ABC 401(k) Performance Review

Target Retirement Buy vs. Build (from Core) Performance

Since many Target Retirement Date products are built from proprietary "raw material" it can be interesting to compare the performance of these funds against the performance of a similarly allocated combination of the plan's core menu. Highland does this by utilizing optimization algorithms to determine the combination of a plan's current and past core investment menus (called the TRD Comparitor) that minimizes the sum of the squared diffences in 15 key allocation characteristics between the targeted TRD fund and the resulting TRD Comparitor. This optimization is performed retrospectively on an annual basis in order to account for the TRD fund's continuously evolving risk profile.The composition details of these derived TRD Comparitors may be referrenced in the Appendix.

ABC 401(k) Core weighted per TRD 2020 vs. The Vanguard Target Retire 2020 Trust I
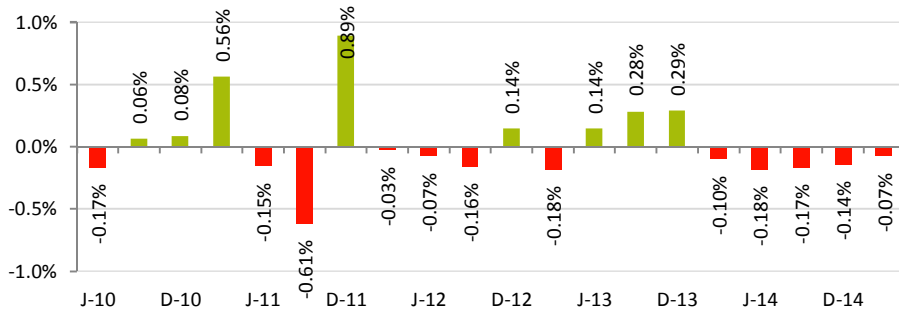
Trailing Returns

	Quarter	YTD	1 Year	3 Years	5 Years
Excess Return	-0.07%	-0.07%	-0.59%	-0.08%	0.05%
Alpha			-1.24%	-0.34%	-0.12%
Batting Average	33.33%	33.33%	25.00%	38.89%	48.33%
Information Ratio			-0.64	-0.14	0.08

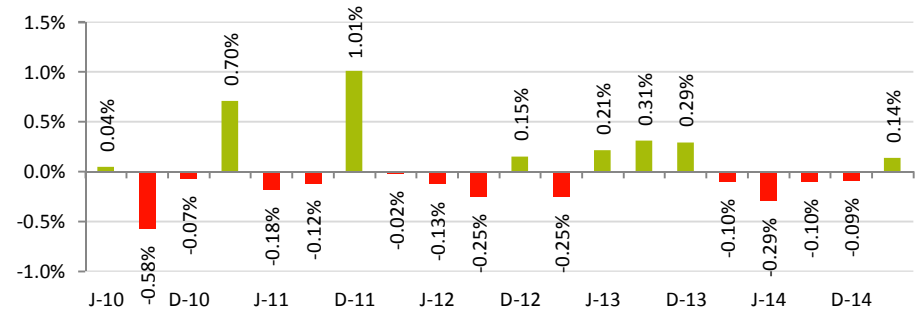### ABC 401(k) Core weighted per TRD 2050 vs. The Vanguard Target Retire 2050 Trust I

Trailing Returns

	Quarter	YTD	1 Year	3 Years	5 Years
Excess Return	0.14%	0.14%	-0.36%	-0.05%	0.13%
Alpha			-0.79%	-0.26%	0.17%
Batting Average	66.67%	66.67%	33.33%	44.44%	50.00%
Information Ratio			-0.44	-0.09	0.17

Quarterly Excess Returns

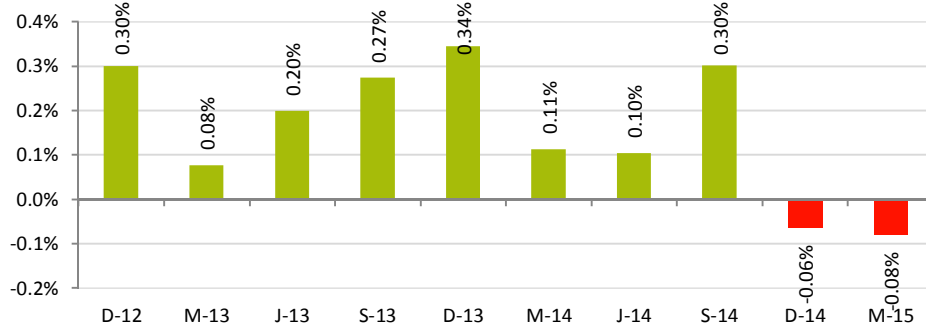### Quarterly Excess Returns

3 Year Annualized Excess Return Rolling Quarterly

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