

February 24, 2019

# 401K PORTFOLIO MARCH 2019 UPDATE & NEWSLETTER

# IBM



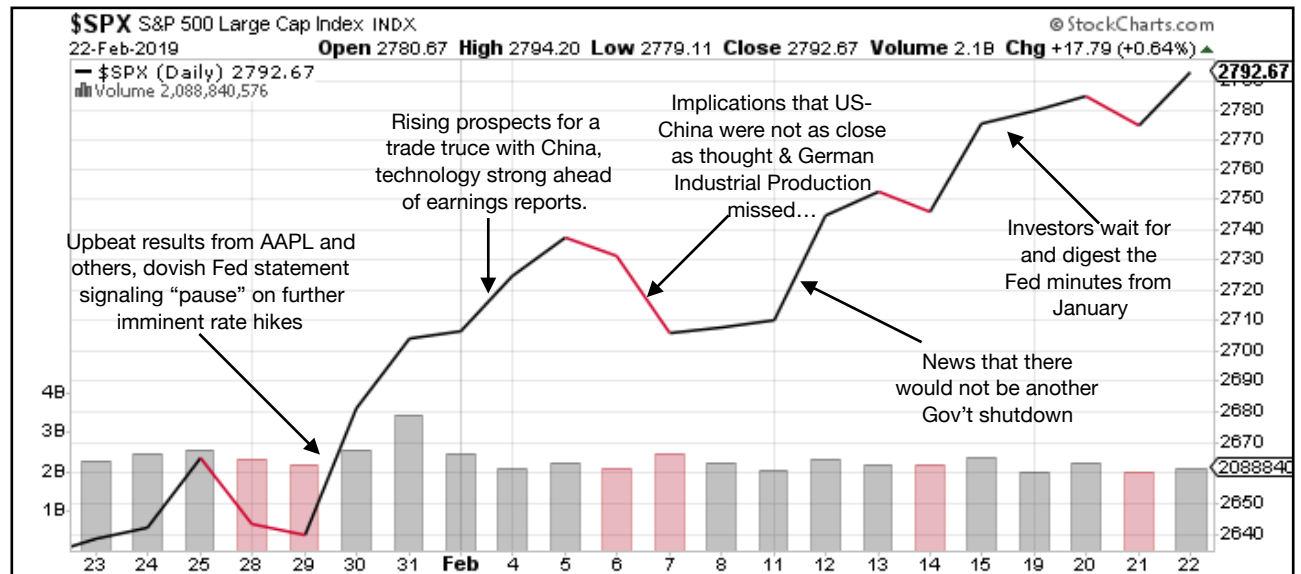
TAKE CONTROL OF YOUR FUTURE

## March 2019 Newsletter

### PATIENCE

Stocks rose in February domestically and globally amid optimism over trade talks and generally decent corporate earnings, piggybacking on the ending of the government shutdown. All three major indices remain in positive territory for the year: S&P 500 +11.4%, DJII +11.6% and NASDAQ +13.5%, with the S&P 500 reaching its highest closing level since November.

There is still much uncertainty in the markets, however, which we discuss below. We therefore are taking a **patient** stance this month, and there are **no changes** to **EZTracker** portfolios.



**The Theme of this Month's Newsletter is Patience.** While there are many positive macro signs (Federal Reserve stance on tightening, labor participation, housing), the positives must be viewed in light of, and tempered by, repeated indications of a slowdown in global growth.

**Global Growth:** Although February provided mixed messages on global growth, negative indicators are increasing almost daily. The bulls were encouraged by Chinese exports, which surged 9% and signaled a stabilizing of the Chinese economy, while Da Bears focused on a host of poor indicators including: poor US retail sales and industrial production results (as together they indicate the US economy is losing momentum), as well as a reduction in global trade evidenced by both a fall in Japan's exports to China and a reduction in new orders to Germany.

**The Fed:** The minutes of the Federal Reserve's January meeting (released Wednesday 2/20) showed that officials debated whether increases in borrowing costs might be needed at all later this year, shedding light on the central bank's pivot toward *patience* and away from projecting multiple gradual rate hikes. Recent improvements in labor force participation, which helped alleviate inflationary tightening in labor markets, supported this pivot. The minutes also elaborated on the dovish message delivered 3 weeks ago when the FOMC said it will be "patient," and signaled it had put rate hikes on hold.  
**# of times "patient" or "patience" appears in January's Fed Minutes: 13. December 2018's Minutes: 1. Rest of 2018: 1**

**Corporate Earnings:** With more than ¾ of the S&P companies having reported results, the overall blended earnings-per-share consensus averaged 13.1% which is a marked improvement from the 10.6% estimate at the start of earnings season. Although this sounds strong, Credit Suisse estimates that more than half the earnings growth is related to last year's tax reform, and not from other fundamentals. Moreover, forward estimates continue to come down, and the 2019 EPS growth target for the average company in the S&P 500 now implies nearly 50% deceleration from 2018.

**US-China Trade:** With positive progress on trade talks and a Trump-Xi summit meeting in sight, most investors expect an agreement that will forestall the threatened increase in tariffs to 25% and possibly even roll back the existing 10% tariffs. One interesting extrapolation is that if China commits to extra purchases from the US, there will be commensurate losses in trade with China from other worldwide regions – the areas potentially most harmed would be the EU (automobiles, aircraft) and Japan (vehicles, machinery, electronics), followed by Korea.

**Inflation:** The Fed's January minutes implied that if the the rising US Labor force participation rate (up to 63.2% from 62.7% in Sept), is sustainable, then the cycle of employment gains, rising household income and related spending and further hiring can run for longer without creating excessive inflationary pressure– reducing the need for further Fed tightening

**Housing:** As measured by the National Assoc. of Home Builders, sentiment rose in February for the second straight month as lower mortgage rates and a strong labor market help stabilize demand. This exceeded all forecasts and suggested that buyers noted mortgage costs falling to the lowest levels in a year (also reflecting the Fed's focus on patience).

Economic Data

**Retail Sales** data released last week for December (delayed due to gov’s shutdown) further entrenched the narrative of a slowing U.S. economy, however the U.S. labor market remained strong, as the economy added 304,000 jobs in January, far more than the 165,000 estimate (note: December was revised down to 222,000 from 312,000).

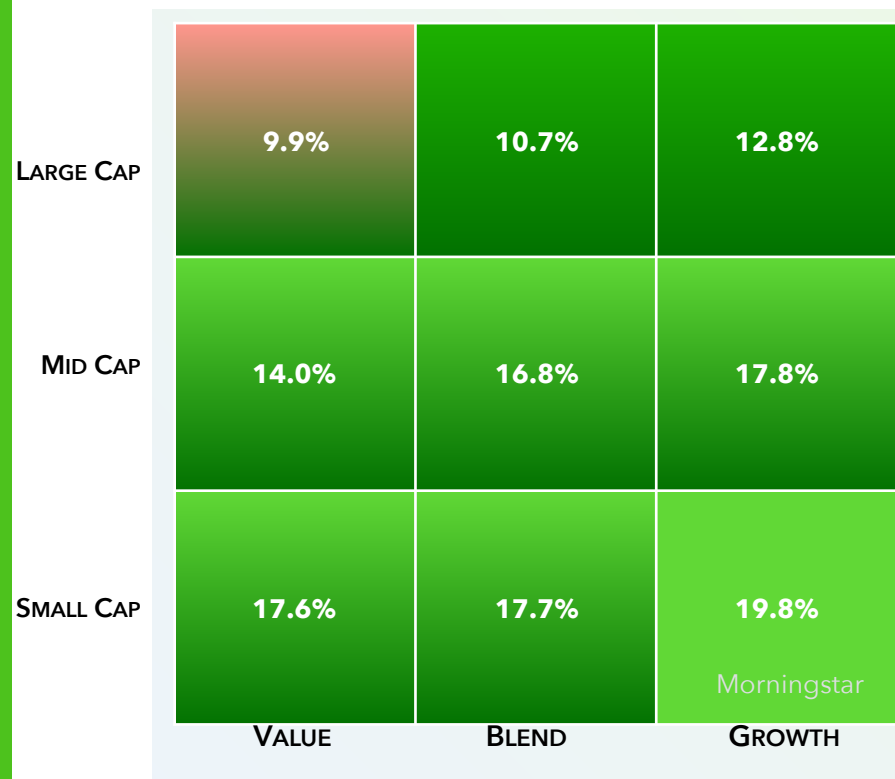
January’s data add to a mixed picture backdrop, with slowing retail activity, a strong labor market, and stable core inflation, which together entrench the Fed “patience” narrative.

**The University of Michigan Consumer Sentiment** for February rebounded, with the index rising to 95.5 after dipping to a multi-year shutdown-effected low in January. The rebound reflects the end of the shutdown as well as some improvement in consumer expectations due to the dovish tilt in the Fed’s forward guidance.

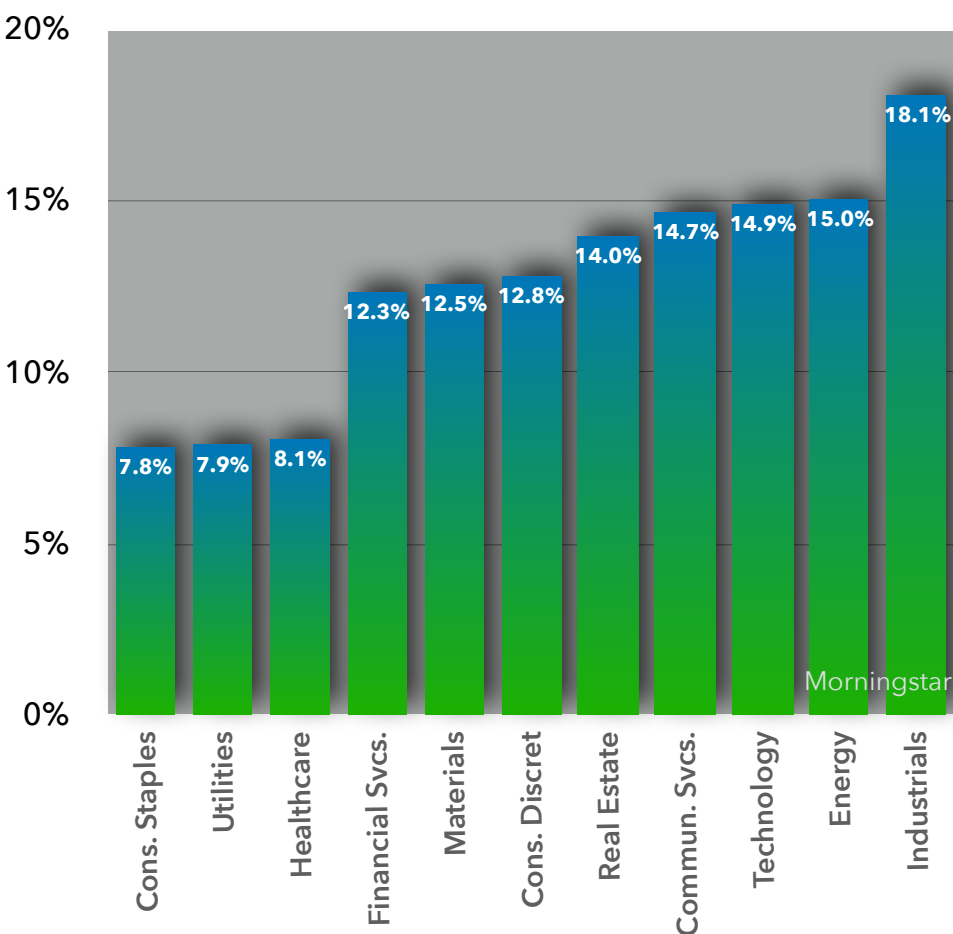
Sector Analysis

Resulting from a strong February across the board, all of the eleven S&P 500 Sectors are materially in the black for the year. The leader by far is Industrials, mainly due to defense spending and trade hopes. Defensive stocks make up the laggards, including Consumer Staples (+7.8% YTD) and Utilities (+7.9%).

YTD Index Performance: Returns (%)



2019 YTD Sector Performance



Fixed Income and Other Markets

**Rates & Yield Curve:** **EZTracker** Moderate and Conservative model portfolios still have a sizable allocation to short-term/stable value instruments, but we are laser-focused on the Fixed Income markets with an eye toward lengthening our duration exposure when appropriate. This Friday, 10-year Treasury yields closed at 2.65% having declined from last month’s 2.76% – such decline in yields and return makes longer-term instruments less attractive at the moment, leading our model portfolios to remain in shorter term debt instruments / stable value at this juncture.

Based on the Fed’s indicated holding pattern on rates, coupled with indications of a global growth slowdown, rates are expected to remain within a 2.5%-2.8% band. With this in mind, if the yield increases toward the top of this range, we will consider allocating a larger portion of the model portfolio fixed income portion to longer-term bonds.

**Oil:** Oil prices rose to their highest levels of the year on Friday, supported by OPEC’s ongoing supply cuts as well as hopes of the end to the US-China trade dispute.



**EZTracker** provides four model portfolios for IBM Employees; Aggressive, Moderate, Conservative, and Expanded Choice. Each is designed for different investment needs and styles, as well as level of risk tolerance.

STEP 1: Update Current Investments

Current Subscribers:

 **Aggressive, Moderate & Conservative Portfolios:**  
There are no changes for this month

 **Expanded Choice Portfolio:**  
There are no changes for this month

New Subscribers:

Rebalance your 401k using the chart below for the portfolio you want to follow. If you need assistance, call our free help hotline at 201.503.6445.

EZTracker Model Portfolios	Symbol	Aggressive	Moderate	Conservative	Expanded Choice	Buy Date
LARGE COMPANY IDX		30%	23%	13%		1/2/19
SMALL/MID-CAP IDX		21%	16%	9%		1/2/19
INTEREST INCOME FUND		23%	32%	40%		1/2/19
LARGE-CAP GROWTH IDX		21%	15%	9%		1/2/19
TOTAL BOND MARKET		5%	14%	29%		1/2/19
Vanguard Intermediate-Term Bond Index Fund	VBIMX				9%	1/2/19
Vanguard Growth and Income Fund	VGIAX				28%	1/2/19
Vanguard International Growth Fund	VWILX				23%	1/2/19
Vanguard Mid-Cap Growth Fund	VMGRX				11%	1/2/19
DFA US Small Cap Portfolio	DFSTX				10%	1/2/19
Fidelity Contrafund	FCNKX				19%	1/2/19
		100%	100%	100%	100%	

Your individual percentages may vary somewhat from those indicated above due to rounding, timing of purchases, and performance every month (In many cases even though there may be no changes for a particular month you may notice a small change, due to performance/rounding).

The **EZTracker** Expanded Choice Portfolio is a very aggressive approach for investors who want to invest in a wider range of market sectors and choices. Managing this portfolio will require more time and greater comfort with risk than the other **EZTracker** portfolios. We suggest this portfolio for more experienced, knowledgeable investors. See the Expanded Choice Portfolio Data in the appendix section for a list of Mutual Funds in this portfolio.

STEP 2: Update Future Investment Elections

If you are adding cash to your 401k through payroll deductions, set your Future Contributions identical to your Current Investment in the above **EZTracker** Model Portfolio chart.



All the model portfolios consist of core holdings representing major market segments plus top performers based on current market conditions. Some market conditions may cause us to deviate from the following percentages.



- Aggressive Portfolio:**  
95-100% invested in equities. This is a high risk/high reward portfolio.
- Moderate Portfolio:**  
70% invested in equities and 30% invested in bonds or Vanguard VMMR-FED MMKT
- Conservative Portfolio:**  
40% invested in equities and 60% invested in bonds or Vanguard VMMR-FED MMKT. This is our lowest risk portfolio.
- Expanded Choice Portfolio:**  
**Aggressive:** 95-100% invested in equities through the Expanded Choice of available mutual funds. This is a high risk/high reward portfolio.

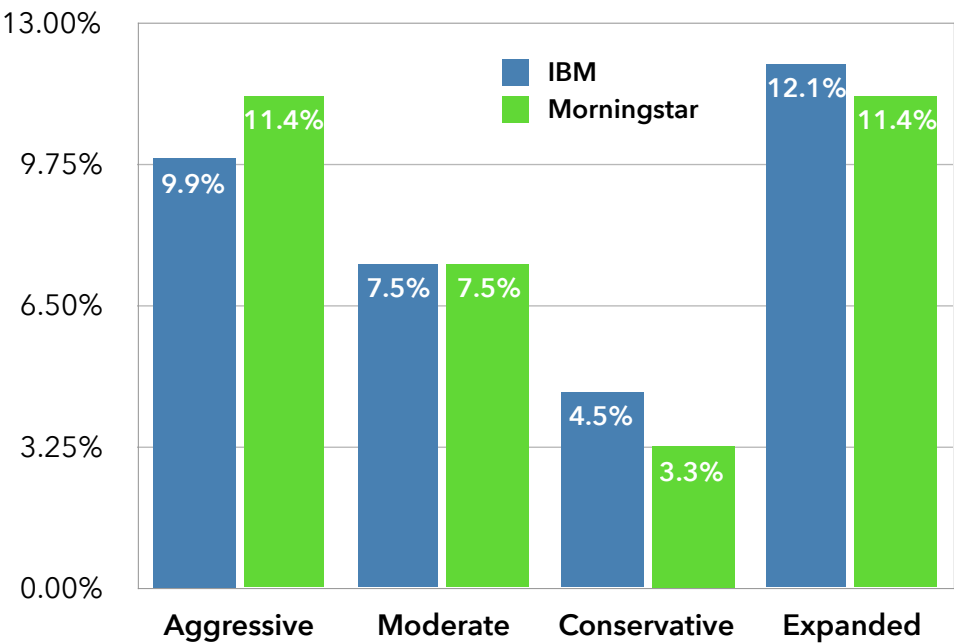
**Which Portfolio is Right for You:** Selecting the right portfolio is an individual decision based on your **willingness** and **ability** to take risk. Only you can decide. Planning your retirement is more important than ever. Your portfolio choice will vary based on age, retirement horizon, savings & expenses, pension & social security income, other investment assets, personality, and other factors. We believe you can take control of your 401k and plan for the retirement you envision. We’ve arranged for advisors at Friedenthal Financial to do a **COMPLIMENTARY RISK ASSESSMENT** for you. Or, you can take this **SHORT QUIZ** on your own that they’ve provided (no personal information is required for the quiz). Your privacy is protected.

Performance

The **EZTracker** methodology used for **IBM** is the same methodology (investing in the best performing funds) we’ve used since we began publishing in 2002. It has consistently delivered superior long-term results. While past performance is no guarantee of future results, our past performance validates this long-term investing philosophy.

Current Performance Through Feb 24, 2019	MTD Feb*	YTD
<b>EZTracker</b> Aggressive	2.87%	9.90%
<b>EZTracker</b> Moderate	2.19%	7.48%
<b>EZTracker</b> Conservative	1.34%	4.54%
<b>EZTracker</b> Expanded Choice	4.92%	12.08%
<b>Morningstar Benchmarks</b>		
Aggressive Target Risk Index	4.46%	11.37%
Moderate Target Risk Index	3.71%	7.49%
Conservative Target Risk Index	1.60%	3.29%
<b>S&amp;P 500</b>	<b>4.80%</b>	<b>11.40%</b>

Total Return versus Morningstar Benchmarks YTD



Morningstar Target Risk Index

The Morningstar Target Risk Index series serve as benchmarks to help with investment selections. They cover a global set of stocks, bonds and commodities. While not investable indices, they represent challenging benchmarks for long-term investing plans such as the **EZTracker** model portfolios.

Historical Performance

Any investment strategy should be measured one way: Results over time. Not one-week, one-month, or even one-year. While past performance is not a guarantee of future performance, our record has been excellent in delivering long-term returns. As with any long-term investing strategy, you should not expect dramatic short-term results to offset past losses.

All data for the model portfolios and the market indices are based on total returns which include reinvestment of dividends. See the **EZTracker** website ([www.eztracker401k.com](http://www.eztracker401k.com)) for historical data for all model portfolios.

Below is the current fund performance for the alternatives in the **IBM** 401k plan. The “Tracker Average” is a weighted average of performance over the past year and is a key factor in selecting funds for inclusion in the model portfolios.

Fund	Total Return					Tracker Average
	1 MO	3 MO	6 MO	12 MO	YTD	
REIT IDX	2.69%	7.19%	3.63%	22.94%	13.95%	19.88%
GLOBAL RE STOCK IDX	1.40%	6.75%	2.48%	15.62%	11.92%	14.32%
SMALL/MID-CAP IDX	4.92%	8.95%	-4.96%	7.50%	17.75%	8.95%
LARGE-CAP GROWTH IDX	3.75%	9.69%	-4.23%	6.87%	13.18%	8.77%
SMALL-CAP GROWTH IDX	6.79%	9.47%	-8.82%	7.38%	19.09%	8.09%
HI YLD EMG MKT BOND	0.42%	5.33%	4.87%	1.72%	5.33%	6.73%
LARGE COMPANY IDX	3.33%	6.63%	-2.83%	4.91%	11.74%	6.57%
TOTAL STOCK MKT IDX	3.44%	6.74%	-3.53%	5.24%	12.73%	6.49%
LONG-TERM CORP BOND	0.53%	6.52%	1.90%	1.90%	4.16%	5.92%
TARGETRETIREMENT2040	2.58%	6.75%	-1.49%	2.82%	10.52%	5.82%
TARGETRETIREMENT2055	2.58%	6.72%	-1.47%	2.83%	10.52%	5.81%
AGGRESSIVE	2.47%	6.64%	-1.39%	2.89%	10.18%	5.79%
TARGETRETIREMENT2050	2.52%	6.68%	-1.54%	2.82%	10.44%	5.72%
INTL REAL ESTATE IDX	-0.66%	5.59%	0.59%	4.94%	8.63%	5.71%
TARGETRETIREMENT2045	2.53%	6.69%	-1.60%	2.76%	10.46%	5.67%
TARGETRETIREMENT2035	2.48%	6.59%	-1.44%	2.71%	10.15%	5.64%
MODERATE	1.79%	5.56%	-0.32%	3.13%	7.55%	5.54%
TARGETRETIREMENT2030	2.22%	6.19%	-1.13%	2.76%	9.18%	5.48%
TOTAL BOND MARKET	0.39%	3.59%	2.36%	3.59%	1.56%	5.41%
TARGETRETIREMENT2025	1.88%	5.74%	-0.65%	2.76%	7.98%	5.31%
TARGETRETIREMENT2020	1.70%	5.35%	-0.25%	2.87%	6.75%	5.28%
SMALL-CAP VALUE IDX	5.33%	5.11%	-7.14%	6.24%	17.06%	5.20%
CONSERVATIVE	1.46%	5.04%	0.00%	2.96%	6.11%	5.16%
LARGE-CAP VALUE IDX	3.00%	4.39%	-1.28%	3.34%	11.55%	5.16%
TARGETRETIREMENT2015	1.42%	4.82%	0.13%	2.89%	5.59%	5.05%
TARGETRETIREMENT2010	1.13%	4.37%	0.46%	2.90%	4.66%	4.83%
INCOME PLUS	1.11%	4.00%	0.55%	2.82%	4.30%	4.63%
IBM STOCK	3.81%	18.81%	-4.91%	-10.58%	22.45%	3.89%
INTEREST INCOME FUND	0.15%	0.74%	1.49%	3.02%	0.44%	2.94%
INFL PROTECTED BOND	0.40%	2.43%	0.00%	2.43%	1.61%	2.87%
EMERGING MKT STK IDX	1.16%	9.60%	1.53%	-9.24%	9.71%	1.67%
INTL STOCK MKT IDX	2.01%	6.53%	-2.77%	-5.97%	10.12%	-0.11%
PACIFIC STOCK IDX	2.42%	4.97%	-2.87%	-5.59%	9.03%	-0.58%
EUROPEAN STOCK IDX	2.69%	5.52%	-4.02%	-5.45%	9.14%	-0.68%

The following mutual funds are available in IBM's Expanded Choice Portfolio:

Expanded Choice Mutual Funds	Symbol	Total				YTD	Tracker Average
		1 MO	3 MO	6 MO	12 MO		
Fidelity Real Estate Investment Portfolio	FRESX	7.71%	6.79%	5.91%	21.65%	14.14%	22.94%
PIMCO RealEstateRealReturn Strategy Fund	PRRSX	8.34%	7.45%	4.74%	20.70%	14.87%	22.49%
Vanguard Mid-Cap Growth Fund	VMGRX	10.00%	12.15%	0.34%	10.96%	19.00%	18.25%
DFA Global Real Estate Securities Portfolio	DFGEX	6.18%	7.16%	4.58%	15.39%	11.70%	18.16%
Fidelity Focused Stock Fund	FTQGX	6.85%	9.58%	1.48%	12.05%	12.73%	16.34%
Principal MidCap Fund	PCBIX	10.15%	9.75%	1.09%	8.77%	15.88%	16.23%
Vanguard Explorer Fund	VEXRX	10.14%	10.11%	-3.60%	12.04%	18.44%	15.65%
Fidelity Convertible Securities Fund	FCVSX	6.49%	9.13%	3.82%	9.19%	11.20%	15.62%
Fidelity Latin America Fund/United States	FLATX	3.30%	14.27%	19.80%	-9.38%	13.95%	15.26%
Fidelity Blue Chip Growth Fund	FBGKX	7.01%	12.91%	-2.31%	8.39%	13.09%	14.18%
Vanguard Dividend Growth Fund	VDIGX	5.86%	4.76%	2.96%	10.30%	10.10%	13.03%
Vanguard Morgan Growth Fund	VMRAX	7.76%	9.92%	-1.21%	7.04%	14.30%	12.83%
Fidelity Real Estate Income Fund	FRIFX	3.45%	4.18%	3.23%	10.80%	6.77%	11.82%
Vanguard Small-Cap Index Fund	VSCIX	9.05%	8.56%	-4.03%	7.65%	18.14%	11.58%
Fidelity Growth Discovery Fund	FGDKX	6.09%	8.84%	-2.21%	6.69%	12.54%	10.59%
Fidelity Leveraged Company Stock Fund	FLCKX	9.64%	13.68%	-3.38%	-1.30%	19.83%	10.17%
Vanguard FTSE Social Index Fund	VFTNX	6.41%	6.41%	-1.07%	6.61%	11.98%	10.01%
Vanguard Mid-Cap Index Fund	VMCIX	8.02%	7.48%	-1.77%	4.56%	15.54%	9.98%
American Funds - New Economy Fund/The	RNGGX	6.90%	10.15%	-1.14%	2.24%	12.82%	9.90%
American Washington Mutual Investors Fund	RWMGX	5.37%	4.93%	1.16%	5.93%	9.86%	9.49%
Fidelity Small Cap Stock Fund	FSLCX	8.17%	8.71%	-5.04%	5.38%	17.88%	9.39%
Fidelity Small Cap Discovery Fund	FSCRX	8.16%	9.41%	-2.31%	1.57%	17.76%	9.18%
Vanguard Global Minimum Volatility Fund/USA	VMNVX	4.43%	4.36%	0.05%	7.99%	8.43%	9.18%
Fidelity Stock Selector Small Cap Fund	FDSCX	8.58%	8.26%	-6.52%	5.66%	16.57%	8.72%
Vanguard Strategic Equity Fund	VSEQX	9.56%	9.25%	-5.57%	2.63%	17.71%	8.66%
Fidelity Canada Fund	FICDX	6.46%	7.55%	-1.29%	3.16%	14.80%	8.66%
Fidelity Trend Fund	FTRNX	6.49%	8.80%	-3.85%	3.95%	12.69%	8.39%
Vanguard Long-Term Treasury Fund	VUSUX	1.29%	6.33%	1.19%	6.54%	0.44%	8.37%
Vanguard Equity Income Fund	VEIRX	5.92%	4.10%	0.09%	5.16%	10.22%	8.33%
Fidelity China Region Fund	FHKCX	9.91%	13.35%	1.51%	-9.53%	14.83%	8.31%
PIMCO Emerging Markets Bond Fund/United	PEBIX	1.83%	6.54%	4.53%	2.33%	4.81%	8.31%
Fidelity International Real Estate Fund	FIREX	3.28%	7.27%	1.99%	2.70%	8.67%	8.31%
PIMCO StocksPLUS Fund/United States	PSTKX	6.53%	5.87%	-1.82%	4.57%	12.32%	8.26%
Vanguard Growth and Income Fund	VGIAX	6.43%	5.86%	-2.27%	5.08%	11.72%	8.23%
PIMCO Diversified Income Fund	PDIIX	2.05%	4.55%	3.37%	4.93%	4.20%	8.13%
American - The Growth Fund of America	RGAGX	5.58%	7.82%	-2.54%	4.00%	11.98%	8.11%
American New Perspective Fund	RNPGX	6.32%	8.70%	-1.77%	1.43%	11.63%	8.01%
Fidelity Contrafund	FCNKX	5.63%	9.04%	-3.73%	3.69%	12.16%	7.98%
AMCAP Fund	RAFGX	5.31%	6.75%	-2.07%	4.40%	10.99%	7.85%
PIMCO Long-Term US Government Fund	PGOVX	1.28%	5.90%	0.93%	6.04%	0.56%	7.72%
Vanguard Long-Term Investment Grade Fund	VWETX	2.80%	6.33%	1.64%	3.35%	3.28%	7.70%
Vanguard PRIMECAP Core Fund	VPCCX	6.52%	5.45%	-2.64%	4.37%	11.71%	7.47%
PIMCO High Yield Fund	PHIYX	2.28%	4.44%	2.37%	4.52%	6.07%	7.42%
Vanguard Wellington Fund	VWENX	4.28%	4.08%	0.65%	4.59%	7.24%	7.42%
Fidelity Capital & Income Fund	FAGIX	3.93%	6.14%	0.83%	2.69%	9.22%	7.41%
American Mutual Fund	RMFGX	4.04%	3.25%	0.54%	5.61%	7.84%	7.33%
Vanguard Wellesley Income Fund	VWIAX	3.14%	3.86%	1.64%	4.79%	4.88%	7.33%
Vanguard Long-Term Bond Index Fund	VBLLX	2.03%	6.08%	1.09%	3.93%	2.19%	7.16%
Fidelity Growth Company Fund	FGCKX	6.79%	10.80%	-6.49%	2.03%	14.78%	7.16%
DFA US Core Equity 1 Portfolio	DFEOX	7.11%	5.91%	-3.62%	3.63%	13.63%	7.11%
American Funds - New World Fund	RNWXG	6.58%	9.69%	1.38%	-4.68%	11.17%	7.07%
Vanguard High-Yield Corporate Fund	VWEAX	2.13%	4.33%	2.24%	4.24%	6.26%	7.06%
Fidelity Puritan Trust - Fidelity Balanced Fund	FBAKX	4.78%	5.60%	-1.66%	3.99%	9.30%	6.93%
Fidelity New Markets Income Fund	FNMIX	2.23%	7.04%	3.80%	-0.52%	5.96%	6.85%
Fidelity Mid-Cap Stock Fund	FKMCX	5.86%	4.59%	-2.75%	4.85%	12.53%	6.84%

The following mutual funds are available in IBM's Expanded Choice Portfolio:

Expanded Choice Mutual Funds	Symbol	Total				YTD	Tracker Average
		1 MO	3 MO	6 MO	12 MO		
American Funds Fundamental Investors	RFNGX	6.11%	5.92%	-1.32%	1.59%	11.17%	6.72%
American SMALLCAP World Fund Inc	RLLGX	7.23%	8.63%	-4.55%	0.91%	13.59%	6.66%
Vanguard Intermediate-Term Bond Index Fund	VBIMX	1.36%	3.74%	2.72%	4.29%	1.63%	6.60%
American Balanced Fund	RLBGX	3.86%	3.95%	0.20%	3.94%	6.82%	6.53%
PIMCO Investment Grade Credit Bond Fund	PIGIX	1.89%	4.35%	2.21%	3.37%	3.05%	6.45%
Vanguard Intermediate-Term Investment-Grade	VFIDX	1.48%	3.62%	2.53%	3.85%	2.01%	6.26%
Fidelity OTC Portfolio	FOCKX	6.27%	9.08%	-7.57%	3.47%	12.48%	6.14%
Fidelity Emerging Asia Fund	FSEAX	6.83%	11.14%	0.20%	-7.11%	10.44%	6.03%
Vanguard STAR Fund	VGSTX	4.64%	5.49%	-1.09%	1.99%	8.34%	6.01%
Fidelity High Income Fund	SPHIX	2.29%	3.70%	1.30%	3.67%	6.20%	5.98%
PIMCO Mortgage-Backed Securities Fund	PTRIX	1.11%	3.06%	2.31%	4.41%	1.21%	5.94%
Vanguard Institutional Target Retirement 2025 Fund	VRIVX	4.12%	5.10%	-0.38%	1.98%	7.46%	5.90%
PIMCO GNMA and Government Securities Fund	PDMIX	0.97%	3.20%	2.20%	4.40%	1.06%	5.88%
Vanguard Institutional Target Retirement 2035 Fund	VITFX	4.83%	5.56%	-1.10%	1.38%	9.06%	5.82%
Vanguard Institutional Target Retirement 2030 Fund	VTTWX	4.45%	5.31%	-0.76%	1.64%	8.24%	5.81%
Vanguard Institutional Target Retirement 2050 Fund	VTRLX	5.48%	5.94%	-1.71%	0.87%	10.40%	5.77%
Vanguard Institutional Target Retirement 2040 Fund	VIRSX	5.20%	5.74%	-1.46%	1.07%	9.83%	5.75%
Vanguard Institutional Target Retirement 2055 Fund	VIVLX	5.47%	5.90%	-1.70%	0.88%	10.37%	5.75%
Vanguard Institutional Target Retirement 2045 Fund	VITLX	5.44%	5.87%	-1.70%	0.84%	10.37%	5.70%
Vanguard Institutional Target Retirement 2020 Fund	VITWX	3.61%	4.68%	-0.14%	2.12%	6.47%	5.61%
Fidelity Dividend Growth Fund	FDGKX	5.68%	2.72%	-1.16%	2.90%	11.08%	5.53%
Vanguard GNMA Fund	VFIJX	0.79%	3.12%	2.18%	3.99%	0.97%	5.50%
Vanguard Intermediate-Term Treasury Fund	VFIUX	0.79%	2.85%	2.48%	3.92%	0.58%	5.47%
Dodge & Cox Global Bond Fund	DODLX	1.64%	4.34%	2.40%	1.63%	3.13%	5.46%
Vanguard Institutional Target Retirement Income	VITRX	2.49%	3.85%	0.83%	2.80%	4.19%	5.44%
Vanguard Institutional Target Retirement 2015 Fund	VITVX	2.94%	4.16%	0.39%	2.45%	5.14%	5.42%
PIMCO International Bond Fund U.S. Dollar-	PFORX	1.04%	2.34%	2.35%	4.21%	1.81%	5.42%
Fidelity Equity-Income Fund Inc	FEIKX	4.96%	3.71%	-1.52%	2.74%	10.67%	5.39%
Fidelity Capital Appreciation Fund	FCAKX	5.73%	5.84%	-4.00%	2.26%	11.67%	5.37%
Fidelity GNMA Fund	FGMNX	0.85%	3.04%	2.15%	3.75%	0.96%	5.34%
Fidelity Export and Multinational Fund	FEXKX	5.60%	2.56%	-1.36%	2.72%	10.80%	5.19%
Vanguard Global Equity Fund	VHGEX	5.95%	6.43%	-2.25%	-0.66%	11.20%	5.17%
Fidelity Value Fund	FVLKX	8.13%	6.96%	-5.17%	-0.55%	17.70%	5.11%
Vanguard Windsor II Fund	VWNAX	6.04%	3.96%	-2.78%	2.08%	11.65%	5.08%
Fidelity Large Cap Stock Fund	FLCSX	6.45%	3.86%	-3.70%	2.54%	13.23%	4.99%
PIMCO Total Return Fund	PTTRX	1.22%	2.71%	2.02%	3.15%	1.53%	4.96%
Fidelity Total Bond Fund	FTBFX	1.23%	3.09%	1.59%	3.14%	2.09%	4.94%
Dodge & Cox Income Fund	DODIX	1.12%	3.11%	1.84%	2.84%	1.89%	4.87%
DFA US Small Cap Portfolio	DFSTX	8.48%	5.45%	-8.15%	3.09%	17.38%	4.83%
PIMCO Total Return ESG Fund	PTSAX	1.39%	2.92%	1.58%	2.95%	1.66%	4.82%
Fidelity Government Income Fund	FGOVX	0.69%	2.72%	1.86%	3.48%	0.52%	4.78%
Fidelity Intermediate Bond Fund	FTHRX	1.06%	2.45%	2.05%	3.19%	1.20%	4.77%
Fidelity Advisor Strategic Income Fund	FADMX	1.89%	3.63%	1.33%	1.84%	4.18%	4.74%
PIMCO All Asset Fund	PAAIX	2.68%	4.26%	1.94%	-0.21%	5.02%	4.73%
Fidelity Freedom 2020 Fund	FSNOX	3.51%	4.79%	-0.75%	0.82%	6.69%	4.57%
Vanguard Selected Value Fund	VASVX	8.42%	6.39%	-2.84%	-3.63%	16.90%	4.55%
PIMCO Moderate Duration Fund	PMDRX	1.17%	2.13%	2.16%	2.86%	1.34%	4.54%
Fidelity Fund	FFDKX	5.60%	6.16%	-4.21%	0.76%	10.70%	4.53%
Fidelity Value Strategies Fund	FVSKX	7.95%	7.08%	-5.40%	-1.38%	16.78%	4.50%
Fidelity Freedom 2025 Fund	FSNPX	3.80%	4.98%	-1.08%	0.51%	7.31%	4.48%
Fidelity Freedom 2030 Fund	FSNQX	4.30%	5.43%	-1.70%	0.05%	8.49%	4.41%
Fidelity Freedom 2015 Fund	FSNLX	3.05%	4.39%	-0.43%	0.98%	5.84%	4.36%
Fidelity Freedom 2010 Fund	FSNKX	2.64%	4.01%	-0.05%	1.29%	4.92%	4.31%
Dodge & Cox Balanced Fund	DODBX	3.52%	2.77%	-0.93%	2.51%	7.96%	4.29%
Fidelity Freedom 2055 Fund	FNSDX	5.19%	5.90%	-2.59%	-0.69%	10.48%	4.26%



The following mutual funds are available in IBM's Expanded Choice Portfolio:

Expanded Choice Mutual Funds	Symbol	Total				YTD	Tracker Average
		1 MO	3 MO	6 MO	12 MO		
Fidelity Freedom 2050 Fund	FNSBX	5.17%	5.94%	-2.61%	-0.70%	10.47%	4.26%
Fidelity Freedom 2005 Fund	FSNJX	2.21%	3.60%	0.35%	1.57%	3.89%	4.22%
Vanguard Short-Term Investment Grade Fund	VFSIX	0.94%	2.04%	1.82%	2.93%	1.22%	4.22%
Fidelity Freedom 2035 Fund	FSNUX	4.93%	5.76%	-2.46%	-0.61%	9.86%	4.16%
Fidelity Freedom 2045 Fund	FSNZX	5.11%	5.85%	-2.66%	-0.79%	10.44%	4.09%
Fidelity Freedom 2040 Fund	FSNVX	5.16%	5.79%	-2.67%	-0.81%	10.40%	4.08%
Fidelity Freedom Income Fund	FNSHX	1.74%	3.16%	0.67%	1.87%	3.04%	4.05%
Fidelity Intermediate Government Income Fund	FSTGX	0.55%	2.08%	1.89%	2.90%	0.37%	4.05%
PIMCO Emerging Markets Local Currency and	PELBX	2.04%	5.91%	7.09%	-7.68%	4.71%	4.02%
Fidelity Independence Fund	FDFKX	5.39%	6.48%	-5.16%	0.43%	12.09%	3.90%
PIMCO Dynamic Bond Fund	PFIUX	0.75%	1.54%	1.68%	3.09%	1.57%	3.85%
PIMCO Dynamic Bond Fund	PFIUX	0.75%	1.54%	1.68%	3.09%	1.57%	3.85%
Vanguard Short-Term Bond Index Fund	VBITX	0.60%	1.77%	1.83%	2.83%	0.64%	3.83%
Dodge & Cox Stock Fund	DODGX	4.89%	2.86%	-2.98%	2.19%	11.50%	3.80%
Fidelity Floating Rate High Income Fund	FFRHX	1.26%	1.04%	1.20%	2.91%	3.86%	3.49%
PIMCO Real Return Fund	PRRIX	1.50%	2.57%	-0.10%	2.29%	2.03%	3.42%
Vanguard Short-Term Federal Fund	VSGDX	0.50%	1.47%	1.74%	2.55%	0.55%	3.41%
Vanguard Inflation-Protected Securities Fund	VIPIX	1.40%	2.35%	-0.11%	2.54%	1.60%	3.37%
Fidelity Limited Term Government Fund	FFXSX	0.46%	1.47%	1.63%	2.37%	0.35%	3.23%
Fidelity Short-Term Bond Fund	FSHBX	0.63%	1.32%	1.46%	2.40%	0.74%	3.17%
Vanguard Windsor Fund	VWNEX	6.20%	4.92%	-3.87%	-1.51%	13.25%	3.13%
PIMCO Long-Term Real Return Fund	PRAIX	2.59%	4.23%	-3.11%	1.98%	2.90%	3.10%
American Funds Capital World Growth and Income	RWIGX	5.56%	6.36%	-2.52%	-3.73%	10.05%	3.09%
Vanguard Short-Term Treasury Fund	VFIRX	0.41%	1.32%	1.53%	2.37%	0.37%	3.07%
PIMCO Low Duration Fund/United States	PTLDX	0.75%	1.31%	1.58%	1.97%	1.04%	3.06%
PIMCO All Asset All Authority Fund	PAUIX	1.98%	3.47%	2.17%	-2.02%	4.04%	3.05%
Fidelity Low-Priced Stock Fund	FLPKX	4.83%	4.42%	-2.90%	-1.03%	11.19%	2.90%
Capital World Bond Fund	RCWGX	0.98%	3.50%	1.53%	-1.05%	1.51%	2.70%
DFA US Targeted Value Portfolio	DFFVX	7.86%	5.15%	-8.68%	0.58%	17.70%	2.68%
PIMCO Low Duration ESG Fund	PLDIX	0.65%	1.33%	1.06%	1.82%	1.00%	2.65%
American Funds - Investment Company of America/	RICGX	4.56%	3.79%	-3.19%	-0.38%	8.88%	2.60%
DFA Emerging Markets Portfolio	DFEMX	4.79%	8.22%	0.58%	-9.18%	8.49%	2.41%
International Growth and Income Fund	RIGGX	5.46%	6.59%	-2.30%	-7.93%	9.72%	0.99%
Vanguard International Growth Fund	VWILX	7.17%	7.48%	-5.75%	-7.14%	11.69%	0.96%
American Funds EuroPacific Growth Fund	RERGX	5.99%	7.24%	-3.69%	-7.97%	10.82%	0.85%
DFA Emerging Markets Value Portfolio	DFEVX	3.85%	6.51%	0.32%	-9.14%	7.56%	0.84%
PIMCO Global Bond Opportunities Fund	PIGLX	1.03%	1.82%	0.10%	-2.52%	2.22%	0.24%
Fidelity Pacific Basin Fund	FPBFX	6.63%	7.75%	-3.81%	-10.23%	10.52%	0.19%
DFA Large Cap International Portfolio	DFALX	4.87%	4.83%	-3.87%	-5.95%	9.90%	-0.07%
Vanguard Convertible Securities Fund	VCVSX	1.60%	1.45%	-3.20%	-0.01%	3.16%	-0.09%
Dodge & Cox Global Stock Fund	DODWX	3.93%	2.83%	-4.05%	-4.94%	10.15%	-1.22%
DFA US Vector Equity Portfolio	DFVEX	7.55%	2.04%	-9.49%	-2.41%	15.68%	-1.26%
Fidelity Overseas Fund/United States	FOSKX	5.30%	4.71%	-5.48%	-6.87%	9.71%	-1.28%
PIMCO CommodityRealReturn Strategy Fund	PCRIX	4.12%	0.69%	-1.79%	-5.94%	9.57%	-1.60%
Vanguard International Value Fund	VTRIX	4.42%	3.96%	-3.70%	-8.20%	8.88%	-1.91%
Fidelity Japan Fund/United States	FJPNX	5.96%	4.58%	-5.48%	-9.22%	9.76%	-2.27%
Fidelity Diversified International Fund	FDIKX	4.95%	4.77%	-5.92%	-8.26%	8.87%	-2.43%
Fidelity International Small Cap Fund	FISMX	4.63%	4.67%	-4.45%	-9.79%	8.74%	-2.69%
Fidelity Europe Fund/United States	FIEUX	4.75%	4.98%	-6.82%	-9.35%	10.32%	-3.51%
Fidelity Advisor International Discovery Fund	FIDKX	5.61%	4.05%	-6.18%	-10.59%	9.19%	-3.88%
Dodge & Cox International Stock Fund	DODFX	4.03%	3.77%	-4.52%	-11.35%	9.83%	-4.40%
DFA International Value Portfolio	DFIVX	3.51%	2.92%	-5.55%	-10.58%	9.17%	-5.29%
DFA International Vector Equity Portfolio	DFVQX	4.38%	4.01%	-6.97%	-11.46%	10.10%	-5.48%
DFA International Small Company Portfolio	DFISX	4.58%	4.39%	-7.80%	-12.11%	10.30%	-5.97%
Vanguard International Explorer Fund	VINEX	3.77%	3.37%	-11.36%	-16.97%	9.69%	-11.56%



## Questions, Comments, Problems?

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