MANNING & NAPIER®

Independent Perspective | Real-World Solutions

July 2, 2014

Office of Regulations and Interpretations
Employee Benefits Security Administration, Room N-5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Attention: RIN 1210-AB38; Target Date Disclosure

Ladies and Gentlemen,

Manning & Napier appreciates the opportunity to submit additional comments on the proposed regulations for target date fund disclosures in light of the Securities and Exchange Commission's Investor Advisory Committee recommendations regarding risk-based glide path illustrations. Manning & Napier has managed assets to meet life cycle objectives for over 40 years through a variety of market conditions. As one of the industry pioneers of life cycle investing, we are committed to improving the retirement security of plan participants and understanding of target date funds.

As discussed in more detail below, we agree with the Committee that understanding a target date manager's risk management approach is essential to selecting an appropriate target date option. We agree that as a target date fund manager we have both an obligation and the privilege to communicate our risk management philosophy with plan fiduciaries and participants. We also acknowledge that risk is a complex and dynamic concept and so we appreciate the Department's diligence in requesting industry feedback on various proposals.

While we gladly share comments on the specific recommendations offered by the Commission, our comments are rooted in the following principles:

1. As demonstrated by the Pension Protection Act of 2006, regulations offering fiduciaries flexibility help further the ERISA's protection of plan participants;
2. Narrow regulatory requirements do not further ERISA principles and may hinder a fiduciary's ability to act in the best interest of plan participants; and
3. Target date fund disclosures should be tailored to either a plan fiduciary or a participant audience as each has different decisions to make

<u>Regulations offering plan fiduciaries flexibility help further the ERISA responsibility to act in the best interest of plan participants.</u>

In 1974, ERISA provided sweeping changes to an otherwise unregulated area of employee benefits. In the face of economic turbulence, ERISA offered protections to pension beneficiaries and mandated that fiduciaries act exclusively in the interest of plan participants. Those participant protections established the guiding principles for plan fiduciaries. Understanding that they could not predict the evolution of employee benefits or the significant role that employer sponsored retirement plans would play in employees' financial future, Congress afforded fiduciaries broad flexibility in plan decisions so long as the decisions were in participants' best interest.

Similarly in 2006, Congress recognized the growing role of 401(k) plans in securing participants financial future. Congress also recognized that fiduciaries faced key challenges that hindered their ability to act in participants' best interest: first, employee participation rates were low because of inertia, and second, of those employees who did participate, many invested their plan assets inappropriately. The Pension Protection Act empowered fiduciaries to overcome these challenges by explicitly permitting the use of automatic features. Subsequent regulatory guidance encouraged sponsors to consider both long-term capital growth and capital preservation by offering fiduciaries flexibility to select a default investment option that was in the best interest of participants. Plan fiduciaries were not required to implement automatic features or select a qualified default investment alternative, but the legislation and regulations allowed such features if the fiduciaries so chose.

Manning & Napier strongly supports future legislation or regulations that help fiduciaries make plan choices, including the selection of the plan's QDIA, which will improve the financial security of plan participants. We believe the most effective regulation will continue to offer fiduciaries broad guidelines and a variety of options to make the prudent decisions that will best meet the needs of their plan's participants in light of an ever-changing market environment.

<u>Narrow regulatory requirements do not further ERISA principles and may hinder a fiduciary's ability to act in the best interest of plan participants.</u>

In our opinion, the SEC Investor Advisory Committee's recommendation to develop a glide path illustration for target date funds that is based on a standardized measure of fund risk does not further the spirit of flexibility embedded in ERISA and may make it more difficult for plan fiduciaries to make decisions in the best interest of the plan participants.

While the Committee did not recommend a particular risk measure or methodology for a risk-based glide path, they did suggest that the definition "should focus on factors such as maximum exposure to loss or volatility of returns that are directly relevant to the primary concerns of those approaching retirement". We believe the potential for significant capital losses is certainly a key risk consideration for participants approaching retirement—a time when retirement balances are relatively high and the ability to recover from capital losses is more limited. However, there are a variety of risks that participants face that can significantly impact retirement outcomes. Above all else, the greatest risk for most participants invested in target date funds is failing to achieve overall retirement-related goals, such as generating enough retirement income to last their lifetimes. To reach their real-world goals, participants need to consider tradeoffs—the upside and downside potential—target date options offer throughout the glide path.

A focus on maximum capital loss or volatility, without corresponding information on potential returns, may cause participants to lose sight of their investment time horizon and overlook reinvestment rate risk - the risk that their assets will not experience the growth necessary to achieve long-term retirement goals. Inadequate savings rates, extended life expectancies, and long-term inflation are very real factors that warrant most participants maintaining at least a modest allocation to growth-oriented securities through retirement and should be factors that are considered during the investment objective selection process. As such, a primary concern with the Committee's recommendation to illustrate only capital loss-focused measures is that it may provide an incomplete risk-reward perspective.

Ultimately, we fear the Committee's focus on maximum capital loss or volatility measures may lead participants to select an overly conservative option. Furthermore, given the influential voices of the DOL and SEC, we believe it's important to recognize that their recommendations will likely be embraced by plan fiduciaries and their advisory partners – becoming key components of TDF selection and monitoring processes – and in turn potentially influencing the investment solutions developed by TDF providers. Therefore, any unintended consequences of unbalanced risk illustrations may be far reaching. As such, we believe that any type of supplemental glide path disclosure should help participants understand the trade-off between capital growth and capital preservation.

The use of a single quantitative metric or measure is unlikely to provide a complete picture of the various investment risks participants will face over their lifetimes. However, we have found during our 40+ years of leading clients through the investment objective setting process that our clients are receptive to the use of historical broad asset class performance–available through recognized industry sources, such as Morningstar–as a way to illustrate the upside and downside potential of asset mixes spanning the risk-reward spectrum.

As an example, consider that a target date fund with a 40% stock/ 60% bond asset allocation at the target date has historically suffered annualized capital losses of approximately -33% over rolling one-year periods, but only -4% over rolling five year periods, while it has provided annualized gains of approximately 8% on average.

Risk/Reward Trade-Off:
40% Stock/60% Bond Portfolio
Historical Performance: 1926-2013


Source: Morningstar. Analysis: Manning & Napier.
Stocks are represented by the S&P 500, bonds are represented by the U.S. Intermediate Government Total Return Index.

We believe this is an example of one of the more useful metrics to help plan sponsors and fiduciaries understand the general trade-off between capital growth and capital preservation at various stages of the glide path. In addition, we have gained comfort with this approach as it addresses the following concerns we have with standard risk measurement approaches.

- Standard deviation is one of the most common measures of risk used today. However, it's important to recognize that standard deviation statistically reflects the absolute fluctuations of an investment manager's returns - giving equal weight to observations both below and above the average. As such, large deviations on the upside, while increasing standard deviation, may not be meaningful to a participant concerned with capital loss. In contrast, we have found measures of absolute losses, such as maximum drawdown (i.e., peak to trough losses) to be representative of participants definitions of risk and generally understood by all audiences.
- The management of TDFs should be forward looking based on the risks most prevalent in the current economic and market environment. However, given the difficulty of making precise forward looking estimates, we believe any metrics presented to participants and plan fiduciaries should be backwards looking, representative of actual results. Historically based asset class performance over extended time periods - that include both bull and bear markets - may provide a general understanding of the potential risk-reward profiles of various asset mixes and glide paths in a transparent, objective, and comparable manner.

- Since the real risk to participants is the failure to meet spending needs in retirement, understanding when distributions may begin and therefore the investment time horizon over which the risk of capital loss should be measured is a critical factor to consider when determining the appropriate investment objectives for participants. As a result, we believe it is important to use performance data that can be customized to time horizons most relevant to participants at distinct stages of their lives. Since many target date funds have relatively short track records when compared to participants' potential time horizons (e.g., 70+ years), the use of long-term historical asset class returns can help provide the time horizon context necessary to assess risk-reward tradeoffs throughout the glide path.

Finally, any risk-reward assessments that include performance over extended time horizons will likely illustrate that the market environment can change radically and go through lengthy periods of time that are not at all like long-term average conditions. While we believe that there is a need to present risk-reward tradeoffs in a balanced manner, we also recognize that as market environments change so do the resulting risk implications. Participants who exhibit the same savings and spending behaviors can experience very different retirement outcomes based solely on the distinct market environments they experience during their lifetimes. Therefore, we believe it is important for participants and retirement plan fiduciaries to concentrate their risk assessment efforts on understanding what mechanism, if any, their target date manager uses to mitigate the risks that are most prevalent as market conditions inevitably change.

<u>Target date fund disclosures should be tailored to either a plan fiduciary or a participant audience as each has different decisions to make.</u>

Fiduciaries have a legal responsibility to evaluate investment managers and prudently select the plan's investment options—including any target date fund offering—based on what is in the best interest of the plan participants. To that end, we believe it is the duty of the TDF provider to supply fiduciaries with the information they will need to understand and evaluate the TDF manager's approach to risk management. For example, TDF providers should clearly communicate the factors considered and the assumptions made in constructing their glide path. In addition, by supplying fiduciaries with a detailed holdings report at the individual security level, opposed to the underlying fund level, fiduciaries will be equipped to better understand the breadth of their TDF's investments—a key aspect of TDF due diligence. Please refer to "Attachment A" for an example of how Manning & Napier communicate our investment philosophy and quarterly portfolio positioning to fiduciaries.

The DOL clearly recognizes the fiduciary responsibility and has made significant strides to improve a plan fiduciary's understanding of target date funds. For example, the guidance issued in February 2013 by the DOL to assist plan fiduciaries in selecting and monitoring target date funds made it clear that fiduciaries should be considering a variety of factors, including participant demographics and behaviors, when determining which suite of target date funds may best meet the needs of their plan. In addition, we believe it is important that fiduciaries are provided with the flexibility to select and monitor a suite of TDFs based on risk and reward metrics that are most relevant to their specific plan's needs.

While plan fiduciaries are tasked with evaluating a wide range of potential investment options, plan participants' investment-related decisions are typically restricted to choosing among the options prudently selected by the fiduciary to represent the plan's investment menu. Even with education, many participants struggle to understand basic investment concepts and have limited experience applying the use of risk-based metrics into their investment selection process. They may also be disengaged from the investment selection process altogether, participating in the plan only through automatic enrollment features. According to the 2013 edition of *How America Saves*, 31% of target date investors have been automatically enrolled as participants in their employers' retirement plan and have been automatically defaulted into the target date fund closest to their target retirement year. For these reasons, we believe the Committee's recommendations, and more broadly any discussions of investment risks and rewards, should be had with plan fiduciaries rather than individual participants. Instead, we believe participant communication programs should be kept simple and be primarily designed to help participants determine what an appropriate investment solution is, given their goals. That is, we have found that prudent participant education can be designed around the answer to one fundamental question: "Do I want to decide how to mix different types of investments to meet my objectives (i.e., do it myself solution) or do I want to delegate those decisions to a professional (i.e., do it for me solution)?" Please refer to "Attachment B" for an example of communications that Manning & Napier uses to help guide participants with this decision.

## Conclusion

Manning & Napier strongly supports the Department's goal of improving fiduciaries' and participants' understanding of target date funds. We would encourage additional regulatory guidance that continued to offer fiduciaries broad flexibility to evaluate target date managers and select the risk management approach that is in the best interest of the employer's plan participants. However, we do not believe that narrow rulemaking like that proposed by the Commission will help fiduciaries in that effort.

Thank you for allowing us to comment on this very important issue.

Jeffrey S. Coons /rg

Jeffrey S. Coons, Ph.D., CFA®
President, Co-Director of Research
Manning & Napier

Attachment A: Fiduciary Supplement
Attachment B: Participant Communication Piece

# Retirement Target Fiduciary Supplement

**For Plan XYZ**

Advisor

A Guide to Understanding QDIA Investments

# Introduction and Fund Overview

# Thoughts From Manning & Napier's President and Co-Director of Research

MANNING & NAPIER®

**Dear Valued Partner,**

As you may already know, there are real costs associated with the retirement crisis. Employers face costs associated with an aging workforce, increased fiduciary risk, and the challenge of recruiting and retaining a talented workforce. Employees face costs associated with longer life expectancies, rising health care costs, and trimmed social entitlements. With increased costs come new risks, necessitating the use of new risk management techniques.

As a result of these increased costs, plan failure risk — the risk that a plan will fail to further plan sponsor objectives of achieving participant outcomes — is greater than ever.

The Department of Labor and other regulatory bodies are looking to plan fiduciaries to improve retirement readiness. Plan sponsors are looking to plan design and employee engagement best practices to improve retirement readiness. While there is no singular risk management tactic that will solve the retirement crisis, automatic features and qualified default investment alternatives (QDIAs) are powerful tools that can help address participant inertia. As QDIAs become more popular, they are also the subject of increasing regulatory scrutiny, underscoring the importance of fiduciary due diligence.

At Manning & Napier, we are committed to managing risk and improving participant outcomes. We know that at the end of the day, it is the participant's level of retirement readiness that really counts; so we actively manage each and every portfolio with a focus on meeting the participant's investment objectives. Moreover, we are firm believers that fiduciaries can make a difference, and that is why we accept the accountability that comes with being a fiduciary.

In fact, Manning & Napier has accepted co-fiduciary responsibility for asset allocation and stock selection decisions within our discretionary separate accounts since the firm's inception in 1970. With the formation of the Manning & Napier Collective Investment Trust (CIT) Funds more than 15 years ago, our affiliate, Exeter Trust Company, acts as an ERISA 3(38) fiduciary, accepting responsibility for the prudence of our asset allocation and stock selection decisions within our CIT Funds. Although ERISA and SEC regulations do not contemplate a mutual fund manager accepting fiduciary responsibility for a plan invested in a fund, we adhere to the same disciplined process and employ the same due diligence to the asset allocation and stock selection decisions we make within our mutual fund products as we do with the assets invested in our separate accounts and CIT Funds.

So you see, we do not shy away from fiduciary responsibilities; we embrace them wherever possible, and we want to assist others in doing the same by making it easier to carry out those tasks. This Fiduciary Supplement provides information that will help plan fiduciaries better understand their Manning & Napier funds overall. A transparent view of glide path construction, portfolio positioning, and the underlying investments are included to aid plan fiduciaries in assessing our investment approach. On top of that, Manning & Napier provides a complete listing of underlying holdings available at www.manning-napier.com. Additionally, our Portfolio Strategists are available to discuss the portfolio, as well as attribution analysis, in further detail with plan fiduciaries and their advisors.

Sincerely,

**Jeffrey S. Coons, Ph.D., CFA®**
President & Co-Director of Research

*Manning & Napier Advisors, LLC (Manning & Napier) provides a broad range of investment solutions including mutual funds and collective investment trust funds. For more information about any of the Manning & Napier Fund, Inc. Series, you may obtain a prospectus at www.manning-napier.com or by calling (800) 466-3863. Before investing, carefully consider the objectives, risks, charges and expenses of the investment and read the prospectus carefully as it contains this and other information about the investment company.*

# Our Fiduciary Commitment

The growth of target date funds as a qualified default investment alternative (QDIA) makes prudent selection and evaluation of this option a critical factor for improving participant outcomes and managing risk. But merely establishing and documenting the process for QDIA selection and monitoring is not enough. Of the additional target date fund guidance that the Department of Labor issued in February 2013, many fiduciaries find the most challenging mandate to be "Understand the funds' investments...and how these will change over time."[1] At Manning & Napier, we understand that fiduciary risk is real. Our Target Date QDIA Pledge is intended to provide plan fiduciaries with the information they need to understand the funds' investments, and ultimately, have confidence that target date funds are the right QDIA choice for the plan and participants.

## The Manning & Napier Target Date QDIA Pledge

**Our target date funds will continue to satisfy ERISA requirements of a QDIA**

- Do not invest in employer securities except as a registered investment company
- Do not impose any restrictions, fees or expenses inconsistent with the QDIA requirements
- Are managed by a 3(38) investment manager or registered investment company
- Are comprised of a mix of investments that takes into account the individuals' age or retirement date

**We will actively manage target date fund assets exclusively for the benefit of plan participants**

- Risk defined as factors that would prevent a participant from meeting investment goals
- Coordinated diversification through active investment selection
- Seek absolute returns over full market cycles

**We will prudently shift target date fund asset allocation in accordance with our disciplined process**

- Over 40 years of active asset allocation experience
- Continual oversight by the Senior Research Group, whose members average approximately 18 years tenure with the firm
- Full disclosure of material changes to the management team, glide path construction, and investment process if they occur
- Voluntarily subject our fundamental investment process to audit examination

**We will disclose, in detail, information required to help fiduciaries understand the target date funds' investments and how they change over time**

- Quarterly Market Reviews – communicating market overviews and our resulting active risk management strategies
- Disclosure of current portfolio positioning including underlying holdings and attribution

**We will continuously work toward making sure our funds' expense ratios are commensurate with the value the funds provide**

- Competitively priced funds with multiple classes to meet plan needs
- Published mutual fund and collective investment trust fund net expense ratios

Manning & Napier's target date offerings include mutual funds (Manning & Napier Fund, Inc. Target Series) and affiliate collective investment trust (CIT) funds (Manning & Napier Retirement Target CIT Funds and Manning & Napier GOAL$^{SM}$ CIT Funds). Because target date funds invest in both stocks and bonds, the value of your investment will fluctuate in response to stock market movements and changes in interest rates. Investing in target date funds will also involve a number of other risks, including issuer-specific risk, foreign investment risk, and small-cap/mid-cap risk, as the underlying investments change over time. Additionally, some target date funds invest in other funds and therefore, may have additional risks associated with the underlying funds. Principal value is not guaranteed at any time, including at the target date (the approximate year when an investor plans to stop contributions and start periodic withdrawals).

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[1]U.S. Department of Labor. "Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries." Web http://www.dol.gov/ebsa/pdf/fsTDF.pdf. February 2013.

Please note that diversification does not assure a profit or protect against loss in a declining market.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company (ETC), Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans. **The Manning & Napier Fund, Inc. is managed by Manning & Napier. Manning & Napier Investor Services, Inc., an affiliate of Manning & Napier and ETC, is the distributor of the Fund shares.**

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## Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

| | |
|---|---|
| **Overview** | |
| Target Date Strategy Name | Retirement Target |
| Inception Date[1] | Ten Year Increments: 01/06/2005<br>Five Year Increments: 08/03/2012 |
| Number of Investment Options | 11 |
| **Glide Path Construction** | |
| Maximum Equity Percentage | 95% |
| Equity Percentage at Target Retirement Date | 20% - 60% Range |
| To/Through | Through |
| Landing Point | Five Years After Target Retirement Date |
| Equity Percentage at Landing Point | 15% - 45% Range |
| **Management Assessment** | |
| Internally/Externally Managed | 100% Internally Managed |
| Multi-Manager Approach | No |
| Number of Distinct Underlying Portfolio Management Teams | One<br>(with Oversight by the Firm's Senior Research Group) |
| Number of Team Members / "Portfolio Managers" | 13 |
| Average Tenure of Team Members / "Portfolio Managers" | 18 Years |
| **Portfolio Composition Assessment** | |
| Coordinated or Uncoordinated Approach | Coordinated<br>(Portfolio Constructed by a Single Management Team Focused on Life Cycle Objectives) |
| Portfolio Structure | Non traditional fund-of-funds |
| Asset Allocation Approach | Flexible<br>(Asset Allocation Decisions Are Governed by a Flexible, Well-Defined Range) |
| Security Selection Approach Predominately Employed | 100% Actively Managed |
| **Diversification** | |
| Largest Number of Underlying Funds | Two |
| Largest Number of Total Securities (as of 12/31/2013) | 901 |

Each Manning & Napier Retirement Target CIT Fund is invested in one or two of four proprietary lifestyle funds, the Manning & Napier Pro-Mix® CIT Funds, based on the Retirement Target CIT Fund becoming increasingly conservative over time. Because the underlying funds invest in both stocks and bonds, the value of your investment will fluctuate in response to stock market movements and changes in interest rates. Investing in target date funds will also involve a number of other risks, including issuer-specific risk, foreign investment risk, and small-cap/mid-cap risk, as the underlying investments change over time. Principal value is not guaranteed at any time, including at the target date (the approximate year when an investor plans to stop contributions and start periodic withdrawals).

[1]Reflective of the oldest unit class, Class S for the ten year increments and Class I for the five year increments, of the Manning & Napier Retirement Target Collective Investment Trust Funds.
Investments will change over time.
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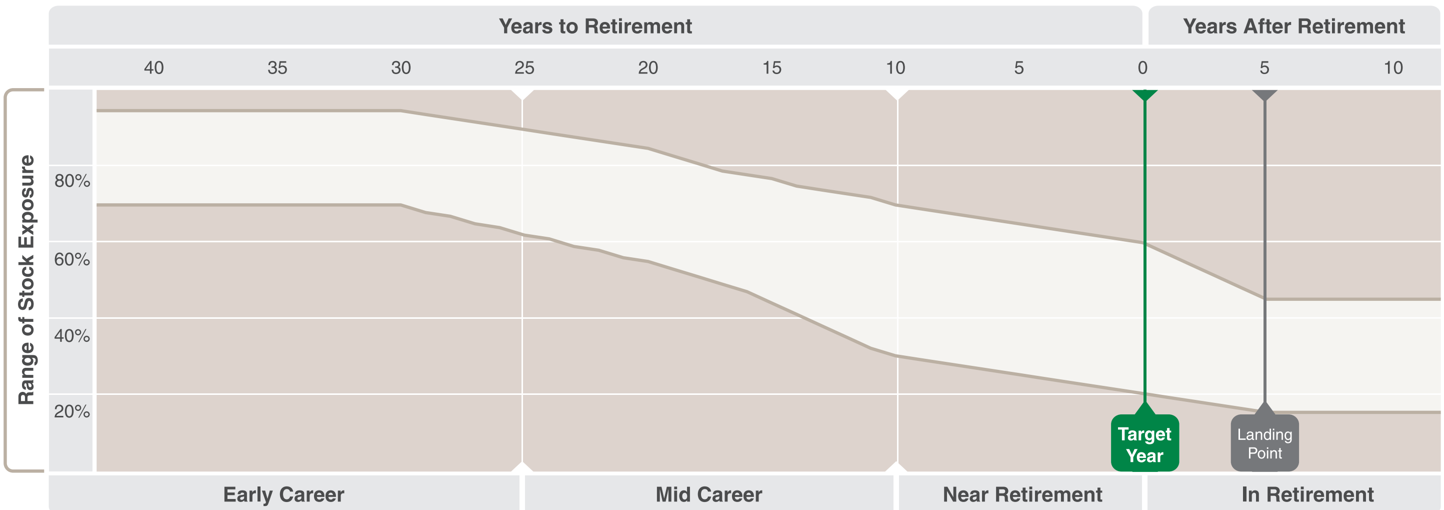
# Market Assessment

# Managing Risk Helps Drive Outcomes Through Glide Range Phases

Manning & Napier's flexible glide "range" accounts for both time to retirement and the current market environment. Our active approach to investment management is designed to balance the often conflicting goals of managing capital risk, inflation risk, and reinvestment rate risk as participants move through each phase of the glide path.

## Our Glide Range - A Focus on Both Time and Market Conditions




| | Early Career | Mid Career | Near Retirement | In Retirement |
|---|---|---|---|---|
| **Participant Profile** | New to workforce<br>Moderate salary<br>Low balance<br>Initial contribution rate approx. 6% | Fruitful earnings years<br>Potentially meaningful balance<br>Increased contribution rates | Retirement in sight<br>Significant earning years<br>High portfolio balance<br>Contributions remain meaningful | Retirement imminent<br>Consideration of income replacement<br>Spending needs a concern<br>Contributions likely cease |
| **Risk Management Profile** | Manage for long-term capital appreciation<br>Less attention to market volatility<br>Capital risk not a concern<br>Avoid reinvestment rate risk | Manage primarily for long-term capital appreciation<br>Less attention to market volatility<br>Increased attention to management of capital risk<br>Avoid reinvestment rate risk | Capital growth and preservation equally targeted<br>Increased management of volatility and capital risk | Emphasis on preserving capital<br>Management of inflation and capital risks targeted |
| **Portfolio Profile** | Long duration assets with significant equity exposure | Long duration assets with equity exposure moderating | Balance of equity and fixed income | Interest- and dividend-paying securities majority of holdings with modest exposure to growth potential |

Manning & Napier's target date offerings include mutual funds (Manning & Napier Fund, Inc. Target Series) and affiliate collective investment trust (CIT) funds (Manning & Napier Retirement Target CIT Funds and Manning & Napier GOAL℠ CIT Funds).

Because target date funds invest in both stocks and bonds, the value of your investment will fluctuate in response to stock market movements and changes in interest rates. Investing in target date funds will also involve a number of other risks, including issuer-specific risk, foreign investment risk, and small-cap/mid-cap risk, as the underlying investments change over time. Additionally, some target date funds invest in other funds and therefore, may have additional risks associated with the underlying funds. Principal value is not guaranteed at any time, including at the target date (the approximate year when an investor plans to stop contributions and start periodic withdrawals).

*For more information about any of the Manning & Napier Fund, Inc. Series, you may obtain a prospectus at www.manning-napier.com or by calling (800) 466-3863. Before investing, carefully consider the objectives, risks, charges and expenses of the investment and read the prospectus carefully as it contains this and other information about the investment company.*

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# Market Assessment

## Economic Outlook

- In the current environment, we are maintaining our slow growth economic outlook.
- We expect growth levels in developed markets to stabilize at weak levels due to persisting headwinds to more robust economic growth.
- Emerging market growth rates have been decelerating but should stabilize in the future, albeit at a slower pace than was witnessed in the years immediately following the global financial crisis.

## Risk Assessment

- Reinvestment rate risk is the largest risk facing long-term investors. We define reinvestment rate risk as the risk of earning absolute returns that are insufficient to allow investors to achieve their long-term objectives.
- Against a slow growth backdrop, investors should not confuse volatility with capital risk.

## Equity Markets

- Our indicators suggest that returns in equity markets are likely to moderate following the strong rally from late 2012 into 2013.
- Subsequent bouts of volatility are likely against the backdrop of slow economic growth.
- In a slow growth environment, businesses find it difficult to grow sales – passive investment strategies linked to broad equity indices that generally track the global economy may struggle to generate adequate return for investors.
- Our primary focus is on finding companies that are expected to grow multiple times faster than the broad economy.
- By investing in companies with strong fundamentals at reasonable valuations and companies with stable fundamentals at attractive valuations we aim to generate more attractive absolute returns.

## Bond Markets

- Traditionally "safe" investments such as U.S. Treasuries may contain large risks. Future returns may turn negative as low current yields are insufficient to offset the impact of price declines in a rising interest rate environment.
- We continue to find opportunities in the corporate sector.
- Across all sectors, we are focused on shorter-duration securities.
- It is critical to avoid reaching for yield and exposing investors to unnecessary risk.

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# Portfolio Positioning

# Our Commitment to Transparency

In order to best perform their due diligence responsibilities, plan fiduciaries should have a clear understanding of the composition of a plan's investment options. Obtaining this information on target date funds, which typically use a fund-of-funds structure, can be particularly difficult. In such cases, managers may simply report the underlying funds as opposed to the actual securities. This limited information does little to shed light on the target fund's composition at a more granular level, making an analysis of fund characteristics, such as diversification, difficult.
Manning & Napier can provide detailed insight regarding the:

- Extent to which each target date fund is diversified at an asset-, sector-, and security-level
- Degree to which the equity portion of the fund is actively managed
- Composition of each target date fund

## Diversification

Target date options are designed and managed to be an all-in-one investment solution for plan participants. As a result, they are generally diversified across multiple asset classes, market capitalizations, and geographic regions. Such diversification serves as a tool with which to manage risk.

While it is important that target funds are well-diversified, it is equally important to avoid over-diversification. Fiduciaries should be wary of managers who over-diversify beyond a point where additional diversification could detract from the ability of the fund to meet its stated objective.

The most likely result of over-diversification is index-like returns. For example, if multiple managers lack proper coordination, or if the fund invests in too many underlying funds or securities, the target date fund could end up looking like the broader market. In this case, it becomes exceedingly difficult for the manager to add value versus the broad market from the perspective of security selection.

**Manning & Napier builds portfolios one security at a time.** A complete list of underlying holdings is available at www.manning-napier.com. Additionally, our Portfolio Strategists are available to discuss the portfolio, as well as attribution analysis, in further detail with plan fiduciaries and their advisors.

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Please note that diversification does not assure a profit or protect against loss in a declining market.
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# Building Life Cycle Portfolios One Security at a Time

## Portfolio Composition

| | |
|---|---|
| Equity Diversification | Large Cap Value<br>Large Cap Growth<br>Mid Cap Value<br>Mid Cap Growth<br>Small Cap Value<br>Small Cap Growth<br>Developed Markets<br>Emerging Markets<br>Real Estate<br>Commodities and/or Commodity-Related Equities |
| Fixed Income Diversification | Long Duration Treasury Bonds<br>Short Duration Treasury Bonds<br>Investment-Grade Corporate Bonds<br>High-Yield Bonds<br>Pass-Through Securities<br>International Bonds<br>Treasury Inflation-Protected Securities |

- Fully diversified portfolios
- Transparency derived through individual securities
- Coordinated buy/sell decisions
- Flexibility to seek absolute returns

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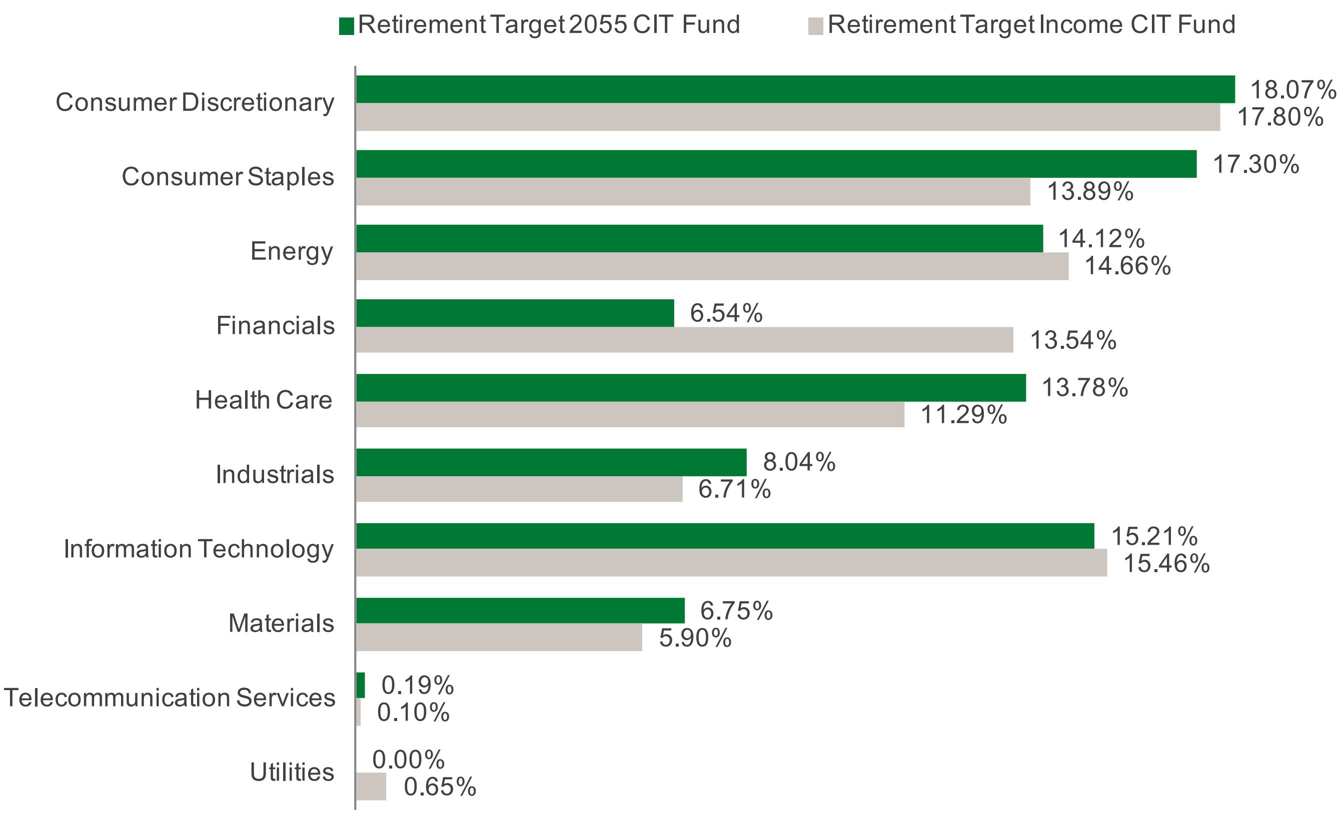
# Sector Allocation Snapshot
# Manning & Napier Retirement Target Collective Investment Trust Funds

MANNING &NAPIER®

Each Manning & Napier Retirement Target Collective Investment Trust (CIT) Fund is actively managed by our Multi-Asset Class Core Management Team. Rather than just scaling exposure to identical funds or securities, we individually manage each CIT Fund to help better position plan participants to achieve their long-term investment objectives.

## Equity Sector Exposure (as of 03/31/2014)




Based on the investments of the underlying fund(s): 100% Manning & Napier Pro-Mix® Maximum Term Collective Investment Trust (CIT) Fund for Retirement Target 2055 CIT Fund and 100% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target Income CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property and a service mark of MSCI Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P) and is licensed for use by Manning & Napier when referencing GICS sectors. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification nor shall any such party have any liability therefrom.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

Approved CIT-RT007.1 (4/14)

# Portfolio Summary as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER®

| | Retirement Target 2055 CIT Fund | | Retirement Target 2050 CIT Fund | | Retirement Target 2045 CIT Fund | | Retirement Target 2040 CIT Fund | |
|---|---|---|---|---|---|---|---|---|
| **Range of Stock Exposure** | 70% - 95%<br>83% midpoint | | 70% - 95%<br>83% midpoint | | 70% - 95%<br>83% midpoint | | 64% - 91%<br>78% midpoint | |
| **Asset Class Allocation[1]** | Stocks | 86.06% | Stocks | 86.06% | Stocks | 86.06% | Stocks | 82.24% |
| | Bonds | 9.61% | Bonds | 9.61% | Bonds | 9.61% | Bonds | 13.97% |
| | Cash | 4.33% | Cash | 4.33% | Cash | 4.33% | Cash | 3.79% |
| **Sector Allocation[1]** | Consumer Discretionary | 15.54% | Consumer Discretionary | 15.54% | Consumer Discretionary | 15.54% | Consumer Discretionary | 15.30% |
| | Consumer Staples | 14.89% | Consumer Staples | 14.89% | Consumer Staples | 14.89% | Consumer Staples | 13.68% |
| | Energy | 12.15% | Energy | 12.15% | Energy | 12.15% | Energy | 11.61% |
| | Financials | 5.63% | Financials | 5.63% | Financials | 5.63% | Financials | 5.67% |
| | Health Care | 11.86% | Health Care | 11.86% | Health Care | 11.86% | Health Care | 10.91% |
| | Industrials | 6.92% | Industrials | 6.92% | Industrials | 6.92% | Industrials | 6.54% |
| | Information Technology | 13.09% | Information Technology | 13.09% | Information Technology | 13.09% | Information Technology | 12.77% |
| | Materials | 5.81% | Materials | 5.81% | Materials | 5.81% | Materials | 5.59% |
| | Telecommunication Services | 0.16% | Telecommunication Services | 0.16% | Telecommunication Services | 0.16% | Telecommunication Services | 0.16% |
| | Utilities | -- | Utilities | -- | Utilities | -- | Utilities | -- |
| | Other Equity | -- | Other Equity | -- | Other Equity | -- | Other Equity | -- |
| | Agency | 2.40% | Agency | 2.40% | Agency | 2.40% | Agency | 2.79% |
| | Corporate | 5.47% | Corporate | 5.47% | Corporate | 5.47% | Corporate | 7.64% |
| | Government | -- | Government | -- | Government | -- | Government | 0.31% |
| | Mortgage | 1.49% | Mortgage | 1.49% | Mortgage | 1.49% | Mortgage | 2.37% |
| | Treasury | -- | Treasury | -- | Treasury | -- | Treasury | -- |
| | Other Fixed | 0.26% | Other Fixed | 0.26% | Other Fixed | 0.26% | Other Fixed | 0.87% |
| | Cash | 4.33% | Cash | 4.33% | Cash | 4.33% | Cash | 3.79% |
| **Total Holdings[1]** | 438 | | 438 | | 438 | | 771 | |
| **Top Ten Investments[1]** | GOVERNMENT AGENCY | 4.06% | GOVERNMENT AGENCY | 4.06% | GOVERNMENT AGENCY | 4.06% | GOVERNMENT AGENCY | 5.36% |
| | E M C CORP MASS | 2.56% | E M C CORP MASS | 2.56% | E M C CORP MASS | 2.56% | E M C CORP MASS | 2.47% |
| | HESS CORP | 2.30% | HESS CORP | 2.30% | HESS CORP | 2.30% | HESS CORP | 2.40% |
| | ALCOA INC | 1.83% | ALCOA INC | 1.83% | ALCOA INC | 1.83% | ALCOA INC | 1.80% |
| | CAMERON INTERNATIONAL CORP | 1.75% | CAMERON INTERNATIONAL CORP | 1.75% | CAMERON INTERNATIONAL CORP | 1.75% | CAMERON INTERNATIONAL CORP | 1.62% |
| | NESTLE SA-REGISTERED | 1.60% | NESTLE SA-REGISTERED | 1.60% | NESTLE SA-REGISTERED | 1.60% | NESTLE SA-REGISTERED | 1.58% |
| | AMBEV SA-ADR | 1.54% | AMBEV SA-ADR | 1.54% | AMBEV SA-ADR | 1.54% | DIRECTV GROUP INC | 1.51% |
| | UNILEVER PLC-SPONSORED ADR | 1.52% | UNILEVER PLC-SPONSORED ADR | 1.52% | UNILEVER PLC-SPONSORED ADR | 1.52% | JOHNSON & JOHNSON | 1.49% |
| | JOHNSON & JOHNSON | 1.52% | JOHNSON & JOHNSON | 1.52% | JOHNSON & JOHNSON | 1.52% | UNILEVER PLC-SPONSORED ADR | 1.46% |
| | ANHEUSER-BUSCH INBEV NV | 1.50% | ANHEUSER-BUSCH INBEV NV | 1.50% | ANHEUSER-BUSCH INBEV NV | 1.50% | APPLE COMPUTER INC | 1.42% |
| **Fund Facts** | **Class S** | | **Class S** | | **Class S** | | **Class S** | |
| | CUSIP | 302027537 | CUSIP | 302027859 | CUSIP | 302027560 | CUSIP | 563821156 |
| | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% |
| | **Class I** | | **Class I** | | **Class I** | | **Class I** | |
| | CUSIP | 302027545 | CUSIP | 302027552 | CUSIP | 302027578 | CUSIP | 302027586 |
| | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% |
| | **Class U** | | **Class U** | | **Class U** | | **Class U** | |
| | CUSIP | 302028840 | CUSIP | 302028857 | CUSIP | 302028865 | CUSIP | 302028873 |
| | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% |

**Includes acquired fund fees and expenses of the underlying collective investment trusts and reflects the Trustee's contractual agreement to limit fees and voluntary agreement to reimburse certain expenses. The Manning & Napier Retirement Target CIT Funds do not have investment minimums.*

[1]Based on the investments of the underlying fund(s): 100% Manning & Napier Pro-Mix® Maximum Term Collective Investment Trust (CIT) Fund for Retirement Target 2055, 2050, and 2045 CIT Funds; 80% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 20% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2040 CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. Due to rounding, totals may not equal the sum of each category. Top Ten Investments list is unaudited and excludes cash.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

# Portfolio Summary as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

| | Retirement Target 2035 CIT Fund | | Retirement Target 2030 CIT Fund | | Retirement Target 2025 CIT Fund | | Retirement Target 2020 CIT Fund | |
|---|---|---|---|---|---|---|---|---|
| **Range of Stock Exposure** | 56% - 86%<br>71% midpoint | | 47% - 78%<br>63% midpoint | | 32% - 72%<br>52% midpoint | | 26% - 66%<br>46% midpoint | |
| **Asset Class Allocation[1]** | Stocks | 77.46% | Stocks | 72.64% | Stocks | 67.80% | Stocks | 57.85% |
| | Bonds | 19.42% | Bonds | 24.92% | Bonds | 30.44% | Bonds | 39.71% |
| | Cash | 3.12% | Cash | 2.44% | Cash | 1.76% | Cash | 2.44% |
| **Sector Allocation[1]** | Consumer Discretionary | 15.02% | Consumer Discretionary | 14.72% | Consumer Discretionary | 14.44% | Consumer Discretionary | 12.33% |
| | Consumer Staples | 12.17% | Consumer Staples | 10.65% | Consumer Staples | 9.12% | Consumer Staples | 7.40% |
| | Energy | 10.94% | Energy | 10.26% | Energy | 9.58% | Energy | 8.39% |
| | Financials | 5.71% | Financials | 5.76% | Financials | 5.80% | Financials | 5.15% |
| | Health Care | 9.72% | Health Care | 8.53% | Health Care | 7.32% | Health Care | 6.01% |
| | Industrials | 6.07% | Industrials | 5.59% | Industrials | 5.12% | Industrials | 4.28% |
| | Information Technology | 12.36% | Information Technology | 11.95% | Information Technology | 11.54% | Information Technology | 10.18% |
| | Materials | 5.31% | Materials | 5.03% | Materials | 4.75% | Materials | 3.98% |
| | Telecommunication Services | 0.15% | Telecommunication Services | 0.15% | Telecommunication Services | 0.14% | Telecommunication Services | 0.12% |
| | Utilities | -- | Utilities | -- | Utilities | -- | Utilities | -- |
| | Other Equity | -- | Other Equity | -- | Other Equity | -- | Other Equity | -- |
| | Agency | 3.28% | Agency | 3.78% | Agency | 4.27% | Agency | 7.29% |
| | Corporate | 10.35% | Corporate | 13.08% | Corporate | 15.82% | Corporate | 20.78% |
| | Government | 0.70% | Government | 1.09% | Government | 1.48% | Government | 1.50% |
| | Mortgage | 3.47% | Mortgage | 4.57% | Mortgage | 5.69% | Mortgage | 6.41% |
| | Treasury | -- | Treasury | -- | Treasury | -- | Treasury | -- |
| | Other Fixed | 1.63% | Other Fixed | 2.40% | Other Fixed | 3.17% | Other Fixed | 3.74% |
| | Cash | 3.12% | Cash | 2.44% | Cash | 1.76% | Cash | 2.44% |
| **Total Holdings[1]** | 771 | | 771 | | 771 | | 792 | |
| **Top Ten Investments[1]** | GOVERNMENT AGENCY | 6.96% | GOVERNMENT AGENCY | 8.56% | GOVERNMENT AGENCY | 10.14% | GOVERNMENT AGENCY | 14.04% |
| | HESS CORP | 2.54% | HESS CORP | 2.67% | HESS CORP | 2.80% | HESS CORP | 2.40% |
| | E M C CORP MASS | 2.35% | E M C CORP MASS | 2.22% | E M C CORP MASS | 2.11% | E M C CORP MASS | 1.78% |
| | ALCOA INC | 1.77% | ALCOA INC | 1.73% | DIRECTV GROUP INC | 1.75% | DIRECTV GROUP INC | 1.51% |
| | DIRECTV GROUP INC | 1.59% | DIRECTV GROUP INC | 1.67% | ALCOA INC | 1.70% | JUNIPER NETWORKS INC | 1.47% |
| | NESTLE SA-REGISTERED | 1.56% | NESTLE SA-REGISTERED | 1.54% | ELECTRONIC ARTS | 1.56% | ALCOA INC | 1.45% |
| | CAMERON INTERNATIONAL CORP | 1.45% | APPLE COMPUTER INC | 1.41% | NESTLE SA-REGISTERED | 1.53% | ELECTRONIC ARTS | 1.38% |
| | JOHNSON & JOHNSON | 1.45% | JOHNSON & JOHNSON | 1.41% | APPLE COMPUTER INC | 1.40% | NESTLE SA-REGISTERED | 1.28% |
| | APPLE COMPUTER INC | 1.42% | CERNER CORP | 1.36% | JOHNSON & JOHNSON | 1.37% | JOHNSON & JOHNSON | 1.16% |
| | UNILEVER PLC-SPONSORED ADR | 1.39% | ELECTRONIC ARTS | 1.35% | CERNER CORP | 1.35% | CERNER CORP | 1.15% |
| **Fund Facts** | **Class S** | | **Class S** | | **Class S** | | **Class S** | |
| | CUSIP | 302027594 | CUSIP | 563821164 | CUSIP | 302027636 | CUSIP | 563821172 |
| | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.98% |
| | **Class I** | | **Class I** | | **Class I** | | **Class I** | |
| | CUSIP | 302027610 | CUSIP | 302027628 | CUSIP | 302027644 | CUSIP | 302027669 |
| | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.69% |
| | **Class U** | | **Class U** | | **Class U** | | **Class U** | |
| | CUSIP | 302028881 | CUSIP | 302028808 | CUSIP | 302028709 | CUSIP | 302028600 |
| | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% |

**Includes acquired fund fees and expenses of the underlying collective investment trusts and reflects the Trustee's contractual agreement to limit fees and voluntary agreement to reimburse certain expenses. The Manning & Napier Retirement Target CIT Funds do not have investment minimums.*

[1]Based on the investments of the underlying fund(s): 55% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 45% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2035 CIT Fund; 30% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 70% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2030 CIT Fund; 5% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 95% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2025 CIT Fund; 40% Manning & Napier Pro-Mix® Extended Term CIT Fund and 60% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2020 CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. Due to rounding, totals may not equal the sum of each category. Top Ten Investments list is unaudited and excludes cash.

# Portfolio Summary as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

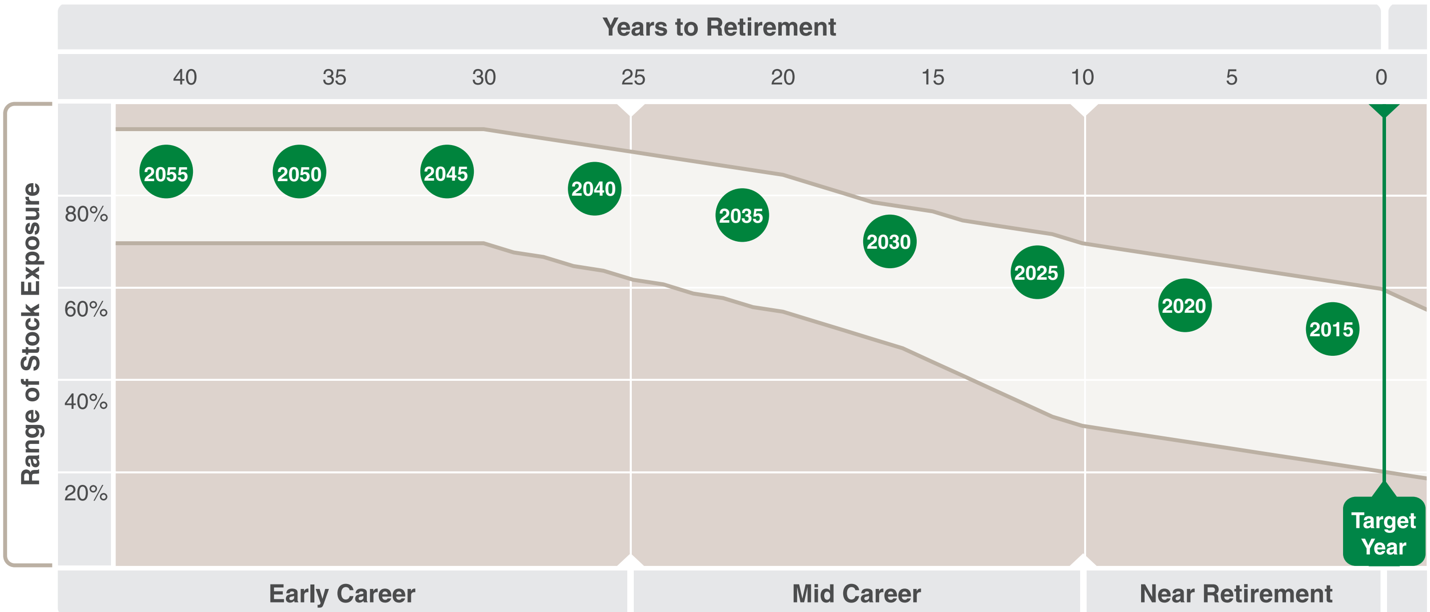
| | Retirement Target 2015 CIT Fund | | Retirement Target 2010 CIT Fund | | Retirement Target Income CIT Fund | |
|---|---|---|---|---|---|---|
| **Range of Stock Exposure** | 21% - 61%<br>41% midpoint | | 16% - 48%<br>32% midpoint | | 15% - 45%<br>30% midpoint | |
| **Asset Class Allocation[1]** | Stocks | 52.62% | Stocks | 39.86% | Stocks | 36.85% |
| | Bonds | 44.46% | Bonds | 57.87% | Bonds | 61.06% |
| | Cash | 2.92% | Cash | 2.27% | Cash | 2.09% |
| **Sector Allocation[1]** | Consumer Discretionary | 11.15% | Consumer Discretionary | 7.44% | Consumer Discretionary | 6.56% |
| | Consumer Staples | 6.58% | Consumer Staples | 5.39% | Consumer Staples | 5.12% |
| | Energy | 7.78% | Energy | 5.86% | Energy | 5.40% |
| | Financials | 4.77% | Financials | 4.93% | Financials | 4.99% |
| | Health Care | 5.39% | Health Care | 4.39% | Health Care | 4.16% |
| | Industrials | 3.85% | Industrials | 2.74% | Industrials | 2.47% |
| | Information Technology | 9.44% | Information Technology | 6.42% | Information Technology | 5.70% |
| | Materials | 3.56% | Materials | 2.44% | Materials | 2.18% |
| | Telecommunication Services | 0.11% | Telecommunication Services | 0.05% | Telecommunication Services | 0.04% |
| | Utilities | -- | Utilities | 0.19% | Utilities | 0.24% |
| | Other Equity | -- | Other Equity | -- | Other Equity | -- |
| | Agency | 8.99% | Agency | 10.34% | Agency | 10.62% |
| | Corporate | 23.31% | Corporate | 32.07% | Corporate | 34.14% |
| | Government | 1.47% | Government | 1.80% | Government | 1.89% |
| | Mortgage | 6.70% | Mortgage | 8.34% | Mortgage | 8.74% |
| | Treasury | -- | Treasury | -- | Treasury | -- |
| | Other Fixed | 3.98% | Other Fixed | 5.33% | Other Fixed | 5.66% |
| | Cash | 2.92% | Cash | 2.27% | Cash | 2.09% |
| **Total Holdings[1]** | 792 | | 935 | | 770 | |
| **Top Ten Investments[1]** | GOVERNMENT AGENCY | 16.16% | GOVERNMENT AGENCY | 19.11% | GOVERNMENT AGENCY | 19.77% |
| | HESS CORP | 2.15% | HESS CORP | 1.43% | HESS CORP | 1.26% |
| | JUNIPER NETWORKS INC | 1.67% | E M C CORP MASS | 1.20% | E M C CORP MASS | 1.11% |
| | E M C CORP MASS | 1.60% | JOHNSON & JOHNSON | 1.08% | JOHNSON & JOHNSON | 1.09% |
| | DIRECTV GROUP INC | 1.36% | APPLE COMPUTER INC | 0.93% | APPLE COMPUTER INC | 0.95% |
| | ALCOA INC | 1.30% | DIRECTV GROUP INC | 0.88% | BBVA US SENIOR SA UNIPER 4.66400 10/09/2015 | 0.95% |
| | ELECTRONIC ARTS | 1.24% | ALCOA INC | 0.86% | GENWORTH FINANCIAL INC 7.62500 09/24/2021 | 0.88% |
| | NESTLE SA-REGISTERED | 1.13% | BBVA US SENIOR SA UNIPER 4.66400 10/09/2015 | 0.84% | JEFFERIES GROUP JEF8 1/2 8.50000 07/15/2019 | 0.84% |
| | JOHNSON & JOHNSON | 1.04% | ELECTRONIC ARTS | 0.83% | DIRECTV GROUP INC | 0.77% |
| | CERNER CORP | 1.04% | GENWORTH FINANCIAL INC 7.62500 09/24/2021 | 0.80% | ALCOA INC | 0.76% |
| **Fund Facts** | **Class S** | | **Class S** | | **Class S** | |
| | CUSIP | 302027677 | CUSIP | 563821180 | CUSIP | 563821198 |
| | Expense Ratio After Fee Waiver* | 0.98% | Expense Ratio After Fee Waiver* | 0.97% | Expense Ratio After Fee Waiver* | 0.98% |
| | **Class I** | | **Class I** | | **Class I** | |
| | CUSIP | 302027685 | CUSIP | 302027693 | CUSIP | 302027651 |
| | Expense Ratio After Fee Waiver* | 0.69% | Expense Ratio After Fee Waiver* | 0.68% | Expense Ratio After Fee Waiver* | 0.69% |
| | **Class U** | | **Class U** | | **Class U** | |
| | CUSIP | 302028501 | CUSIP | 302028402 | CUSIP | 302028832 |
| | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% | Expense Ratio After Fee Waiver* | 0.55% |

**Includes acquired fund fees and expenses of the underlying collective investment trusts and reflects the Trustee's contractual agreement to limit fees and voluntary agreement to reimburse certain expenses. The Manning & Napier Retirement Target CIT Funds do not have investment minimums.*

[1]Based on the investments of the underlying fund(s): 5% Manning & Napier Pro-Mix® Extended Term CIT Fund and 95% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2015 CIT Fund; 20% Manning & Napier Pro-Mix® Moderate Term CIT Fund and 80% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target 2010 CIT Fund; 100% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target Income CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. Due to rounding, totals may not equal the sum of each category. Top Ten Investments list is unaudited and excludes cash.

# Years To Retirement:
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

## Glide Range and Detailed Asset Class Allocation[1] (as of 03/31/2014)

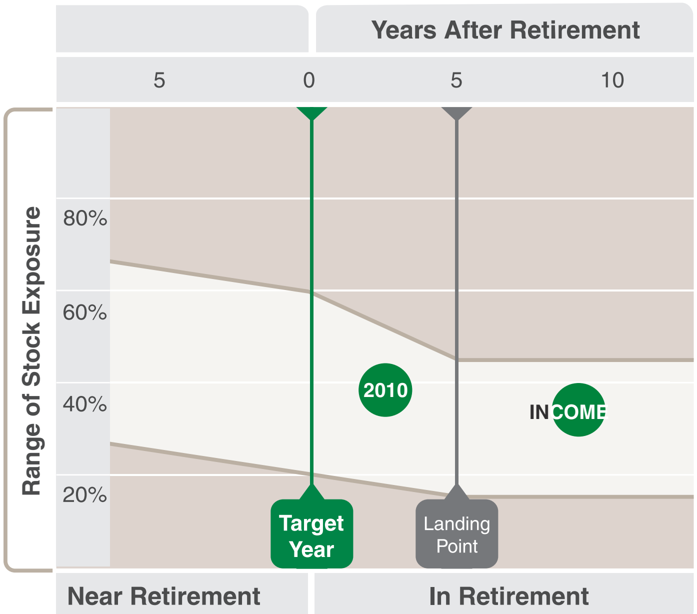



| | Retirement Target 2055 CIT Fund | Retirement Target 2050 CIT Fund | Retirement Target 2045 CIT Fund | Retirement Target 2040 CIT Fund | Retirement Target 2035 CIT Fund | Retirement Target 2030 CIT Fund | Retirement Target 2025 CIT Fund | Retirement Target 2020 CIT Fund | Retirement Target 2015 CIT Fund |
|---|---|---|---|---|---|---|---|---|---|
| Range of Stock Exposure | 70% - 95% 83% midpoint | 70% - 95% 83% midpoint | 70% - 95% 83% midpoint | 64% - 91% 78% midpoint | 56% - 86% 71% midpoint | 47% - 78% 63% midpoint | 32% - 72% 52% midpoint | 26% - 66% 46% midpoint | 21% - 61% 41% midpoint |
| Total Holdings | 438 | 438 | 438 | 771 | 771 | 771 | 771 | 792 | 792 |
| **Stocks** | **86.06%** | **86.06%** | **86.06%** | **82.24%** | **77.46%** | **72.64%** | **67.80%** | **57.85%** | **52.62%** |
| International | 22.54% | 22.54% | 22.54% | 21.51% | 20.22% | 18.91% | 17.60% | 14.92% | 13.52% |
| Small Cap | 3.29% | 3.29% | 3.29% | 3.04% | 2.73% | 2.42% | 2.11% | 1.77% | 1.61% |
| Mid Cap | 17.09% | 17.09% | 17.09% | 15.91% | 14.43% | 12.94% | 11.45% | 9.62% | 8.74% |
| Large Cap | 43.14% | 43.14% | 43.14% | 41.78% | 40.08% | 38.37% | 36.65% | 31.53% | 28.76% |
| **Bonds** | **9.61%** | **9.61%** | **9.61%** | **13.97%** | **19.42%** | **24.92%** | **30.44%** | **39.71%** | **44.46%** |
| Long-Term | 0.33% | 0.33% | 0.33% | 0.94% | 1.69% | 2.45% | 3.21% | 3.64% | 3.79% |
| Intermediate-Term | 9.06% | 9.06% | 9.06% | 12.54% | 16.90% | 21.30% | 25.71% | 33.20% | 37.02% |
| Short-Term | 0.22% | 0.22% | 0.22% | 0.49% | 0.83% | 1.17% | 1.51% | 2.88% | 3.64% |
| **Cash** | **4.33%** | **4.33%** | **4.33%** | **3.79%** | **3.12%** | **2.44%** | **1.76%** | **2.44%** | **2.92%** |

Please see next page for additional data and disclosures.

# Years After Retirement: Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

## Glide Range and Detailed Asset Class Allocation[1] (as of 03/31/2014)




| | Retirement Target 2010 CIT Fund | Retirement Target Income CIT Fund |
|---|---|---|
| Range of Stock Exposure | 16% - 48%<br>32% midpoint | 15% - 45%<br>30% midpoint |
| Total Holdings | 935 | 770 |
| **Stocks** | **39.86%** | **36.85%** |
| International | 8.81% | 7.68% |
| Small Cap | 0.99% | 0.84% |
| Mid Cap | 5.96% | 5.30% |
| Large Cap | 24.09% | 23.03% |
| **Bonds** | **57.87%** | **61.06%** |
| Long-Term | 4.13% | 4.20% |
| Intermediate-Term | 47.87% | 50.45% |
| Short-Term | 5.88% | 6.41% |
| **Cash** | **2.27%** | **2.09%** |

**Early Career Phase**
- Primary goal - capital appreciation
- Significant exposure to equities

**Mid Career Phase**
- Primary goal - long-term growth
- Secondary goal - capital preservation
- Many investors have accumulated meaningful balances

**Near Retirement Phase**
- Primary goal - balance capital preservation and capital appreciation
- Retirement is in sight

**In Retirement Phase**
- Primary goal - preservation of capital
- Secondary goal - income generation and capital growth
- Account may be main source of income
- It is likely that contributions cease and withdrawals start (lump sum or recurring)

Each Manning & Napier Retirement Target CIT Fund is invested in one or two of four proprietary lifestyle funds, the Manning & Napier Pro-Mix® CIT Funds, based on the Retirement Target CIT Fund becoming increasingly conservative over time. Because the underlying funds invest in both stocks and bonds, the value of your investment will fluctuate in response to stock market movements and changes in interest rates. Investing in target date funds will also involve a number of other risks, including issuer-specific risk, foreign investment risk, and small-cap/mid-cap risk, as the underlying investments change over time. Principal value is not guaranteed at any time, including at the target date (the approximate year when an investor plans to stop contributions and start periodic withdrawals).

[1]Based on the investments of the underlying fund(s): 100% Manning & Napier Pro-Mix® Maximum Term Collective Investment Trust (CIT) Fund for Retirement Target 2055, 2050, and 2045 CIT Funds; 80% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 20% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2040 CIT Fund; 55% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 45% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2035 CIT Fund; 30% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 70% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2030 CIT Fund; 5% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 95% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2025 CIT Fund; 40% Manning & Napier Pro-Mix® Extended Term CIT Fund and 60% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2020 CIT Fund; 5% Manning & Napier Pro-Mix® Extended Term CIT Fund and 95% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2015 CIT Fund; 20% Manning & Napier Pro-Mix® Moderate Term CIT Fund and 80% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target 2010 CIT Fund; 100% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target Income CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. Due to rounding, totals may not equal the sum of each category.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

# Detailed Allocation as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

| | Retirement Target 2055 CIT Fund | Retirement Target 2050 CIT Fund | Retirement Target 2045 CIT Fund | Retirement Target 2040 CIT Fund | Retirement Target 2035 CIT Fund |
|---|---|---|---|---|---|
| **Total Equity** | **86.06%** | **86.06%** | **86.06%** | **82.24%** | **77.46%** |
| U.S. Large Cap Value | 18.37% | 18.37% | 18.37% | 17.96% | 17.44% |
| U.S. Large Cap Growth | 23.88% | 23.88% | 23.88% | 22.87% | 21.60% |
| U.S. Mid Cap Value | 7.80% | 7.80% | 7.80% | 7.00% | 6.00% |
| U.S. Mid Cap Growth | 7.56% | 7.56% | 7.56% | 7.04% | 6.40% |
| U.S. Small Cap Value | 1.35% | 1.35% | 1.35% | 1.22% | 1.06% |
| U.S. Small Cap Growth | 1.41% | 1.41% | 1.41% | 1.28% | 1.12% |
| U.S. Real Estate | 3.16% | 3.16% | 3.16% | 3.36% | 3.60% |
| Developed International | 19.11% | 19.11% | 19.11% | 18.34% | 17.39% |
| Emerging International | 3.43% | 3.43% | 3.43% | 3.16% | 2.83% |
| Other | -- | -- | -- | 0.02% | 0.04% |
| **Total Fixed Income** | **9.61%** | **9.61%** | **9.61%** | **13.97%** | **19.42%** |
| U.S. Treasuries | -- | -- | -- | -- | -- |
| Treasury Inflation Protected Securities | -- | -- | -- | -- | -- |
| Investment-Grade Corporates | 3.79% | 3.79% | 3.79% | 5.33% | 7.48% |
| Below Investment-Grade Corporates | 1.68% | 1.68% | 1.68% | 2.12% | 3.06% |
| Mortgages | 1.49% | 1.49% | 1.49% | 2.76% | 3.62% |
| Agencies | 2.40% | 2.40% | 2.40% | 2.18% | 3.50% |
| Commercial Mortgage-Backed Securities | 0.26% | 0.26% | 0.26% | 0.91% | 1.07% |
| Collateralized Mortgage Obligations | -- | -- | -- | -- | -- |
| Asset-Backed | -- | -- | -- | 0.11% | 0.11% |
| Non-U.S. Sovereigns | -- | -- | -- | 0.55% | 0.57% |
| Other | -- | -- | -- | 0.02% | 0.02% |
| **Cash** | **4.33%** | **4.33%** | **4.33%** | **3.79%** | **3.12%** |

# Detailed Allocation as of 03/31/2014 Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

| | Retirement Target 2030 CIT Fund | Retirement Target 2025 CIT Fund | Retirement Target 2020 CIT Fund | Retirement Target 2015 CIT Fund | Retirement Target 2010 CIT Fund |
|---|---|---|---|---|---|
| **Total Equity** | **72.64%** | **67.80%** | **57.85%** | **52.62%** | **39.86%** |
| U.S. Large Cap Value | 16.93% | 16.41% | 14.67% | 13.72% | 10.59% |
| U.S. Large Cap Growth | 20.32% | 19.04% | 15.72% | 13.94% | 12.15% |
| U.S. Mid Cap Value | 4.99% | 3.97% | 3.31% | 3.04% | 2.06% |
| U.S. Mid Cap Growth | 5.75% | 5.09% | 4.20% | 3.75% | 2.06% |
| U.S. Small Cap Value | 0.90% | 0.74% | 0.60% | 0.54% | 0.24% |
| U.S. Small Cap Growth | 0.95% | 0.79% | 0.64% | 0.57% | 0.23% |
| U.S. Real Estate | 3.84% | 4.09% | 3.71% | 3.46% | 3.63% |
| Developed International | 16.42% | 15.45% | 13.18% | 11.97% | 7.80% |
| Emerging International | 2.49% | 2.15% | 1.74% | 1.55% | 1.01% |
| Other | 0.05% | 0.07% | 0.08% | 0.08% | 0.10% |
| **Total Fixed Income** | **24.92%** | **30.44%** | **39.71%** | **44.46%** | **57.87%** |
| U.S. Treasuries | -- | -- | -- | -- | -- |
| Treasury Inflation Protected Securities | -- | -- | -- | -- | -- |
| Investment-Grade Corporates | 9.69% | 11.97% | 15.57% | 16.94% | 24.72% |
| Below Investment-Grade Corporates | 4.10% | 5.27% | 5.09% | 6.45% | 5.48% |
| Mortgages | 4.32% | 4.81% | 7.59% | 9.05% | 9.71% |
| Agencies | 5.19% | 7.37% | 6.54% | 6.31% | 11.47% |
| Commercial Mortgage-Backed Securities | 1.08% | 0.91% | 2.61% | 3.16% | 3.20% |
| Collateralized Mortgage Obligations | -- | -- | -- | -- | -- |
| Asset-Backed | 0.08% | 0.02% | 0.33% | 0.40% | 0.39% |
| Non-U.S. Sovereigns | 0.43% | 0.09% | 1.91% | 2.08% | 2.84% |
| Other | 0.02% | -- | 0.06% | 0.08% | 0.07% |
| **Cash** | **2.44%** | **1.76%** | **2.44%** | **2.92%** | **2.27%** |

# Detailed Allocation as of 03/31/2014 Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

| | Retirement Target Income CIT Fund |
|---|---|
| **Total Equity** | **36.85%** |
| U.S. Large Cap Value | 9.84% |
| U.S. Large Cap Growth | 11.76% |
| U.S. Mid Cap Value | 1.83% |
| U.S. Mid Cap Growth | 1.65% |
| U.S. Small Cap Value | 0.16% |
| U.S. Small Cap Growth | 0.14% |
| U.S. Real Estate | 3.68% |
| Developed International | 6.80% |
| Emerging International | 0.88% |
| Other | 0.10% |
| **Total Fixed Income** | **61.06%** |
| U.S. Treasuries | -- |
| Treasury Inflation Protected Securities | -- |
| Investment-Grade Corporates | 29.83% |
| Below Investment-Grade Corporates | 4.75% |
| Mortgages | 9.79% |
| Agencies | 10.62% |
| Commercial Mortgage- Backed Securities | 3.06% |
| Collateralized Mortgage Obligations | -- |
| Asset-Backed | 0.25% |
| Non-U.S. Sovereigns | 2.74% |
| Other | 0.02% |
| **Cash** | **2.09%** |

Based on the investments of the underlying fund(s): 100% Manning & Napier Pro-Mix® Maximum Term Collective Investment Trust (CIT) Fund for Retirement Target 2055, 2050, and 2045 CIT Funds; 80% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 20% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2040 CIT Fund; 55% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 45% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2035 CIT Fund; 30% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 70% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2030 CIT Fund; 5% Manning & Napier Pro-Mix® Maximum Term CIT Fund and 95% Manning & Napier Pro-Mix® Extended Term CIT Fund for Retirement Target 2025 CIT Fund; 40% Manning & Napier Pro-Mix® Extended Term CIT Fund and 60% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2020 CIT Fund; 5% Manning & Napier Pro-Mix® Extended Term CIT Fund and 95% Manning & Napier Pro-Mix® Moderate Term CIT Fund for Retirement Target 2015 CIT Fund; 20% Manning & Napier Pro-Mix® Moderate Term CIT Fund and 80% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target 2010 CIT Fund; 100% Manning & Napier Pro-Mix® Conservative Term CIT Fund for Retirement Target Income CIT Fund. Investments will change over time and as the target date fund gradually becomes more conservative. Due to rounding, totals may not equal the sum of each category.

Source: FactSet, Bloomberg. Analysis by Manning & Napier.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

# Fixed Income Communiqué as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

MANNING & NAPIER

| | Retirement Target 2055 CIT Fund | Retirement Target 2050 CIT Fund | Retirement Target 2045 CIT Fund | Retirement Target 2040 CIT Fund | Retirement Target 2035 CIT Fund |
|---|---|---|---|---|---|
| **Characteristics** | | | | | |
| OA Duration (Weighted Average) | 2.73 | 2.73 | 2.73 | 3.74 | 3.43 |
| Effective Maturity | 5.61 | 5.61 | 5.61 | 8.97 | 7.92 |
| Effective Yield | 1.99% | 1.99% | 1.99% | 2.68% | 2.46% |
| OA Convexity (Weighted Average) | 0.04 | 0.04 | 0.04 | 0.11 | 0.09 |
| Yield to Maturity | 2.01% | 2.01% | 2.01% | 3.08% | 2.74% |
| Number of Holdings | 98 | 98 | 98 | 420 | 420 |
| **Sector Weights** | | | | | |
| U.S. Treasuries | -- | -- | -- | -- | -- |
| Treasury Inflation-Protected Securities | -- | -- | -- | -- | -- |
| Non-U.S. Sovereigns | -- | -- | -- | 3.49% | 2.40% |
| Agencies | 17.21% | 17.21% | 17.21% | 14.04% | 15.03% |
| Mortgages | 10.67% | 10.67% | 10.67% | 17.75% | 15.53% |
| Asset-Backed Securities | -- | -- | -- | 0.69% | 0.47% |
| CMO | -- | -- | -- | -- | -- |
| CMBS | 1.85% | 1.85% | 1.85% | 5.82% | 4.58% |
| Investment-Grade Corporates | 26.20% | 26.20% | 26.20% | 33.00% | 30.87% |
| Below Investment-Grade Corporates | 13.05% | 13.05% | 13.05% | 14.91% | 14.33% |
| Convertibles | -- | -- | -- | 0.14% | 0.09% |
| Futures/Options/Derivatives | -- | -- | -- | -- | -- |
| Cash (MMF) | 31.03% | 31.03% | 31.03% | 10.15% | 16.69% |
| **Credit Quality Distribution**[1] | | | | | |
| U.S. Treasury | -- | -- | -- | -- | -- |
| Agency/Mortgage/ABS/CMBS | 27.88% | 27.88% | 27.88% | 32.43% | 31.00% |
| Aaa | 1.32% | 1.32% | 1.32% | 3.29% | 2.68% |
| Aa | -- | -- | -- | 0.87% | 0.60% |
| A | 1.86% | 1.86% | 1.86% | 5.31% | 4.23% |
| Baa | 24.34% | 24.34% | 24.34% | 29.92% | 28.17% |
| Below IG/NR | 13.57% | 13.57% | 13.57% | 18.03% | 16.63% |
| Cash (MMF) | 31.03% | 31.03% | 31.03% | 10.15% | 16.69% |
| **Duration Breakdown** | | | | | |
| 0 - 2 years | 35.29% | 35.29% | 35.29% | 22.06% | 26.21% |
| 2 - 4 years | 33.10% | 33.10% | 33.10% | 26.16% | 28.33% |
| 4 - 6 years | 26.23% | 26.23% | 26.23% | 40.84% | 36.26% |
| 6 - 8 years | 5.38% | 5.38% | 5.38% | 9.17% | 7.98% |
| 8 - 10 years | -- | -- | -- | 1.29% | 0.89% |
| 10 - 12 years | -- | -- | -- | 0.48% | 0.33% |
| 12+ years | -- | -- | -- | -- | -- |
| **Domestic/Foreign Exposures** | | | | | |
| Domestic Issuers | 88.86% | 88.86% | 88.86% | 84.34% | 85.76% |
| Foreign Issuers | 11.14% | 11.14% | 11.14% | 15.66% | 14.24% |
| Dollar Denominated Gov't/Agency | -- | -- | -- | 0.28% | 0.19% |
| Non-Dollar Denominated Gov't/Agency | -- | -- | -- | 3.27% | 2.24% |
| Dollar Denominated Corp/Pass Thru | 11.14% | 11.14% | 11.14% | 11.70% | 11.53% |
| Non-Dollar Denominated Corp/Pass Thru | -- | -- | -- | 0.41% | 0.28% |

# Fixed Income Communiqué as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

| | Retirement Target 2030 CIT Fund | Retirement Target 2025 CIT Fund | Retirement Target 2020 CIT Fund | Retirement Target 2015 CIT Fund | Retirement Target 2010 CIT Fund |
|---|---|---|---|---|---|
| **Characteristics** | | | | | |
| OA Duration (Weighted Average) | 3.11 | 2.80 | 3.92 | 3.99 | 3.75 |
| Effective Maturity | 6.86 | 5.81 | 9.34 | 9.75 | 8.49 |
| Effective Yield | 2.25% | 2.03% | 2.72% | 2.84% | 2.51% |
| OA Convexity (Weighted Average) | 0.07 | 0.05 | 0.12 | 0.12 | 0.11 |
| Yield to Maturity | 2.41% | 2.07% | 3.15% | 3.32% | 2.84% |
| Number of Holdings | 420 | 420 | 453 | 453 | 525 |
| **Sector Weights** | | | | | |
| U.S. Treasuries | -- | -- | -- | -- | -- |
| Treasury Inflation-Protected Securities | -- | -- | -- | -- | -- |
| Non-U.S. Sovereigns | 1.31% | 0.22% | 4.48% | 4.38% | 4.58% |
| Agencies | 16.02% | 17.01% | 15.64% | 13.55% | 18.75% |
| Mortgages | 13.32% | 11.11% | 18.09% | 19.35% | 15.84% |
| Asset-Backed Securities | 0.26% | 0.04% | 0.80% | 0.86% | 0.63% |
| CMO | -- | -- | -- | -- | -- |
| CMBS | 3.33% | 2.09% | 6.22% | 6.75% | 5.22% |
| Investment-Grade Corporates | 28.74% | 26.62% | 35.87% | 34.86% | 39.34% |
| Below Investment-Grade Corporates | 13.74% | 13.16% | 13.33% | 15.12% | 9.91% |
| Convertibles | 0.05% | 0.01% | 0.15% | 0.17% | 0.11% |
| Futures/Options/Derivatives | -- | -- | -- | -- | -- |
| Cash (MMF) | 23.23% | 29.74% | 5.42% | 4.97% | 5.62% |
| **Credit Quality Distribution[1]** | | | | | |
| U.S. Treasury | -- | -- | -- | -- | -- |
| Agency/Mortgage/ABS/CMBS | 29.58% | 28.16% | 34.46% | 33.68% | 35.18% |
| Aaa | 2.06% | 1.45% | 3.71% | 3.78% | 3.76% |
| Aa | 0.32% | 0.05% | 1.73% | 1.17% | 2.65% |
| A | 3.15% | 2.07% | 6.90% | 6.27% | 8.34% |
| Baa | 26.42% | 24.68% | 31.01% | 31.28% | 31.70% |
| Below IG/NR | 15.23% | 13.84% | 16.76% | 18.85% | 12.74% |
| Cash (MMF) | 23.23% | 29.74% | 5.42% | 4.97% | 5.62% |
| **Duration Breakdown** | | | | | |
| 0 - 2 years | 30.35% | 34.47% | 19.59% | 18.84% | 20.60% |
| 2 - 4 years | 30.50% | 32.67% | 26.85% | 24.72% | 32.58% |
| 4 - 6 years | 31.69% | 27.14% | 41.13% | 44.09% | 34.94% |
| 6 - 8 years | 6.79% | 5.61% | 10.27% | 10.14% | 9.87% |
| 8 - 10 years | 0.48% | 0.08% | 1.50% | 1.60% | 1.29% |
| 10 - 12 years | 0.18% | 0.03% | 0.66% | 0.61% | 0.72% |
| 12+ years | -- | -- | -- | -- | -- |
| **Domestic/Foreign Exposures** | | | | | |
| Domestic Issuers | 87.17% | 88.58% | 83.82% | 83.28% | 84.08% |
| Foreign Issuers | 12.83% | 11.42% | 16.18% | 16.72% | 15.91% |
| Dollar Denominated Gov't/Agency | 0.10% | 0.02% | 0.98% | 0.43% | 1.86% |
| Non-Dollar Denominated Gov't/Agency | 1.22% | 0.20% | 3.56% | 4.02% | 2.77% |
| Dollar Denominated Corp/Pass Thru | 11.35% | 11.18% | 11.19% | 11.76% | 10.97% |
| Non-Dollar Denominated Corp/Pass Thru | 0.15% | 0.03% | 0.44% | 0.50% | 0.31% |

# Fixed Income Communiqué as of 03/31/2014
# Manning & Napier Retirement Target Collective Investment Trust (CIT) Funds

| | Retirement Target Income CIT Fund |
|---|---|
| **Characteristics** | |
| OA Duration (Weighted Average) | 3.58 |
| Effective Maturity | 7.95 |
| Effective Yield | 2.43% |
| OA Convexity (Weighted Average) | 0.09 |
| Yield to Maturity | 2.77% |
| Number of Holdings | 509 |
| **Sector Weights** | |
| U.S. Treasuries | -- |
| Treasury Inflation-Protected Securities | -- |
| Non-U.S. Sovereigns | 4.31% |
| Agencies | 16.84% |
| Mortgages | 15.51% |
| Asset-Backed Securities | 0.39% |
| CMO | -- |
| CMBS | 4.84% |
| Investment-Grade Corporates | 46.28% |
| Below Investment-Grade Corporates | 8.49% |
| Convertibles | 0.04% |
| Futures/Options/Derivatives | -- |
| Cash (MMF) | 3.30% |
| **Credit Quality Distribution[1]** | |
| U.S. Treasury | -- |
| Agency/Mortgage/ABS/CMBS | 32.71% |
| Aaa | 4.41% |
| Aa | 2.50% |
| A | 9.75% |
| Baa | 36.34% |
| Below IG/NR | 10.98% |
| Cash (MMF) | 3.30% |
| **Duration Breakdown** | |
| 0 - 2 years | 19.52% |
| 2 - 4 years | 40.87% |
| 4 - 6 years | 30.46% |
| 6 - 8 years | 7.39% |
| 8 - 10 years | 1.15% |
| 10 - 12 years | 0.60% |
| 12+ years | -- |
| **Domestic/Foreign Exposures** | |
| Domestic Issuers | 81.41% |
| Foreign Issuers | 18.59% |
| Dollar Denominated Gov't/Agency | 1.61% |
| Non-Dollar Denominated Gov't/Agency | 2.73% |
| Dollar Denominated Corp/Pass Thru | 14.04% |
| Non-Dollar Denominated Corp/Pass Thru | 0.21% |

Sources: Bloomberg. All data is reflective of the fixed income holdings and cash positions within each Retirement Target CIT Fund and excludes equity holdings. Each Retirement Target CIT Fund is invested in one or two of four proprietary lifestyle funds, the Manning & Napier Pro-Mix CIT Funds, based on the Retirement Target CIT Funds becoming increasingly conservative over time.

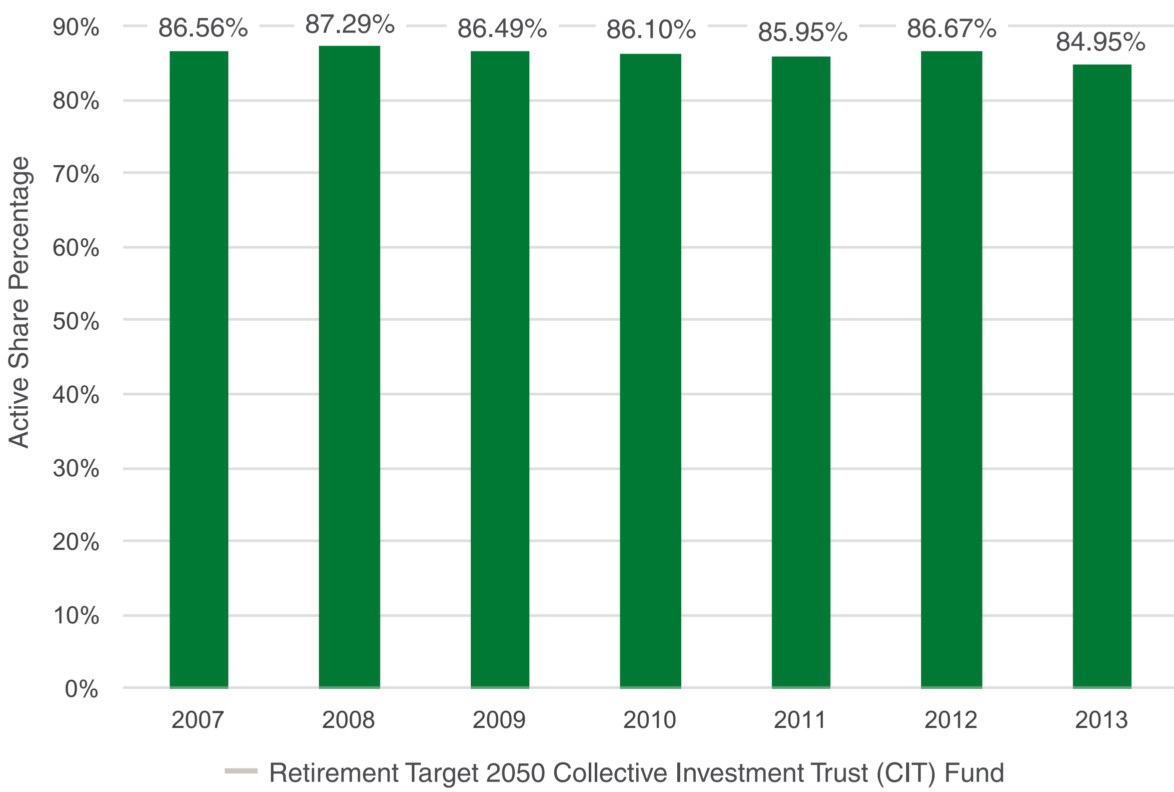
[1]Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Not Rated (NR) is used to classify securities for which a rating is not available. Credit quality ratings for each issue are obtained from Bloomberg using ratings derived from Moody's Investors Services (Moody's) or Standard & Poor's. When ratings from Moody's are not available, ratings from Standard & Poor's are used.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

# Active Share

Measuring the active share of the equity portion of a target date fund may help plan fiduciaries identify managers that are closet indexers or funds that are potentially over-diversified. A portfolio's active share will range between 0% and 100%, where a higher number is indicative of active management and differentiation from the benchmark.

Funds with a low active share will more closely resemble the comparison index, either intentionally or through over-diversification. This increases the risk of achieving index-like returns, in some cases while paying fees typically charged for the active management of the target date fund.




Source: FactSet. Analysis: Manning & Napier.
Active share is calculated using only the CIT fund's equity holdings.
Active share calculation benchmark: The 62/21/17 Blended Index is 62% Russell 3000® Index (Russell 3000), 21% MSCI ACWI ex USA Index (ACWIxUS), and 17% Barclays U.S. Aggregate Bond Index (BAB).
Russell 3000 is an unmanaged index that consists of 3,000 of the largest U.S. companies based on total market capitalization. ACWIxUS is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets and consists of 43 developed and emerging market country indices outside the U.S. The Index is denominated in U.S. dollars. BAB is an unmanaged, market value-weighted index of U.S. domestic investment-grade debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of one year or more.
Because the fund's asset allocation will vary over time, the composition of the fund's portfolio may not match the composition of the comparative indices.
Please note that diversification does not assure a profit or protect against loss in a declining market.
Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

# Manning & Napier Retirement Target Collective Investment Trust Funds Class I

MANNING & NAPIER

## Annualized Performance (as of 03/31/2014)

This information was prepared to reflect the estimated historical performance of the Manning & Napier Retirement Target Collective Investment Trust (CIT) Class I units. Performance shown was created using historical performance data of the underlying Manning & Napier Pro-Mix® CIT Fund(s) that would have been held according to the Retirement Target CIT Funds' glide path. This information is for illustrative purposes only. Your investment may fluctuate in value and there is a potential for loss as well as profit.

| | Retirement Target 2055 CIT Class I | | | Retirement Target 2050 CIT Class I | | | Retirement Target 2045 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2055[1] | 2055 Composite Benchmark[2] | S&P Target Date 2055+ Index[3] | Target 2050[1] | 2050 Composite Benchmark[2] | S&P Target Date 2050 Index[3] | Target 2045[1] | 2045 Composite Benchmark[2] | S&P Target Date 2045 Index[3] |
| Inception* | 7.66% | 4.63% | ----- | 7.71% | 4.63% | ----- | 7.71% | 4.63% | ----- |
| 10 Years | 8.01% | 7.35% | ----- | 8.09% | 7.35% | ----- | 8.08% | 7.35% | ----- |
| 7 Years | 5.63% | 5.54% | ----- | 5.74% | 5.54% | 5.24% | 5.73% | 5.54% | 5.21% |
| 5 Years | 17.86% | 17.99% | 18.85% | 18.05% | 17.99% | 18.63% | 18.02% | 17.99% | 18.58% |
| 3 Years | 9.50% | 10.69% | 11.03% | 9.80% | 10.69% | 10.69% | 9.74% | 10.69% | 10.61% |
| 2 Years | 15.38% | 13.90% | 15.24% | 15.83% | 13.90% | 14.71% | 15.75% | 13.90% | 14.49% |
| 1 Year | 18.07% | 16.40% | 18.13% | 18.04% | 16.40% | 17.53% | 18.02% | 16.40% | 17.43% |
| Year-to-Date | 2.44% | 1.67% | 1.58% | 2.42% | 1.67% | 1.60% | 2.41% | 1.67% | 2.16% |
| Quarter | 2.44% | 1.67% | 1.58% | 2.42% | 1.67% | 1.60% | 2.41% | 1.67% | 2.16% |
| Market Cycle** | 7.87% | 4.46% | ----- | 7.92% | 4.46% | ----- | 7.92% | 4.46% | ----- |

| | Retirement Target 2040 CIT Class I | | | Retirement Target 2035 CIT Class I | | | Retirement Target 2030 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2040[1] | 2040 Composite Benchmark[2] | S&P Target Date 2040 Index[3] | Target 2035[1] | 2035 Composite Benchmark[2] | S&P Target Date 2035 Index[3] | Target 2030[1] | 2030 Composite Benchmark[2] | S&P Target Date 2030 Index[3] |
| Inception* | 7.63% | 4.54% | ----- | 7.44% | 4.38% | ----- | 7.78% | 4.43% | ----- |
| 10 Years | 7.97% | 7.22% | 7.11% | 7.70% | 6.98% | 6.99% | 8.19% | 7.05% | 6.88% |
| 7 Years | 5.57% | 5.35% | 5.28% | 5.20% | 5.02% | 5.24% | 5.91% | 5.12% | 5.25% |
| 5 Years | 17.76% | 17.69% | 18.13% | 17.19% | 17.18% | 17.54% | 16.78% | 15.33% | 16.66% |
| 3 Years | 9.37% | 10.22% | 10.33% | 8.46% | 9.43% | 9.99% | 9.89% | 9.21% | 9.52% |
| 2 Years | 15.15% | 13.19% | 13.94% | 14.08% | 12.35% | 13.29% | 14.29% | 11.53% | 12.42% |
| 1 Year | 17.36% | 15.57% | 16.70% | 15.98% | 14.38% | 15.82% | 14.80% | 12.50% | 14.56% |
| Year-to-Date | 2.53% | 1.69% | 2.17% | 2.56% | 1.72% | 2.15% | 2.69% | 1.74% | 2.10% |
| Quarter | 2.53% | 1.69% | 2.17% | 2.56% | 1.72% | 2.15% | 2.69% | 1.74% | 2.10% |
| Market Cycle** | 7.84% | 4.37% | ----- | 7.65% | 4.21% | ----- | 7.99% | 4.25% | ----- |

| | Retirement Target 2025 CIT Class I | | | Retirement Target 2020 CIT Class I | | | Retirement Target 2015 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2025[1] | 2025 Composite Benchmark[2] | S&P Target Date 2025 Index[3] | Target 2020[1] | 2020 Composite Benchmark[2] | S&P Target Date 2020 Index[3] | Target 2015[1] | 2015 Composite Benchmark[2] | S&P Target Date 2015 Index[3] |
| Inception* | 7.61% | 4.24% | ----- | 7.63% | 4.84% | ----- | 7.43% | 5.06% | ----- |
| 10 Years | 8.20% | 6.86% | 6.72% | 7.67% | 6.35% | 6.42% | 7.30% | 6.27% | 6.08% |
| 7 Years | 6.50% | 5.59% | 5.27% | 5.95% | 5.26% | 5.18% | 5.63% | 5.30% | 5.03% |
| 5 Years | 15.28% | 13.36% | 15.55% | 14.45% | 12.86% | 14.26% | 12.76% | 11.50% | 12.76% |
| 3 Years | 9.60% | 8.29% | 9.00% | 8.46% | 7.68% | 8.39% | 8.02% | 7.48% | 7.68% |
| 2 Years | 13.02% | 9.65% | 11.39% | 11.18% | 8.63% | 10.25% | 10.24% | 7.99% | 8.94% |
| 1 Year | 13.58% | 10.43% | 13.10% | 11.42% | 9.03% | 11.47% | 10.24% | 8.03% | 9.61% |
| Year-to-Date | 2.83% | 1.77% | 2.06% | 2.59% | 1.78% | 1.98% | 2.55% | 1.80% | 1.89% |
| Quarter | 2.83% | 1.77% | 2.06% | 2.59% | 1.78% | 1.98% | 2.55% | 1.80% | 1.89% |
| Market Cycle** | 7.82% | 4.06% | ----- | 7.67% | 4.69% | ----- | 7.36% | 4.93% | ----- |

| | Retirement Target 2010 CIT Class I | | | Retirement Target Income CIT Class I | | |
|---|---|---|---|---|---|---|
| | Target 2010[1] | 2010 Composite Benchmark[2] | S&P Target Date 2010 Index[3] | Target Income[1] | Income Composite Benchmark[2] | S&P Target Date Retirement Income Index[3] |
| Inception* | 6.92% | 4.94% | ----- | 6.58% | 5.63% | ----- |
| 10 Years | 6.62% | 5.87% | 5.62% | 6.02% | 5.46% | 5.02% |
| 7 Years | 5.28% | 5.22% | 4.77% | 5.95% | 5.57% | 4.44% |
| 5 Years | 11.61% | 10.59% | 11.06% | 8.99% | 8.22% | 9.22% |
| 3 Years | 6.69% | 6.45% | 6.85% | 6.36% | 6.09% | 6.01% |
| 2 Years | 8.39% | 6.72% | 7.49% | 7.30% | 6.20% | 5.95% |
| 1 Year | 7.66% | 6.39% | 7.57% | 6.30% | 5.72% | 5.30% |
| Year-to-Date | 2.15% | 1.47% | 1.69% | 2.08% | 1.36% | 1.59% |
| Quarter | 2.15% | 1.47% | 1.69% | 2.08% | 1.36% | 1.59% |
| Market Cycle** | 6.85% | 4.81% | ----- | 6.52% | 5.59% | ----- |

*Inception Date: 01/01/2000

**U.S. Large Cap Market Cycle as of 04/01/2000

## Calendar Year Performance

| | Retirement Target 2055 CIT Class I | | | Retirement Target 2050 CIT Class I | | | Retirement Target 2045 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2055[1] | 2055 Composite Benchmark[2] | S&P Target Date 2055+ Index[3] | Target 2050[1] | 2050 Composite Benchmark[2] | S&P Target Date 2050 Index[3] | Target 2045[1] | 2045 Composite Benchmark[2] | S&P Target Date 2045 Index[3] |
| 2013 | 24.66% | 23.02% | 25.28% | 25.32% | 23.02% | 24.44% | 25.24% | 23.02% | 23.44% |
| 2012 | 15.85% | 14.74% | 16.10% | 16.15% | 14.74% | 15.79% | 16.11% | 14.74% | 15.43% |
| 2011 | -7.49% | -0.90% | -2.63% | -7.43% | -0.90% | -2.64% | -7.49% | -0.90% | -2.31% |
| 2010 | 14.50% | 14.53% | 15.91% | 14.51% | 14.53% | 15.92% | 14.50% | 14.53% | 15.91% |
| 2009 | 36.32% | 27.60% | 26.72% | 36.32% | 27.60% | 26.71% | 36.32% | 27.60% | 26.72% |
| 2008 | -33.68% | -33.70% | -35.08% | -33.71% | -33.70% | -35.07% | -33.68% | -33.70% | -35.08% |
| 2007 | 6.19% | 7.75% | ----- | 6.07% | 7.75% | 7.23% | 6.19% | 7.75% | 7.24% |
| 2006 | 20.82% | 16.09% | ----- | 20.82% | 16.09% | ----- | 20.82% | 16.09% | 17.11% |
| 2005 | 7.61% | 7.69% | ----- | 7.61% | 7.69% | ----- | 7.61% | 7.69% | ----- |
| 2004 | 15.64% | 12.56% | ----- | 15.64% | 12.56% | ----- | 15.64% | 12.56% | ----- |

| | Retirement Target 2040 CIT Class I | | | Retirement Target 2035 CIT Class I | | | Retirement Target 2030 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2040[1] | 2040 Composite Benchmark[2] | S&P Target Date 2040 Index[3] | Target 2035[1] | 2035 Composite Benchmark[2] | S&P Target Date 2035 Index[3] | Target 2030[1] | 2030 Composite Benchmark[2] | S&P Target Date 2030 Index[3] |
| 2013 | 24.08% | 21.70% | 22.40% | 21.85% | 19.83% | 21.14% | 19.77% | 16.89% | 19.44% |
| 2012 | 15.81% | 14.51% | 14.98% | 15.02% | 13.78% | 14.41% | 14.46% | 11.79% | 13.71% |
| 2011 | -7.51% | -0.90% | -1.93% | -7.49% | -0.90% | -1.46% | -1.96% | 1.47% | -0.92% |
| 2010 | 14.61% | 14.53% | 15.67% | 14.50% | 14.53% | 15.30% | 13.79% | 13.02% | 14.80% |
| 2009 | 36.27% | 27.60% | 26.28% | 36.32% | 27.60% | 25.30% | 30.29% | 23.90% | 24.01% |
| 2008 | -33.67% | -33.70% | -33.84% | -33.68% | -33.70% | -32.43% | -29.81% | -29.07% | -30.31% |
| 2007 | 6.18% | 7.75% | 7.25% | 6.19% | 7.75% | 7.02% | 6.46% | 7.77% | 6.94% |
| 2006 | 20.82% | 16.09% | 16.69% | 20.82% | 16.09% | 16.21% | 20.82% | 16.09% | 15.57% |
| 2005 | 7.61% | 7.69% | 6.26% | 7.61% | 7.69% | 6.08% | 7.61% | 7.69% | 5.85% |
| 2004 | 15.64% | 12.56% | 13.26% | 15.64% | 12.56% | 12.94% | 15.64% | 12.56% | 12.57% |

| | Retirement Target 2025 CIT Class I | | | Retirement Target 2020 CIT Class I | | | Retirement Target 2015 CIT Class I | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target 2025[1] | 2025 Composite Benchmark[2] | S&P Target Date 2025 Index[3] | Target 2020[1] | 2020 Composite Benchmark[2] | S&P Target Date 2020 Index[3] | Target 2015[1] | 2015 Composite Benchmark[2] | S&P Target Date 2015 Index[3] |
| 2013 | 17.49% | 13.66% | 17.33% | 14.62% | 11.55% | 15.04% | 12.86% | 9.99% | 12.44% |
| 2012 | 13.93% | 11.07% | 12.79% | 12.65% | 10.14% | 11.76% | 11.84% | 9.44% | 10.60% |
| 2011 | -0.67% | 2.05% | -0.03% | -0.19% | 2.77% | 0.83% | 0.36% | 3.84% | 1.79% |
| 2010 | 13.15% | 11.94% | 14.10% | 12.89% | 11.68% | 13.21% | 11.68% | 10.63% | 12.13% |
| 2009 | 24.40% | 20.19% | 22.33% | 24.38% | 20.19% | 20.25% | 20.39% | 16.98% | 17.17% |
| 2008 | -23.74% | -21.68% | -27.57% | -23.76% | -21.68% | -24.60% | -20.46% | -17.62% | -21.12% |
| 2007 | 7.48% | 7.81% | 6.91% | 7.46% | 7.81% | 6.86% | 7.16% | 7.66% | 6.77% |
| 2006 | 18.05% | 12.87% | 14.49% | 17.36% | 12.07% | 13.42% | 16.04% | 11.17% | 12.20% |
| 2005 | 7.66% | 6.74% | 5.55% | 7.69% | 6.09% | 4.97% | 7.45% | 5.88% | 4.63% |
| 2004 | 14.29% | 11.20% | 12.05% | 12.93% | 9.84% | 11.17% | 12.93% | 9.84% | 10.26% |

| | Retirement Target 2010 CIT Class I | | | Retirement Target Income CIT Class I | | |
|---|---|---|---|---|---|---|
| | Target 2010[1] | 2010 Composite Benchmark[2] | S&P Target Date Benchmark[3] | Target Income[1] | Income Composite Benchmark[2] | S&P Target Date Retirement Income Index[3] |
| 2013 | 9.77% | 8.03% | 9.70% | 7.87% | 7.17% | 6.54% |
| 2012 | 10.43% | 8.28% | 9.21% | 8.37% | 6.89% | 7.78% |
| 2011 | 0.91% | 3.96% | 2.87% | 2.50% | 4.39% | 4.24% |
| 2010 | 11.65% | 10.63% | 10.84% | 9.48% | 8.33% | 9.36% |
| 2009 | 19.35% | 16.18% | 14.90% | 11.71% | 11.50% | 11.65% |
| 2008 | -18.20% | -14.83% | -17.21% | -4.66% | -5.45% | -12.87% |
| 2007 | 6.79% | 7.51% | 6.67% | 6.52% | 7.30% | 6.46% |
| 2006 | 14.07% | 9.83% | 10.76% | 8.71% | 7.26% | 9.04% |
| 2005 | 6.50% | 5.01% | 4.23% | 4.44% | 3.39% | 3.79% |
| 2004 | 10.99% | 8.57% | 9.16% | 6.67% | 5.81% | 7.32% |

# Manning & Napier Retirement Target Collective Investment Trust Funds Class I

MANNING & NAPIER

## Retirement Target CIT Class I Expense Ratios

| | Before Fee Waiver | After Fee Waiver† | | Before Fee Waiver | After Fee Waiver† |
|---|---|---|---|---|---|
| Target 2055 CIT | 1.98% | 0.69% | Target 2025 CIT | 1.37% | 0.69% |
| Target 2050 CIT | 0.91% | 0.69% | Target 2020 CIT | 0.90% | 0.69% |
| Target 2045 CIT | 1.56% | 0.69% | Target 2015 CIT | 1.32% | 0.69% |
| Target 2040 CIT | 0.90% | 0.69% | Target 2010 CIT | 0.87% | 0.68% |
| Target 2035 CIT | 1.47% | 0.69% | Target Income CIT | 0.85% | 0.69% |
| Target 2030 CIT | 0.90% | 0.69% | | | |

†Includes acquired fund fees and expenses of the underlying collective investment trusts and reflects the Trustee's contractual agreement to limit its fees and voluntary agreement to reimburse certain expenses.

[1]PERFORMANCE FOR THE RETIREMENT TARGET 2050, 2040, 2030, 2020, 2010, AND INCOME CIT CLASS I UNITS PRIOR TO 06/04/2012 REFLECTS THE PERFORMANCE OF EACH RESPECTIVE MANNING & NAPIER RETIREMENT TARGET INSTITUTIONAL CIT FUND, WHICH WERE MERGED INTO THE RESPECTIVE MANNING & NAPIER RETIREMENT TARGET CIT FUND ON 06/04/2012 TO ESTABLISH THE CLASS I UNITS. PERFORMANCE PRIOR TO AND INCLUDING THE INCEPTION DATE OF THE RETIREMENT TARGET 2055, 2045, 2035, 2025, AND 2015 CIT CLASS I UNITS (10/11/2012 for 2055; and 08/03/2012 FOR 2045, 2035, 2025, and 2015) IS NOT THE PAST PERFORMANCE OF THE RETIREMENT TARGET CIT CLASS I UNITS. PERFORMANCE FROM 08/18/2012 THROUGH 10/11/2012 FOR THE 2055 CIT CLASS I UNITS IS BASED ON THE HISTORICAL PERFORMANCE OF THE 2055 CLASS S UNITS. PERFORMANCE PRIOR TO AND INCLUDING 08/17/2012 FOR 2055; 08/03/2012 FOR 2045, 2035, 2025, and 2015; AND 05/31/2007 FOR RETIREMENT TARGET 2050, 2040, 2030, 2020, 2010, AND INCOME is based on the Manning & Napier Pro-Mix® CIT Fund(s) that would have been held in each Retirement Target CIT Fund based on its increasingly conservative asset allocation. Returns are net of the Retirement Target CIT Class I expenses. The performance data does not reflect custodial or other administrative costs associated with the plan, if any. The Retirement Target CIT Funds will gradually become more conservative over time. Performance data quoted represents past performance and does not guarantee future results.

[2]The Target Composite Benchmark represents the performance of the target date fund's asset classes according to their respective weightings, as adjusted over time to reflect the target date fund's increasingly conservative asset allocations. The following indices are used to calculate the Target Composite Benchmarks: Russell 3000® Index (Russell 3000), MSCI ACWI ex USA Index (ACWIxUS), and Barclays U.S. Aggregate Bond Index (BAB) and/or Barclays U.S. Intermediate Aggregate Bond Index (BIAB). Russell 3000 is an unmanaged index that consists of 3,000 of the largest U.S. companies based on total market capitalization. Index returns are based on a market capitalization-weighted average of relative price changes of the component stocks plus dividends whose reinvestments are compounded daily. Index returns provided by Bloomberg. ACWIxUS is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets and consists of 43 developed and emerging market country indices outside the U.S. The Index is denominated in U.S. dollars. The Index returns are net of withholding taxes. They assume daily reinvestment of net dividends thus accounting for any applicable dividend taxation. Index returns provided by Bloomberg. BAB and BIAB are both unmanaged, market value-weighted indices of U.S. domestic investment-grade debt issues, including government, corporate, asset-backed and mortgage-backed securities. BAB includes maturities of one year or more; BIAB includes maturities of greater than one year but less than ten years. BAB and BIAB returns provided by Interactive Data. Indices returns do not reflect any fees or expenses. Returns provided are calculated monthly using a blended allocation. Because the target date fund's asset allocation will vary over time, the composition of the target date portfolio may not match the composition of the comparative Target Composite Benchmark.

[3]The S&P Target Date Index Series is a series of unmanaged indices that reflect the market consensus for asset allocations for different target date horizons. The asset class exposure for each index is represented by exchange traded funds (ETFs). Asset class weights are established annually and rebalanced monthly. Prior to 02/26/2010, the indices were rebalanced annually. All returns prior to 05/31/2007 are back-tested. New Target Date indices are launched with five years of historical returns matching those of the closest dated index. Historical returns from 05/31/2007 to 5/31/2011 for the S&P Target Date 2050 Index and from 05/31/2007 to 05/31/2012 for the S&P Target Date 2055+ Index are identical to the returns of the S&P Target Date 2045 Index and 2050 Index respectively, and were not calculated using back-tested proforma data. The Index returns shown are the Gross Return series, which provide benchmarks free of underlying ETF expenses by adjusting the Total Return series (which assume the reinvestment of dividends) by an assumed weighted average ETF expense ratio. Index returns provided by Bloomberg. S&P Dow Jones Indices LLC, a subsidiary of the McGraw Hill Financial, Inc., is the publisher of various index based data products and services and has licensed certain of its products and services for use by Manning & Napier.  Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and none of these parties shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of the Manning & Napier Collective Investment Trust funds. The Collectives are available only for use within certain qualified employee benefit plans.

MANNING & NAPIER RETIREMENT TARGET COLLECTIVE INVESTMENT TRUST FUNDS

# Understanding Your Retirement Target Funds

## What Is Asset Allocation?

**The mix of stocks, bonds, and cash in your account.** Asset allocation is the ongoing process of deciding how to mix different types of investments in your portfolio based on your personal objectives and market trends. To maintain an appropriate mix of stocks, bonds, and cash, you must consider your time to retirement and changing risk tolerance, monitor ever-changing market conditions, and adapt your investment mix accordingly.

## Why Is Asset Allocation Important?

**It determines over 93% of your investment success**. Industry studies show that asset allocation is the most important factor affecting portfolio performance. Because your asset allocation drives your portfolio's risk level, you should be comfortable that the mix of stocks, bonds, and cash within your account is appropriate for your investment time horizon and risk tolerance, and that it is effectively managed over time.

ASSET ALLOCATION

Determining Investment Success

93.3% Asset Allocation
6.7% Security Selection

*Source: Gary P. Brinson, Brian D. Singer and Gilbert L. Beebower, "Determinants of Portfolio Performance II, An Update," Financial Analysts Journal, May-June 1991.*

## How Do I Manage My Asset Allocation?

**Choose one of two approaches offered by your retirement plan:**

### DO-IT-YOURSELF APPROACH

You choose a mix of funds to create the asset allocation you feel is right for you and manage your own investment mix over time.


**Is this approach right for me? Ask yourself...**

Do I have the resources and expertise to manage my own asset allocation?

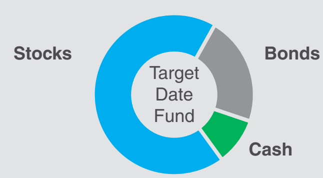
Do I proactively track the financial markets, monitor my investments, and make adjustments?

Will I spend the time necessary to effectively manage my account?

If you answered yes to these questions, the **do-it-yourself** approach may work for you.

### TARGET DATE APPROACH

You choose a target date fund to fit your investment goals and leave the day-to-day investment decisions to professionals.




**Is this approach right for me? Ask yourself...**

Am I unsure of how to diversify my account among stock, bond, and cash funds?

Am I uncomfortable determining when to move to a more conservative investment mix?

Would I prefer to leave the asset allocation decisions to a professional investment manager?

If you answered yes to these questions, the **target date** approach may work for you.

# More About the Target Date Approach.

## What Is a Target Date Fund?

Your retirement plan offers you a choice of professionally managed investment options called "target date" funds. Target date funds are designed for people who want help building a diversified mix of investments.

**Professional Asset Allocation**

A target date fund is a professionally managed mix of stocks, bonds, and cash all within one portfolio. As market conditions change, an investment team actively adjusts the fund's investments to help you meet your retirement goals.

**One-Stop Investment Decision**

One target date fund can see you all the way through retirement. You choose the target date fund that best fits your retirement goals. The closer you get to your retirement date, the more conservative the fund's investment strategy automatically becomes.

**Retirement Investing Made Easy**

When you select a target date fund, you leave the day-to-day investment decisions to professionals. Of course, you should continue to save, review your investments periodically, and make adjustments if your situation changes.

## Why Invest in a Target Date Fund?

The target date funds available in your plan are the *Manning & Napier Collective Investment Trust Funds (Retirement Target Funds)*. Each Retirement Target Fund is a fully diversified single investment solution that adjusts over time to meet your changing investment needs.

**You benefit from day-to-day professional management as both the markets and your goals change over the years.**

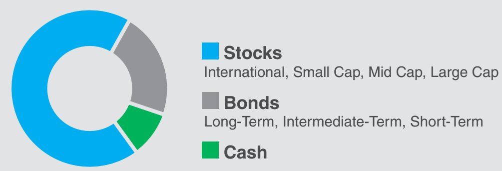
Manning & Napier* uses an active management approach to adjust the Retirement Target Funds' investment mix over time. As each Retirement Target Fund automatically becomes more conservative, Manning & Napier's team of more than 35 investment professionals actively adjusts the fund's asset allocation mix to seek competitive long-term returns, while managing investment risk to help you meet your retirement goals.

**How are target date funds different from other funds available in my plan?**

Many investment options focus on one particular part of the market; for example, an international stock fund invests primarily in non-U.S. stocks, a bond fund only invests in bonds, etc. When investing in these funds, it is up to you to decide exactly how to allocate your account among the funds and when to make adjustments over time.

Target date funds, on the other hand, provide a diversified portfolio of stocks, bonds and cash all in one fund; the fund manager automatically adjusts the investment mix to become more conservative as you get closer to retirement.

**Target Date Fund**




**Is there an additional fee for the Retirement Target Funds?**

No. Every option in your plan has an investment management fee and other costs which make up the expense ratio of the fund. Expense ratios differ from fund to fund. There is no additional cost beyond the expense ratio to invest in a Retirement Target Fund where you benefit from professional asset allocation.

**Can I invest in a Retirement Target Fund and also put money in other funds available in my plan?**

Yes. You can choose to split your money among any of the investments available in your plan. However, if you decide to invest in other funds in addition to a Retirement Target Fund, you may unintentionally overweight your account in a particular asset class. You want to remain properly allocated to meet your retirement goals; when making your investment decisions, think carefully about your overall investment mix and its suitability to your goals and risk tolerance.

*Manning & Napier Advisors, LLC (Manning & Napier) provides investment advisory services to Exeter Trust Company, Trustee of each Retirement Target Fund.

# Helping You Stay On Track.

## How Do the Retirement Target Funds Manage Risk?

The Retirement Target Funds follow a "glide path" to automatically transition from more aggressive to more conservative investments as you move through your working career and your target retirement date gets closer. In your early career when you have many years to retirement, a higher range of stock exposure will generally provide greater potential for both risk and reward. The range of stock exposure will gradually decrease over the years, providing more stability to help better protect your assets as you near retirement.

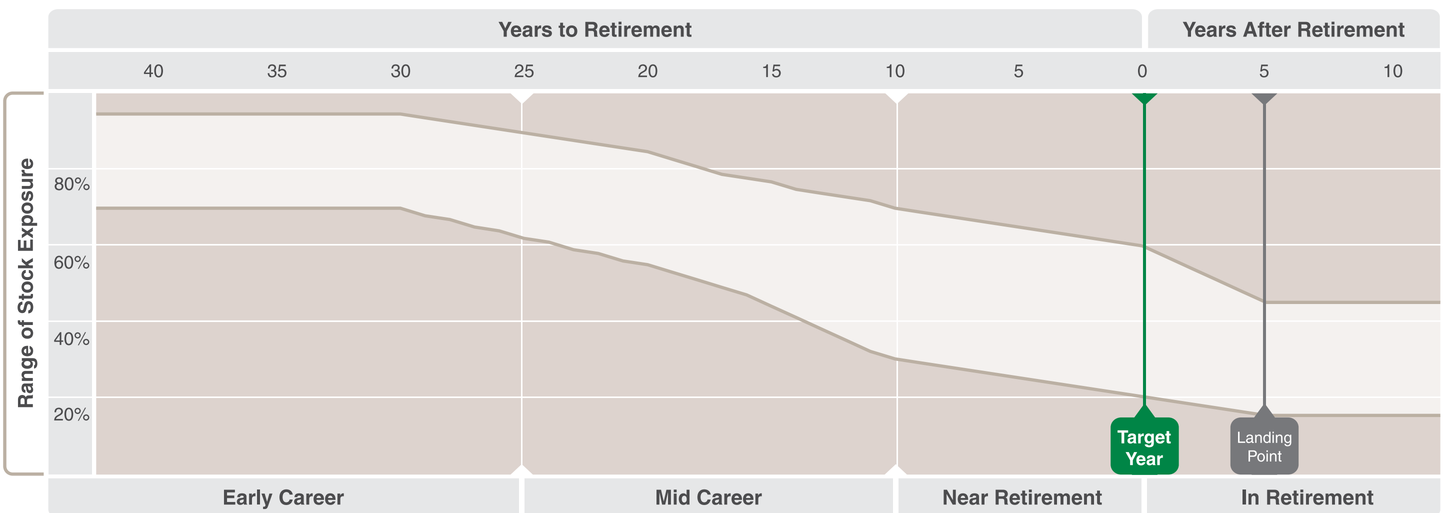
As each Retirement Target Fund gradually moves along the glide path, Manning & Napier's investment professionals actively manage the fund's investments, balancing your need for long-term growth with reducing your investment risk in order to help fund years of retirement income. The investment team continuously tracks financial indicators, analyzes market trends, and adjusts each fund's investments to manage your investment risk and help you meet your retirement goals.

**The actual allocation to stocks within each Retirement Target Fund is determined not just by time until the target date; it also takes into account the risks and opportunities in the current market environment.**

DECREASING RISK OVER TIME

Your exposure to stocks will gradually decrease over the years to reflect your changing time horizon. As each Retirement Target Fund moves along the glide path, investment professionals actively adjust the fund's stock exposure within the preset ranges shown below to help you navigate the market's ups and downs.

## Retirement Target Glide Path




## What Happens at the Target Date?

During the target year, the Retirement Target Fund's stock exposure will range from 20-60%. Over the next five years, the Retirement Target Fund gradually moves to a slightly lower range of stock exposure each year. Continuing to dedicate a portion of your portfolio to stocks provides some growth potential, still needed even in retirement.

In the fifth year after the target date, the Retirement Target Fund reaches its most conservative stock allocation, or "landing point", of 15-45%. At this point and beyond, the Retirement Target Fund focuses on stability, but will maintain a range of stock exposure that allows for growth opportunities when market conditions are favorable to help offset your periodic withdrawals. The Retirement Target Fund will ultimately merge into the Retirement Target Income Fund and continue to provide a professionally managed investment option that favors stability over growth throughout your retirement years.

# Focusing On Your Retirement Needs.

## How Are the Retirement Target Funds Built to Meet My Retirement Needs?

Your plan's target date funds automatically decrease risk over time by moving to a lower range of stock exposure each year. The specific ranges along the target date glide path were built with the following key assumptions about your retirement needs:

- You may spend approximately 20-30 years in retirement and your target date portfolio may account for a significant portion of your total retirement savings.
- Within the first five years after the target date, you may stop making contributions and begin taking annual withdrawals of roughly 5-8% of your account.
- In years five and beyond, withdrawals may represent a larger percentage (more than 8%) of your remaining account balance due to inflation and the gradual reduction of your retirement plan assets.

While the range of stock exposure along the glide path focuses on time to retirement, the specific stock exposure in each Retirement Target Fund at any particular point in time is primarily driven by prevailing economic and market conditions. Each fund is actively managed to help keep you on track to meeting your retirement goals.

## How Do I Choose My Retirement Target Fund?

Each Retirement Target Fund is built to meet the needs of an investor who plans to retire in or around the year in the Retirement Target Fund's name. The most common approach to Retirement Target Fund selection is to choose the fund that is closest to your expected retirement year.

An easy way to determine the year in which you expect to retire is to add your planned retirement age to the year you were born. The chart below can help you with this calculation.

| CALCULATE YOUR EXPECTED RETIREMENT DATE | | |
|---|---|---|
| My Year of Birth | | ________ |
| My Planned Retirement Age | + | ________ |
| My Expected Retirement Date | = | ________ |

**Must I withdraw my account at the target date?**
No. The benefits of investing in a Retirement Target Fund do not stop at the target date. While you will most likely make periodic withdrawals throughout your retirement years, your Retirement Target Fund will continue to be professionally managed for as long as your account remains invested in the retirement plan.

**Can I change my Retirement Target Fund investment?**
Yes. Your plan allows you to make changes to the way your account is invested on an ongoing basis. You can move in or out of a Retirement Target Fund at any time with no cost to you. If your goals or your situation change, you may want to revisit your Retirement Target Fund choice.

**Can I invest in more than one Retirement Target Fund?**
The Retirement Target Funds are designed so you can choose just one fund. However, if your expected target date falls between two Retirement Target Funds, dividing your investment between the two funds on either side of the year you expect to retire may be a reasonable alternative.

**How do I invest in a Retirement Target Fund?**
Follow your retirement plan's existing procedures to access your retirement plan account and initiate any changes to your investments. Remember that you should continue to save, review your investments periodically, and make adjustments if your situation changes.

The Retirement Target Funds available through your retirement plan are the Manning & Napier Retirement Target Collective Investment Trust Funds. Manning & Napier Advisors, LLC provides investment advisory services to Exeter Trust Company, Trustee of each Retirement Target Fund. The Retirement Target Funds are available only for use within certain qualified employee benefit plans. These Funds are not mutual funds and units of the Funds are not registered under the Securities Act of 1933, as amended, or the Investment Company Act of 1940, as amended.