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BCG Pension Risk
Consultants

DALBAR Certified:
Pension Consultant

January 9, 2017

 **DALBAR**
303 Congress Street
Boston, MA 02210
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Goal and Purpose

This document is intended to assist those responsible for the best interest of pension plan participants to make and demonstrate the decision to select the best available alternative for the entire group of participants.

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OPINION LETTER

January 9, 2017

Mr. Michael E. Devlin
 BCG Pension Risk Consultants
 100 Grandview Road, Ste. 303
 Braintree, MA 02184

Dear Mr. Devlin:

We have evaluated the qualification, capabilities and services provided by BCG Pension Risk Consultants (“BCG”) to determine if they meet the requirements of the Employee Retirement Income Security Act of 1974, as amended [“ERISA”] for responsible plan fiduciaries to prudently select experts. Our assessment of the prudence of selecting BCG is presented in the Evaluation of Prudence attached hereto.

Based on evaluations concluded on December 29, 2016 it is our opinion that ERISA plan fiduciaries who use BCG and meet all other ERISA requirements will materially limit fiduciary liability.

BCG Pension Risk Consultants is hereby granted the right to use the DALBAR Pension Consultant Certification and Seal on its materials and to advertise the fact that BCG has been evaluated by DALBAR for the 12 months following the date of this letter.

Detailed findings from our evaluations are available from DALBAR and may be obtained from the website www.DALBAR.com.

Our opinion regarding BCG and the rights granted to it by this letter are based on information provided by BCG and independently confirmed through public sources where possible. Any material change or discrepancy in this information could change our opinion and revoke the rights granted herein.

Evaluations include:

- Background checks of all key personnel
- Existing Client Ratings¹ of Trust, Financial Results, Quality of Advice and Quality of Service
- Potential conflicts of interest
- Regulatory compliance across multiple regulators
- Contract terms
- Services offered
- Practices, processes and controls
- Insurance protection



Very truly yours,

Dalbar, Inc.

¹ A DALBAR SEC No Action Letter dated 3/24/1998 enables Client Ratings to be advertised by exempting such use from the testimonial prohibition of the Investment Advisers Act of 1940.

NOTEWORTHY OBSERVATIONS

January 9, 2017

The following observations were made during the review and evaluation of BCG as a Pension Consultant in the business of managing the risks and responsibilities that emanate from employer pension plans and the liability of making potentially imprudent decisions.

BCG serves pension plans where there is concern about sustainability. The question of sustainability most often arises from the risk of funding adequacy for the plans future liabilities. Sustainability relies on a combination of an employers' ability to perpetually generate earnings used to fund plan contributions and the plan's ability to generate investment returns to fill any shortfall in contributions.

Distinguishing Features

- **Superior Standard of Care:** BCG practices a superior standard of care as evidenced by:
 - Specialized expertise in management and mitigation of pension risk.
 - Assumption of fiduciary responsibility for all aspects of its engagements.
 - Pricing that reflects the facts and circumstances of each employer and plan.
 - Independent audit and supporting credentials by recognized ERISA expert.
- **Risk Analysis and Mitigation:** BCG has demonstrated the knowledge, experience and expertise to manage pension risks through six service offerings:
 - **Pension Risk Transfer Analysis (PRT):** BCG prepares a risk and cost analysis of alternatives for transferring or reducing risk emanating from a pension plan.
 - **Due Diligence for Annuity Selection:** BCG conducts the required due diligence to mitigate the risks in selecting an annuity provider for pension plan participants.
 - **Bid Specification and Price Discovery:** BCG develops and issues a request for proposal to qualified annuity providers. BCG evaluates and analyzes responses received.
 - **Annuity Placements by Qualified Plans:** BCG plans and monitors the implementation of the selected annuity solution.
 - **Fulfillment for Lump Sum Projects:** In cases where participants make an election, BCG prepares the election materials and supports the election process through phone centers and Web sites.
 - **Fiduciary Services:** BCG assists the compliance with Department of Labor's Interpretative Bulletin 95-1, covering the selection and use of annuities in ERISA plans.
- **Fiduciary Standard:** BCG has made the written commitment to be a fiduciary and thus act in participants' best interest in all matters where it plays a role.
- **National Presence:** Offices in Austin TX, Boston MA, Chicago IL, Cincinnati OH, Los Angeles CA and Windsor, CT.

EVALUATION OF PRUDENCE

January 9, 2017

Federal regulations and common sense require that responsible plan fiduciaries make a prudent choice of the experts that are used by ERISA plans. In order to facilitate the required prudent choice, DALBAR has examined BCG and rated the prudence of using its services. The following table summarizes DALBAR's findings regarding the prudence of use in an ERISA plan:

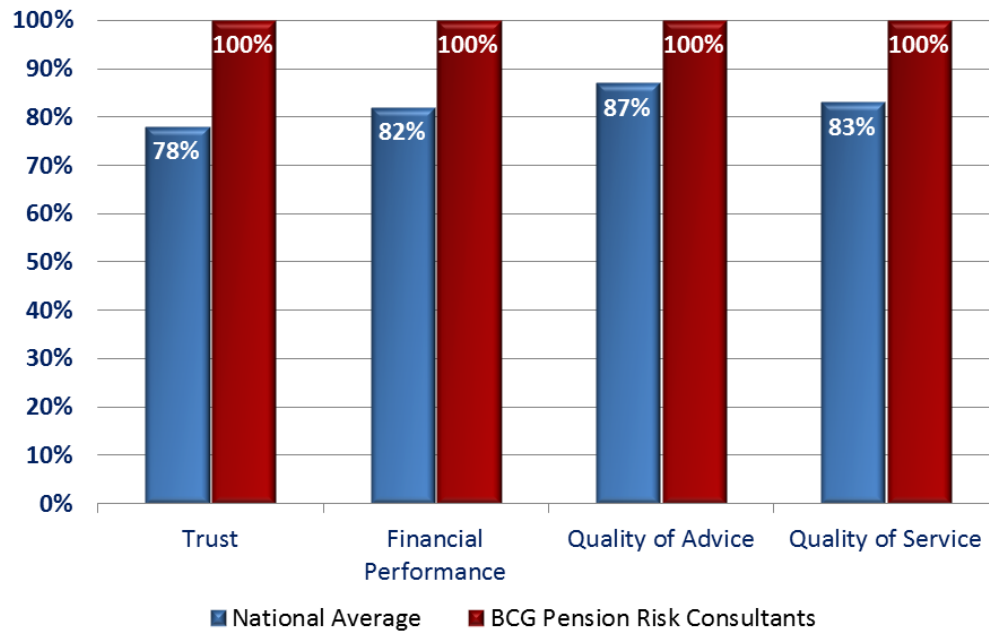
Prudence Criteria	DALBAR Rating	Primary Basis for Prudence Rating
Benefit to Employees	Excellent	BCG services increase the sustainability of the pension benefits to participants by assessing the risks of continued funding, developing alternatives to lower that risk and providing assistance in implementing the most desirable alternative.
Cost Effectiveness	Excellent	The cost of BCG services is proportional to the tasks required in each case. Rates charged for services are in line with professional services.
Specific ERISA Requirements	Excellent	As an optional service, BCG assists the due diligence that is consistent with ERISA requirements specified in IB 95-1.
Good Business Practices	Excellent	BCG agreements clearly define its roles, duties and responsibilities in concise and easily understood language.
Avoidance of Litigation	Excellent	BCG limits exposure to litigation by reducing the sustainability risk and minimizing the most likely causes of litigation: excessive fees, ERISA unreasonable arrangements, omission of procedures required by IB 95-1.

BCG Pension Risk Consultants Fact Sheet

The Manager	Client Ratings	Affiliations
Number of Experts: 17	Level of Trust Excellent	Previously Used Names: Terminal Funding Company BCG Terminal Funding Co.
Primary Revenue Source: Fees offset by Commissions	Financial Results: Very Good	Primary Business of Firm: Pension Risk Management
Total Client Assets: \$2 Billion	Advice Quality: Very Good	Broker/Dealer Name: LPL Financial
Retail Clients Served: Number: 0 Assets: \$0	Service Quality: Good	Provider Affiliations: None
Institutional Clients: Number: 62 Assets: \$2 Billion	Notes: N/A	Other Affiliations: None
Other Information		
Geographic Coverage: USA	Liability Insurance: \$4,000,000	Previous Audit Date: No Previous Audit
Web Sites: www.bcgpension.com www.bcgtermfund.com	Phone: 800.566.0046	e-mail contact: mdevlin@bcgpension.com

Client Rating Recap

To qualify for certification, fiduciaries must exceed benchmarks in the areas of trust, financial performance, quality of services, and quality of advice. The following are BCG Pension Risk Consultants' scores in those categories, (represented by the percentage of favorable responses²) compared to national averages. The above average scores in all categories have qualified BCG Pension Risk Consultants for DALBAR Recognition.



About DALBAR Ratings

- DALBAR Recognition is issued to financial professionals and firms who have:
 - at least five years of experience,
 - a clear regulatory record,
 - knowledge appropriate for services offered, and
 - exceed national benchmarks in Trust, Financial Performance, Satisfaction with Services, and Quality of Advice.
- DALBAR Ratings are not representative of any one client's experience and are not indicative of future performance. Additional information concerning these ratings is available from BCG Pension Risk Consultants.
- This information must accompany the publication of DALBAR Ratings in accordance with guidelines issued by the United States Securities and Exchange Commission (SEC).
- Professionals pay DALBAR a uniform fee for conducting the due diligence process. These ratings are part of a group of 2,545 professionals and firms tested.
- DALBAR is not related to BCG Pension Risk Consultants or its affiliates and has the appropriate technical training and experience to objectively certify, monitor and audit ERISA plan providers.

² Respondents were given a choice of (1) Excellent, (2) Good, (3) Fair or (4) Poor. "Excellent" and "Good" are considered **favorable responses**

Services Rendered

Pension Risk Transfer Analysis (PRT)		Due Diligence for Annuity Selection	
Create model to analyze lump sum PRT opportunities	✓	Review and due diligence of insurance carrier providers	✓
Create model to analyze annuity placement PRT opportunities	✓	Due Diligence Package containing the required factors and a list of insurance carriers who satisfy requirements.	✓
Overall PRT Market and Regulatory Updates/Board Education	✓	Guidance during the selection of one or more providers of the "safest available annuity" and access to analysts during termination process.	✓
Bid Specification and Price Discovery		Annuity Placements by Qualified Plans	
Develop and obtain approval of Bid Solicitation Package	✓	Negotiate most favorable pricing and/or premium deposit terms.	✓
Send a Bid Solicitation Package to each Insurance Carrier and answer the Insurance Carrier's questions.	✓	Coordinate execution and delivery of selected Insurance Carrier's required bid acceptance/binder agreement.	✓
Receive and review the results of the preliminary bid solicitation round and solicit final bids from approved Insurance Carriers.	✓	Assist in completing the wire transfer of the single premium (purchase funds) directly to selected Insurance Carrier's bank.	✓
Fulfillment for Lump Sum Projects		Fiduciary Services	
Project Management: Develop a project plan to ensure all deliverables are met.	✓	Prepare and submit Due Diligence Package providing information required and assesses the financial and administrative abilities of the potential insurers to provide the benefits promised.	✓
Mail Election Kit and Reminder Letter to participants.	✓		
Track, review and process participant election forms.	✓	Review Due Diligence Package – BCG and ALIRT analyst(s).	✓
Provide call center and Web portal services.	✓		

Fees and Fee Arrangements

Usual fees charged for these services

Fees are determined based on:

- Exposure to risk... determined by the size of the plan
- Responsibility... determined by the fiduciary duties required for the engagement
- Skills required... determined by the scope of the engagement
- Estimated time/resource required... determined by complexity of plan(s) and employee head count
- Other factors that influence the ability to execute the project.

Fees were observed in the range from \$65,000 to \$85,000.

Contractual arrangements that could result in direct or indirect compensation

BCG agreements reflect a negotiated fee that is offset by commissions on annuity contracts that may be required. The fees to BCG are the same, whether paid by the employer (plan sponsor), the plan itself or offset by commissions paid by annuity companies.

Historical sources of compensation and percentage from each source, largest first.

Source		Percentage
1	Consulting Fees	50
2	RIA Fees	50

Other factors or suggestions from others that could improperly influence decisions or the advice given to clients:

None

BCG Pension Risk Consultant Disclosures

Acceptance of Fiduciary Responsibility

BCG Pension Risk Consultants understands and agrees to act as a fiduciary and accept the responsibility for the investment decisions made and advice provided to retirement plans and employees that elect to use our services. As a fiduciary, BCG Pension Risk Consultants will act in the best interest of these employees and their beneficiaries.

The investment decisions made and advice provided will be based on BCG Pension Risk Consultants' best judgment of what a prudent person would do under the same circumstances. As a fiduciary BCG Pension Risk Consultants is not responsible for financial results that are achieved or not achieved, provided that it can be demonstrated that a prudent process was used to arrive at the investment decisions made and advice provided.

As a fiduciary, BCG Pension Risk Consultants will make decisions and provide advice that is consistent with the principles of diversification so as to minimize the risk of large losses, unless under the circumstances it is shown to be imprudent to diversify.

The investment decisions made and advice provided as a fiduciary will be in accordance with the documents or other instruments governing the plan and consistent with ERISA.

Plan Provider Affiliation

BCG Pension Risk Consultants has reported that there is no affiliation with product providers.

Privacy Policy

BCG Pension Risk Consultants covenants and agrees that it shall:

- (a) use the Confidential Information solely for the purposes of internal review in connection with Receiving Party's Business Relationship with Disclosing Party;
- (b) not, directly or indirectly, use, disseminate, disclose, or reveal any Confidential Information; and
- (c) otherwise treat and maintain in full confidence all Confidential Information. Notwithstanding the foregoing, Receiving Party shall be permitted to disclose such information on a "need-to-know" basis to non-employees and agents engaged in work on its behalf in connection with the Business Relationship; provided, however, that Receiving Party shall enter into confidentiality agreements with all such parties or advise such parties of the confidential nature of such information. Receiving Party shall in any event be liable for any failure of any such parties to: (i) maintain such confidentiality or (ii) otherwise comply with the terms of this Agreement to the same extent as Receiving Party is obligated to do so.

Receiving Party shall take reasonable precautions, including the establishment of appropriate procedures and disciplines, to safeguard the confidential nature of the Confidential Information. These precautions shall be at least as great as the precautions Receiving Party takes to protect its own most highly confidential or proprietary information.

Additional Disclosures

None.

Appendix A: BCG Pension Risk Consultants Team

Member Name: Michael E. Devlin, Principal	Member Name: W. Patrick McLean, CPA	Member Name: David E. Rumas, Enrolled Actuary
Experience: 20 Years	Experience: 51 Years	Experience: 30 Years
Background Check: Clear	Background Check N/A	Background Check N/A
Member Age/Gender: 46 Years/Male	Member Age/Gender: 74 Years/Male	Member Age/Gender: 56 Years/Male
Academics, Credentials & License(s): Registered Fiduciary (RF™), Accredited Investment Fiduciary (AIF), Insurance, Series 6, 63	Academics, Credentials & License(s): CPA, Insurance, American Society of Pension Professionals (ASPPA)	Academics, Credentials & License(s): FCA, EA, MAAA
Phone/email: (781) 356-2299/ mdevlin@bcgpension.com	Phone/email: (512) 480-8309 / pmclean@bcgpension.com	Phone/email: (855) 432-7658 x406/ drumas@bcgpension.com
Member Name: Rose Thomas, Client Services Director and General Manager	Member Name: Rebecca A. Hardt, Senior Marketing Coordinator	Member Name: Terry M. McCauley, Client Services Support
Experience: 40 Years	Experience: 17 Years	Experience: 12 Years
Background Check: N/A	Background Check N/A	Background Check N/A
Member Age/Gender: 63 Years/Female	Member Age/Gender: 40 Years/Female	Member Age/Gender: 57 Years/Female
Academics, Credentials & License(s): Insurance	Academics, Credentials & License(s): MBA, Insurance	Academics, Credentials & License(s): Insurance
Phone/email: (512) 480-8309/ roset@bcgpension.com	Phone/email: (781) 356-2232/ rhardt@bcgpension.com	Phone/email: (512) 751-9134/ tmccauley@bcgpension.com

Member Name: Debbie M. Sharp, Managing Director	Member Name: Crystal M. Simpson, Marketing Specialist	Member Name: Samantha Okamoto, Junior Actuary
Experience: 30 Years	Experience: 16 Years	Experience: 4 Years
Background Check N/A	Background Check N/A	Background Check: N/A
Member Age/Gender: 59 Years/Female	Member Age/Gender: 35 Years/Female	Member Age/Gender: 28 Years/Female
Academics, Credentials & License(s): Certified Employee Benefit Specialist (CEBS)	Academics, Credentials & License(s):	Academics, Credentials & License(s):
Phone/email: (859) 354-2420/ dsharp@bcgpension.com	Phone/email: (800) 566-0046 x404/ csimpson@bcgpension.com	Phone/email: (219) 789-5902/ saokamoto@bcgpension.com

Member Name: Cristina Hansen, Client Relationship Manager	Member Name: Karen Ambrose Senior Consultant	Member Name: Anna Lesak Senior Coordinator
Experience: 3 Years	Experience: 37 Years	Experience: 28 Years
Background Check N/A	Background Check N/A	Background Check N/A
Member Age/Gender: 30 Years/Female	Member Age/Gender: 66 Years/Female	Member Age/Gender: 55 Years/Female
Academics, Credentials & License(s):	Academics, Credentials & License(s): Insurance	Academics, Credentials & License(s):
Phone/email: (855) 432-7658 x407/ cristinah@bcgpension.com	Phone/email: (855) 432-7658 x410/ kambrose@bcgpension.com	Phone/email: (855) 432-7658 x414/ alesak@bcgpension.com

Appendix B: DALBAR Certification

DALBAR has evaluated **BCG Pension Risk Consultants** to determine compliance with United States Department of Labor guidelines and DALBAR standards experts as defined by the Employee Retirement Income Security Act of 1974, as amended [ERISA] and associated regulations.

Vetting Checklist

Federal regulations and common sense require that responsible plan fiduciaries (usually employers) make prudent choice of the professionals and experts (“Experts”) that assist and support ERISA plans. In order to facilitate the prudent choice, DALBAR uses five broad considerations for making prudent decisions. Items on the checklist are vetted based on the specific expertise being evaluated.

Prudent Decision Considerations

Increase Employee Benefit

Retirement plans were created and adopted by employers as employee benefits. As such these plans can be seen as an income supplement for workers that also has some tax preferences. Employers should understand the value that is derived as an employee benefit and the first priority should be to optimize the return on the employers’ retirement plan expenditure.

The first goal of prudence is to calculate the value of an Expert as an employee benefit. Considerations include ability to affect investment returns, protection from liability, regulatory compliance, services provided and expenses as well as intangibles such as the value perceived by employees.

Cost Saving

Expert services can raise or lower the direct and indirect cost of offering the retirement plan. Complex and confusing communication about the service and the failure to provide clear answers to employee inquiries add to employer costs. On the other hand, an effective phone center and Website that supports the Expert can save employee time and reduce employer costs.

The second goal of prudence is to determine the extent to which an Expert raises or lowers the direct or indirect cost of offering a plan.

Required by ERISA

ERISA and securities regulations add to the cost of offering a retirement plan but failure to comply can be considerably more expensive.

The third goal of prudence is to assess the degree to which the Expert supports compliance with regulations.

Good Practice

Good practice describes the steps that would normally be used in selecting a vendor or hiring an employee. These good practices are performed in addition to regulatory requirements.

The fourth goal of prudence is to assess the good practices used by the Experts.

Limit Litigation Exposure

Litigation is not only costly it is also damaging to a firm’s reputation.

The fifth goal prudence is to examine the Expert for presence of indicators that make the parties involved more or less vulnerable to arbitration and law suits.

Vetting Checklist

✓	Vetted Item	Reason for Vetting				
		Increase Benefit	Cost Saving	Required by ERISA	Good Practice	Avoid Litigation
✓	Background checks of principals				X	X
✓	Validation of knowledge/expertise of principals			X	X	X
✓	Willingness to formally declare fiduciary responsibility	X	X	X	X	
✓	Client evaluation of trust, financial results, quality of advice and quality of service	X			X	X
✓	Scope of work/services	X		X	X	
✓	Regulatory compliance across multiple regulators			X	X	X
✓	Reasonableness of arrangements and contracts	X	X	X	X	X
✓	Avoidance of self-dealing, potential conflicts of interest and other improper influence		X	X	X	X
✓	Adequacy of insurance protection			X	X	
✓	Completeness, clarity, accuracy and usefulness of communication media	X			X	X
✓	Practices, processes and controls			X	X	X
✓	Costs, fees & expenses	X	X	X	X	X
✓	Practices used to comply with selection process defined in DoL IB 95-1			X		X
✓	Track record of annuity selection	X		X	X	X