



## West Virginia College Prepaid Tuition and Savings Program

A Program of the State of West Virginia

### QUARTERLY STATUS REPORT PERIOD ENDING SEPTEMBER 30, 2014

As authorized by §18-30 of the West Virginia Code, the State Treasurer administers all the programs of the nine-member Board of Trustees of the West Virginia College Prepaid Tuition and Savings Program (the Program). In March 2003, the West Virginia Legislature created the Prepaid Tuition Trust Escrow Account, to guarantee payment of Prepaid Tuition Plan contracts, and suspended further enrollments in the Plan. The Program uses the *SMART529* brand name for all college savings products. The Program Manager is The Hartford Life Insurance Company (The Hartford).

#### **Board Members**

##### **Ex Officio Members:**

- WV State Treasurer - Chairman, John D. Perdue
- WV Higher Education Policy Commission - Colleges & Universities, Brian Weingart
- Secretary of Department of Education and the Arts, Kay Goodwin
- WV Higher Education Policy Commission - Community and Technical Colleges, Dr. Jo Harris

##### **Appointed Members:**

- Interests of private institutions of higher education – Terri Underhill
- Private Citizen (2) – Robert Galloway and Phyllis Arnold
- General Public (2) – Jamie Dickenson and Chuck Smith



Office of West Virginia State Treasurer, John D. Perdue

Information contained herein is provided by The Hartford, the West Virginia Investment Management Board, Intuition Systems and WVFIMS and has not been audited by an independent certified public accounting firm.

# West Virginia College Prepaid Tuition and Savings Program

## Quarterly Status Report Ending September 30, 2014



SMART529 is issued by the West Virginia College Prepaid Tuition and Savings Program Board of Trustees and is administered by Hartford Life Insurance Company.

Per W. Va. Code §18-30-10 the West Virginia College Prepaid Tuition and Savings Program is herewith submitting a quarterly report on the status of the program, including the trust funds and the administrative account, to the West Virginia Legislative Librarian in compliance with S.B. 477 which amended W. Va. Code §4-1-23.

### **Saving Plan Trust Fund**

During the quarter, the SMART529 Savings Plan added 1,545 new accounts, and received \$45,435,246 in contributions. At the end of the quarter, SMART529 WV Direct had a total investment of \$176,167,976. The Select plan's assets totaled \$423,898,047 and The Hartford SMART529 plan had \$1,560,937,826 assets under management, for a grand total of \$2,161,003,849 SMART529 Savings Plan assets.

Of 120,200 accounts nationwide, 27,845 are West Virginia resident accounts with a value of \$387,191,559.

### **Prepaid Tuition Trust Fund**

The West Virginia Prepaid Tuition Plan was designed to provide West Virginia families with a convenient method of prepaying for future tuition costs by purchasing prepaid tuition units. On March 8, 2003, the West Virginia Legislature enacted House Bill 2953, which continued the Prepaid Tuition Plan, but closed it to new enrollments.

The West Virginia Prepaid Tuition Plan ended this period with 4,586 active accounts with assets valued at \$72,986,812. During the quarter, there were \$3,754,112 in qualified tuition benefit distributions, and contract installment payments of \$62,392 were received. Prepaid Tuition Trust Fund investments lost \$448,595 during the quarter.

### **Prepaid Tuition Trust Fund Escrow Account**

HB2953 also created the Prepaid Tuition Trust Escrow Account "to guarantee payment of Prepaid Tuition Plan Contracts." The Escrow Account will receive transfers of up to one million dollars from the Unclaimed Property Trust Fund each year there is an actuarially determined unfunded liability in the Prepaid Tuition Trust Fund.

|                                   | Quarter Ended<br>June 30, 2014 | Quarter Ended<br>September 30, 2014 | Fiscal Year to Date |
|-----------------------------------|--------------------------------|-------------------------------------|---------------------|
| Market Value                      | \$17,422,032                   | \$17,441,290                        | \$17,441,290        |
| Change from previous quarter/year | \$68,179                       | \$19,258                            | \$19,258            |

## Administrative Account

The Administrative Account established in the State Treasurer’s Office is used for the purpose of implementing, operating, and maintaining the Trust Funds and the Program. It may receive funds from a variety of sources including fees, charges, and penalties collected by the Board.

|   |                  |
|---|------------------|
| Beginning balance   | \$1,734,239      |
| Administrative charges to the Prepaid Tuition Trust Fund    | -                |
| Receipts from Savings Plan Trust (WV Administrative Charge) | 334,124          |
| Disbursements to pay expenses                               | <u>(218,010)</u> |
| Ending Balance  | \$1,850,353      |

## Community Outreach

During the quarter Treasury employees staffed SMART529 College Savings and Financial Education informational booths at the following events:

- Morgantown Kid’s Day
- WV Hot Dog Festival, Huntington
- Dunbar Back to School Bash, Dunbar
- Montgomery General Health and Safety Fair, Montgomery
- St. Albans Back to School Bash, St. Albans
- Putnam County Back to School Bash, Eleanor
- WV State Fair, Fairlea
- WIGU Essay Contest Grand Prize Announcement, Charleston
- Be A Financial Super Hero/United Way event, Huntington
- Dunbar Fall Festival, Dunbar
- KISRA Strengthening Families Conference, Charleston

The Treasurer’s Office, The Hartford and The Manahan Group held the *When I Grow Up* awards ceremony on September 18, 2014 at the West Virginia Culture Center in Charleston. Media coverage included live shots with winners in various locations; television stations provided newsfeed via satellite truck; and, newspaper articles covered the event throughout the state. The \$5,000 scholarship grand prize winner was Brynne Hartung from Frankfort Intermediate in Mineral County. The winning teacher of \$2,500 cash was Julia Reynolds from Shady Spring Elementary in Raleigh County. In addition, fourteen regional winners were awarded \$500 for their SMART529 accounts.

# Operating Report

## For the Quarter Ending September 30, 2014

| Cash & Investments                |                  | Rates of Return  |         |
|-----------------------------------|------------------|--|---------|
| <b>Prepaid Tuition Trust Fund</b> | \$ 72,986,812    | <b>Prepaid Tuition Trust Fund</b>  |         |
|                                   |                  | Ending Quarter   | (0.58%) |
| <b>Savings Plan Trust Fund</b>    | \$ 2,161,003,849 | FY2015 To Date   | (0.58%) |
|                                   |                  | Annualized since investing July 1999   | 6.81%   |
| <b>Administrative Account</b>     | \$ 1,850,353     | Note: See Quarterly Investment Performance Review for detail. Rates are not annualized unless otherwise noted. |         |

| Program Operating Activities         |                            |                         |                        |
|--------------------------------------|----------------------------|-------------------------|------------------------|
|                                      | Prepaid Tuition Trust Fund | Savings Plan Trust Fund | Administrative Account |
| Receipts                             | \$ 62,392                  | \$ 45,435,246           | \$ -                   |
| Investment earnings (loss)           | (448,595)                  | (46,525,603)            | -                      |
| Legislative appropriations           | -                          | -                       | 8,250                  |
| Treasurer's subsidy                  | -                          | -                       | -                      |
| Savings Plan admin. fees             | -                          | -                       | 334,124                |
| <b>Total Receipts</b>                | <b>(386,203)</b>           | <b>(1,090,357)</b>      | <b>342,374</b>         |
| Expenses/Fees                        | -                          | (6,359,324)             | (226,260)              |
| Cancellations/Rollovers              | (898,198)                  | (8,130,075)             | -                      |
| Regular distributions                | (3,754,112)                | (53,946,784)            | -                      |
| <b>Total Disbursements</b>           | <b>(4,652,310)</b>         | <b>(68,436,183)</b>     | <b>(226,260)</b>       |
| Net change                           | (5,038,513)                | (69,526,540)            | 116,114                |
| Beginning cash & investments         | 78,025,325                 | 2,230,530,390           | 1,734,239              |
| <b>Ending cash &amp; investments</b> | <b>\$ 72,986,812</b>       | <b>\$ 2,161,003,849</b> | <b>\$ 1,850,353</b>    |

Note: Quarterly Report is based upon unaudited numbers and may *reflect rounding*.

## Budget-to-Actual Fiscal Year 2015

|   |                                     | YTD<br>DISBURSEMENT | BUDGET              | OVER (UNDER)<br>BUDGET | % OF<br>BUDGET<br>SPENT<br>(YTD) |
|---|-------------------------------------|---------------------|---------------------|------------------------|----------------------------------|
| <b>Payroll &amp; Benefits</b>           | Payroll and Benefits                | \$ 113,028          | \$ 564,556          | \$ (451,528)           | 20.0%                            |
|   | Annual Increment                    | 5,700               | 6,760               | (1,060)                | 84.3%                            |
|   | PEIA/Personnel Fees                 | 300                 | 400                 | (100)                  | 75.0%                            |
|   | Social Security Matching            | 8,721               | 43,706              | (34,985)               | 20.0%                            |
|   | PEIA                                | 6,882               | 66,587              | (59,705)               | 10.3%                            |
|   | Workers' Comp                       | 274                 | 4,090               | (3,816)                | 6.7%                             |
|   | Pension & Retirement                | 13,355              | 67,384              | (54,029)               | 19.8%                            |
|   | WV OPEB                             | 3,406               | 15,744              | (12,338)               | 21.6%                            |
|   | OPEB Contribution                   | 309                 | -                   | 309                    | *                                |
|   | <b>PAYROLL &amp; BENEFITS TOTAL</b> |                     | <b>151,975</b>      | <b>769,227</b>         | <b>(617,252)</b>                 |
| <b>Unclassified</b>                     | Energy Expense - Utilities          | 1                   | -                   | 1                      | *                                |
|   | Miscellaneous                       | -                   | 5,350               | (5,350)                | 0.0%                             |
|   | Postage                             | -                   | 3,000               | (3,000)                | 0.0%                             |
|   | 1% PEIA Transfer                    | -                   | 5,650               | (5,650)                | 0.0%                             |
|   | Utilities                           | 1                   | -                   | 1                      | *                                |
| <b>UNCLASSIFIED TOTAL</b>               |                                     | <b>2</b>            | <b>14,000</b>       | <b>(13,998)</b>        | <b>0.0%</b>                      |
| <b>Current Expenses</b>                 | Office Expenses                     | 400                 | 6,000               | (5,601)                | 6.7%                             |
|   | Printing & Binding                  | 182                 | -                   | 182                    | *                                |
|   | Rent                                | 1,676               | 10,000              | (8,324)                | 16.8%                            |
|   | Telecommunications                  | 85                  | 2,000               | (1,915)                | 4.3%                             |
|   | Internet Service                    | 80                  | -                   | 80                     | *                                |
|   | Contractual                         | 6,114               | 390,000             | (383,886)              | 1.6%                             |
|   | Consultants & Consulting Fees       | 38,653              | -                   | 38,653                 | *                                |
|   | Travel - Employee                   | 2,128               | 19,000              | (16,872)               | 11.2%                            |
|   | In state mileage                    | 95                  | -                   | 95                     | *                                |
|   | In state misc                       | 20                  | -                   | 20                     | *                                |
|   | Out of state car rental             | 137                 | -                   | 137                    | *                                |
|   | Out of state meals                  | 234                 | -                   | 234                    | *                                |
|   | Travel - Non-Employee               | -                   | 11,000              | (11,000)               | 0.0%                             |
|   | Computer Services Internal          | 44                  | -                   | 44                     | *                                |
|   | Computer Services External          | -                   | 5,000               | (5,000)                | 0.0%                             |
|   | Rental (machine)                    | -                   | 1,000               | (1,000)                | 0.0%                             |
|   | Association Dues                    | -                   | 4,785               | (4,785)                | 0.0%                             |
|   | Food products                       | 15                  | 500                 | (485)                  | 3.0%                             |
|   | Bottled Water                       | 53                  | -                   | 53                     | *                                |
|   | Advertising & Promotional           | 9,943               | 8,000               | 1,943                  | 124.3%                           |
|   | Routine Maint. Contracts            | 513                 | 8,000               | (7,487)                | 6.4%                             |
|   | Computer Maintenance                | -                   | -                   | -                      | *                                |
|   | Cellular                            | -                   | 500                 | (500)                  | 0.0%                             |
|   | Miscellaneous Wireless Service      | 120                 | -                   | 120                    | *                                |
|   | Hospitality                         | 525                 | 3,000               | (2,475)                | 17.5%                            |
|   | Training & Dev'p (in state)         | -                   | 5,000               | (5,000)                | 0.0%                             |
|   | Registration Fees                   | 25                  | -                   | 25                     | *                                |
|   | Training & Dev'p (out of state)     | -                   | 7,000               | (7,000)                | 0.0%                             |
|   | Postal                              | 220                 | 5,000               | (4,780)                | 4.4%                             |
|   | Freight                             | 7                   | -                   | 7                      | *                                |
|   | Computer Supplies                   | 4,584               | 8,000               | (3,416)                | 57.3%                            |
|   | Software License                    | 174                 | 15,000              | (14,826)               | 1.2%                             |
|   | Computer Equipment                  | -                   | 20,000              | (20,000)               | 0.0%                             |
| Attorney Legal Service payments         | 7                                   | -                   | 7                   | *                      |                                  |
| Grants                                  | -                                   | 96,619              | (96,619)            | 0.0%                   |                                  |
| <b>CURRENT EXPENSES TOTAL</b>           |                                     | <b>66,033</b>       | <b>625,404</b>      | <b>(559,371)</b>       | <b>10.6%</b>                     |
| <b>General Rev. Appropriation</b>       | Consultants & Consulting Fees       | 8,250               | 73,207              | (64,957)               | 11.3%                            |
| <b>GENERAL REV. APPROPRIATION TOTAL</b> |                                     | <b>8,250</b>        | <b>73,207</b>       | <b>(64,957)</b>        | <b>11.3%</b>                     |
| <b>GRAND TOTAL</b>                      |                                     | <b>\$ 226,260</b>   | <b>\$ 1,481,838</b> | <b>\$ (1,255,578)</b>  | <b>15.3%</b>                     |

\* No amount budgeted for this line item

## Program Active Accounts - Summary

| Activity          | Prepaid Tuition Plan |              |      | Savings Plan   |                |          |
|-------------------|----------------------|--------------|------|----------------|----------------|----------|
|                   | Last Quarter         | This Quarter | FYTD | Last Quarter   | This Quarter   | ITD      |
| <b>Beginning</b>  | 4,740                | 4,708        |      | 119,716        | <b>120,278</b> |          |
| New/Redefined     | -                    | -            | -    | 1,735          | 1,545          | 166,874  |
| Full Distribution | (13)                 | (59)         | (59) | (537)          | (763)          | (17,573) |
| Cancelled         | (19)                 | (63)         | (63) | (212)          | (269)          | (13,359) |
| Internal Rollover | -                    | -            | -    | -              | -              |          |
| External Rollover | -                    | -            | -    | (424)          | (591)          | (13,769) |
| <b>Ending</b>     | <b>4,708</b>         | <b>4,586</b> |      | <b>120,278</b> | <b>120,200</b> |          |

## Prepaid Tuition Plan – Account Status Detail

| Status                                  | Last Quarter | This Quarter |
|---|--------------|--------------|
| Mature, not in payout                   | 1,021        | 681          |
| Mature, payout in process               | 1,853        | 2,082        |
| Not mature yet                          | 1,834        | 1,823        |
| <b>Active Accounts Sub-Total</b>        | <b>4,708</b> | <b>4,586</b> |
| Depleted                                | 2,731        | 2,788        |
| Cancelled / rolled over                 | 2,298        | 2,363        |
| <b>Closed Accounts Sub-Total</b>        | <b>5,029</b> | <b>5,151</b> |
| <b>Total Accounts (since inception)</b> | <b>9,737</b> | <b>9,737</b> |

## Savings Plan Detail

| <b>Quarterly Numbers Summary – Management Basis</b> |                     |                     |                            |                        |
|---|---------------------|---------------------|----------------------------|------------------------|
| <b>Activity</b>                                     | <b>Last Quarter</b> | <b>This Quarter</b> | <b>FY 2015<br/>To Date</b> | <b>Since Inception</b> |
| <b>Beginning Active Accounts</b>                    | 119,716             | 120,278             | 120,200                    |                        |
| New accounts  | 1,735               | 1,545               | 1,545                      | 166,874                |
| Closed  | (1,173)             | (1,623)             | (1,623)                    | (46,674)               |
| <b>Ending Active Accounts</b>                       | <b>120,278</b>      | <b>120,200</b>      | <b>120,200</b>             |                        |

|                                   |                         |                         |                         |                    |
|-----------------------------------|-------------------------|-------------------------|-------------------------|--------------------|
| <b>Beginning Balance</b>          | \$ 2,135,252,881        | \$ 2,230,530,390        | \$ 2,230,530,390        |                    |
| <b>Contributions</b>              | 49,035,022              | 45,435,246              | 45,435,246              | \$ 2,326,962,911   |
| <b>Distributions:</b>             |                         |                         |                         |                    |
| Cancellations/Rollovers           | 11,914,215              | 8,130,075               | 8,130,075               |                    |
| Regular Distributions             | 16,718,518              | 53,946,784              | 53,946,784              |                    |
| <b>Total Distributions</b>        | <b>28,632,733</b>       | <b>62,076,859</b>       | <b>62,076,859</b>       | <b>856,658,167</b> |
| <b>Fees &amp; Charges:</b>        |                         |                         |                         |                    |
| Up-Front Sales Charge             | 657,915                 | 638,352                 | 638,352                 | 40,109,946         |
| Deferred Sales Charge             | 12,494                  | 31,641                  | 31,641                  | 1,251,569          |
| Broker Distribution Charge        | 1,521,512               | 1,544,027               | 1,544,027               | 45,537,205         |
| Annual Maintenance Fee            | 21,405                  | 25,075                  | 25,075                  | 9,936,926          |
| Investment Mgmt Charges           | 2,448,293               | 2,494,118               | 2,494,118               | 67,860,893         |
| Hartford Administrative Fee       | 1,227,939               | 1,265,250               | 1,265,250               | 28,261,744         |
| WV Administrative Fee             | 324,957                 | 333,021                 | 333,021                 | 9,184,032          |
| Cancellation Fee                  | 21,600                  | 27,840                  | 27,840                  | 1,038,366          |
| <b>Total Fees &amp; Charges</b>   | <b>6,236,115</b>        | <b>6,359,324</b>        | <b>6,359,324</b>        | <b>203,180,681</b> |
| <b>Change in Investment Value</b> | \$ 81,111,334           | \$ (46,525,603)         | \$ (46,525,603)         | \$ 953,863,089     |
| <b>Ending Balance</b>             | <b>\$ 2,230,530,390</b> | <b>\$ 2,161,003,849</b> | <b>\$ 2,161,003,849</b> |                    |

*Totals may reflect rounding differences*

## Savings Trust Assets by Investment Plan & Option

|                             | The Hartford<br>SMART529 | SMART529 WV<br>Direct | SMART529<br>Select    | Totals                  |
|-----------------------------|--------------------------|-----------------------|-----------------------|-------------------------|
| <b>Age-Based Portfolios</b> |                          |                       |                       |                         |
| 0-8                         | \$ 154,881,164           | \$ 24,597,338         | \$ -                  | \$ 179,478,502          |
| 9-13                        | 299,359,634              | 32,159,292            | -                     | 331,518,926             |
| 14-15                       | 126,442,898              | 12,043,624            | -                     | 138,486,522             |
| 16-17                       | 120,257,406              | 11,892,847            | -                     | 132,150,253             |
| 18+                         | 128,657,770              | 15,266,176            | -                     | 143,923,946             |
| DFA 0-3                     | -                        | -                     | 15,123,427            | 15,123,427              |
| DFA 4-6                     | -                        | -                     | 32,099,690            | 32,099,690              |
| DFA 7-9                     | -                        | -                     | 48,260,303            | 48,260,303              |
| DFA 10-12                   | -                        | -                     | 45,194,784            | 45,194,784              |
| DFA 13-15                   | -                        | -                     | 40,855,250            | 40,855,250              |
| DFA 16-18                   | -                        | -                     | 33,201,291            | 33,201,291              |
| DFA 19+                     | -                        | -                     | 13,944,195            | 13,944,195              |
| <b>TOTAL</b>                | <b>\$ 829,598,871</b>    | <b>\$95,959,277</b>   | <b>\$ 228,678,942</b> | <b>\$ 1,154,237,090</b> |
| <b>Static Portfolios</b>    |                          |                       |                       |                         |
| Static Agg Growth           | \$ 70,908,783            | \$ 25,451,467         | \$ -                  | \$ 96,360,250           |
| Static Growth               | 97,839,021               | 16,842,052            | -                     | 114,681,073             |
| Static Balanced             | 60,085,374               | 11,261,988            | -                     | 71,347,362              |
| Static Cnsv Balanced        | 7,256,913                | 3,290,992             | -                     | 10,547,905              |
| Static Cnsv Bond            | -                        | 2,724,819             | -                     | 2,724,819               |
| Static Checks & Bal         | 35,596,451               | -                     | -                     | 35,596,451              |
| All Equity DFA              | -                        | -                     | 80,974,487            |                         |
| Agg Growth DFA              | -                        | -                     | 26,665,802            |                         |
| Moderate Agg DFA            | -                        | -                     | 10,116,368            |                         |
| Growth DFA                  | -                        | -                     | 25,540,434            |                         |
| Moderate Grw DFA            | -                        | -                     | 14,550,561            |                         |
| Balanced DFA                | -                        | -                     | 9,672,187             |                         |
| Conservative DFA            | -                        | -                     | 5,854,583             |                         |
| Moderate Cnsv DFA           | -                        | -                     | 4,705,372             |                         |
| Fixed Income DFA            | -                        | -                     | 11,831,141            |                         |
| 1-Year Fixed DFA            | -                        | -                     | 5,308,171             |                         |
| <b>TOTAL</b>                | <b>\$ 271,686,543</b>    | <b>\$ 59,571,318</b>  | <b>\$ 195,219,105</b> | <b>\$ 526,476,966</b>   |

Chart continued on next page.



## Savings Trust Assets by Investment Plan & Option - Continued

|                                    | The Hartford<br>SMART529 | SMART529<br>WV Direct | SMART529<br>Select   | Totals                 |
|------------------------------------|--------------------------|-----------------------|----------------------|------------------------|
| <b>Individual 529 Funds</b>        |                          |                       |                      |                        |
| Hartford Balanced Income           | \$ 10,610,333            | \$ -                  | \$ -                 | \$ 10,610,333          |
| Hartford Capital Appreciation      | 126,512,109              |                       |                      | 126,512,109            |
| Hartford Dividend & Growth         | 82,584,582               | -                     | -                    | 82,584,582             |
| Hartford Equity Income             | 28,180,452               | -                     | -                    | 28,180,452             |
| Hartford Global All Asset          | 1,753,277                | -                     | -                    | 1,753,277              |
| Hartford Growth Opportunities Fund | 10,135,923               | -                     | -                    | 10,135,923             |
| Hartford High Yield                | 8,259,477                | -                     | -                    | 8,259,477              |
| Hartford Inflation Plus            | 8,062,002                | -                     | -                    | 8,062,002              |
| Hartford Intl Opportunities Fund   | 12,990,417               | -                     | -                    | 12,990,417             |
| Hartford MidCap                    | 57,922,960               | -                     | -                    | 57,922,960             |
| Hartford MidCap Value              | 10,668,043               | -                     | -                    | 10,668,043             |
| Hartford Small Company Fund        | 7,397,950                | -                     | -                    | 7,397,950              |
| Hartford Total Return Bond         | 21,391,406               | -                     | -                    | 21,391,406             |
| MFS Global Equity Fund             | 14,354,115               | -                     | -                    | 14,354,115             |
| SMART529 500 Index Fund            | -                        | 8,708,140             | -                    | 8,708,140              |
| <b>TOTALS</b>                      | <b>\$ 400,823,048</b>    | <b>\$ 8,708,140</b>   | <b>\$ -</b>          | <b>\$ 409,531,188</b>  |
| <b>Stable Value Funds</b>          |                          |                       |                      |                        |
| SMART529 Stable Value              | \$ 58,829,365            | \$ 11,929,241         |                      |                        |
| <b>TOTALS</b>                      | <b>\$ 58,829,365</b>     | <b>\$ 11,929,241</b>  |                      | <b>\$ 70,758,605</b>   |
| <b>GRAND TOTALS</b>                | <b>\$ 1,560,937,826</b>  | <b>\$176,167,976</b>  | <b>\$423,898,047</b> | <b>\$2,161,003,849</b> |

*Totals may reflect rounding differences*

## Savings Trust Assets by Share Class

| Share Class  | The Hartford<br>SMART529 | SMART529<br>WV Direct | SMART529<br>Select    | % of<br>Assets |
|--------------|--------------------------|-----------------------|-----------------------|----------------|
| A Shares     | \$ 1,098,541,031         | \$ -                  | \$ -                  | 51%            |
| B Shares     | \$ 110,380,528           | -                     | -                     | 5%             |
| C Shares     | \$ 237,186,004           | -                     | -                     | 11%            |
| D Shares     |                          | \$ 176,167,976        | \$ 423,898,047        | 28%            |
| E Shares     | \$ 114,830,263           | -                     | -                     | 5%             |
| <b>Total</b> | <b>\$ 1,560,937,826</b>  | <b>\$ 176,167,976</b> | <b>\$ 423,898,047</b> | <b>100%</b>    |

## Contributions & Accounts by Channel

| Channel      | Total Contributions  |                         | New Accounts |                      |
|--------------|----------------------|-------------------------|--------------|----------------------|
|              | Quarter              | Inception<br>To Date    | Quarter      | Inception<br>To Date |
| Advisor      | \$ 29,749,637        | \$ 1,752,457,044        | 1,058        | 138,984              |
| Direct       | 15,685,610           | 574,505,867             | 487          | 27,890               |
| <b>Total</b> | <b>\$ 45,435,246</b> | <b>\$ 2,326,962,911</b> | <b>1,545</b> | <b>166,874</b>       |

## New Account Activity By Channel WV Owner or Beneficiary

| Quarter        | Contributions by Channel |           |            | Accounts by Channel |        |       |
|----------------|--------------------------|-----------|------------|---------------------|--------|-------|
|                | Advisor                  | Direct    | Total      | Advisor             | Direct | Total |
| 2012 June      | 4,016,449                | 3,818,192 | 7,834,640  | 357                 | 270    | 627   |
| 2012 September | 4,102,838                | 4,204,828 | 8,307,666  | 296                 | 261    | 557   |
| 2012 December  | 7,665,536                | 7,813,749 | 15,479,285 | 387                 | 432    | 819   |
| 2013 March     | 5,208,674                | 6,147,424 | 11,356,098 | 392                 | 540    | 932   |
| 2013 June      | 4,360,902                | 4,560,425 | 8,921,327  | 329                 | 317    | 646   |
| 2013 Sept      | 4,273,518                | 4,809,588 | 9,083,106  | 283                 | 314    | 597   |
| 2013 Dec       | 7,803,644                | 8,884,506 | 16,688,150 | 455                 | 424    | 879   |
| 2014 Mar       | 5,338,667                | 7,029,195 | 12,367,862 | 344                 | 588    | 932   |
| 2014 June      | 4,878,691                | 5,602,281 | 10,480,971 | 395                 | 324    | 719   |
| 2014 Sept      | 5,318,829                | 5,847,158 | 11,165,987 | 396                 | 366    | 762   |

## Top 10 Investing Firms – West Virginia

WV Owner or Beneficiary

| Firm<br>Ordered by "New Accounts" for quarter | Quarter       |              | Since Inception     |          |
|---|---------------|--------------|---------------------|----------|
|   | Investment \$ | New Accounts | Total Investment \$ | Accounts |
| Edward Jones                                  | 795,238       | 74           | 27,077,328          | 3,704    |
| Morgan Stanley Smith Barney LLC               | 742,086       | 33           | 9,388,554           | 695      |
| BB&T Investment Services Inc                  | 596,004       | 25           | 31,205,492          | 2,969    |
| First Clearing Corporation                    | 357,772       | 18           | 20,813,977          | 1,640    |
| United Brokerage Services Inc                 | 306,609       | 18           | 10,641,703          | 975      |
| J.P. Morgan Securities                        | 235,591       | 13           | 8,186,931           | 1,047    |
| Northwestern Mutual Investment                | 220,524       | 13           | 3,898,643           | 364      |
| Lpl Financial Corporation                     | 141,219       | 11           | 4,815,077           | 673      |
| Huntington Investment Co                      | 160,520       | 8            | 7,390,506           | 755      |
| H D Vest Investments Securities Inc           | 110,951       | 8            | 5,119,304           | 215      |

## Top 10 Investing Firms – Nationwide

| Firm<br>Ordered by "New Accounts" for quarter | Quarter       |              | Since Inception     |          |
|---|---------------|--------------|---------------------|----------|
|   | Investment \$ | New Accounts | Total Investment \$ | Accounts |
| Edward Jones                                  | \$9,972,774   | 701          | \$497,200,364       | 52,036   |
| Lpl Financial Corporation                     | \$2,039,254   | 85           | \$67,761,965        | 6,911    |
| Morgan Stanley Smith Barney LLC               | \$2,153,618   | 77           | \$71,324,100        | 3,079    |
| First Clearing Corporation                    | \$2,084,083   | 56           | \$96,917,996        | 7,701    |
| Raymond James Financial Services              | \$1,769,134   | 60           | \$56,218,996        | 5,300    |
| Woodbury Financial Services                   | \$773,509     | 30           | \$69,993,407        | 7,167    |
| BB&T Investment Services Inc                  | \$682,433     | 30           | \$54,948,339        | 5,563    |
| United Brokerage Services Inc                 | \$334,039     | 19           | \$11,646,734        | 1,059    |
| Cetera Investment Services LLC                | \$173,352     | 14           | \$15,823,925        | 1,647    |
| J.P. Morgan Securities                        | \$318,607     | 13           | \$10,995,419        | 1,443    |

## Top 10 Investing States

| State<br>By residence of account owner | Quarter       |         | Since Inception |         |
|--|---------------|---------|-----------------|---------|
|  | Investment \$ | Percent | Investment \$   | Percent |
| WV                                     | 11,126,698    | 24.49%  | 422,882,294     | 18.11%  |
| <i>Direct-sold</i>                     | 5,847,158     | 52.55%  | 205,303,868     | 48.50%  |
| <i>Broker-sold</i>                     | 5,318,829     | 47.45%  | 217,578,426     | 51.50%  |
| TX                                     | 5,384,141     | 11.85%  | 189,903,135     | 8.13%   |
| CA                                     | 5,299,117     | 11.66%  | 258,703,381     | 11.08%  |
| FL                                     | 1,606,219     | 3.54%   | 86,911,070      | 3.72%   |
| NC                                     | 1,594,017     | 3.51%   | 121,380,316     | 5.20%   |
| PA                                     | 1,561,316     | 3.44%   | 85,705,736      | 3.67%   |
| MI                                     | 1,481,693     | 3.26%   | 52,447,548      | 2.25%   |
| MN                                     | 1,439,296     | 3.17%   | 78,634,165      | 3.37%   |
| MA                                     | 1,323,368     | 2.91%   | 66,287,067      | 2.84%   |
| WA                                     | 1,066,335     | 2.35%   | 56,734,427      | 2.43%   |

## Assets in Underlying Funds by Product Line

| Mutual Fund Name              | The Hartford<br>SMART529 | SMART529 Select       | Total                   | Equivalent<br>Shares |
|-------------------------------|--------------------------|-----------------------|-------------------------|----------------------|
|                               | SMART529<br>WV Direct    |                       |                         |                      |
| Hartford Small Cap Growth     | \$ 27,054,331            |                       | \$ 27,054,331           | 558,512.200          |
| Hartford Growth Opps          | 10,190,538               |                       | 10,190,538              | 226,355.795          |
| Hartford Small Co             | 7,435,001                |                       | 7,435,001               | 277,321.914          |
| Hartford High Yield           | 8,244,415                |                       | 8,244,415               | 1,086,220.717        |
| Hartford Capital Apprec       | 220,955,278              |                       | 220,955,278             | 4,138,514.294        |
| Hartford MidCap               | 57,951,741               |                       | 57,951,741              | 1,927,868.947        |
| Hartford Total Return Bond    | 33,266,870               |                       | 33,266,870              | 3,083,120.457        |
| Hartford Dividend Growth      | 176,303,683              |                       | 176,303,683             | 6,529,766.028        |
| Hartford International Opps   | 183,279,849              |                       | 183,279,849             | 10,378,247.411       |
| Hartford MidCap Value         | 45,973,842               |                       | 45,973,842              | 2,668,243.857        |
| Hartford Intl Small Company   | 44,625,588               |                       | 44,625,588              | 2,550,033.599        |
| Hartford Balanced Income      | 10,641,764               |                       | 10,641,764              | 779,616.385          |
| Hartford Inflation Plus       | 38,257,170               |                       | 38,257,170              | 3,513,055.073        |
| Hartford Unconstrained Bond   | 15,767,225               |                       | 15,767,225              | 1,579,882.238        |
| Hartford Equity Income        | 103,296,987              |                       | 103,296,987             | 5,477,040.669        |
| Hartford Stragegic            | 52,428,136               |                       | 52,428,136              | 5,704,911.442        |
| Hartford World Bond           | 33,198,130               |                       | 33,198,130              | 3,085,328.093        |
| Hartford Emerging Mark Res    | 38,119,021               |                       | 38,119,021              | 4,188,903.393        |
| Hartford Global All Asset     | 1,753,133                |                       | 1,753,133               | 138,368.817          |
| Hartford Gobal Real Asset     | 79,761,653               |                       | 79,761,653              | 7,774,040.237        |
| Hartford Alternative Strategy | 81,571,366               |                       | 81,571,366              | 8,239,531.935        |
| MFS Global Equity             | 14,455,861               |                       | 14,455,861              | 413,260.759          |
| Vanguard Total Intl Stock     | 29,563,910               |                       | 29,563,910              | 270,162.753          |
| Vanguard Inflation Protected  | 10,271,379               |                       | 10,271,379              | 962,640.967          |
| Vanguard Total Bond Mkt II    | 19,257,557               |                       | 19,257,557              | 1,793,068.630        |
| Vanguard Inst Index           | 8,709,272                |                       | 8,709,272               | 48,170.750           |
| Vanguard Total Stock          | 68,897,006               |                       | 68,897,006              | 1,397,505.191        |
| Stable Value                  | 309,826,464              |                       | 309,826,464             | 20,027,095.963       |
| DFA Inflationary Protection   | -                        | 10,865,216            | 10,865,216              | 932,636.570          |
| DFA International Core Equity | -                        | 80,388,624            | 80,388,624              | 6,519,758.648        |
| DFA US Core Equity 2          | -                        | 180,165,883           | 180,165,883             | 10,641,812.345       |
| DFA Emerging Markets Core     | -                        | 25,943,694            | 25,943,694              | 1,299,133.402        |
| DFA One Year Fixed Income     | -                        | 35,941,175            | 35,941,175              | 3,482,672.013        |
| DFA Five Yr Global Bond       | -                        | 29,705,721            | 29,705,721              | 2,705,439.101        |
| DFA Investment Grade          | -                        | 36,539,115            | 36,539,115              | 3,427,684.306        |
| DFA St Ext Qual               | -                        | 15,494,928            | 15,494,928              | 1,430,741.301        |
| DFA Global Real               | -                        | 8,882,255             | 8,882,255               | 900,837.262          |
| <b>Total Market Value</b>     | <b>\$ 1,731,057,169</b>  | <b>\$ 423,926,612</b> | <b>\$ 2,154,983,781</b> |                      |

|  |                  |
|--|------------------|
| Cash & Investments                         | \$ 2,161,003,849 |
| Assets in Underlying Funds                 | \$ 2,154,983,781 |
| Difference due to market timing/seed money | \$ 6,020,068     |

## West Virginia Resident versus Non West Virginia Resident

|                           | WV                   |             |               |             | Non WV               |             |               |             | Total of All         |                |
|---------------------------|----------------------|-------------|---------------|-------------|----------------------|-------------|---------------|-------------|----------------------|----------------|
|                           | \$                   | %           | #             | %           | \$                   | %           | #             | %           | \$                   | #              |
| <b>Owner Type</b>         |                      |             |               |             |                      |             |               |             |                      |                |
| Regular                   | 382,305,379          | 99%         | 27,495        | 99%         | 1,737,074,979        | 98%         | 90,062        | 98%         | 2,119,380,358        | 117,557        |
| Custodial (UGMA/UTMA)     | 4,886,180            | 1%          | 350           | 1%          | 36,851,231           | 2%          | 2,293         | 2%          | 41,737,411           | 2,643          |
| <b>Total</b>              | <b>387,191,559</b>   | <b>100%</b> | <b>27,845</b> | <b>100%</b> | <b>1,773,926,209</b> | <b>100%</b> | <b>92,355</b> | <b>100%</b> | <b>2,161,117,768</b> | <b>120,200</b> |
| <b>Account Balance</b>    |                      |             |               |             |                      |             |               |             |                      |                |
| \$0-\$500                 | \$692,849            | 0%          | 3,157         | 11%         | \$1,176,782          | 0%          | 4,797         | 5%          | \$1,869,631          | 7,954          |
| \$500-\$1,000             | \$1,547,672          | 0%          | 2,137         | 8%          | \$3,348,550          | 0%          | 4,542         | 5%          | \$4,896,222          | 6,679          |
| \$1,000-\$2,500           | \$6,976,763          | 2%          | 4,232         | 15%         | \$18,822,495         | 1%          | 11,157        | 12%         | \$25,799,258         | 15,389         |
| \$2,500-\$5,000           | \$15,186,055         | 4%          | 4,171         | 15%         | \$44,880,774         | 3%          | 12,230        | 13%         | \$60,066,829         | 16,401         |
| \$5,000-\$10,000          | \$33,936,759         | 9%          | 4,747         | 17%         | \$125,427,463        | 7%          | 17,146        | 19%         | \$159,364,223        | 21,893         |
| \$10,000-\$25,000         | \$82,334,041         | 21%         | 5,283         | 19%         | \$361,179,698        | 20%         | 22,626        | 24%         | \$443,513,739        | 27,909         |
| \$25,000-\$50,000         | \$84,565,489         | 22%         | 2,421         | 9%          | \$378,508,337        | 21%         | 10,852        | 12%         | \$463,073,826        | 13,273         |
| \$50,000-\$100,000        | \$80,766,798         | 21%         | 1,173         | 4%          | \$440,662,918        | 25%         | 6,346         | 7%          | \$521,429,716        | 7,519          |
| \$100,000-\$200,000       | \$57,932,339         | 15%         | 435           | 2%          | \$306,509,315        | 17%         | 2,281         | 2%          | \$364,441,654        | 2,716          |
| \$200,000+                | \$23,252,795         | 6%          | 89            | 0%          | \$93,409,877         | 5%          | 378           | 0%          | \$116,662,672        | 467            |
| <b>Total</b>              | <b>387,191,559</b>   | <b>100%</b> | <b>27,845</b> | <b>100%</b> | <b>1,773,926,209</b> | <b>100%</b> | <b>92,355</b> | <b>100%</b> | <b>2,161,117,768</b> | <b>120,200</b> |
| <b>Age of Beneficiary</b> |                      |             |               |             |                      |             |               |             |                      |                |
| <1                        | \$943,634            | 0%          | 350           | 1%          | \$2,938,814          | 0%          | 616           | 1%          | \$3,882,448          | 966            |
| 1                         | \$3,404,315          | 1%          | 895           | 3%          | \$9,815,554          | 1%          | 1,407         | 2%          | \$13,219,870         | 2,302          |
| 2                         | \$5,739,667          | 1%          | 1,034         | 4%          | \$15,021,616         | 1%          | 1,768         | 2%          | \$20,761,283         | 2,802          |
| 3                         | \$7,186,427          | 2%          | 1,097         | 4%          | \$23,746,984         | 1%          | 2,211         | 2%          | \$30,933,411         | 3,308          |
| 4                         | \$8,314,088          | 2%          | 1,127         | 4%          | \$33,240,026         | 2%          | 2,644         | 3%          | \$41,554,114         | 3,771          |
| 5                         | \$10,393,898         | 3%          | 1,240         | 4%          | \$41,078,635         | 2%          | 2,985         | 3%          | \$51,472,533         | 4,225          |
| 6                         | \$13,344,056         | 3%          | 1,358         | 5%          | \$52,673,352         | 3%          | 3,357         | 4%          | \$66,017,408         | 4,715          |
| 7                         | \$18,025,846         | 5%          | 1,546         | 6%          | \$67,609,128         | 4%          | 4,001         | 4%          | \$85,634,974         | 5,547          |
| 8                         | \$17,774,299         | 5%          | 1,580         | 6%          | \$83,406,807         | 5%          | 4,685         | 5%          | \$101,181,106        | 6,265          |
| 9                         | \$22,772,980         | 6%          | 1,646         | 6%          | \$96,495,351         | 5%          | 5,174         | 6%          | \$119,268,330        | 6,820          |
| 10                        | \$23,258,502         | 6%          | 1,609         | 6%          | \$109,552,408        | 6%          | 5,861         | 6%          | \$132,810,911        | 7,470          |
| 11                        | \$24,844,394         | 6%          | 1,643         | 6%          | \$122,747,355        | 7%          | 6,238         | 7%          | \$147,591,749        | 7,881          |
| 12                        | \$25,220,035         | 7%          | 1,517         | 5%          | \$125,123,920        | 7%          | 6,134         | 7%          | \$150,343,955        | 7,651          |
| 13                        | \$25,790,192         | 7%          | 1,550         | 6%          | \$131,359,760        | 7%          | 5,880         | 6%          | \$157,149,952        | 7,430          |
| 14                        | \$22,728,391         | 6%          | 1,378         | 5%          | \$129,365,473        | 7%          | 5,783         | 6%          | \$152,093,863        | 7,161          |
| 15                        | \$23,958,760         | 6%          | 1,296         | 5%          | \$126,079,933        | 7%          | 5,372         | 6%          | \$150,038,693        | 6,668          |
| 16                        | \$25,346,172         | 7%          | 1,150         | 4%          | \$126,104,715        | 7%          | 5,273         | 6%          | \$151,450,887        | 6,423          |
| 17                        | \$22,307,346         | 6%          | 1,104         | 4%          | \$124,472,255        | 7%          | 4,924         | 5%          | \$146,779,601        | 6,028          |
| 18                        | \$21,468,970         | 6%          | 1,013         | 4%          | \$104,534,503        | 6%          | 4,431         | 5%          | \$126,003,473        | 5,444          |
| 19                        | \$17,184,449         | 4%          | 858           | 3%          | \$73,539,129         | 4%          | 3,538         | 4%          | \$90,723,578         | 4,396          |
| 20                        | \$12,981,873         | 3%          | 729           | 3%          | \$55,618,309         | 3%          | 2,818         | 3%          | \$68,600,182         | 3,547          |
| 21                        | \$9,279,347          | 2%          | 537           | 2%          | \$35,306,313         | 2%          | 2,176         | 2%          | \$44,585,660         | 2,713          |
| 22                        | \$7,463,739          | 2%          | 390           | 1%          | \$22,712,883         | 1%          | 1,485         | 2%          | \$30,176,623         | 1,875          |
| 23+                       | \$17,460,179         | 5%          | 1,198         | 4%          | \$61,382,986         | 3%          | 3,594         | 4%          | \$78,843,165         | 4,792          |
| <b>Total</b>              | <b>\$387,191,559</b> | <b>100%</b> | <b>27,845</b> | <b>100%</b> | <b>1,773,926,209</b> | <b>100%</b> | <b>92,355</b> | <b>100%</b> | <b>2,161,117,768</b> | <b>120,200</b> |

Continued on next page.

| West Virginia Resident versus Non West Virginia Resident cont |                      |             |               |             |                        |             |                |             |                        |                |
|---|----------------------|-------------|---------------|-------------|------------------------|-------------|----------------|-------------|------------------------|----------------|
|   | WV                   |             |               |             | Non WV                 |             |                |             | Total of All           |                |
|   | \$                   | %           | #             | %           | \$                     | %           | #              | %           | \$                     | #              |
| <b>By Product</b>   |                      |             |               |             |                        |             |                |             |                        |                |
| The Hartford  | 192,357,640          | 50%         | 14,837        | 53%         | 1,368,694,106          | 77%         | 81,002         | 88%         | 1,561,051,745          | 95,839         |
| WV Direct   | 165,880,014          | 43%         | 11,655        | 42%         | 10,287,963             | 1%          | 640            | 1%          | 176,167,976            | 12,295         |
| Select  | 28,953,906           | 7%          | 1,353         | 5%          | 394,944,141            | 22%         | 10,713         | 12%         | 423,898,047            | 12,066         |
| <b>Total</b>  | <b>387,191,559</b>   | <b>100%</b> | <b>27,845</b> | <b>100%</b> | <b>1,773,926,209</b>   | <b>100%</b> | <b>92,355</b>  | <b>100%</b> | <b>2,161,117,768</b>   | <b>120,200</b> |
| <b>By Payment Method</b>                                      |                      |             |               |             |                        |             |                |             |                        |                |
| Auto Invest   | \$112,410,696        | 29%         | 9,373         | 34%         | \$414,284,828          | 23%         | 23,812         | 26%         | \$526,695,525          | 33,185         |
| Check   | \$274,780,863        | 71%         | 18,472        | 66%         | \$1,359,641,381        | 77%         | 68,543         | 74%         | \$1,634,422,244        | 87,015         |
| <b>Total</b>  | <b>\$387,191,559</b> | <b>100%</b> | <b>27,845</b> | <b>100%</b> | <b>\$1,773,926,209</b> | <b>100%</b> | <b>92,355</b>  | <b>100%</b> | <b>\$2,161,117,768</b> | <b>120,200</b> |
| <b>By Portfolio*</b>  |                      |             |               |             |                        |             |                |             |                        |                |
| Age Based Portfolio   | \$223,055,960        | 58%         | 20,553        | 61%         | \$931,289,084          | 52%         | 60,221         | 54%         | \$1,154,345,044        | 80,774         |
| Individual Funds  | \$54,014,469         | 14%         | 4,680         | 14%         | \$394,556,433          | 22%         | 24,106         | 22%         | \$448,570,902          | 28,786         |
| Static Portfolio  | \$110,123,073        | 28%         | 8,330         | 25%         | \$448,117,719          | 25%         | 26,334         | 24%         | \$558,240,792          | 34,664         |
| <b>Total</b>  | <b>387,193,502</b>   | <b>100%</b> | <b>33,563</b> | <b>100%</b> | <b>1,773,963,236</b>   | <b>100%</b> | <b>110,661</b> | <b>100%</b> | <b>\$2,161,117,768</b> | <b>144,224</b> |

\*An individual account owner may invest in more than one Portfolio category.

| New Account Activity       |            |             |            |             |              |             |
|----------------------------|------------|-------------|------------|-------------|--------------|-------------|
|                            | WV         |             | Non WV     |             | Grand Totals |             |
|                            | #          | %           | #          | %           | #            | %           |
| <b>By Application Type</b> |            |             |            |             |              |             |
| Online                     | 375        | 49%         | 102        | 13%         | 477          | 31%         |
| Paper                      | 387        | 51%         | 681        | 87%         | 1,068        | 69%         |
| <b>Total</b>               | <b>762</b> | <b>100%</b> | <b>783</b> | <b>100%</b> | <b>1,545</b> | <b>100%</b> |
| <b>By Channel</b>          |            |             |            |             |              |             |
| Advisor                    | 396        | 52%         | 543        | 69%         | 939          | 61%         |
| Direct                     | 366        | 48%         | 240        | 31%         | 606          | 39%         |
| <b>Total</b>               | <b>762</b> | <b>100%</b> | <b>783</b> | <b>100%</b> | <b>1,545</b> | <b>100%</b> |
| <b>By Product</b>          |            |             |            |             |              |             |
| The Hartford               | 396        | 52%         | 543        | 69%         | 939          | 61%         |
| Select                     | 56         | 7%          | 238        | 30%         | 294          | 19%         |
| WV Direct                  | 310        | 41%         | 2          | 0%          | 312          | 20%         |
| <b>Total</b>               | <b>762</b> | <b>100%</b> | <b>783</b> | <b>100%</b> | <b>1,545</b> | <b>100%</b> |