

Howard County Public School System 457 Deferred Compensation Plan

Howard County Public School, MD

Investment Performance Report

Investment returns as of September 30, 2016

Your employer's deferred compensation plan offers a broad portfolio of investment options. As a participant, you decide how to spread your deferrals and invested assets among these options.

Mutual Fund Payments

Nationwide Retirement Solutions, Inc. and its affiliates (Nationwide) offer a variety of investment options to public sector retirement plans through variable annuity contracts, trust or custodial accounts. Nationwide may receive payments from mutual funds or their affiliates in connection with those investment options. Additionally, Nationwide may enter into arrangements to allocate all or a portion of these payments to plan sponsors for plan expenses. For more detail about the payments Nationwide receives, please visit howard457.com.

It's natural to want to know how your investments are doing over time. This performance report shows how the options in the Plan have performed over a series of time periods.

Fees and Expenses:

ADMINISTRATOR'S FEE: If applicable, an annualized \$0 administrator's fee may be charged and would reduce the performance shown.

GROSS EXPENSE RATIO: Gross expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. Your expenses may be less than the gross expense ratio. For more information about gross expense ratios, read the fund's prospectus.

SHORT-TERM TRADE FEES: Some funds may impose a short-term trade fee. Some funds may be subject to a trade-restriction policy. This information is explained in the underlying prospectus.

INVESTMENT OPTION ("FUND") FEES: The returns are reported after the fees that the fund manager charges have been applied, but do not reflect plan administration fees.

PLAN ASSET FEE: The rates of return shown in this performance report do not reflect a maximum deduction of a **0.00%** annual plan asset fee, which, if reflected, would reduce the performance shown.

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at howard457.com.

Howard 457 Fixed Account

For the quarter ending December 31, 2016, the annualized yield for the Howard 457 Fixed Account is 2.19%.

Interest rates are declared quarterly and are subject to change.

Guarantees are subject to the claims-paying ability of the company.

Don't count on numbers alone

If you see something you'd like to know more about, ask your Nationwide representative.

Questions?



877-677-3678



www.howard457.com

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What to look for in this table

The following are the percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan, for the respective periods ending September 30, 2016. Investing involves market risk, including the possible loss of principal. Included with each asset class is information that reviews specific risks for that type of investment.

The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting: www.howard457.com.

Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Both the underlying fund prospectuses and informational brochure contain this and other important information, and are available by calling 877-677-3678. Read carefully before investing.

Asset Class: Specialty									
<i>Funds that invest in a concentrated sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.</i>									
<i>Funds that focus on real estate investing are sensitive to economic and business cycles, changing demographic patterns and government actions.</i>									
VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
814	Invesco Real Estate Fund - Class R5	Real Estate	10.17%	17.16%	14.81%	6.07%	10.89%	04/30/2004	0.87%
Asset Class: International									
<i>International/emerging markets funds involve risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.</i>									
VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
817	Lazard Emerging Markets Portfolio - Institutional Shares	Diversified Emerging Mkts	23.99%	23.62%	3.65%	4.71%	6.76%	07/18/1994	1.10%
895	Ivy International Core Equity Fund - Class Y	Foreign Large Blend	1.25%	6.45%	8.60%	4.55%	8.95%	07/24/2003	1.25%
759	Vanguard® Total International Stock Index Fund	Foreign Large Blend	6.67%	9.53%	6.71%	2.15%	4.31%	04/29/1996	0.19%
Asset Class: Small-cap Stocks									
<i>Funds investing in stocks of small or emerging companies may have less liquidity than those investing in larger, established companies and may be subject to greater price volatility and risk than the overall stock market.</i>									
VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
674	Vanguard Small-Cap Index Fund - Admiral Shares	Small Blend	11.50%	14.97%	16.70%	8.42%	8.74%	11/13/2000	0.08%
526	T. Rowe Price Small-Cap Stock Fund, Inc.	Small Growth	10.39%	15.61%	16.73%	9.04%	12.92%	06/01/1956	0.90%
379	Invesco Small Cap Value Fund - Class Y	Small Value	6.00%	7.63%	16.91%	8.95%	9.21%	08/12/2005	0.89%
Asset Class: Mid-cap Stocks									
VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
825	Vanguard® Mid-Cap Index Fund - Investor Shares	Mid-Cap Blend	8.78%	12.54%	16.36%	8.06%	9.51%	05/21/1998	0.20%
905	Wells Fargo Discovery Fund - Administrative Class	Mid-Cap Growth	5.72%	7.40%	14.61%	9.35%	11.21%	12/31/1987	1.11%

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Asset Class: Large-cap Stocks

VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
941	JPMorgan US Equity Fund - Class R5	Large Blend	5.67%	13.26%	16.59%	8.53%	10.44%	06/27/1985	0.62%
697	State Street Equity 500 Index Fund - Administrative Shares	Large Blend	7.63%	15.27%	16.09%	7.03%	5.81%	04/18/2001	0.34%
818	MainStay Large Cap Growth - Class I	Large Growth	1.32%	9.99%	15.08%	8.78%	8.16%	07/03/1995	0.74%
514	T. Rowe Price Equity Income Fund	Large Value	11.15%	17.45%	13.71%	5.67%	10.65%	10/31/1985	0.66%

Asset Class: Balanced

VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
675	T. Rowe Price Retirement Balanced Fund - Advisor Class	Allocation--30% to 50% Equity	6.76%	8.54%	6.59%	4.75%	6.09%	09/30/2002	0.81%

Asset Class: Bonds

Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund.

Funds that invest in high-yield securities are subject to greater credit risk and price fluctuations than funds that invest in higher-quality securities.

VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
813	Loomis Sayles High Income Fund - Class Y	High Yield Bond	13.95%	10.98%	8.22%	N/A	6.98%	02/29/2008	0.88%
940	Hartford Inflation Plus Fund	Inflation-Protected Bond	5.72%	5.22%	1.01%	4.14%	4.15%	11/28/2003	0.54%
654	PIMCO Total Return Fund - Institutional Class	Intermediate-Term Bond	5.20%	5.68%	4.18%	5.98%	7.56%	05/11/1987	0.47%

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Asset Class: Asset Allocation

These funds are designed to provide diversification and asset allocation across several types of investments and asset classes. Because they primarily invest in underlying funds, their expense ratio includes a proportionate share of the applicable fees and expenses of the underlying funds. Target Maturity Funds are designed for people who plan to withdrawal funds during or near a specific year. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

VRU	Investment Options	Morningstar Category	YTD	1 Year	5 Year	10 Year	Since Inception	Inception Date	Expense Ratio
669	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2010 Fund - Advisor Class	Target-Date 2000-2010	7.56%	9.72%	8.22%	5.14%	7.39%	09/30/2002	0.83%
819	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2015 Fund - Advisor Class	Target-Date 2015	7.48%	10.22%	9.36%	5.46%	6.13%	02/27/2004	0.87%
670	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2020 Fund - Advisor Class	Target-Date 2020	7.41%	10.79%	10.35%	5.63%	8.31%	09/30/2002	0.91%
820	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2025 Fund - Advisor Class	Target-Date 2025	7.33%	11.27%	11.23%	5.79%	6.61%	02/27/2004	0.94%
671	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2030 Fund - Advisor Class	Target-Date 2030	7.25%	11.63%	11.97%	5.91%	8.91%	09/30/2002	0.97%
821	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2035 Fund - Advisor Class	Target-Date 2035	6.99%	11.86%	12.44%	5.99%	6.87%	02/27/2004	0.99%
672	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2040 Fund - Advisor Class	Target-Date 2040	6.83%	12.02%	12.71%	6.07%	9.06%	09/30/2002	1.00%
822	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2045 Fund - Advisor Class	Target-Date 2045	6.83%	12.02%	12.67%	6.09%	6.95%	05/31/2005	1.00%
823	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2050 Fund - Advisor Class	Target-Date 2050	6.88%	12.06%	12.70%	N/A	5.46%	12/29/2006	1.00%
924	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2055 Fund - Advisor Class	Target-Date 2055	6.88%	12.08%	12.69%	N/A	4.69%	05/31/2007	1.00%
129	T. Rowe Price Retirement Funds, Inc. - T. Rowe Price Retirement 2060 Fund - Advisor Class	Target-Date 2060+	6.84%	11.99%	N/A	N/A	2.96%	06/23/2014	1.00%

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