

---

# QDIA Validation

---

**BCM**  
**DynamicBelay**  
**Funds**

---

April 5, 2016

---

DALBAR, Inc.  
Audit & Due Diligence Division

---



303 Congress Street  
Boston, MA 02210  
617.723.6400  
[www.DALBAR.com](http://www.DALBAR.com)

## Table of Contents

<b>QDIA VALIDATION - STATUS AS OF APRIL 1, 2016</b>	<b>2</b>
<b>THE INVESTMENT</b>	<b>3</b>
→ EVALUATION OF PRUDENCE	3
→ VALIDATION GRID	4
→ NOTEWORTHY OBSERVATIONS	4
<b>INTRODUCTION</b>	<b>5</b>
<b><i>BCM DYNAMICBELAY FUNDS</i> AGE BASED ASSET ALLOCATION ANALYSIS</b>	<b>6</b>
<b>APPLICABILITY AS QDIA ALTERNATIVE</b>	<b>7</b>
1. AGE BASED - AN INVESTMENT FUND PRODUCT OR MODEL PORTFOLIO:	7
2. RISK BASED - AN INVESTMENT FUND PRODUCT OR MODEL PORTFOLIO:	9
3. MANAGED ACCOUNT - AN INVESTMENT MANAGEMENT SERVICE:	10
<b>QUALIFICATION ANALYSIS</b>	<b>12</b>
1. SELF-DEALING PROHIBITIONS - A FIDUCIARY WITH RESPECT TO A PLAN:	12
2. CONDITIONS FOR QDIA FIDUCIARY RELIEF	13
3. QDIA REQUIREMENTS	13
<b>REASONABLENESS AS AN INVESTMENT</b>	<b>15</b>
1. MINIMUM TRACK RECORD	15
2. STABILITY OF THE ORGANIZATION	15
3. ASSETS IN THE PRODUCT	15
4. HOLDINGS CONSISTENT WITH STYLE	15
5. CORRELATION TO STYLE OR PEER GROUP	16
6. EXPENSE RATIOS/FEES	16
7. PERFORMANCE RELATIVE TO ASSUMED RISK	16
8. PERFORMANCE RELATIVE TO A PEER GROUP	16
<b>APPENDICES</b>	<b>17</b>
<b>A. ASSET ALLOCATORS</b>	<b>18</b>
<b>B. PORTFOLIO MANAGERS –UNDERLYING INVESTMENTS</b>	<b>18</b>
<b>C. RISK/RETURN ANALYSIS</b>	<b>19</b>
UNDERLYING INVESTMENTS	19
<b>D. PERFORMANCE ANALYSIS</b>	<b>20</b>
INVESTMENT	20
<b>E. EXPENSE ANALYSIS</b>	<b>20</b>
1. INVESTMENT	20
2. UNDERLYING INVESTMENTS	21

## QDIA Validation - Status as of April 1, 2016

C  
R  
E  
D  
E  
N  
T  
I  
A  
L  
S

APPROVED

VALIDATED for QDIA

DALBAR has evaluated the **BCM DynamicBelay Funds** offered by **Beaumont Capital Management (Manager)** to determine if it complies with the requirements to be used as a Qualified Default Investment Alternative (QDIA) as defined by the Employee Retirement Income Security Act of 1974, as amended [ERISA] Section 404(c)(5) and associated regulations.

*BCM DynamicBelay Funds* are referred to as the Investment and is a Collective Investment Trust that is reported to be in compliance with all applicable regulations.



## The Investment

The **BCM DynamicBelay Funds** (*Investment*), were examined in relation to requirements for a Qualified Default Investment Alternative under ERISA Section 404(c)(5). Note that the *Investment* was not publicly available at the time of this examination, so no investment results were examined. The *Manager* operates within the meaning of section 3(38) of ERISA acting as a fiduciary. The *Investment* consists of the following funds:

- BCM DynamicBelay 2020
- BCM DynamicBelay 2030
- BCM DynamicBelay 2040
- BCM DynamicBelay 2050
- BCM DynamicBelay 2060

### → Evaluation of Prudence

Federal regulations and common sense require that responsible plan fiduciaries make a prudent choice of the investments that are used by participants in ERISA plans. In order to facilitate the prudent choice, DALBAR has examined the *Investment* and rated the prudence of using it. The following table summarizes DALBAR’s findings regarding the prudence of using the *Investment* in an ERISA plan:

Prudence Criteria	DALBAR Prudence Rating	Primary Basis for Prudence Rating
Benefit to Employees	<b>Excellent</b>	The structure that permits wide variations in equity allocations with no effect on income is a powerful combination for both accumulating and distributing participants.
Cost Effectiveness	<b>Good</b>	The projected expenses of 0.82% is considered reasonable for an actively managed investment.
Specific ERISA Requirements	<b>Good</b>	The ERISA requirements for a QDIA are properly met but the requirements for the manager of a QDIA (ERISA 3(38)) have not been presented to or examined by DALBAR.
Good Business Practices	<b>Fair</b>	Communications prepared by the manager of this <i>Investment</i> contain complexities that would be confusing to an average plan participant.
Avoidance of Litigation	<b>Good</b>	Plan sponsor’s ability to prudently select the <i>Manager</i> as a 3(38) QDIA manager could compromise the protection from litigation offered by QDIAs.

→ Validation Grid

The following table summarizes the ways in which the *BCM DynamicBelay Funds* qualify as a QDIA.

In each case the *Investment* being validated may be applicable as the only one used (stand-alone) or may be used in conjunction with other investments (sleeve) in a model portfolio managed by an investment adviser that qualifies under ERISA section 3(38). The QDIA validation determines which QDIA alternative(s) apply and whether the *Investment* may be used stand-alone and/or as a sleeve in a portfolio.

APPROPRIATE USES OF BCM DYNAMICBELAY FUNDS			
QDIA Alternative		Stand Alone	Sleeve of portfolio
1	Age Based	Yes	No
2	Risk Based	No	No
3	Managed Account	No	Yes
4	Short Term	N/A	N/A
5	Grandfathered	N/A	N/A

→ Noteworthy Observations

The following observations were made during the review and evaluation of *BCM DynamicBelay Funds* as a Qualified Default Investment Alternative (QDIA) to provide meaningful investments for participants and limit the exposure of the plan fiduciary to the liability of making potentially imprudent decisions.

- The *BCM DynamicBelay Funds* utilizes a powerful capital preservation approach that allows the funds to retreat from the equity markets when technical analysis indicates excessive exposure.

This approach is an effective defense in down markets, preventing the losses caused by the lack of ability to retreat in the face of forcible market danger.

**The capital preservation strategy limits investor downside exposure while maximizing the upside. Plan fiduciaries using the *Investments* reduce liability of failing to adequately protect participants or failing to produce sufficient returns.**

- Income generation is managed independently from capital growth and preservation. In this way income is not compromised or excessive income produced as interest rates change or reallocations made to preserve capital.

**The Investment has the rare ability to produce a steady income stream, independent of other market conditions.**

## Introduction

This report contains DALBAR's independent analysis of the *BCM DynamicBelay Funds* and *Beaumont Capital Management* and is intended to supplement the duty of fiduciaries to prudently select investments for use as a Qualified Default Investment Alternative. Since this is a supplement, the content of this report is intended to facilitate and not to replace the evaluation required by regulations.

As an independent expert, DALBAR has no affiliation with the *BCM DynamicBelay Funds* or *Beaumont Capital Management* and has the training, experience and proficiency to conduct this analysis. DALBAR has a history of over 30-years and is generally recognized by industry and government as an independent third-party expert in the business of providing evaluations, ratings and due diligence. DALBAR certifications are recognized as marks of excellence in adviser services, communications, electronic and telephone services. DALBAR is the only ratings firm with an SEC no-action letter exempting certain of its evaluations from the testimonial rule.

This analysis consists of *four* separate evaluations that are designed to validate if the *BCM DynamicBelay Funds* and *Beaumont Capital Management* meet the requirements of ERISA section 404(c)(5) and related regulations. These evaluations are:

- **Age Based Asset Allocation Analysis:** A comparison of equity mix (glide path) in comparable investments of the *BCM DynamicBelay Funds*.
- **Applicability as QDIA Alternative:** A determination of which class or classes of QDIA are appropriate uses of the *BCM DynamicBelay Funds*.
- **Qualification Analysis:** An evaluation of the qualifications of *Beaumont Capital Management* to meet the regulatory requirements for a QDIA manager.
- **Reasonableness as an Investment:** An assessment of whether the *BCM DynamicBelay Funds* meet the DALBAR standard of reasonableness.

For more information concerning this report, please contact DALBAR at:



**Attn: Audit & Due Diligence**

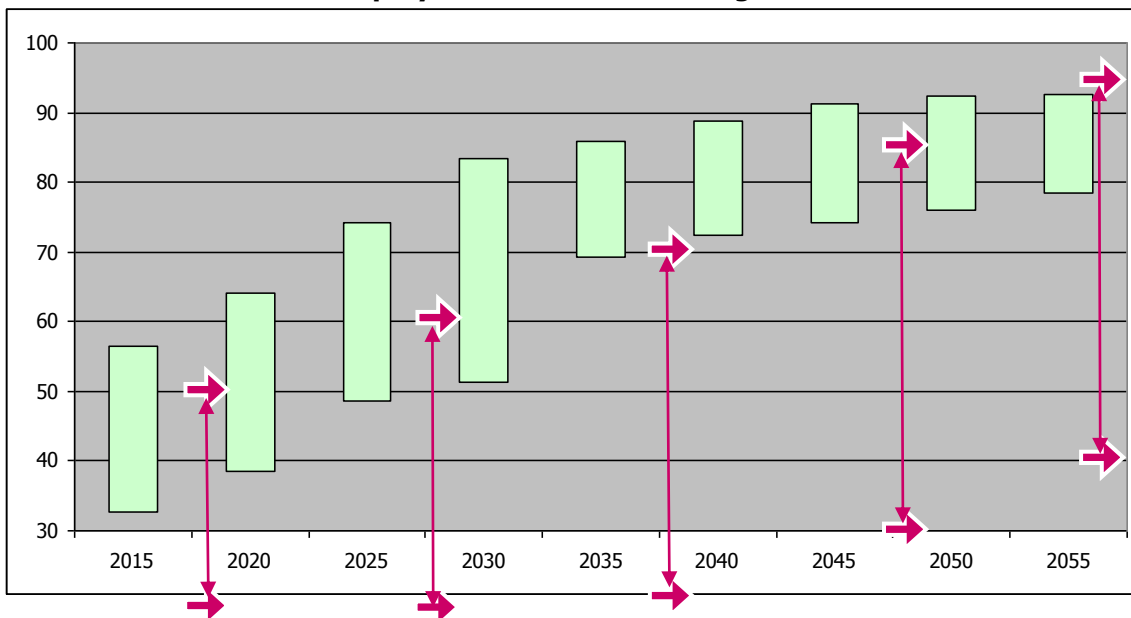
**303 Congress Street  
Boston, MA 02210  
617.723.6400**

[audit@DALBAR.com](mailto:audit@DALBAR.com)

### BCM DynamicBelay Funds Age Based Asset Allocation Analysis

While the allocation of equity and fixed income assets in age based funds and computer models vary widely, a study of age based (target date) funds across the mutual fund industry was used to compute norms for these allocations. The chart below shows these norms. The marker (→) on the chart illustrates the equity allocation of the BCM DynamicBelay Funds.

**Norms for Equity Allocations Across Target Date Funds**



Equity Allocation Ranges and Norms of Target Date Funds									
	2015	2020	2025	2030	2035	2040	2045	2050	2050+
Highest	62.20	70.06	78.77	83.31	89.18	91.71	92.73	93.84	96.90
Norm -Hi	56.58	64.10	74.31	83.31	85.80	88.88	91.30	92.46	92.49
Norm -Low	32.69	38.60	48.59	51.29	69.27	72.39	74.26	75.90	78.49
Lowest	13.18	33.32	41.72	51.29	58.30	65.80	71.70	73.84	75.55
Equity Allocation for the <i>Investment</i>									
<i>Maximum</i>		50.00		60.00		70.00		85.00	95.00
<i>Minimum</i>		5.00		10.00		20.00		30.00	40.00

### Applicability as QDIA Alternative


There are five types of investments that are named as possible QDIA alternatives. In each case the *Investment* being validated may be applicable as the only one used (stand-alone) or may be used in conjunction with other investments (sleeve). The alternatives are:

1. Age Based
2. Risk Based
3. Managed Account
4. Short Term (Omitted: Not suitable for this *Investment*)
5. Grandfathered (Omitted: Not suitable for this *Investment*)

The Applicability phase of the QDIA validation examines the *Investment* to determine which alternatives apply and whether it may be used stand-alone and/or as a sleeve.


A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
<b>1. Age Based - An investment fund product or model portfolio:</b>			
a) ... that applies generally accepted investment theories,	Yes	Yes	<p>The <i>Investment</i> consists of three strategies that coexist:</p> <ul style="list-style-type: none"> <li>• BCM U.S. Sector Rotation (managed portfolio),</li> <li>• BCM Income (managed portfolio), and</li> <li>• Static allocations to ETFs providing permanent exposure to Global Equity, Small Cap Equity and/or broad Fixed Income depending on the vintage year.</li> </ul> <p>While each strategy is based on generally accepted investment theory, the combination adds a secondary level of asset allocation for each. The allocations to each strategy varies with the vintage date of the fund.</p> <p>The asset allocation within each managed strategies can vary (up to 100% cash) based on the assessment of the respective portfolio managers.</p>
b) ... that is diversified so as to minimize the risk of large losses,	Yes	Yes	<p><i>Investment</i> is diversified across multiple asset classes.</p>



A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
c) ... that is designed to provide varying degrees of long-term appreciation and capital preservation	Yes	Yes	<i>Investment</i> varies the degree of capital appreciation and capital preservation through the appropriate asset blend in the portfolios.
d) ...through a mix of equity and fixed income exposures	Yes	Yes	<i>Investment</i> contains both equities and fixed income securities.
e) ...based on the participant's age, target retirement date (such as normal retirement age under the plan) or life expectancy.	Yes	Yes	<i>Investment</i> selects the degree of capital appreciation and capital preservation based on the participants' age.
f) Such products and portfolios change their asset allocations and associated risk levels over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.	Yes	Yes	<i>Investment</i> changes the risk levels over time with the objective of becoming more conservative.
 <b>SUMMARY:</b> The <i>BCM DynamicBelay Funds</i> qualify to be used as an AGE-BASED QDIA or as part of a qualified model portfolio in conjunction with other investments.			

A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
<b>2. Risk Based - An investment fund product or model portfolio:</b>			
a) ... that applies generally accepted investment theories	N/A	N/A	<p>The <i>Investment</i> consists of three strategies that coexist:</p> <ul style="list-style-type: none"> <li>• BCM U.S. Sector Rotation (managed portfolio),</li> <li>• BCM Income (managed portfolio), and</li> <li>• Static allocations to ETFs providing permanent exposure to Global Equity, Small Cap Equity and/or broad Fixed Income depending on the vintage year.</li> </ul> <p>While each strategy is based on generally accepted investment theory, the combination adds a secondary level of asset allocation for each. The allocations to each strategy varies with the vintage date of the fund.</p> <p>The asset allocation within each managed strategies can vary (up to 100% cash) based on the assessment of the respective portfolio managers.</p>
b) ... that is diversified so as to minimize the risk of large losses	N/A	N/A	<i>Investment</i> is diversified across multiple asset classes.
c) ... that is designed to provide long-term appreciation and capital preservation	N/A	N/A	<i>Investment</i> is designed to change the risk of capital loss and produce appreciation at varying degrees.
d) ...through a mix of equity and fixed income exposures	N/A	N/A	<i>Investment</i> contains both equities and fixed income securities.
e) ...consistent with a target level of risk appropriate for participants of the plan as a whole.	N/A	N/A	The target level of risk is undefined and so is inconsistent with the requirements of a risk-based QDIA.
<p>➔ <b>SUMMARY: The <i>BCM DynamicBelay Funds</i> do not qualify as a RISK-BASED QDIA either as a standalone investment or when used as part of a qualified model portfolio in conjunction with other investments.</b></p>			

A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
<b>3. Managed Account - An investment management service:</b>			
a) ... with respect to which a fiduciary that is either, I. an investment manager, within the meaning of section 3(38) of ERISA; II. a trustee of the plan that meets the requirements of section 3(38)(A), (B) and (C) of ERISA; or III. the plan sponsor who is a named fiduciary, within the meaning of section 402(a)(2) of ERISA,	N/A	Yes	The <i>Investment</i> is not appropriate by itself as a managed account but may be included in a managed account by a qualified QDIA manager of the plan.
b) ...applying generally accepted investment theories,	N/A	Yes	The <i>Investment</i> consists of three strategies that coexist: <ul style="list-style-type: none"> <li>• BCM U.S. Sector Rotation (managed portfolio),</li> <li>• BCM Income (managed portfolio), and</li> <li>• Static allocations to ETFs providing permanent exposure to Global Equity, Small Cap Equity and/or broad Fixed Income depending on the vintage year.</li> </ul> <p>While each strategy is based on generally accepted investment theory, the combination adds a secondary level of asset allocation for each. The allocations to each strategy varies with the vintage date of the fund.</p> <p>The asset allocation within each managed strategies can vary (up to 100% cash) based on the assessment of the respective portfolio managers.</p>
c) ...allocates the assets of a participant's individual account	N/A	Yes	The <i>Investment</i> is not appropriate by itself as a managed account but may be included in a managed account by a qualified QDIA manager of the plan.
d) ...to achieve varying degrees of long-term appreciation and capital preservation,	N/A	Yes	<i>Investment</i> may be used as a sleeve if the QDIA manager of the plan varies the degree of capital appreciation and capital preservation through a blend of portfolios of the <i>Investment</i> or other investments.

A. APPLICABILITY AS QDIA ALTERNATIVE			
REQUIREMENT FOR QDIA ALTERNATIVE	STAND ALONE	SLEEVE	COMMENTS
e) ...through a mix of equity and fixed income exposures,	N/A	Yes	<i>Investment</i> contains both equities and fixed income securities.
f) ...offered through investment alternatives available under the plan,	N/A	Yes	The <i>Investment</i> is appropriate for inclusion in the plan and thus be made available to a qualified QDIA manager of the plan.
g) ...based on the participant's age, target retirement date (such as normal retirement age under the plan) or life expectancy.	N/A	Yes	<i>Investment</i> may be used as a sleeve if the QDIA manager of the plan varies the degree of capital appreciation and capital preservation based on the participant's age, target retirement date or life expectancy.
h) Such portfolios are diversified so as to minimize the risk of large losses and	N/A	Yes	<i>Investment</i> may be used as a sleeve if the QDIA manager of the plan varies the degree of capital appreciation and capital preservation through the use of other investments.
i) ...change their asset allocations and associated risk levels for an individual account over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.	N/A	Yes	<i>Investment</i> may be used as a sleeve if the QDIA manager of the plan varies the degree of capital appreciation and capital preservation through the use of other investments for an individual account over time with the objective of becoming more conservative.
 <b>SUMMARY:</b> The <i>BCM DynamicBelay Funds</i> do NOT qualify to be used in a MANAGED-ACCOUNT QDIA by themselves but may be used as part of a qualified model portfolio in conjunction with other investments.			

## Qualification Analysis

No violations of self-dealing prohibitions were found and the *BCM DynamicBelay Funds* were found to meet the QDIA requirements for the alternatives shown in the Validation Grid section of this report. The analysis included the following findings:

B. QUALIFICATION ANALYSIS			
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS
<b>1. Self-dealing Prohibitions - A fiduciary with respect to a plan:</b>			
a) ... shall not deal with the assets of the plan in his own interest or for his own account,	Does <i>Manager</i> have discretion to vary its compensation based on changing holdings within the <i>Investment</i> ?	Pass	<i>Manager's</i> compensation is unaffected by investment decisions made for the <i>Investment</i> .
b) ...in his individual or in any other capacity act in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries, or	Does <i>Manager</i> have interests that are adverse to those of participants?	Pass	<i>Manager's</i> interests are not adverse to participants' by virtue of the fact that <i>Manager's</i> compensation increases with growth in asset value in participants' accounts and decreases if assets decline.
c) ...receive any consideration for his own personal account from any party dealing with such plan in connection with a transaction involving the assets of the plan.	Does <i>Manager</i> receive compensation from another party for managing the <i>Investment</i> ?	Pass	The <i>Manager</i> has not reported any direct or indirect compensation from any other party that may be dealing with plans that are likely to use the <i>BCM DynamicBelay Funds</i> .

B. QUALIFICATION ANALYSIS			
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS
<b>2. Conditions for QDIA Fiduciary Relief</b>			
a) Consider investment fees and expenses in choosing a QDIA	Do expenses for this <i>Investment</i> fall within the normal range of other investments of this type?	Pass	The Expenses of the <i>BCM DynamicBelay Funds</i> are expected to be 0.68%, which is considered reasonable for an investment of this type.
b) Material is provided to participant relating to his/her QDIA.	Is <i>Investment</i> material appropriate for plan participants?	Pass*	Material submitted does not provide content that is appropriate for participants with only minimal investment knowledge.
c) Notice must be written in a manner calculated to be understood by the average plan participant.	Is the information provided for inclusion in the required notice understandable to an average participant? <u>Note: Plan fiduciary must determine that the entire notice can be understood.</u>	Pass*	Material submitted does not provide content that is appropriate for participants with only minimal investment knowledge.
* While it is not a requirement under ERISA for the QDIA manager to provide materials that are suitable for participants, it is reasonable to do so. Responsible plan fiduciaries who have this responsibility may not have the skill and knowledge necessary to translate the investment discussion into language that is easily understood by the average participant.			
<b>3. QDIA Requirements</b>			
a) QDIA shall not permit employer securities except as investments within regulated investment companies or as employer match.	Does <i>Investment</i> permit use of employer securities outside of the QDIA exceptions?	Pass	<i>Investment</i> does not use securities that are likely to be in conflict with this exclusion.
b) QDIA may not impose financial penalties or restrict the ability of a participant to transfer.	Are there restrictions or fees to transfer out of <i>Investment</i> which are prohibited under QDIA regulations?	Pass	No such restrictions were found.

B. QUALIFICATION ANALYSIS			
REGULATORY GUIDELINE	DALBAR EVALUATION	RESULT	COMMENTS
c) QDIA is either managed by an investment manager, as defined in section 3(38) of ERISA, or plan trustee, or plan sponsor who is a named fiduciary or is a registered investment company or a stable value fund under State or federal regulation.	Does the <i>Manager</i> meet the criteria appropriate for the type of QDIA being validated?	Pass	<i>Manager</i> acts in the capacity of an ERISA 3(38) investment manager. DALBAR has not evaluated the <i>Manager</i> as to its capabilities as an ERISA 3(38) manager and renders no opinion as to its qualifications to serve in its role for the QDIA.

## Reasonableness as an Investment

QDIA regulations require that investments be reasonable, which DALBAR has further defined as falling within a normal range of comparable investments. The Reasonableness Analysis presented reflects this standard.

Plan fiduciaries are responsible for reviewing current investment information and making the determination that the *BCM DynamicBelay Funds* are reasonable investments for the plan. Plan fiduciaries, including plan sponsors, are encouraged to seek independent expert advice in making the selection and monitoring of investments.

In order to assist in the determination DALBAR provides the following observations based on information available at the time of this evaluation.

C. REASONABLENESS INVESTMENT ANALYSIS	
DALBAR INVESTMENT CRITERIA	OBSERVATIONS
<b>1. Minimum track record</b>	
The average history for each underlying asset class investment strategy should be at least three years.	The history of underlying asset classes is well over three years. See Appendix C.
<b>2. Stability of the organization</b>	
The average tenure of the portfolio management team for each underlying asset class investment strategy should be at least two years.	Tenure of management of each underlying asset class investment strategy exceeds the threshold. See Appendix B.
<b>3. Assets in the product</b>	
The average underlying asset class investment strategy should have at least \$75 million under management (can include assets in other funds with the same strategy).	The assets under management of the <i>Investment</i> and each underlying asset class exceed the threshold.
<b>4. Holdings consistent with style</b>	
a) The allocation to equities is evaluated against the peer group – highest allocation to least - the screening threshold being set at the bottom quartile;	The equity allocations of the <i>Investments</i> vary considerably based on tactical allocations in response to market conditions. The maximum equity allocation for each fund is within the norm for comparable funds. The minimums are considerably below the norm, permitting temporary changes for asset preservation. Equity allocations are reduced from the maximum by an allocation to cash.



C. REASONABLENESS INVESTMENT ANALYSIS									
DALBAR INVESTMENT CRITERIA	OBSERVATIONS								
b) The allocation to fixed income is evaluated against the peer group – highest allocation to least - the screening threshold being set at the bottom quartile.	The fixed income allocations of the <i>Investments</i> are within the norm for similarly named funds.								
<b>5. Correlation to style or peer group</b>									
The number of asset classes that make up the QDIA are evaluated against the peer group - most asset classes to least - the screening threshold being set at the peer group median.	The underlying funds of the <i>BCM DynamicBelay Funds</i> are diversified with respect to asset classes.								
<b>6. Expense ratios/fees</b>									
a) The wrapper expense is evaluated against the peer group – cheapest to most expensive - the screening threshold being set at the bottom quartile.	The wrapper expense is expected to be 0.81% - 0.82% that is within the typical cost of managers in diverse markets for similar asset classes. See Appendix E.								
b) The average expense ratio of each underlying asset class investment strategy is evaluated against the peer group - cheapest to most expensive - the screening threshold being set at the bottom quartile.	Underlying investments have reasonable expenses that are reflective of usual practices. See Appendix D.								
<b>7. Performance relative to assumed risk</b>									
This analysis evaluates historical performance within the context of overall risk. It examines the number of positive and negative annual returns, the average of the positive and negative annual returns, and the best and worst annual returns, for a minimum of three years (max: 10 years).	Over the ten calendar years ended 12/31/15, the underlying investments had the following percentage returns:  <table border="0"> <tr> <td>Positive years</td> <td>+11.5%</td> </tr> <tr> <td>Negative years</td> <td>-7.1%</td> </tr> <tr> <td>Best year</td> <td>+19.2%</td> </tr> <tr> <td>Worst Year</td> <td>-11.8%</td> </tr> </table>	Positive years	+11.5%	Negative years	-7.1%	Best year	+19.2%	Worst Year	-11.8%
Positive years	+11.5%								
Negative years	-7.1%								
Best year	+19.2%								
Worst Year	-11.8%								
<b>8. Performance relative to a peer group</b>									
The average 1-, 3-, and 5-year performance of each asset class investment strategy is evaluated against the peer group's median.	No performance information is available.								

## Appendices

- A. Asset Allocators
- B. Portfolio Managers –Underlying Investments
- C. Risk/Return Analysis
  - Underlying Investments
- D. Performance Analysis
  - Investments
- E. Expense Analysis
  - 1. Investment
  - 2. Underlying Investments

**A. Asset Allocators**

INVESTMENT	ALLOCATOR	TOTAL YEARS EXPERIENCE	YEARS WITH FIRM
<i>BCM DynamicBelay Funds</i>	David Haviland	20	15
	Thomas Cahill	20	16

**B. Portfolio Managers –Underlying Investments**

UNDERLYING INVESTMENT	PORTFOLIO MANAGER	TOTAL YEARS' EXPERIENCE	YEARS WITH FUND
BCM U.S. Sector Rotation	David Haviland	20	15
	Thomas Cahill	20	16
BCM Income	David Haviland	20	15
	Thomas Cahill	20	16

## C. Risk/Return Analysis

### Underlying Investments

#### → Risk/Returns Analysis

UNDERLYING INVESTMENT	No. YEARS	UP YEARS	DOWN YEARS	AVG. % UP YEARS	AVG. % DOWN YEARS	BEST YEAR %	WORST YEAR %
Consumer Discretionary Select Sector SPDR	10	8	2	21.5%	-23.3%	42.7%	-33.0%
iShares MSCI ACWI	7	5	2	17.6%	-7.3%	32.4%	-7.8%
iShares Core US Aggregate Bond	10	9	1	5.1%	-2.0%	7.9%	-2.0%
iShares Core S&P Small-Cap	10	7	3	18.8%	-12.6%	41.3%	-31.5%
iShares 1-3 Year Treasury Bond	10	10		2.4%		7.4%	
SPDR DoubleLine Total Return Tactical	0						
Fidelity MSCI Consumer Staples Sector ETF	2	1	1	15.8%	-1.4%	15.8%	-1.4%
iShares Intermediate Government/Credit Bond	8	7	1	4.1%	-0.9%	8.2%	-0.9%
iShares MBS	8	7	1	4.8%	-1.9%	7.7%	-1.9%
iShares Core 1-5 Year USD Bond	3	3		1.0%		1.2%	
SPDR Barclays Convertible Securities	6	4	2	14.5%	-5.4%	20.5%	-7.7%
Vanguard FTSE All-World ex-US Small Cap	6	3	3	21.0%	-9.4%	25.6%	-19.6%
<b>Summary</b>		80%	20%	11.5%	-7.1%	19.2%	-11.8%

## D. Performance Analysis

### Investment

→ (No performance history available)

## E. Expense Analysis

### 1. Investment

→ Fees and Expenses vs. Peer Group at 12/31/2015

Note: Items in **BOLD** indicate at or lower than average peer group expenses.

Investment (Share Class)	12b-1 Fee	Front Load	Deferred Load	Expense Ratio*
<b>BCM DynamicBelay Funds</b>				
BCM DynamicBelay 2020				<b>0.82</b>
Peer Group (A)	0.24	5.35	-	0.95
BCM DynamicBelay 2030				<b>0.82</b>
Peer Group (A)	0.23	5.35	-	0.99
BCM DynamicBelay 2040				<b>0.82</b>
Peer Group (A)	0.23	5.35	-	1.01
BCM DynamicBelay 2050				<b>0.81</b>
Peer Group (A)	0.23	5.43	-	1.03
BCM DynamicBelay 2060				<b>0.81</b>
Peer Group (A)	0.22	5.51	-	0.99

## 2. Underlying Investments

### → Fees and Expenses at 12/31/2015

Investment	12b-1 Fee	Front Load	Deferred Load	Expense Ratio*
<b>BCM DynamicBelay Funds</b>				
Consumer Discretionary Select Sector SPDR				0.14%
iShares MSCI ACWI				0.33%
iShares Core US Aggregate Bond				0.09%
iShares Core S&P Small-Cap				0.12%
iShares 1-3 Year Treasury Bond				0.15%
SPDR DoubleLine Total Return Tactical				0.65%
Fidelity MSCI Consumer Staples Sector ETF				0.12%
iShares Intermediate Government/Credit Bond				0.20%
iShares MBS				0.29%
iShares Core 1-5 Year USD Bond				0.12%
SPDR Barclays Convertible Securities				0.40%
Vanguard FTSE All-World ex-US Small Cap				0.19%



303 Congress Street  
Boston, MA 02210  
617.723.6400  
[www.dalbar.com](http://www.dalbar.com)