Debt	1195	1274
Total Liabilities	1749	1699
Total Equity	717	748

Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	14.8	19.6	19.1	24.0
Forward P/E	19.6	—	—	24.8
Price/Cash Flow	11.4	14.5	6.4	15.0
Price/Free Cash Flow	29.3	69.6	11.5	27.8
Dividend Yield %	4.6	3.3	3.4	1.8
Price/Book	2.8	4.4	2.1	3.4
Price/Sales	1.6	2.4	2.0	4.3
PEG Ratio	0.5	—	—	1.9

*3Yr Avg data is displayed in place of 5 Yr Avg

Quarterly Results (USD)

Revenue $	Dec	Mar	Jun	Sep
Most Recent	443.0	387.0	228.0	290.0
Previous	289.0	345.0	169.0	179.0
Rev Growth %	**Dec**	**Mar**	**Jun**	**Sep**
Most Recent	53.2	12.2	34.5	61.9
Previous	-33.3	-12.0	-7.7	-22.8
Earnings Per Share $	**Dec**	**Mar**	**Jun**	**Sep**
Most Recent	2.87	0.63	-0.19	0.94
Previous	1.72	1.46	0.18	0.27

Close Competitors

	Mkt Cap $Mil	Rev $Mil	P/E	ROE%
K+S AG	4282	3536	27.6	3.6
Agrium Inc	—	13762	28.8	5.7

Major Fund Holders

	% of shares
Janus Henderson Mid Cap Value L	2.85
Fidelity® Small Cap Value	2.71
Oppenheimer Rising Dividends A	2.45

Procter & Gamble Co(USD) PG

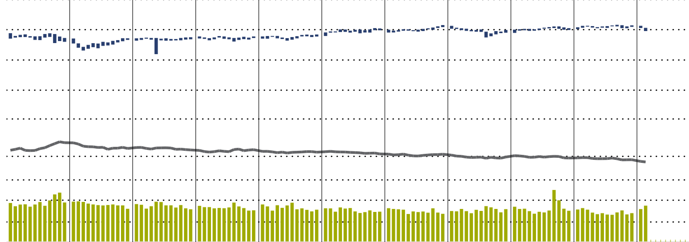
Last Close $	Sales $Mil	Mkt Cap $Mil	Industry	Currency
$81.05	$65,732	$204,327	Household & Personal Products	USD

Since its founding in 1837, Procter & Gamble has become the world's largest consumer product manufacturer. It operates with a lineup of leading brands, including 21 that generate more than $1 billion in annual global sales such as Tide laundry detergent, Charmin toilet paper, Pantene shampoo, and Pampers diapers. P&G sold its last remaining food brand, Pringles, to Kellogg in 2012. Sales outside its home turf represent about 60% of the firm's consolidated total, with around one third coming from emerging markets.

One Procter & Gamble Plaza
Cincinnati, OH 45202
Phone: +1 513 983-1100
Website: http://www.pg.com

Morningstar Rating	Fair Value Uncertainty	Fair Value	Economic Moat	Style	Sector
★★★★ As of 02-23-2018	Low	$98.00	Wide	Large Value	Consumer Defensive

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
73.81	63.48	65.38	67.72	70.99	85.82	93.89	91.79	90.33	94.67	91.93	Annual Price High
54.92	43.93	39.37	57.56	59.07	67.89	75.26	65.02	74.46	83.24	78.59	Low
											Recent Splits



Price Volatility
Monthly High/Low
Rel Strength to S&P 500
52 week High/Low $ 94.67-78.59
10 Year High/Low $ 94.67-39.37
Trading Volume Million

Growth Rates Compound Annual

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	-0.4	-4.4	-4.5	-1.6
Operating Income %	3.8	0.1	1.4	-1.0
Earnings/Share %	5.7	0.6	3.8	2.0
Dividends %	1.5	3.3	4.8	7.7
Book Value/Share %	0.6	-5.5	-1.3	0.1
Stock Total Return	-8.0	1.4	4.1	4.6
+/- Industry	-12.9	-4.5	-3.5	-3.3
+/- Market	-26.6	-10.1	-10.9	-5.1

Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	18.7	17.8	21.3	22.0
Return on Assets %	8.1	8.3	7.2	7.6
Revenue/Employee $K	691.9	648.5	—	879.4
Fixed Asset Turns	3.4	3.4	4.3	7.2
Inventory Turns	6.7	6.3*	4.8	11.4
Gross Margin %	49.8	49.0	52.0	43.3
Operating Margin %	21.4	18.7	16.4	21.0
Net Margin %	15.0	15.5	10.6	15.0
Free Cash Flow/Rev %	15.5	15.1	11.9	16.6
R&D/Rev %	—	—	0.2	—

Financial Position (USD)

Grade: B	06-17 $Mil	12-17 $Mil
Cash	5569	7432
Inventories	4624	5131
Receivables	4594	5182
Current Assets	26494	31214
Fixed Assets	19893	20420
Intangibles	68886	69848
Total Assets	120406	126644
Payables	10081	9740
Short-Term Debt	13554	15547
Current Liabilities	30210	33107
Long-Term Debt	18038	22186
Total Liabilities	65222	72532
Total Equity	55184	54112

Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	21.6	23.0	24.3	24.0
Forward P/E	19.2	—	—	24.8
Price/Cash Flow	15.5	16.5	16.2	15.0
Price/Free Cash Flow	21.4	22.2	22.3	27.7
Dividend Yield %	3.4	3.0	2.9	1.8
Price/Book	3.8	3.6	6.0	3.4
Price/Sales	3.3	3.2	2.6	4.3
PEG Ratio	2.6	—	—	1.9

*3Yr Avg data is displayed in place of 5 Yr Avg

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Stock Performance
-13.7	0.9	9.2	6.9	5.1	23.4	15.0	-9.9	9.2	12.5	-11.0	Total Return %
23.3	-25.6	-5.9	4.8	-10.9	-9.0	1.3	-11.3	-2.7	-9.3	-14.1	+/- Market
9.6	-20.4	3.2	-4.5	-6.3	2.6	7.9	-13.0	8.5	-11.3	-5.8	+/- Industry
2.5	2.8	2.9	3.1	3.3	2.9	2.8	3.3	3.2	3.0	3.4	Dividend Yield %
181184	176105	180174	183541	185452	220736	245989	214770	224997	233096	204327	Market Cap $Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Financials (USD)
84616	—	79573	85142	83320	84738	—	72455	65231	65732	65732	Revenue $Mil
51.6	49.6	52.0	50.9	49.5	50.1	47.5	47.6	49.6	50.0	49.8	Gross Margin %
17015	—	15679	14130	14805	14741	—	12199	13466	14047	14047	Oper Income $Mil
20.4	20.1	20.3	19.1	15.9	17.3	18.7	15.6	20.6	21.5	21.4	Operating Margin %
14078	—	11184	10097	12913	10896	—	8481	15290	10085	10085	Net Income $Mil
3.64	3.58	3.53	3.93	3.12	3.86	3.98	3.06	3.49	3.69	3.78	Earnings Per Share $
1.45	1.64	1.80	1.97	2.14	2.29	2.45	2.59	2.66	2.70	2.74	Dividends $
3317	3154	3099	3002	2941	2931	2905	2884	2844	2740	2690	Shares Mil
20.84	23.18	21.99	23.24	23.99	24.70	24.05	22.64	22.39	21.35	21.07	Book Value Per Share $Mil
14083	17128	13552	13350	14408	13597	15683	15558	13442	14043	14043	Oper Cash Flow $Mil
-3283	-3091	-3049	-3830	-3713	-4142	-3827	-3317	-3520	-3855	-3855	Cap Spending $Mil
10800	14037	10503	9520	10695	9455	11856	12241	9922	10188	10188	Free Cash Flow $Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Profitability
8.4	9.5	9.5	8.7	7.8	8.2	8.0	5.0	8.0	12.2	8.1	Return on Assets %
17.8	20.4	20.6	18.3	16.3	17.1	16.9	10.5	17.4	27.3	18.7	Return on Equity %
0.58	0.55	0.60	0.61	0.61	0.59	0.52	0.52	0.51	0.53	0.54	Asset Turnover
14.6	17.3	15.9	14.3	12.8	13.8	15.3	9.6	15.7	23.2	15.0	Net Margin %
2.1	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.3	2.2	2.4	Financial Leverage

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	12-17	Financial Health (USD)
23581	20652	21360	22033	21080	19111	19811	18327	18945	18038	22186	Long-Term Debt $Mil
69494	63099	61115	67640	63439	68064	69214	62419	57341	55184	54112	Total Equity $Mil
0.35	0.33	0.36	0.33	0.34	0.29	0.29	0.30	0.34	0.33	0.42	Debt/Equity
-6443	-8996	-5500	-5323	-2997	-6047	-2109	-144	3012	-3716	-1893	Working Capital $Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Valuation
16.5	16.3	17.5	16.9	17.4	20.7	25.1	25.7	23.8	24.5	21.6	Price/Earnings
0.0	0.0	0.0	—	0.0	0.0	0.0	0.0	—	—	0.9	P/E vs. Market
2.4	2.4	2.5	2.4	2.4	2.8	3.2	3.1	3.6	3.8	3.3	Price/Sales
3.0	2.6	2.9	2.9	2.8	3.3	3.8	3.5	3.8	4.3	3.8	Price/Book
14.2	11.0	14.5	15.4	13.8	16.9	17.0	15.7	16.0	18.6	15.5	Price/Cash Flow

Quarterly Results (USD)

Revenue $	Mar	Jun	Sep	Dec
Most Recent	15605.0	16079.0	16653.0	17395.0
Previous	15755.0	16102.0	16518.0	16856.0

Rev Growth %	Mar	Jun	Sep	Dec
Most Recent	-1.0	-0.1	0.8	3.2
Previous	-6.9	-2.7	-0.1	-0.4

Earnings Per Share $	Mar	Jun	Sep	Dec
Most Recent	0.93	0.82	1.06	0.93
Previous	0.81	0.71	1.00	0.93

Close Competitors

	Mkt Cap $Mil	Rev $Mil	P/E	ROE%
Unilever NV ADR	153531	54155	21.6	37.7
L'Oreal SA	100027	26753	27.5	15.7

Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	2.43
Vanguard 500 Index Investor	1.76
SPDR® S&P 500 ETF	0.00

Dominion Energy Inc(USD) D

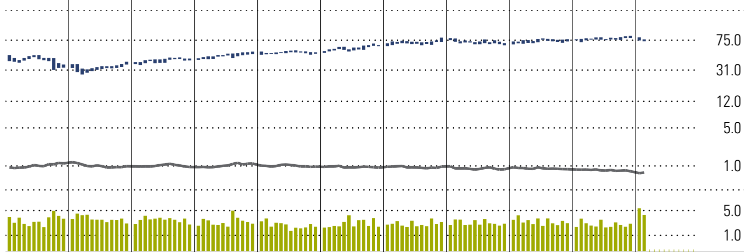
Last Close $	Sales $Mil	Mkt Cap $Mil	Industry	Currency
$75.52	$12,462	$48,678	Utilities - Diversified	USD

Morningstar Rating	Fair Value Uncertainty	Fair Value	Economic Moat	Style	Sector
★★★★ As of 02-23-2018	Low	$87.00	Wide	Large Value	Utilities

Based in Richmond, Virginia, Dominion Energy is an integrated energy company with approximately 25,000 megawatts of electric generation capacity; 15,000 miles of natural gas transmission, storage, distribution and gathering pipelines; and more than 63,000 miles of electric transmission and distribution lines. Dominion operates one of the nation's largest natural gas storage systems, is nearing completion of an LNG export facility in Maryland, and is 48% owner of the proposed Atlantic Coast Pipeline.

120 Tredegar Street
Richmond, VA 23219
Phone: +1 804 819-2000
Website: http://www.dominionenergy.com

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
Annual Price High	48.50	39.79	45.12	53.59	55.62	67.98	80.89	79.89	78.97	85.30	81.67
Low	31.26	27.15	36.12	42.06	48.87	51.80	63.14	64.54	66.25	70.87	72.80
Recent Splits											



Price Volatility
Monthly High/Low
Rel Strength to S&P 500
52 week High/Low $ 85.30-72.80
10 Year High/Low $ 85.30-27.15
Trading Volume Million

Growth Rates Compound Annual

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	0.5	-3.7	-3.1	-3.2
Operating Income %	2.6	3.0	4.7	0.9
Earnings/Share %	7.5	3.6	6.2	4.5
Dividends %	8.1	7.6	7.3	7.3
Book Value/Share %	9.5	5.1	3.0	2.3
Stock Total Return	3.1	4.3	9.5	8.8
+/- Industry	2.2	2.2	3.5	5.2
+/- Market	-15.4	-7.2	-5.5	-0.9

Profitability Analysis

Grade: B	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	13.7	12.1	0.2	22.0
Return on Assets %	3.0	2.7	0.1	7.6
Revenue/Employee $K	769.3	823.2	—	879.4
Fixed Asset Turns	0.2	0.4	0.4	7.2
Inventory Turns	1.9	3.4*	8.4	11.4
Gross Margin %	76.9	64.1	54.2	43.3
Operating Margin %	31.7	26.1	7.7	21.0
Net Margin %	17.2	12.0	0.2	15.0
Free Cash Flow/Rev %	—	—	-3.5	16.6
R&D/Rev %	—	—	—	—

Financial Position (USD)

Grade: A	12-16 $Mil	09-17 $Mil
Cash	261	227
Inventories	1524	1527
Receivables	1706	1504
Current Assets	4248	3994
Fixed Assets	49964	52811
Intangibles	7017	6405
Total Assets	71610	75391
Payables	1000	757
Short-Term Debt	4864	5848
Current Liabilities	8115	8559
Long-Term Debt	30231	30886
Total Liabilities	57005	59111
Total Equity	14605	16280

Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	22.3	40.8	40.0	24.0
Forward P/E	18.7	—	—	24.8
Price/Cash Flow	10.8	10.9	5.8	15.0
Price/Free Cash Flow	—	—	—	27.8
Dividend Yield %	4.0	3.6	4.2	1.8
Price/Book	3.0	3.4	1.8	3.4
Price/Sales	3.8	3.4	1.6	4.3
PEG Ratio	2.7	—	—	1.9

*3Yr Avg data is displayed in place of 5 Yr Avg

Stock Performance

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Stock Performance
-21.1	13.5	14.5	28.9	1.6	29.2	22.6	-8.7	17.4	9.8	-6.8	Total Return %
15.9	-13.0	-0.6	26.8	-14.4	-3.2	8.9	-10.1	5.4	-12.0	-9.9	+/- Market
13.6	-0.9	1.8	22.6	-1.1	16.0	2.3	3.1	6.9	1.5	-3.8	+/- Industry
4.4	4.5	4.3	3.7	4.1	3.5	3.1	3.8	3.7	3.7	4.0	Dividend Yield %
20835	23313	24820	30235	29837	37585	44987	40313	48003	52249	48678	Market Cap $Mil

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TTM	Financials (USD)
15674	15895	14798	15197	13765	12835	13120	12436	11683	11737	12462	Revenue $Mil
57.2	52.2	53.4	56.2	55.3	59.4	57.5	58.9	69.1	75.4	76.9	Gross Margin %
1932	3484	2569	5700	2880	2858	3316	2721	3536	3627	3945	Oper Income $Mil
12.3	21.9	17.4	37.5	20.9	22.3	25.3	21.9	30.3	30.9	31.7	Operating Margin %
2539	1834	1287	2808	1408	302	1697	1310	1899	2123	2144	Net Income $Mil
4.13	3.16	2.17	5.02	2.45	0.57	3.09	2.24	3.20	3.44	3.38	Earnings Per Share $
1.46	1.58	1.75	1.83	1.97	2.11	2.25	2.40	2.59	2.80	2.97	Dividends $
654	580	594	590	575	574	580	585	594	617	632	Shares Mil
16.30	17.33	18.67	20.65	20.41	18.35	19.35	19.78	21.13	23.82	25.26	Book Value Per Share $Mil
-246	2676	3786	1825	2983	4137	3433	3439	4475	4127	4405	Oper Cash Flow $Mil
-3972	-3554	-3837	-3422	-3652	-4145	-4065	-5345	-5575	-6085	-5671	Cap Spending $Mil
-4218	-878	-51	-1597	-669	-8	-632	-1906	-1100	-1958	-1266	Free Cash Flow $Mil

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TTM	Profitability
5.7	4.5	3.0	6.6	3.2	0.7	3.5	2.5	3.4	3.3	3.0	Return on Assets %
22.8	18.8	12.1	24.2	12.0	2.7	15.3	11.3	15.7	15.6	13.7	Return on Equity %
0.35	0.39	0.35	0.36	0.31	0.28	0.27	0.24	0.21	0.18	0.17	Asset Turnover
16.2	11.5	8.7	18.5	10.2	2.4	12.9	10.5	16.3	18.1	17.2	Net Margin %
4.2	4.2	3.8	3.6	4.0	4.4	4.3	4.7	4.6	4.9	4.6	Financial Leverage

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	Financial Health (USD)
13235	14956	15481	15758	17394	16851	19330	21805	23468	30231	30886	Long-Term Debt $Mil
9406	10077	11185	11997	11446	10568	11642	11555	12664	14605	16280	Total Equity $Mil
1.41	1.48	1.38	1.31	1.52	1.59	1.66	1.89	1.85	2.07	1.90	Debt/Equity
-1090	-133	-16	-373	-1532	-2623	-1054	-1583	-3930	-3867	-4565	Working Capital $Mil

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TTM	Valuation
11.3	17.9	8.5	20.1	90.9	59.9	29.9	22.5	23.1	24.0	22.3	Price/Earnings
0.0	0.0	0.0	—	0.1	0.0	0.0	0.0	—	—	0.9	P/E vs. Market
1.3	1.5	1.7	2.0	2.3	2.8	3.5	3.3	4.2	4.1	3.8	Price/Sales
2.1	2.1	2.1	2.6	2.8	3.3	3.9	3.2	3.2	3.2	3.0	Price/Book
7.8	6.1	13.8	13.1	7.2	10.3	15.5	8.9	10.6	11.6	10.8	Price/Cash Flow

Quarterly Results (USD)

Revenue $	Dec	Mar	Jun	Sep
Most Recent	3086.0	3384.0	2813.0	3179.0
Previous	2556.0	2921.0	2598.0	3132.0
Rev Growth %	**Dec**	**Mar**	**Jun**	**Sep**
Most Recent	20.7	15.9	8.3	1.5
Previous	-13.2	-14.3	-5.4	5.4
Earnings Per Share $	**Dec**	**Mar**	**Jun**	**Sep**
Most Recent	0.72	1.01	0.62	1.03
Previous	0.60	0.88	0.73	1.10

Close Competitors

	Mkt Cap $Mil	Rev $Mil	P/E	ROE%
Exelon Corp	36903	33531	9.6	13.5
FirstEnergy Corp	16075	14017	—	-33.9

Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	2.41
Franklin Income A	2.03
Vanguard 500 Index Investor	1.74

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