

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan

Compensation & Capital's Financial Planning Commentary as of September 30, 2016

"The Politics of Personal Finance: Congratulations! You're Still Your President!"

This year's Presidential election cycle marks our fifth quarterly Commentary to be published under the clouds of uncertainty precipitated by what is arguably a global geopolitical event. As with each of those past four campaigns, there's no doubt that America's choice of its next Administration will have significant impacts on our audience's financial security. Drilling down to the individual level, there will be participants in our sponsor clients' plans that, in one way or another, will be economically disadvantaged; as there will be others that will prosper by the election's outcome.

But if history borne of the outcomes of those past four elections holds any sway over next President's direct impact on your Plan account's investment returns, our best counsel is to hold true to our continually advocated tenets for successful investing regardless of the financial objective. In broad terms that recipe is:

- ✓ Qualitatively define each of your financial objectives. These equate to your investment "pods."
- ✓ Quantitatively determine each pod's required savings, ultimate goal and accumulation timeline.
- ✓ Quantitatively determine each pod's de-accumulation timeline.
- ✓ Based solely upon timelines, determine appropriate mix of major asset classes for each pod.
- ✓ Review historical returns, especially worst downsides, of each pod's appropriate mix. "Gut Check" that possibility against your emotional fortitude. Reduce risk as you feel necessary.
- ✓ Subject to availability of high-quality, low cost investments in each pod, choose funds.
- ✓ Stay true to your regimented savings and investment mix objectives.
- ✓ Adjust mixes only as dictated by significant changes in your personal situation.

So even under the specter of a geopolitical event with potential for admittedly significant impacts upon global economics and financial markets, our counsel is vividly absent any reference to adjustments to a rationally constructed personal financial plan.

Really? *Doesn't the explicit devolution of this cycle's campaign make us question our adherence to our pragmatic tenets?* Could it be that the Nobel Committee's recent recognition of Bob Dylan's literary talents amounts to prescient support that the times truly are "A-Changin'"? Our immediate future now includes legally procured Cuban rum and cigars no less! It could hold a female President, a U.S. Congress controlled by one party, a reconstituted Republican Party, World Championship Cubs! The possibilities (for outcomes as well as the adjectives to describe them) are endless.

Emphatically, Yes! In fact, all these affronts to our relatively secure American life make us even more steadfast against any of us gambling our financial futures upon our ability to not only accurately predict the outcome of this election, but then to accurately extrapolate that result to its impacts upon financial markets, and then to act upon that prediction with definitive changes to our personal financial plans. We can't get a whole lot more definitive with our counsel than that.

It seems to us that this election cycle has the potential to be ruled by a far more irrational phenomenon than we've witnessed in modern times. That is, the outcome ultimately determined less by our acceptance of our candidate's positions on the nation's formative issues and more by our frustrations with or revulsion to the candidates' own personal issues. Irrational means result in irrational outcomes. Don't let your financial future be hijacked by your, or worse yet your fellow Americans', emotional biases. Invest rationally. Stay committed to your appropriately conceived plan.

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Compensation & Capital's September 30, 2016

Retirement Saving and Investing "Action Points"

Your Tools in Face of Declining Expectations for Long-Term Investment Returns:

Among professional money managers who run the biggest institutional pension and endowment funds in the world, there's a near-unanimous view on their expected portfolio returns for the coming 10 years: They will be meaningfully below the 9.7% annual average that these funds have produced over the past 20 years. How much lower? Though forecasts of investor sentiment must always be viewed with a measure of skepticism, anecdotally these professional managers expect average portfolio returns for the coming 10 years to be 3% to 6% BELOW their actual returns of the past 20 years.

If these expectations come true, the implications for the funding missions of these pensions and endowments will be significant to the pensioners and students that are their primary beneficiaries. Lower investment returns will force reductions in benefits. But what's that got to do with your 401(k) investments and if there's truly a link, what can you do to constructively respond?

First off, the analogy connecting an institutional fund manager's macro characteristics for funding mission, investment strategy, return expectations and future liquidity requirements as compared to yours for your 401(k) account is actually pretty tight. Institutional managers' ongoing donations (like your 401(k) contributions), are progressively invested in a mix of stocks, bonds and cash that's designed to manage shorter term market risk to produce a predictable long term stream of future withdrawals. And though there are clear differences in means and ends between pension funds and 401(k) accounts, 401(k) participants will face the same investment headwinds over the coming "short term" 10 years as these far more sophisticated institutional players. One very clear reason is that the average pension/endowment fund's investment mix (aka, Strategic Asset Allocation or "SAA") is, not coincidentally, right around that of the average 401(k) plan: 70% stocks vs. 30% bonds and cash.

So what are these professionals doing to respond to their expectations for a significant reduction in investment returns over the coming 10 years? Clearly, being (or at least thinking that) they are very sophisticated investors allows the pros to employ many complicated (frequently esoteric and often ineffectual) methods at the margins of their portfolios. For us 401(k) plan investors with more "plain vanilla" investment options, our tools are comparatively limited, but for the most part no less powerful for succeeding in our mission. Our tools are: (a) Deployment of an appropriately determined initial SAA, (b) Progressively tuning that SAA to reduce the risk of short-term portfolio loss as our retirement approaches, (c) Diversification within our stock and bond components, and (d) Increasing savings while controlling anticipated withdrawal (that is lifestyle spending) levels.

Easier said than done? Not really. Your 401(k) Plan with DHC/MWC removes a lot of the complexity you may feel exists in our preceding sentence. At its simplest of options, your selection of a single fund named appropriate to your expected retirement date from the Plan's line-up of Vanguard Target Retirement Funds (with specs detailed on Pg 4 of this memo) can result in effective use of (a), (b) and (c) above. Alternatively you can exercise more personal control over (a) and (b) by employing a bit more hands-on approach to (c), using your own mix of the Plan's Select Venue Funds. Their specs are detailed on this memo's Pg 3 with far more comprehensive information and sample portfolios for various time horizons available at the Plan's website www.planspecs.com/dhc.

Unfortunately the hard part is still YOUR job. There's not much that anyone but you (and your family) can do to make attaining item (d) much easier. Clearly contributions from DHC/MWC help on the funding side. But the heavy lifting for these tasks will always be in your court. Getting on board with a personal commitment to a permanent savings plan not only builds your wealth, but it also reduces how much you become accustomed to living on. And that's a tool that's about as effective as any pro could have.

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(All for periods ended December 31, 2013)

(1) A fund with a 17th Ranking outperformed 83% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		3 Years	15 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TREASURY MONEY MARKET - VUSXX	Money Market	8th	18th	0.16%	0.1%	0.2%	0.1%	0.1%	0.9%	1.3%
<i>Money Market Funds >></i>		<i>Category Average >></i>		0.33%	0.0%	0.1%	0.0%	0.0%	0.8%	1.1%
TOTAL BOND MARKET INDEX ADMIRAL - VBTIX	Bonds	38th	49th	0.07%	0.4%	5.3%	4.0%	3.0%	4.8%	4.6%
<i>Intermediate Bond Funds >></i>		<i>Category Average >></i>		0.82%	1.0%	5.3%	3.7%	3.4%	4.5%	4.6%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	10th	18th	0.10%	1.0%	6.6%	2.4%	1.9%	4.4%	5.3%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Average >></i>		0.76%	1.2%	5.7%	1.4%	1.2%	3.5%	4.3%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	5th	2nd	0.18%	2.5%	12.0%	8.0%	11.6%	7.2%	7.9%
<i>Moderate Allocation Funds >></i>		<i>Category Average >></i>		1.19%	3.1%	9.1%	5.4%	9.2%	5.2%	5.9%
WINDSOR II ADMIRAL - VWNAX	Stocks	41st	31st	0.28%	4.1%	12.2%	8.2%	14.8%	5.9%	7.2%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.22%	6.2%	5.7%	-0.7%	6.3%	0.7%	5.5%
500 INDEX ADMIRAL - VFIAX	Stocks	5th	25th	0.05%	3.8%	15.4%	11.1%	16.3%	7.2%	7.1%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Average >></i>		1.04%	3.8%	12.0%	8.8%	14.7%	6.3%	6.6%
SELECTED VALUE - VASVX	Stocks	76th	34th	0.41%	5.6%	10.5%	6.4%	15.2%	7.4%	9.6%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Average >></i>		1.22%	5.1%	13.2%	7.3%	14.9%	6.9%	9.2%
MORGAN GROWTH ADMIRAL - VMRAX	Stocks	26th	19th	0.26%	5.1%	10.6%	10.7%	15.9%	7.8%	8.0%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.17%	5.6%	10.5%	9.2%	15.0%	7.5%	6.9%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	54th	40th	0.44%	3.9%	2.2%	6.3%	13.6%	8.1%	8.7%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.26%	4.8%	8.4%	6.4%	13.9%	7.4%	8.2%
EXPLORER ADMIRAL - VEXRX	Stocks	31st	34th	0.35%	8.3%	13.5%	6.3%	15.6%	7.7%	9.1%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Average >></i>		1.3%	8.2%	10.5%	5.1%	14.4%	7.6%	8.6%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	20th	23rd	0.34%	10.8%	16.9%	3.3%	10.0%	4.3%	7.6%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Average >></i>		1.29%	8.1%	8.4%	2.0%	8.6%	3.1%	6.6%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	40th	41st	0.15%	7.8%	15.8%	0.2%	3.4%	3.9%	11.2%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Average >></i>		1.52%	7.6%	15.2%	-0.4%	3.7%	3.5%	10.9%
ENERGY ADMIRAL - VGELX	Energy Stocks	10th	1st	0.32%	4.2%	25.4%	-3.5%	3.7%	3.3%	10.5%
<i>Energy Sector Stock Funds >></i>		<i>Category Average >></i>		1.49%	5.7%	14.7%	-9.7%	0.6%	0.9%	7.5%

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

(1) A fund with a 11th Ranking outperformed 89% of its peers.

(All for periods ended September 30, 2016)

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date Retire Income	32nd	11th	0.14%	1.9%	7.5%	4.7%	5.9%	5.3%	N/A
<i>Retirement Income Funds >></i>		<i>Category Average >></i>		0.86%	2.1%	7.0%	3.6%	5.2%	4.0%	N/A
TARGET RETIREMENT 2015 - VTXVX	Target Date 2015	36th	6th	0.14%	2.8%	9.0%	5.7%	8.6%	5.5%	N/A
<i>Target Date 2015 Funds >></i>		<i>Category Average >></i>		0.80%	2.7%	8.4%	4.6%	7.8%	4.7%	N/A
TARGET RETIREMENT 2020 - VTWNX	Target Date 2020	11th	5th	0.14%	3.3%	10.1%	6.2%	9.6%	5.6%	N/A
<i>Target Date 2020 Funds >></i>		<i>Category Average >></i>		0.88%	2.9%	8.7%	4.6%	7.7%	4.3%	N/A
TARGET RETIREMENT 2025 - VTTVX	Target Date 2025	17th	7th	0.15%	3.7%	10.7%	6.5%	10.4%	5.7%	N/A
<i>Target Date 2025 Funds >></i>		<i>Category Average >></i>		0.87%	3.4%	9.5%	5.1%	9.1%	4.5%	N/A
TARGET RETIREMENT 2030 - VTHRX	Target Date 2030	27th	13th	0.15%	4.0%	11.2%	6.6%	11.1%	5.6%	N/A
<i>Target Date 2030 Funds >></i>		<i>Category Average >></i>		0.92%	3.8%	10.2%	5.2%	9.4%	4.5%	N/A
TARGET RETIREMENT 2035 - VTTHX	Target Date 2035	26th	10th	0.15%	4.4%	11.6%	6.8%	11.8%	5.7%	N/A
<i>Target Date 2035 Funds >></i>		<i>Category Average >></i>		0.90%	4.3%	10.6%	5.5%	10.5%	4.8%	N/A
TARGET RETIREMENT 2040 - VFORX	Target Date 2040	21st	13th	0.16%	4.7%	12.1%	6.8%	12.1%	5.9%	N/A
<i>Target Date 2040 Funds >></i>		<i>Category Average >></i>		0.94%	4.4%	11.1%	5.5%	10.4%	4.6%	N/A
TARGET RETIREMENT 2045 - VTIVX	Target Date 2045	23rd	11th	0.16%	4.8%	12.2%	6.9%	12.1%	5.9%	N/A
<i>Target Date 2045 Funds >></i>		<i>Category Average >></i>		0.91%	4.7%	11.1%	5.7%	11.3%	4.9%	N/A
TARGET RETIREMENT 2050 - VFIFX	Target Date 2050	29th	1st	0.16%	4.8%	12.1%	6.9%	12.1%	5.9%	N/A
<i>Target Date 2050 Funds >></i>		<i>Category Average >></i>		0.95%	4.6%	11.5%	5.8%	10.8%	4.5%	N/A
TARGET RETIREMENT 2055 - VFFVX	Target Date 2055	30th	n/a	0.16%	4.8%	12.1%	6.8%	12.1%	N/A	N/A
<i>Target Date 2055 Funds >></i>		<i>Category Average >></i>		0.91%	4.8%	11.2%	6.0%	11.7%	N/A	N/A
TARGET RETIREMENT 2060 - VTTSX	Target Date 2060+	33rd	n/a	0.16%	4.8%	12.1%	6.8%	N/A	N/A	N/A
<i>Target Date 2060+ Funds >></i>		<i>Category Average >></i>		0.91%	4.8%	11.6%	5.6%	N/A	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	29th	33rd	0.13%	2.5%	8.8%	5.7%	7.4%	4.9%	5.5%
<i>Conservative Allocation Funds >></i>		<i>Category Average >></i>		1.21%	2.4%	8.1%	4.1%	6.7%	4.5%	5.2%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	23rd	39th	0.15%	4.4%	11.6%	6.7%	11.2%	5.3%	6.5%
<i>Aggressive Allocation Funds >></i>		<i>Category Average >></i>		1.32%	3.8%	9.9%	5.6%	10.2%	4.8%	6.0%