

State of Montana

Socially Responsible Investing (SRI) Mutual Fund Search

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Socially Responsible Investment Criteria for Considered Funds

Calvert Equity A seeks to invest in companies and other enterprises that demonstrate positive environmental, social and governance performance as they address corporate responsibility and sustainability challenges.

Neuberger Berman Socially Responsive uses socially responsible criteria including environmental impact, workplace policies, community impact, sustainable supply chains, product integrity, and governance and disclosure. In addition, the fund “endeavors to avoid” companies in the following industries: gambling, alcohol, weapons (defense contractors), and nuclear power.

Vanguard FTSE Social Index Inv employs an indexing approach which includes companies considered to have superior environmental policies, a strong hiring and promotion record for minorities and women, and a safe and healthy workplace. Excluded from the Index are companies that are involved with tobacco, alcohol, adult entertainment, firearms, gambling, nuclear power, or those that violate fair labor practices and equal opportunity standards. The Fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index.

Parnassus Core Equity Institutional applies exclusionary screens to the investment universe to avoid investment in companies with negative impacts that outweigh any potential benefits from their business activities. The fund does not invest in companies that derive significant revenue from the manufacture of, or involvement with, alcohol, tobacco, weapons, gambling products, the generation of electricity from nuclear power, or business involvement with Sudan.

TIAA-CREF Social Choice Eq Instl favors companies with leadership in ESG performance relative to their peers. Typically, environmental assessment categories include climate change, natural resource use, waste management and environmental opportunities. Social evaluation categories include human capital, product safety and social opportunities. Governance assessment categories include corporate governance, business ethics and government and public policy. How well companies adhere to international norms and principles and involvement in major ESG controversies (examples of which may relate to the environment, customers, human rights and community, labor rights and supply chain, and governance) are other considerations.

DFA US Social Core Equity 2 uses social issue screens designed to identify companies that are involved with the production and/or sale of weapons, tobacco, alcohol, or pornography, are involved with gambling activities, participate directly in abortions or manufacture abortive agents or contraceptives, are for-profit health care providers, have had major recent controversies relating to child labor infractions, are involved in stem cell research, and/or are engaged in certain for-profit business activities in or with the Republic of the Sudan.

Socially Responsible Investing (SRI)

Net-of-Fee Performance

As of June 30, 2014

Fund/Benchmark	(periods longer than 1 year are annualized)					Standard Deviation		Expense
	3 Months	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	Ratio
Calvert Equity A	3.23	22.65	11.94	16.59	7.37	13.35	13.89	1.23
Neuberger Berman Socially Rspns Inst	4.30	23.68	13.88	18.42	8.62	13.65	14.21	0.69
S&P 500	5.23	24.61	16.58	18.83	7.78	12.26	13.40	-
Vanguard FTSE Social Index Inv	4.11	25.13	17.93	19.63	6.31	12.83	14.27	0.28
FTSE4Good US 100	5.27	22.53	15.69	16.00	4.52	11.74	13.44	-
Avg Large Growth	4.18	26.22	14.42	17.64	7.77	14.30	15.03	1.24
Parnassus Core Equity Institutional	7.48	27.21	18.46	18.45	10.48	10.50	12.12	0.69
S&P 500	5.23	24.61	16.58	18.83	7.78	12.26	13.40	-
TIAA-CREF Social Choice Eq Instl	5.27	23.99	15.94	18.93	8.21	13.02	13.87	0.18
Russell 3000	4.87	25.22	16.46	19.33	8.23	12.85	13.94	-
Avg Large Blend	4.63	23.65	14.86	17.47	7.32	13.16	14.02	1.18
DFA US Social Core Equity 2	4.70	25.73	16.14	20.58	-	15.38	16.50	0.30
Russell 3000	4.87	25.22	16.46	19.33	8.23	12.85	13.94	-
Avg Mid-Cap Blend	3.90	24.74	14.15	19.76	8.73	15.53	16.26	1.27

Green indicates fund outperformed both benchmarks

Blue indicates fund performed between benchmarks

Red indicates fund underperformed both benchmarks

Socially Responsible Investing (SRI)

Calendar Year Performance

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Calvert Equity A	30.42	15.52	-2.23	17.23	33.41	-35.53	9.94	10.16	4.16	6.69
Neuberger Berman Socially Rspns Inst	38.48	11.15	-2.72	23.06	30.83	-38.69	7.53	14.44	7.58	13.57
S&P 500	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79	4.91	10.88
Vanguard FTSE Social Index Inv	36.84	17.84	-0.78	14.43	35.12	-42.39	-2.31	13.09	4.10	8.27
FTSE4Good US 100	28.79	16.96	-2.51	9.25	28.68	-40.00	0.57	13.44	-0.49	4.01
Avg Large Growth	33.92	15.34	-2.46	15.53	35.68	-40.67	13.35	7.05	6.71	7.81
Parnassus Core Equity Institutional	34.15	15.64	3.38	9.10	28.96	-22.74	14.37	14.94	2.62	9.30
S&P 500	32.39	16.00	2.11	15.06	26.46	-37.00	5.49	15.79	4.91	10.88
TIAA-CREF Social Choice Eq Instl	34.32	14.05	-0.05	15.91	32.38	-36.14	4.03	14.40	6.67	12.62
Russell 3000	33.55	16.42	1.03	16.93	28.34	-37.31	5.14	15.72	6.12	11.95
Avg Large Blend	31.50	14.96	-1.27	14.01	28.17	-37.79	6.16	14.17	5.88	10.02
DFA US Social Core Equity 2	37.08	17.50	-2.64	22.48	29.67	-38.15	-	-	-	-
Russell 3000	33.55	16.42	1.03	16.93	28.34	-37.31	5.14	15.72	6.12	11.95
Avg Mid-Cap Blend	34.10	16.15	-3.81	22.52	37.39	-39.18	4.85	14.03	9.25	16.30

Socially Responsible Investing (SRI)

Peer Group Rankings

As of June 30, 2014

(Percentile performance rankings within Morningstar Category)

Fund Name	Morningstar Category	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Calvert Equity A	Large Growth	79	76	84	88	69	60
Neuberger Berman Socially Rspns Inst	Large Growth	49	47	76	62	33	25
Vanguard FTSE Social Index Inv	Large Growth	56	13	61	5	14	87
Parnassus Core Equity Institutional	Large Blend	1	8	12	4	29	1
TIAA-CREF Social Choice Eq Instl	Large Blend	18	26	48	36	18	20
DFA US Social Core Equity 2	Mid-Cap Blend	26	57	38	16	43	

Portfolio Turnover

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Calvert Equity A	31	35	35	51	38	39	41	36	32
Neuberger Berman Socially Rspns Inst	21	23	16	35	36	41	20	28	35
Vanguard FTSE Social Index Inv	12	51	20	41	30	35	11	45	29
Avg Large Growth	94	93	91	107	118	84	79	72	72
Parnassus Core Equity Institutional	110	117	91	70	60	54	63	24	17
TIAA-CREF Social Choice Eq Instl	17	18	30	15	16	-	19	17	12
Avg Large Blend	57	60	70	78	83	71	67	64	59
DFA US Social Core Equity 2	-	-	-	7	8	13	12	13	12
Avg Mid-Cap Blend	86	79	94	87	92	80	71	72	73

Equity Fund Analytics

Fund/Benchmark	5 - Year					Upside Capture	Downside Capture	10 Year Batting Average
	Alpha	Beta	Tracking Error	Information Ratio	Upside			
Calvert Equity A	-1.82	1.00	3.77	-0.59	94	102	47	
Neuberger Berman Socially Rspns Inst	-0.33	1.01	4.55	-0.09	102	108	51	
Vanguard FTSE Social Index Inv	-0.06	1.05	2.68	0.30	104	105	48	
Avg Large Growth	-1.94	1.06	4.79	-0.30	100	109	50	
Parnassus Core Equity Institutional	1.92	0.87	3.85	-0.10	91	82	53	
TIAA-CREF Social Choice Eq Instl	-0.30	1.02	2.03	0.05	101	102	53	
Avg Large Blend	-1.53	1.02	2.73	-1.21	98	106	44	
DFA US Social Core Equity 2	-1.66	1.20	4.66	0.38	117	128	-	
Avg Mid-Cap Blend	-1.18	1.13	6.37	0.13	111	120	51	

Reported modern portfolio theory (MPT) statistics are calculated with respect to the S&P 500 Index for domestic equity funds.

Equity Funds Style Analysis

Calvert Equity A	Neuberger Berman Socially Rspns Inst	Vanguard FTSE Social Index Inv	Parnassus Core Equity Institutional	DFA US Social Core Equity 2	TIAA-CREF Social Choice Eq Instl												
4	18	64	3	32	34	24	26	33	8	28	30	21	13	11	18	30	30
0	5	10	11	6	12	7	6	4	11	16	2	11	11	8	8	4	4
0	0	0	0	0	1	0	0	0	1	3	0	9	9	7	2	2	1

S&P 500	Russell 3000	Avg Large Growth	Avg Large Blend	Avg Mid-Cap Blend										
29	32	27	23	27	22	7	18	54	26	28	27	6	6	8
5	4	3	6	6	6	2	5	11	6	6	4	18	21	18
0	0	0	3	3	3	0	1	1	1	1	1	8	9	6

Style Legend

53	>50%	Large Value	Large Core	Large Growth
27	>25%	Mid Value	Mid Core	Mid Growth
11	>10%	Small Value	Small Core	Small Growth

Equity Fund Characteristics

Fund Name	Geo Avg Market Cap \$MM	Total Number of Holdings	% Assets in Top 10 Holdings	Turnover Ratio
Calvert Equity A	\$60,100	101	34	32
Neuberger Berman Socially Rspns Inst	\$31,415	43	39	35
S&P 500	\$68,354	501	17	-
Vanguard FTSE Social Index Inv	\$48,161	372	21	29
Avg Large Growth	\$70,104	-	39	72
Parnassus Core Equity Institutional	\$28,467	42	35	17
S&P 500	\$68,354	501	17	-
TIAA-CREF Social Choice Eq Instl	\$32,930	873	13	12
Russell 3000	\$37,954	3,000	14	-
Avg Large Blend	\$96,740	-	45	61
DFA US Social Core Equity 2	\$15,701	2,237	14	12
Russell 3000	\$37,954	3,000	14	-
Avg Mid-Cap Blend	\$8,027	-	19	66

Equity Funds Sector Allocation

	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Healthcare	Financials	Information Technology	Telecom Services	Utilities
Calvert Equity A	1.7	3.1	8.8	18.6	13.5	17.6	12.9	23.9	0.0	0.0
Neuberger Berman Socially Rspns Inst	7.0	4.9	17.9	12.3	11.3	13.4	16.4	15.5	1.4	0.0
S&P 500	10.9	3.5	10.5	11.9	9.5	13.3	16.1	18.8	2.4	3.2
Vanguard FTSE Social Index Inv	4.6	2.4	5.2	13.2	7.8	22.3	25.1	18.0	0.2	1.1
Avg Large Growth	6.0	3.6	11.3	20.3	7.0	16.0	6.7	28.0	0.7	0.4
Parnassus Core Equity Institutional	7.3	4.7	21.5	4.7	17.8	13.4	1.7	22.2	0.0	6.8
S&P 500	10.9	3.5	10.5	11.9	9.5	13.3	16.1	18.8	2.4	3.2
TIAA-CREF Social Choice Eq Instl	9.7	4.7	10.4	13.1	7.9	12.0	20.2	16.9	1.5	3.5
Russell 3000	9.8	3.9	11.6	12.5	8.2	13.0	17.3	18.3	2.2	3.2
Avg Large Blend	9.9	3.8	13.6	12.6	9.8	13.5	17.0	15.5	2.0	2.3
DFA US Social Core Equity 2	14.2	5.7	13.6	13.5	5.5	2.7	21.5	18.3	2.8	2.2
Russell 3000	9.8	3.9	11.6	12.5	8.2	13.0	17.3	18.3	2.2	3.2
Avg Mid-Cap Blend	7.7	6.0	16.8	18.6	3.8	10.5	19.3	13.4	0.8	3.1

Socially Responsible Investing (SRI)

Fund Size (\$ 000's)

	2004	2005	2006	2007	2008
Calvert Equity A	1,076,793	1,234,091	1,299,807	1,340,093	842,023
Neuberger Berman Socially Rspns Inst	330,695	540,397	847,358	1,228,324	802,725
Vanguard FTSE Social Index Inv	349,836	422,928	569,871	620,002	344,724
Parnassus Core Equity Institutional	894,066	898,982	856,360	912,774	1,529,628
TIAA-CREF Social Choice Eq Instl	142,029	177,905	231,220	547,020	483,720
DFA US Social Core Equity 2	-	-	-	35,676	34,126

	2009	2010	2011	2012	2013
Calvert Equity A	1,188,822	1,497,258	2,171,782	2,411,047	2,974,660
Neuberger Berman Socially Rspns Inst	1,083,253	1,478,295	1,702,424	1,739,305	2,383,392
Vanguard FTSE Social Index Inv	440,032	523,523	510,143	621,653	984,045
Parnassus Core Equity Institutional	2,550,606	3,552,963	4,022,859	5,026,704	8,056,887
TIAA-CREF Social Choice Eq Instl	762,646	1,028,666	1,114,597	1,260,920	1,873,137
DFA US Social Core Equity 2	84,901	134,346	192,517	281,812	425,596

Socially Responsible Investing (SRI)

General Characteristics

Fund Name	Manager	Manager Tenure (Avg/Long)	Total Assets (\$MM)	Morningstar Rating	Morningstar Analyst Rating
Calvert Equity A	Richard B. England (2)*	7/8	2,913,609,576	★★	
Neuberger Berman Socially Rspns Inst	Arthur Moretti (4)*	10/13	2,415,772,926	★★★★	Silver
Vanguard FTSE Social Index Inv	Christine D. Franquin	3/3	1,112,989,849	★★★	Bronze
Parnassus Core Equity Institutional	Todd C. Ahlsten (2)*	8/13	9,357,081,676	★★★★	Silver
TIAA-CREF Social Choice Eq Instl	Phillip James Campagna (2)*	5/9	2,030,263,790	★★★★	Bronze
DFA US Social Core Equity 2	Stephen A. Clark (5)*	3/5	460,241,790	★★★	

* Longest tenured manager listed with total number of fund managers listed in parentheses

Fund Name	Expense Revenue				Redemption Fee	Primary Prospectus Benchmark
	Closed	Minimum	Ratio	Sharing		
Calvert Equity A	No	-	1.23	0.45	2% / 30 days*	S&P 500
Neuberger Berman Socially Rspns Inst	No	1,000,000	0.69	0.10	n/a	S&P 500
Vanguard FTSE Social Index Inv	No	-	0.28	0.00	n/a	FTSE4Good US Benchmark
Parnassus Core Equity Institutional	No	-	0.69	0.10	n/a	S&P 500
TIAA-CREF Social Choice Eq Instl	No	2,000,000	0.18	0.00	n/a	Russell 3000
DFA US Social Core Equity 2	No	-	0.30	0.00	n/a	Russell 3000

Notes: Calvert Equity I shares are available with a 0.68% expense ratio and no revenue sharing (\$1 million minimum investment),

Neuberger Berman Socially Rspns R6 shares are available with a 0.62% expense ratio and no revenue sharing,

Vanguard FTSE Social Index Instl shares are available with a 0.16% expense ratio (\$5 million minimum investment),

Neuberger Berman Socially Rspns Inst \$1 million minimum will be waived on Great West platform,

TIAA-CREF Social Choice Eq Instl \$2 million minimum will be waived on Great West platform.

*Calvert Equity A redemption fee is not applicable on Great West platform.

Socially Responsible Investing (SRI)

Notes

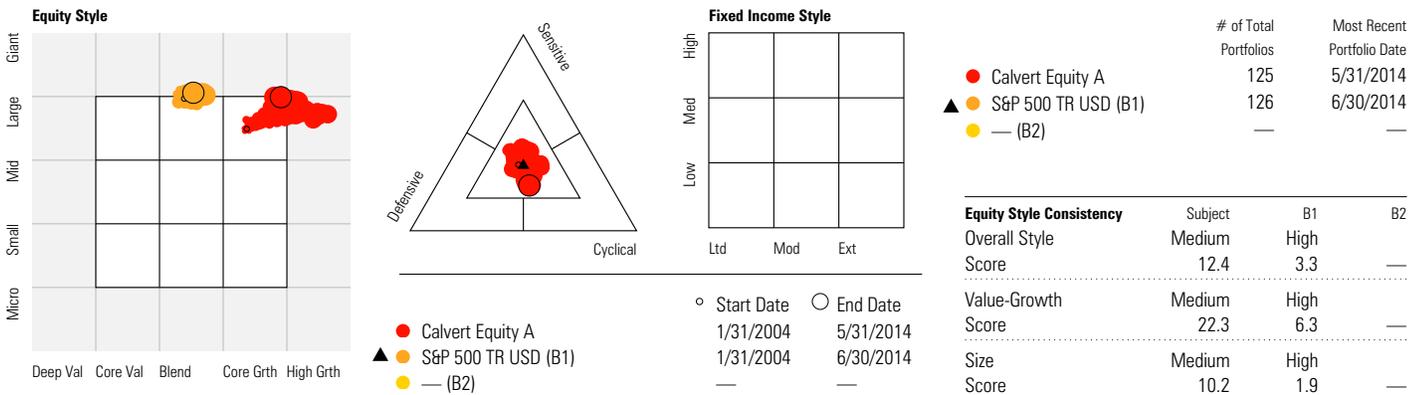
Fund	Advantages	Disadvantages
Calvert Equity A	<ul style="list-style-type: none"> • Currently a plan option • Long-tenured manager 	<ul style="list-style-type: none"> • Performance trails benchmark (S&P 500) over three, five, and ten years • High expense ratio
Neuberger Berman Socially Rspns Inst	<ul style="list-style-type: none"> • Strong long-term performance history • Experienced managers 	<ul style="list-style-type: none"> • Concentrated portfolio • Underperformance over trailing three and five year periods
Vanguard FTSE Social Index Inv	<ul style="list-style-type: none"> • Reasonable fees • Diversified portfolio 	<ul style="list-style-type: none"> • Can't expect outperformance
Parnassus Core Equity Institutional	<ul style="list-style-type: none"> • Very strong performance history • Long-tenured manager • Has performed well in down markets • Lower volatility of performance 	<ul style="list-style-type: none"> • Concentrated portfolio
TIAA-CREF Social Choice Eq Instl	<ul style="list-style-type: none"> • Diversified portfolio and low turnover • Low fees • Above average performance 	<ul style="list-style-type: none"> • Concentrated portfolio
DFA US Social Core Equity 2	<ul style="list-style-type: none"> • Respected fund management firm • DFA's quantitative methods have worked very well on other strategies • Diversified portfolio and low turnover • Reasonable fees 	<ul style="list-style-type: none"> • Short performance history • Smaller asset size • SRI criteria may be inappropriate for public sector plan

Calvert Equity A CSIEX

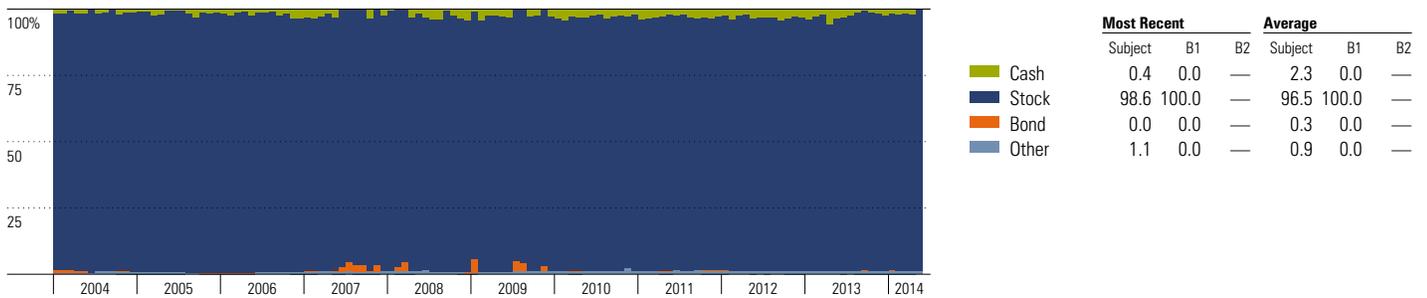
Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Large Growth

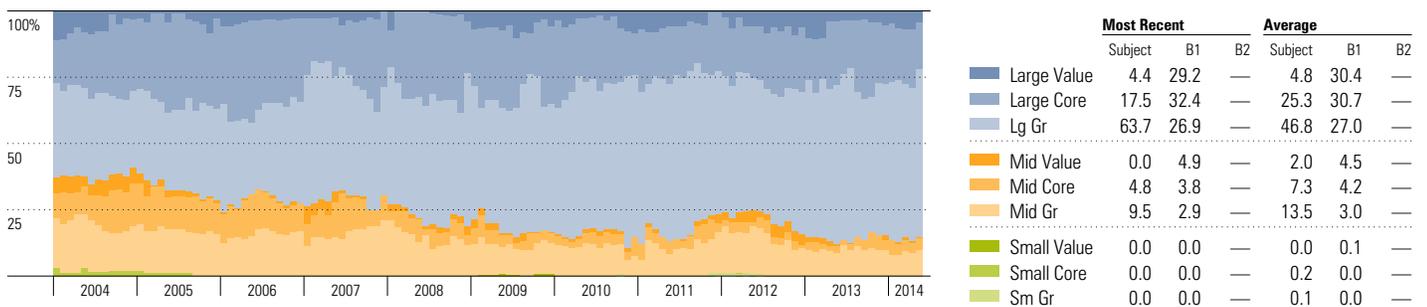
Style and Sector Trails



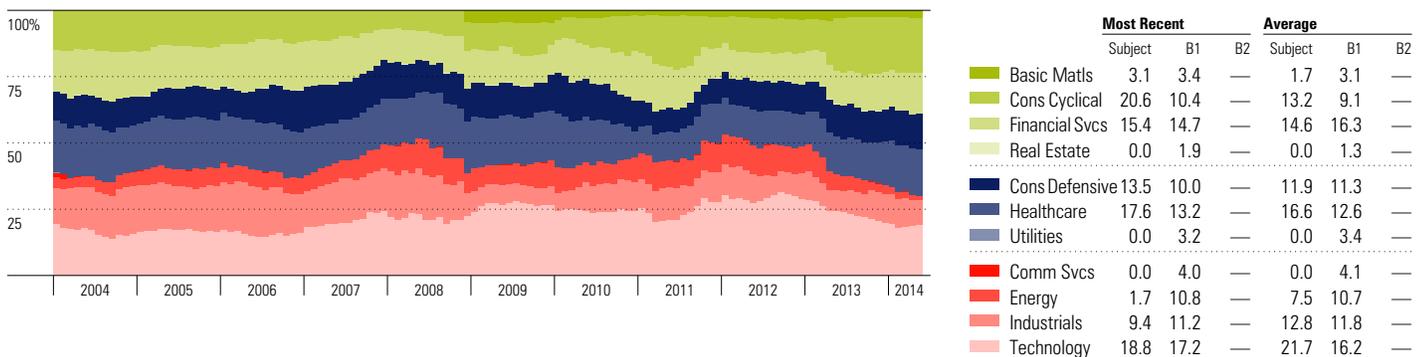
Asset Allocation History (long rescaled)



Equity Style Allocation History (long rescaled)



Equity Sector Allocation History (long rescaled)

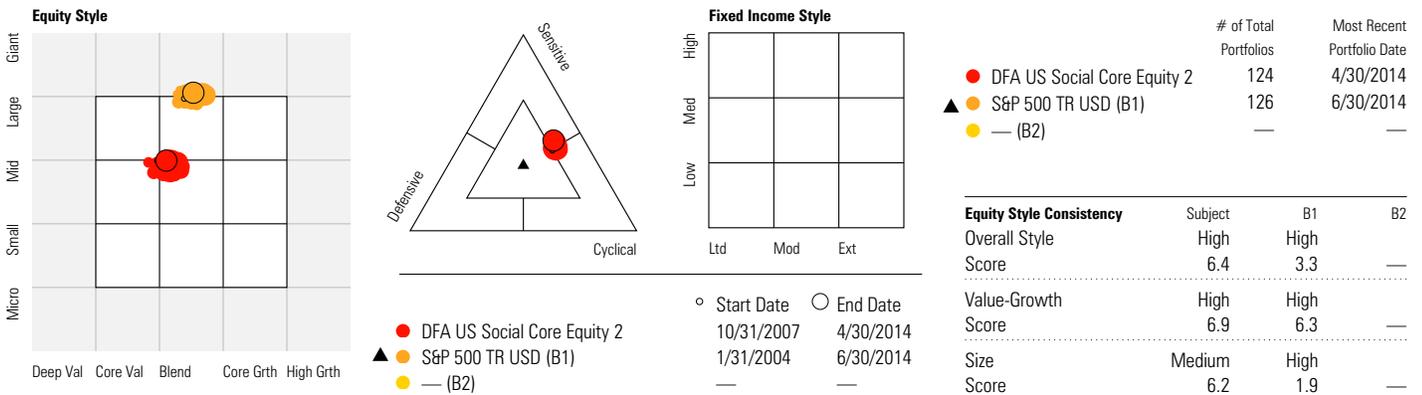


DFA US Social Core Equity 2 DFUEX

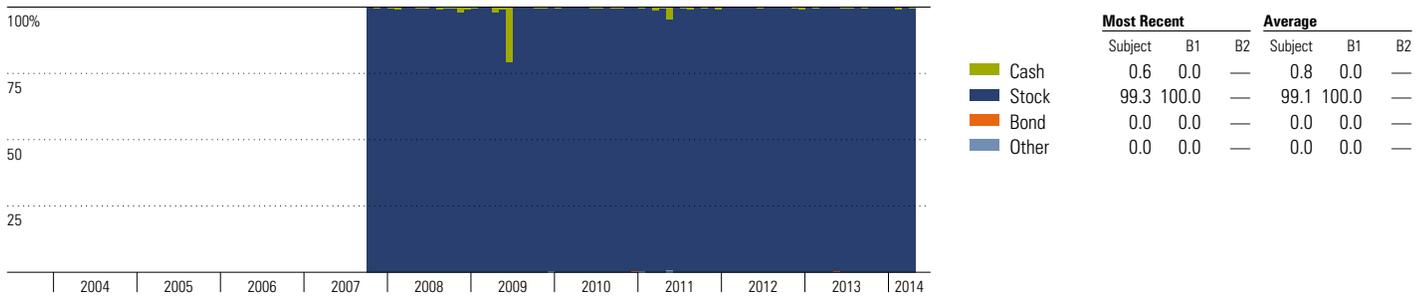
Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Mid-Cap Blend

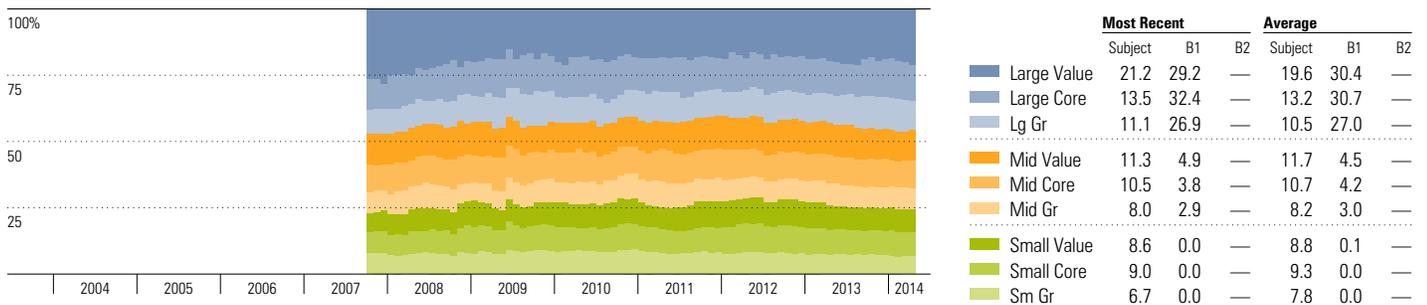
Style and Sector Trails



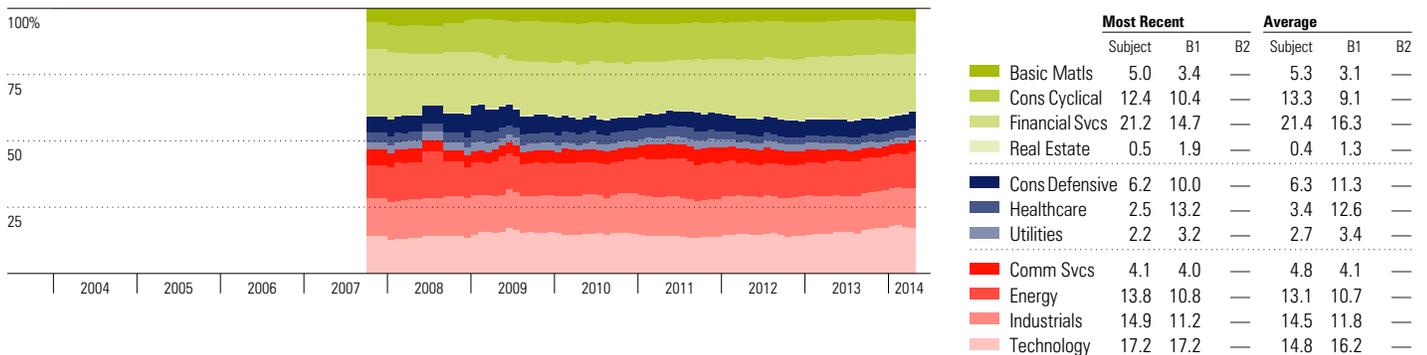
Asset Allocation History (long rescaled)



Equity Style Allocation History (long rescaled)



Equity Sector Allocation History (long rescaled)

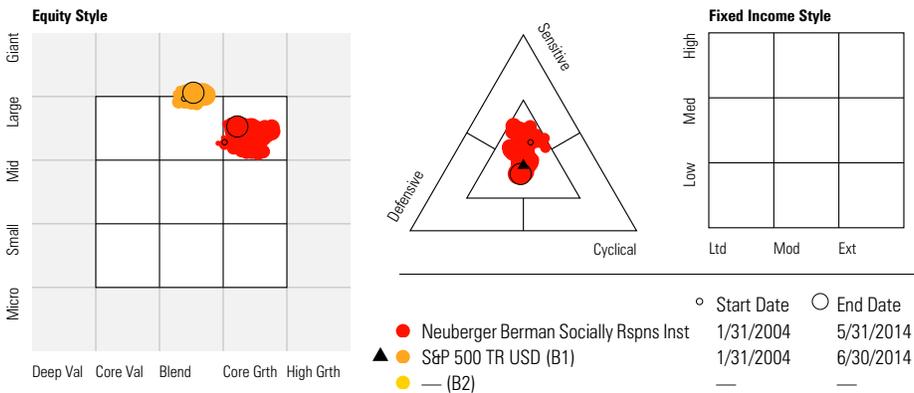


Neuberger Berman Socially Rspns Inst NBSLX

Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Large Growth

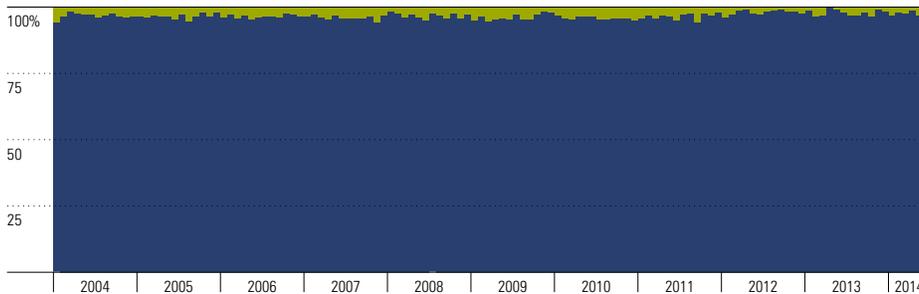
Style and Sector Trails



	# of Total Portfolios	Most Recent Portfolio Date
● Neuberger Berman Socially Rsp...	125	5/31/2014
▲ S&P 500 TR USD (B1)	126	6/30/2014
● — (B2)	—	—

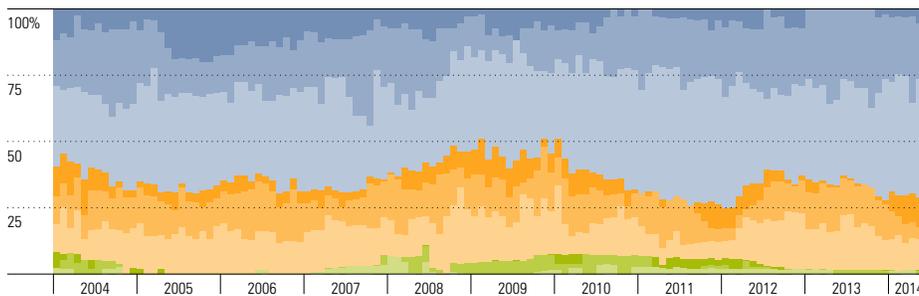
Equity Style Consistency	Subject	B1	B2
Overall Style Score	Medium 9.8	High 3.3	—
Value-Growth Score	Medium 14.1	High 6.3	—
Size Score	High 4.4	High 1.9	—

Asset Allocation History (long rescaled)



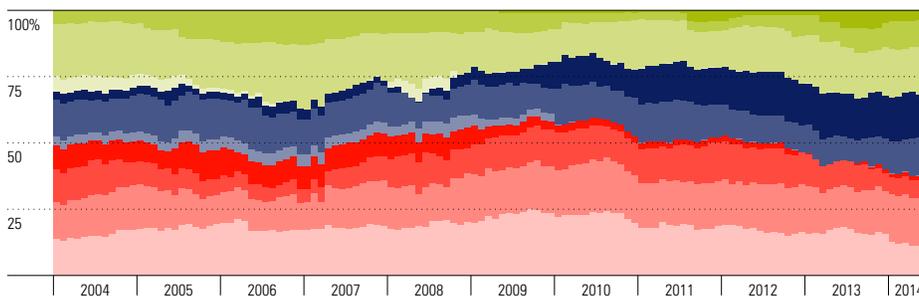
	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Cash	3.2	0.0	—	3.4	0.0	—
Stock	96.8	100.0	—	96.6	100.0	—
Bond	0.0	0.0	—	0.0	0.0	—
Other	0.0	0.0	—	0.0	0.0	—

Equity Style Allocation History (long rescaled)



	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Large Value	5.3	29.2	—	7.4	30.4	—
Large Core	21.3	32.4	—	21.0	30.7	—
Lg Gr	44.7	26.9	—	36.1	27.0	—
Mid Value	10.9	4.9	—	5.3	4.5	—
Mid Core	4.7	3.8	—	12.4	4.2	—
Mid Gr	11.8	2.9	—	14.4	3.0	—
Small Value	0.0	0.0	—	0.7	0.1	—
Small Core	1.2	0.0	—	1.7	0.0	—
Sm Gr	0.0	0.0	—	1.2	0.0	—

Equity Sector Allocation History (long rescaled)



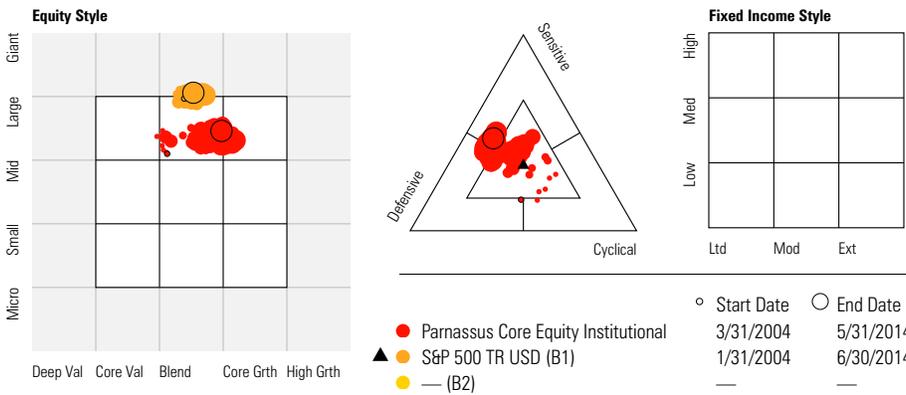
	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Basic Mtls	3.9	3.4	—	1.3	3.1	—
Cons Cyclical	10.2	10.4	—	7.3	9.1	—
Financial Svcs	17.7	14.7	—	17.4	16.3	—
Real Estate	0.0	1.9	—	1.2	1.3	—
Cons Defensive	16.4	10.0	—	8.2	11.3	—
Healthcare	14.3	13.2	—	12.6	12.6	—
Utilities	0.0	3.2	—	2.2	3.4	—
Comm Svcs	1.4	4.0	—	5.2	4.1	—
Energy	7.0	10.8	—	10.4	10.7	—
Industrials	17.9	11.2	—	15.9	11.8	—
Technology	11.1	17.2	—	18.2	16.2	—

Parnassus Core Equity Institutional PRILX

Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Large Blend

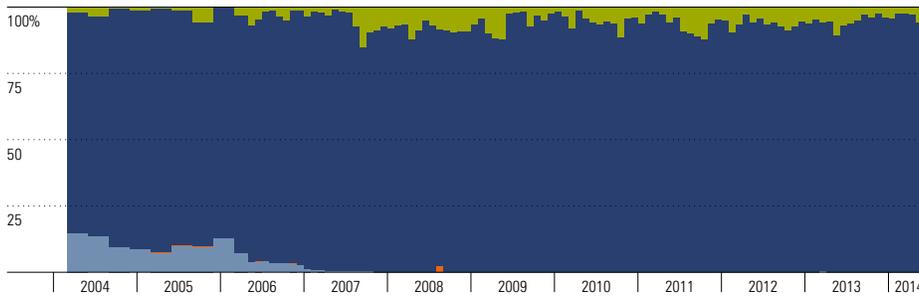
Style and Sector Trails



	# of Total Portfolios	Most Recent Portfolio Date
● Parnassus Core Equity Institu...	125	5/31/2014
▲ S&P 500 TR USD (B1)	126	6/30/2014
● — (B2)	—	—

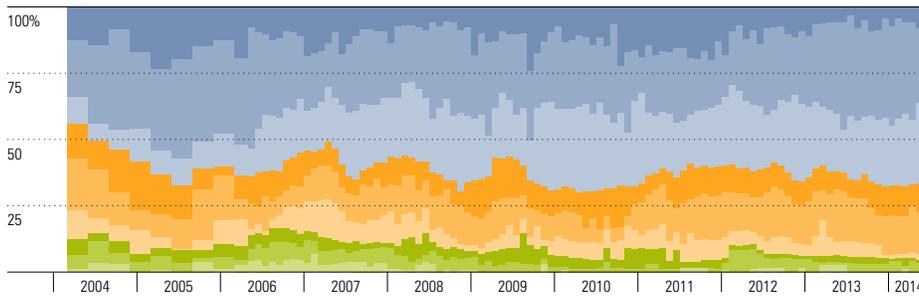
Equity Style Consistency	Subject	B1	B2
Overall Style Score	High 7.0	High 3.3	—
Value-Growth Score	Medium 13.3	High 6.3	—
Size Score	Medium 8.0	High 1.9	—

Asset Allocation History (long rescaled)



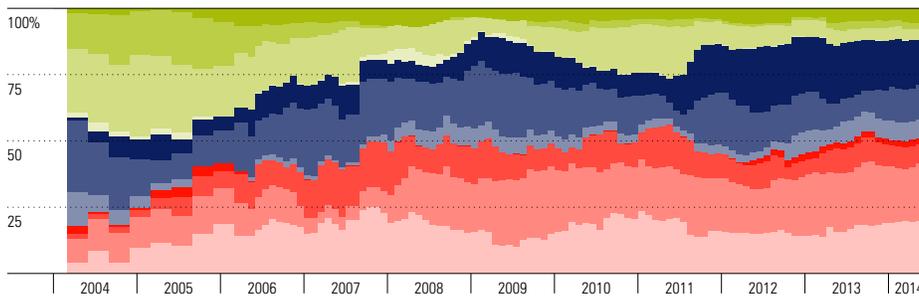
	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Cash	5.9	0.0	—	5.0	0.0	—
Stock	94.1	100.0	—	92.5	100.0	—
Bond	0.0	0.0	—	0.0	0.0	—
Other	0.0	0.0	—	2.4	0.0	—

Equity Style Allocation History (long rescaled)



	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Large Value	8.2	29.2	—	12.2	30.4	—
Large Core	28.0	32.4	—	28.4	30.7	—
Lg Gr	30.3	26.9	—	21.0	27.0	—
Mid Value	10.9	4.9	—	10.3	4.5	—
Mid Core	16.0	3.8	—	12.7	4.2	—
Mid Gr	2.1	2.9	—	6.5	3.0	—
Small Value	1.1	0.0	—	3.8	0.1	—
Small Core	3.5	0.0	—	3.8	0.0	—
Sm Gr	0.0	0.0	—	1.3	0.0	—

Equity Sector Allocation History (long rescaled)



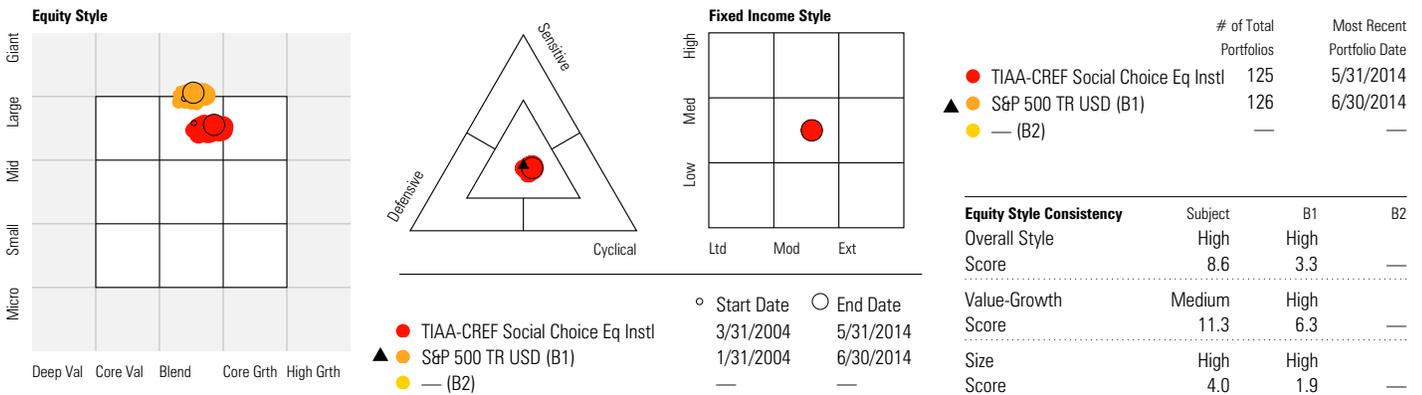
	Most Recent			Average		
	Subject	B1	B2	Subject	B1	B2
Basic Mtls	5.6	3.4	—	4.6	3.1	—
Cons Cyclical	2.2	10.4	—	5.2	9.1	—
Financial Svcs	4.1	14.7	—	13.8	16.3	—
Real Estate	0.0	1.9	—	0.8	1.3	—
Cons Defensive	16.9	10.0	—	11.7	11.3	—
Healthcare	13.4	13.2	—	16.1	12.6	—
Utilities	6.8	3.2	—	4.4	3.4	—
Comm Svcs	2.4	4.0	—	0.9	4.1	—
Energy	7.3	10.8	—	9.6	10.7	—
Industrials	21.5	11.2	—	16.8	11.8	—
Technology	19.8	17.2	—	16.0	16.2	—

TIAA-CREF Social Choice Eq Instl TISCX

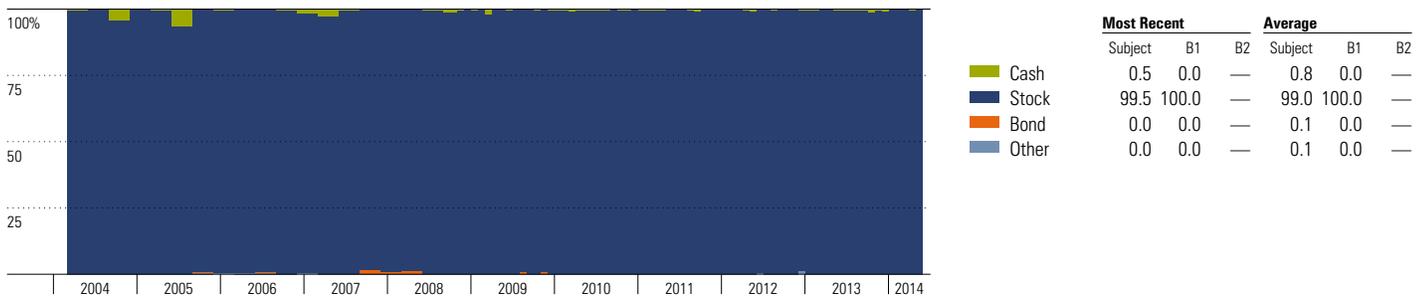
Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Large Blend

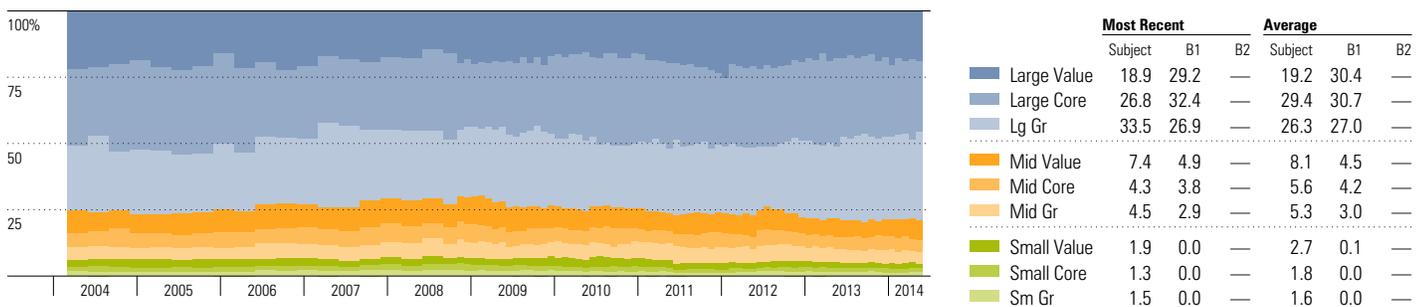
Style and Sector Trails



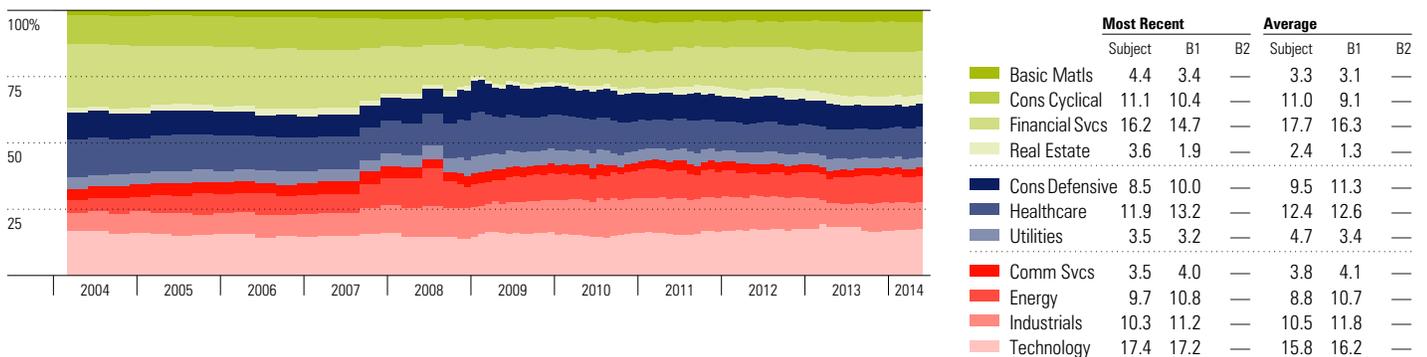
Asset Allocation History (long rescaled)



Equity Style Allocation History (long rescaled)



Equity Sector Allocation History (long rescaled)

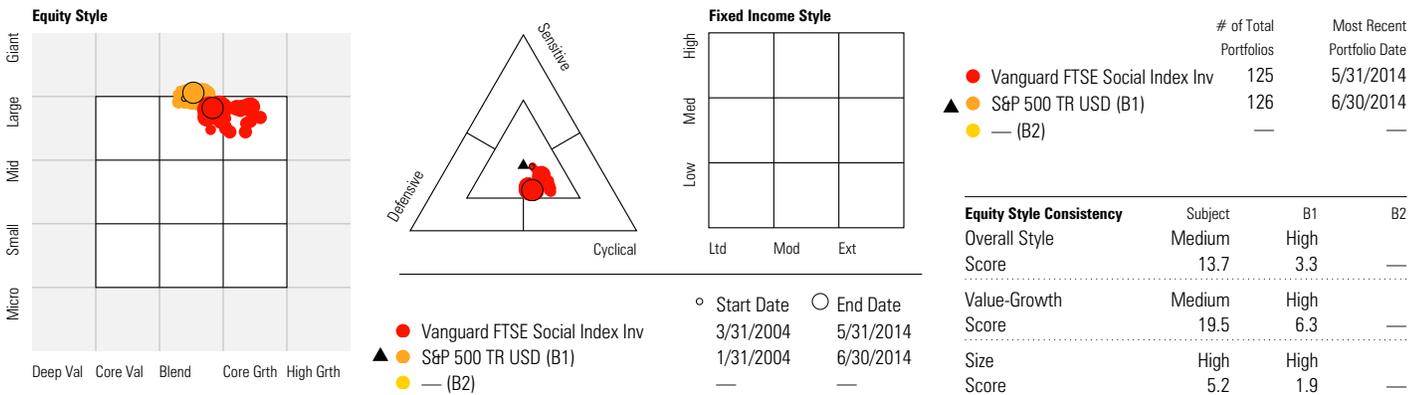


Vanguard FTSE Social Index Inv VFTSX

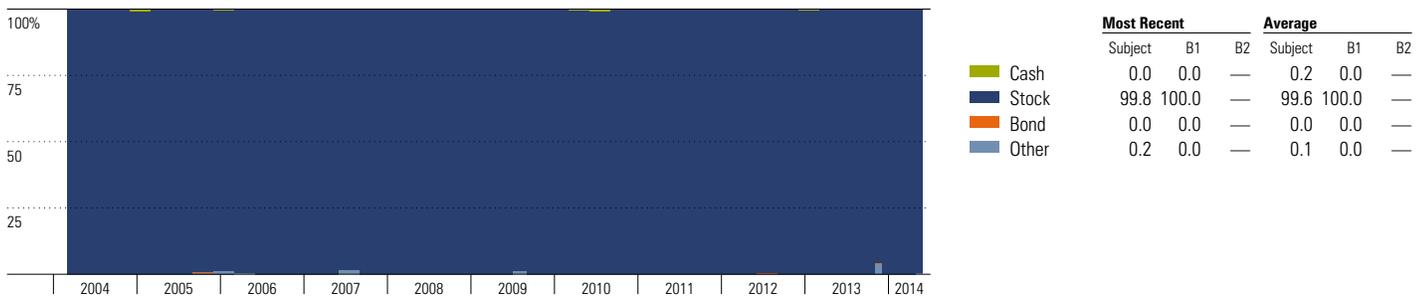
Holdings-Based Style Consistency

Start Date 1/1/2004 **End Date** 6/30/2014 **Morningstar Category** US OE Large Growth

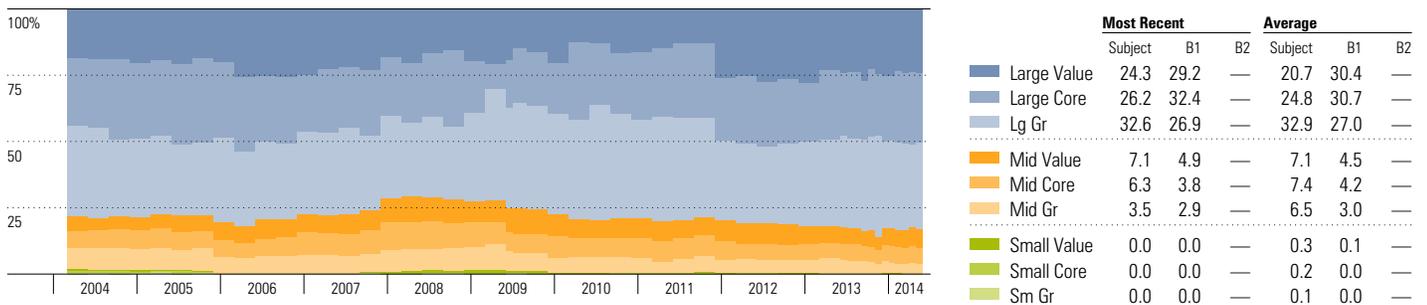
Style and Sector Trails



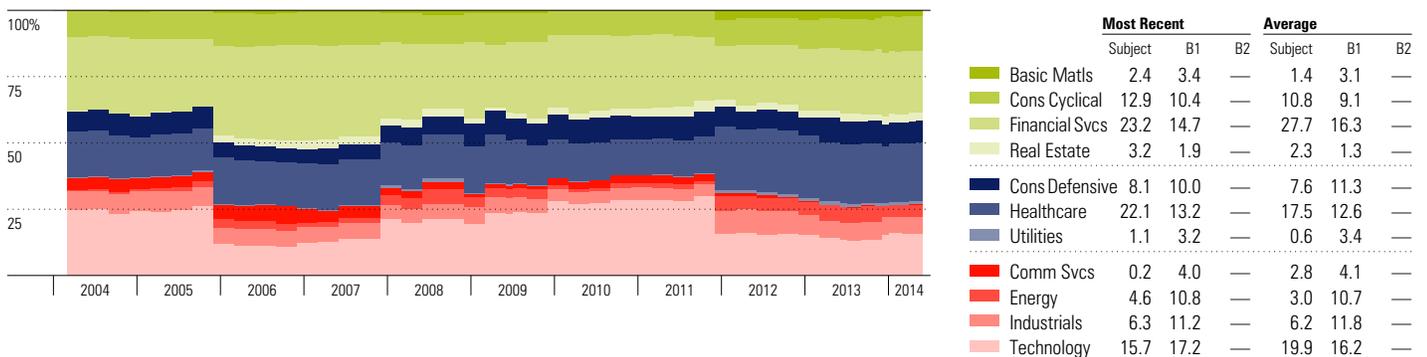
Asset Allocation History (long rescaled)



Equity Style Allocation History (long rescaled)



Equity Sector Allocation History (long rescaled)

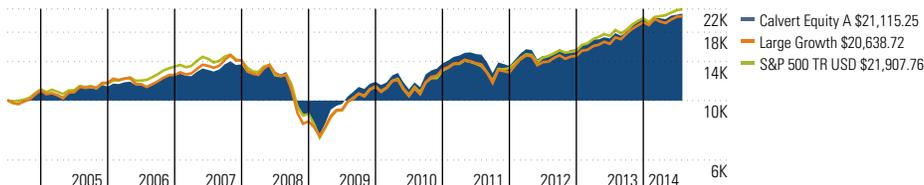


Calvert Equity A CSIEX

Morningstar Analyst Rating

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
49.96	↓0.26 0.52	0.10	2.9	Open	\$2,000	4.75	1.20%	★★	Large Growth	Large Growth

Growth of 10,000 07-09-2004 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks growth of capital. The fund normally invests at least 80% of net assets, including borrowings for investment purposes, in equity securities (common stock). It invests primarily in common stocks of U.S. large-cap companies. The fund defines large-cap companies as those whose market capitalization falls within the range of the S&P 500 Index. It may also invest in mid-cap stocks and may invest up to 25% of its net assets in foreign stocks.

Pillars

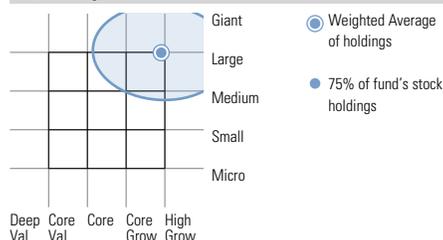
Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—
Rating	—	—

Performance 07-09-2014

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,406	10,091	11,999	13,694	22,639	21,036
Fund	4.06	0.91	19.99	11.05	17.75	7.72
+/- S&P 500 TR USD	-3.83	-0.36	-1.92	-5.11	-2.20	-0.40
+/- Category	-0.98	-0.34	-2.94	-2.57	-0.91	-0.44
% Rank in Cat	69	74	80	89	66	61
# of Funds in Cat	1,730	1,766	1,693	1,493	1,330	905

* Currency is displayed in USD

Style Map



Top Holdings 05-31-2014

	Weight %	Last Price	Day Chg %	52 Week Range
Apple Inc	4.76	95.09 USD	-0.32 ↓	59.75 - 96.80
CVS Caremark Corp	4.30	76.63 USD	-0.27 ↓	56.32 - 79.43
Gilead Sciences Inc	3.92	88.86 USD	0.20 ↑	54.19 - 88.98
Qualcomm Inc	3.71	80.47 USD	-0.37 ↓	59.20 - 81.66
Coca-Cola Co	3.14	42.13 USD	0.42 ↑	36.83 - 42.49

% Assets in Top 5 Holdings 19.84

⊕ Increase ⊖ Decrease ☆ New to Portfolio

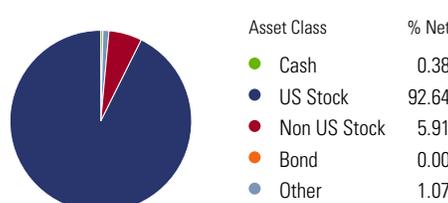
Top Sectors 05-31-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg	Fund	Cat Avg
Consumer Cyclical	20.59	20.76	12.73	17.54	20	15
Technology	18.77	28.59	18.77	23.07	18	15
Healthcare	17.61	17.61	12.32	15.98	18	15
Financial Services	15.43	15.43	11.82	10.40	15	10
Consumer Defensive	13.45	13.45	11.14	7.11	13	10

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-12-26	47.77	0.0000	0.0000	0.0000	0.0500	0.0500
2013-12-05	46.25	1.9900	0.0000	0.0000	0.0000	1.9900
2012-12-27	38.21	0.0000	0.0000	0.0000	0.0100	0.0100
2012-12-06	38.21	0.0500	0.0000	0.0000	0.0000	0.0500
2011-12-07	34.08	1.7000	0.0000	0.0000	0.0000	1.7000

Asset Allocation



Management

Manager	Start Date
Richard B. England	2006-07-31
Paul J. Marshall	2009-03-27

Calvert Equity A CSIEX

Analysis

Morningstar's Take

Morningstar Analyst Rating —

Morningstar Pillars

Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

 Gold
  Silver
  Bronze
  Neutral
  Negative

Fund Performance

	Total Return %	+/- Category
YTD	4.06	-0.98
2013	30.42	-3.50
2012	15.52	0.18
2011	-2.23	0.23
2010	17.23	1.70

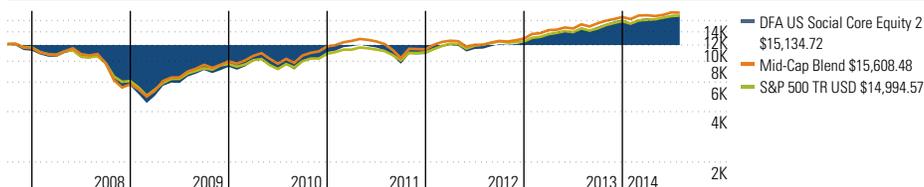
We do not currently publish an Analyst Report for this company.

DFA US Social Core Equity 2 DFUEX

Morningstar Analyst Rating

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
13.29	↓0.05 0.38	1.23	476.7	Open	—	None	0.30%	★★★	Mid-Cap Blend	Mid Blend

Growth of 10,000 10-01-2007 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

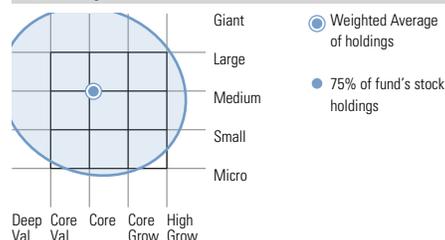
The investment seeks long-term capital appreciation. The fund purchases a broad and diverse group of securities of U.S. companies with greater emphasis on small capitalization and value companies as compared to their representation in the U.S. Universe, while excluding companies based on the Portfolio's social issue screens. It may use derivatives, such as futures contracts and options on futures contracts for U.S. equity securities and indices, to gain market exposure on its uninvested cash pending investment in securities or to maintain liquidity to pay redemptions.

Performance 07-09-2014

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,635	10,099	12,148	15,373	26,818	—
Fund	6.35	0.99	21.48	15.41	21.81	—
+/- S&P 500 TR USD	-1.54	-0.28	-0.43	-0.75	1.86	—
+/- Category	0.30	0.37	1.01	2.19	0.97	—
% Rank in Cat	50	25	36	16	40	—
# of Funds in Cat	406	408	387	329	312	190

* Currency is displayed in USD

Style Map

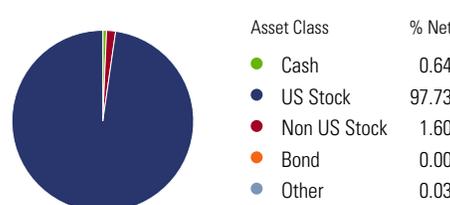


Top Holdings 04-30-2014

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Exxon Mobil Corporation	3.29	102.41 USD	-1.10 ↓	84.79 - 104.61
Apple Inc	2.09	95.09 USD	-0.32 ↓	59.75 - 96.80
⊕ Chevron Corp	1.42	130.03 USD	-1.04 ↓	109.27 - 133.57
Wells Fargo & Co	1.39	51.83 USD	-0.69 ↓	40.07 - 53.08
JPMorgan Chase & Co	1.29	55.58 USD	-0.79 ↓	50.06 - 61.48
% Assets in Top 5 Holdings	9.48			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

Asset Allocation



Top Sectors 04-30-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	21.20	23.63	21.20	13.54
💻 Technology	17.25	17.25	14.16	14.67
⚙️ Industrials	14.87	14.87	14.25	16.37
🔥 Energy	13.78	13.78	11.99	7.76
🛒 Consumer Cyclical	12.43	14.00	12.43	14.64

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2014-06-09	13.16	0.0000	0.0000	0.0000	0.0500	0.0500
2014-03-10	12.72	0.0000	0.0000	0.0000	0.0300	0.0300
2013-12-12	12.00	0.2100	0.0100	0.0000	0.0500	0.2800
2013-09-10	11.57	0.0000	0.0000	0.0000	0.0400	0.0400
2013-06-10	11.10	0.0000	0.0000	0.0000	0.0400	0.0400

Management

	Start Date
Stephen A. Clark	2009-02-28
Joseph H. Chi	2012-02-28
Jed S. Fogdall	2012-02-28
Henry F. Gray	2012-02-28
Bhanu P. Singh	2014-02-28

DFA US Social Core Equity 2 DFUEX

Analysis

Morningstar's Take

Morningstar Analyst Rating —

Morningstar Pillars

Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

 Gold
  Silver
  Bronze
  Neutral
  Negative

Fund Performance

	Total Return %	+/- Category
YTD	6.35	0.30
2013	37.08	2.98
2012	17.50	1.35
2011	-2.64	1.18
2010	22.48	-0.04

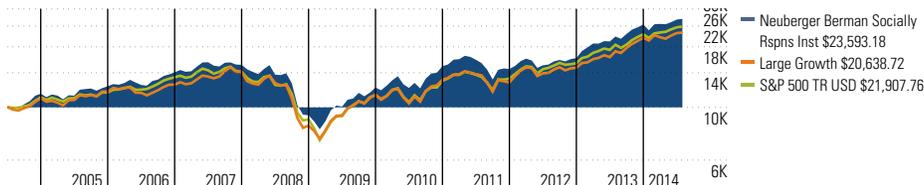
We do not currently publish an Analyst Report for this company.

Neuberger Berman Socially Rspns Inst NBSLX

Morningstar Analyst Rating
Silver

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
36.87	↓0.20 0.55	0.91	2.5	Open	\$1	None	0.69%	★★★★	Large Growth	Large Growth

Growth of 10,000 07-09-2004 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks long-term growth of capital by investing primarily in securities of companies that meet the fund's financial criteria and social policy. The fund invests primarily in common stocks of mid- to large-capitalization companies that meet the fund's social policy. It seeks to reduce risk by investing across many different industries. The Portfolio Managers employ a research driven and valuation sensitive approach to stock selection, with a long term perspective. Although the fund invests primarily in domestic stocks, it may also invest in stocks of foreign companies.

Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive

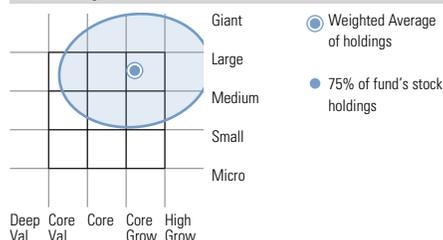
Rating

Performance 07-09-2014

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,564	10,132	12,103	14,682	24,439	23,415
Fund	5.64	1.32	21.03	13.66	19.57	8.88
+/- S&P 500 TR USD	-2.25	0.05	-0.88	-2.50	-0.39	0.76
+/- Category	0.60	0.07	-1.89	0.04	0.90	0.72
% Rank in Cat	42	42	71	52	32	—
# of Funds in Cat	1,730	1,766	1,693	1,493	1,330	905

* Currency is displayed in USD

Style Map

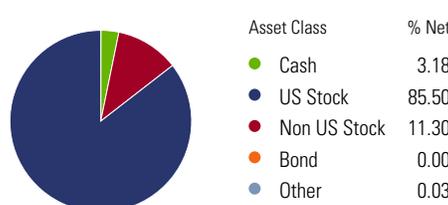


Top Holdings 04-30-2014

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Newell Rubbermaid Inc	5.15	31.94 USD	-0.90 ↓	24.32 - 32.54
⊕ American Express Co	5.02	94.48 USD	-0.27 ↓	71.47 - 96.24
⊖ Texas Instruments Inc	4.93	48.95 USD	-0.67 ↓	36.06 - 49.77
Danaher Corp	4.27	78.15 USD	-0.18 ↓	64.78 - 81.14
Unilever NV ADR	3.70	42.58 USD	-1.98 ↓	36.57 - 44.41
% Assets in Top 5 Holdings	23.06			

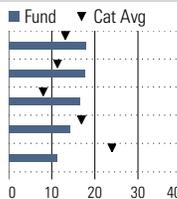
⊕ Increase ⊖ Decrease ✱ New to Portfolio

Asset Allocation



Top Sectors 05-31-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏭 Industrials	17.90	18.13	16.01	12.23
🏦 Financial Services	17.73	18.08	16.85	10.40
🛒 Consumer Defensive	16.41	17.64	15.88	7.11
🏥 Healthcare	14.30	14.24	10.29	15.98
💻 Technology	11.14	16.24	11.17	23.07



Management

	Start Date
Arthur Moretti	2001-06-18
Ingrid S. Dyott	2003-12-19
Sajjad S. Ladiwala	2003-12-31
Mamundi Subhas	2008-12-31

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-12-16	33.67	2.0600	0.1500	0.0000	0.3500	2.5600
2012-12-14	26.82	0.0000	0.0000	0.0000	0.2300	0.2300
2011-12-16	23.91	0.0000	0.0000	0.0000	0.1600	0.1600
2010-12-17	25.39	0.0000	0.0000	0.0000	0.0800	0.0800
2009-12-16	20.56	0.0000	0.0000	0.0000	0.0900	0.0900

Neuberger Berman Socially Rspns Inst NBSLX

Analysis

Socially responsible investors should find plenty to like here.

By David Kathman, CFA 12/3/2013

Neuberger Berman Socially Responsive is an excellent core fund for any investor.

Arthur Moretti has managed this fund since 2001 using the same core strategy as in Neuberger Berman Guardian NGUAX but with an overlay of social screens. Moretti and his comanagers (Ingrid Dyott, Sajjad Ladiwala, and Mamundi Subhas) look for industry leaders with limited downside but the potential to gain 15%-25% annually over the next three to five years, aiming for a portfolio with higher average earnings growth but a lower price/earnings ratio than the S&P 500 index. They maintain a fairly concentrated portfolio of 30-40 stocks, and turnover is modest, around 30% a year.

The social screens keep the fund from holding stocks that get significant revenue from alcohol, tobacco, weapons, nuclear power, or gambling, and favor companies with good community, environmental, and workplace records. Moretti says these are mostly features he likes to see in an investment anyway, so this fund typically shares most of its portfolio with Guardian. As of Sept. 30, 2013, only five of Guardian's 36 stock holdings were not in this fund, led by top-five holding Anheuser-Busch InBev BUD, while this fund held nine stocks that were not in Guardian, including discount airline RyanAir, which Moretti likes for its fuel efficiency.

This fund also resembles Guardian in having an excellent long-term track record. As of early December 2013, its returns since Moretti took over rank in the top 10% of its current large-growth category as well as large-blend, where it resided from 2004 to 2011. There have been occasional bumps in the road, but the fund has always recovered nicely. It had a rough patch in 2011-2012, trailing its peers two years in a row for the first time under Moretti, but it has bounced back in 2013, gaining 35% through November to rank in the large-

growth category's top 15%.

This is one of the more attractive socially responsible funds out there, and given that it's slightly cheaper than Guardian, it's a worthy option even for investors who don't care about the social screens.

Process Pillar: + Positive

Lead manager Arthur Moretti and his three comanagers apply the same strategy here as at Neuberger Berman Guardian, with the addition of social screens. Those screens prohibit alcohol, tobacco, weapons, nuclear power, or gambling stocks and favor companies with good community, workplace, and environmental records. Moretti says that those are the types of characteristics he likes anyway, so the two portfolios are very similar. As with Guardian, the managers look for "best in class" industry leaders, aiming for a portfolio with higher earnings growth than the broader market, but a lower P/E ratio. Though the process is bottom-up, the managers pay attention to macroeconomic trends, both long-term and short-term, in building and shaping the portfolio.

The managers will buy a stock only if the downside appears limited and a reasonable turnaround scenario is in sight. They want their holdings to have upside potential of 15%-25% annually over the next three to five years, and they're willing to wait for a company to live up to its prospects, so turnover is low (typically around 30% a year). Because of the focus on valuation, the fund was in the large-value category when Moretti joined in 2001, but his willingness to hold stocks that aren't necessarily cheap by traditional measures led the fund to move to the large-blend category, and eventually (in late 2011) to large-growth.

The portfolio is concentrated, typically with 30-40 stocks. (There were 40 equity holdings as of Sept. 30, 2013.) Moretti and his team try to keep it reasonably diversified by sector, but the nature of their process means that some sectors will usually be favored over others. For example, the fund typically avoids real estate stocks entirely and tends to avoid capital-intensive, highly regulated sectors

Morningstar's Take

Morningstar Analyst Rating



Morningstar Pillars

Process	+ Positive
Performance	+ Positive
People	+ Positive
Parent	+ Positive
Price	+ Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



Fund Performance

	Total Return %	+/- Category
YTD	5.64	0.60
2013	38.48	4.56
2012	11.15	-4.19
2011	-2.72	-0.26
2010	23.06	7.53

Neuberger Berman Socially Rspns Inst NBSLX

Analysis

such as telecom and utilities, the latter of which was entirely absent from the Sept. 30, 2013, portfolio. The fund was also light relative to the large-growth category in deep cyclicals and credit-sensitive financials such as big banks. However, the fund was heavier than its category peers in financials as a whole, including insurance, payment networks, and financial exchanges, as well as consumer staples and industrials. This is all part of Moretti's current preference for financially strong companies with the ability to push price.

This fund's portfolio usually shares all but a handful of its holdings with Neuberger Berman Guardian. As of Sept. 30, 2013, nine of this fund's 40 stock holdings were not in Guardian (led by Unilever UL, Noble Energy NBL, and Becton Dickinson BDx), while five of Guardian's 36 holdings (led by top-10 holdings Anheuser-Busch Inbev BUD, Berkshire Hathaway BRK.B, Polaris Industries PII, and Schlumberger SLB) were not in this fund.

Performance Pillar: + Positive

This fund has been in three different categories since Arthur Moretti joined the management team in mid-2001, and its record looks excellent relative to any of the three. It was originally in the large-value category, and its returns rank in that category's top 15% from June 18, 2001, through November 2013. Over the same time period it ranks in the top 10% of the large-blend category, where it resided from 2004 to 2011, and in the top 10% of its current large-growth peer group.

The fund has landed in its category's top decile three times under Moretti (in 2002, 2003, and 2010), but it has not trailed its peers by very much in the occasional off years. Its worst year in absolute terms was 2008, when it lost 39%, but that was only slightly behind the large-blend category and the S&P 500 benchmark. In 2012 it ranked in the bottom decile of its new large-growth peer group, the first time it has ever ranked so low under Moretti and the first time it has trailed its category in consecutive calendar years. Moretti stuck to his guns during that slow stretch, and his patience paid off; the fund beat the large-growth category in the second half of 2012 and was one of

the category's best performers in the first 11 months of 2013, with a 35% year-to-date gain that ranked in the category's top 12% as of Dec. 2. Each of the top 25 holdings gained more than 15% for the year to date through Nov. 29.

People Pillar: + Positive

Arthur Moretti joined this fund in June 2001 as comanager and became lead manager in December 2003. He became lead manager of Neuberger Berman Guardian a year before that, in December 2002, and he has continued to run both funds since then. Prior to joining Neuberger, he spent eight years at Merrill Lynch, ending his career there with a nine-month stint as manager of Merrill Lynch Growth.

Ingrid Dyott and Sajjad Ladiwala became comanagers of this fund and Guardian in December 2003. Dyott had been with Neuberger since 1997, including two years as an analyst under Moretti, before which she spent two years at the Council of Economic Priorities. Ladiwala joined Neuberger in 2002, before which he spent two years as an analyst at Merrill Lynch and six years at Duff & Phelps. Mamundi (MG) Subhas was promoted to comanager in December 2008 after joining the team in 2001, and he had 20 years of industry experience before arriving at Neuberger. The four listed managers are the only dedicated members of the team, but they also have access to Neuberger's team of around 40 equity research analysts.

Moretti has over \$1 million invested in both this fund and Guardian; Dyott has \$1 million in this fund and \$500,000-\$1 million in Guardian; Ladiwala has \$100,000-\$500,000 in each fund; and Subhas has \$500,000-\$1 million in this fund and \$100,000-\$500,000 in Guardian.

Parent Pillar: + Positive

Unlike fund shops that tightly control risk, resulting in a lineup of bland index-huggers, Neuberger Berman lets its managers invest with conviction. Neuberger funds tend to be concentrated, with relatively low turnover and significant sector bets. That leads to more-volatile returns, but the funds have mostly performed quite well over time, with

few duds and several standouts.

This culture faced a threat in 2008 when then-parent Lehman Brothers collapsed, but a group of Neuberger insiders eventually took the firm private. It's now owned by about 300 employees, including most portfolio managers and many analysts, providing good incentives for them to stick around. Neuberger is focused solely on investment management, though its retail mutual funds only make up a fraction of assets under management (about 15% as of 2014). Since 2008, it gradually has been shifting its distribution emphasis to advisor-sold share classes with sales charges, though existing shareholders can still buy no-load shares.

Neuberger has made a handful of acquisitions during the past decade and launched a flurry of new funds in recent years, including some trendy ones such as absolute-return, long-short, and China funds. Such moves are potential causes for concern that bear watching, but at heart, Neuberger remains a boutique with a nicely distinctive investing culture.

Price Pillar: + Positive

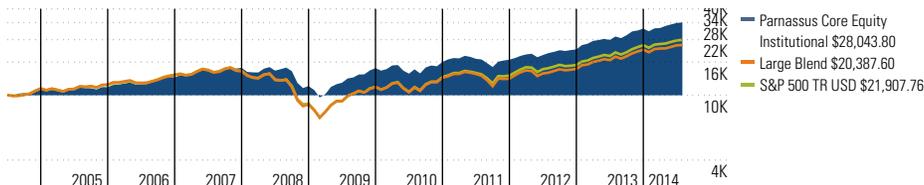
This fund's Investor, Institutional, and A shares together have two thirds of the fund's total assets, and their expense ratios (0.89%, 0.71%, and 1.09%, respectively) are all below the median for similar share classes of large-cap funds. The Trust shares, with just under 20% of assets, are a bit more expensive than similar share classes in the peer group, but taken as a whole, the fund's expenses are relatively cheap for most investors.

Parnassus Core Equity Institutional PRILX

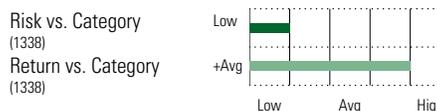
Morningstar Analyst Rating
Silver

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
39.83	↓0.18 0.45	1.33	9.8	Open	\$100,000	None	0.69%	★★★★	Large Blend	Large Blend

Growth of 10,000 07-09-2004 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks to achieve both capital appreciation and current income. The Parnassus Core Equity Fund's objective is to achieve both capital appreciation and current income by investing primarily in a diversified portfolio of equity securities. Equity securities include common and preferred stock. Under normal circumstances, the fund will invest a minimum of 80% of its net assets (plus borrowings for investment purposes) in equity securities. At least 75% of the fund's total assets will normally be invested in equity securities that pay interest or dividends.

Pillars

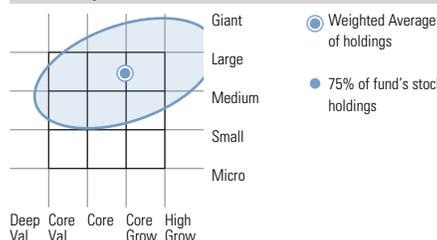
Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Silver

Performance 07-09-2014

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,909	10,136	12,424	16,338	24,341	27,961
Fund	9.09	1.36	24.24	17.78	19.47	10.83
+/- S&P 500 TR USD	1.19	0.09	2.33	1.62	-0.48	2.71
+/- Category	2.21	0.35	3.47	3.40	0.99	3.20
% Rank in Cat	6	18	11	4	29	—
# of Funds in Cat	1,633	1,676	1,564	1,337	1,204	796

* Currency is displayed in USD

Style Map

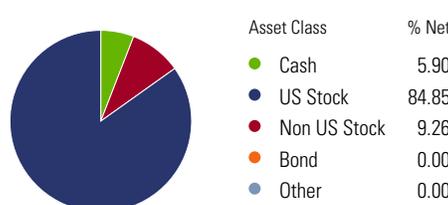


Top Holdings 05-31-2014

	Weight %	Last Price	Day Chg %	52 Week Range
Apple Inc	4.80	95.09 USD	-0.32 ↓	59.75 - 96.80
Applied Materials Inc	3.88	22.93 USD	-1.46 ↓	14.85 - 23.46
⊕ Allergan Inc	3.76	164.25 USD	-0.58 ↓	86.95 - 174.49
Motorola Solutions Inc	3.42	66.49 USD	-0.14 ↓	53.62 - 68.33
Mondelez International Inc Class A	3.36	37.90 USD	-0.29 ↓	28.90 - 38.47
% Assets in Top 5 Holdings	19.23			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

Asset Allocation



Top Sectors 05-31-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏭 Industrials	21.51	22.23	21.51	13.69
💻 Technology	19.81	19.81	14.01	16.28
🛒 Consumer Defensive	16.85	21.37	16.85	9.91
🏥 Healthcare	13.36	14.73	11.23	13.48
⚡ Energy	7.27	8.19	6.11	9.89

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2014-06-30	39.58	0.0000	0.0000	0.0000	0.1100	0.1100
2014-03-31	36.93	0.0000	0.0000	0.0000	0.1200	0.1200
2013-12-27	36.65	0.0000	0.0000	0.0000	0.1800	0.1800
2013-11-22	36.05	1.8700	0.0000	0.0000	0.0000	1.8700
2013-09-30	35.34	0.0000	0.0000	0.0000	0.1400	0.1400

Management

	Start Date
Todd C. Ahlsten	2001-05-01
Benjamin E. Allen	2012-05-01

Parnassus Core Equity Institutional PRILX

Analysis

A model of active management.

By Laura Lалlos 4/17/2014

Parnassus Equity Income is indeed a good core equity holding.

As of May 1, 2014, this fund will be known as Parnassus Core Equity, and the name change makes sense. While the fund must keep 75% of assets in dividend-paying stocks--a prospectus requirement that will not change--longtime lead manager Todd Ahlsten and comanager Ben Allen have never emphasized income. The two are scrupulous stock-pickers who maintain a low-turnover portfolio of about 40 companies with relevant products or services, significant barriers to entry, and capable management. The managers also assert that companies that pass Parnassus' environmental, social, and governance, or ESG, screens are less risky than others within the same industries.

Conviction has paid off: This has been one of the stronger performers in the large-cap blend category during Ahlsten's tenure. Yet even though the fund is focused both in names and sectors, it has low Morningstar Risk scores, which emphasize downside volatility. That combination has made the fund easy to own: It has seen steady net inflows every year since 2007, which is unusual for a domestic-equity fund.

When Ahlsten and Allen evaluate a stock they anticipate a wide range of outcomes, incorporating a variety of macroeconomic scenarios. The fund has little in financials because they don't think the stocks are priced to reflect the risk inherent in the global financial system. The fund was also light on the sector going into the crisis because Ahlsten didn't like their balance sheets, and he'd avoided housing names because they lacked economic moats. Consequently, this fund lost less than 98% of its peers in 2008. It was also in the black in 2011.

This concentrated portfolio also has an above-average stake in small- and mid-cap names, and the

managers are keeping an eye on asset growth. With about \$8.5 billion in the fund, and minimal assets run in the strategy in separate accounts, they believe they still have ample capacity.

Process Pillar: Positive

This fund has typical socially conscious restrictions: It eschews companies deriving significant revenue from alcohol, tobacco, weapons, or nuclear power, or those directly involved in gambling. However, Parnassus places more emphasis on environmental, social, and governance (ESG) criteria. Believing that ESG screens also identify companies likely to outperform industry peers, they seek out those that score well on corporate governance, employee benefits, stakeholder relations, products, environmental impact, and customer and supply chain relationships.

From there, managers Todd Ahlsten and Ben Allen invest in companies with wide or increasing economic moats that sell increasingly relevant products or services and that are guided by good management. While they do not make top-down sector calls, they buy when a stock is undervalued based on a range of outcomes incorporating a variety of macroeconomic scenarios. That can lead to sector biases; the fund has much more in consumer staples and industrials than large-blend peers and far less in consumer discretionary names and financials.

The fund must have 75% of assets in dividend-paying stocks, but there is no particular emphasis on high dividends or dividend growth. (The fund's name changed from Equity Income to Core Equity in May 2014.) What's more, as of February 2014, the portfolio had more than 30% in mid- and small-cap names.

Todd Ahlsten and Ben Allen are patient, high-conviction investors. They hold 40 or so names and initiate a position only if they are willing to stake at least 1% of assets. Case in point: Apple AAPL. The stock's decline a year ago spelled an opportunity to buy a company with a strong moat, and in April 2013 they made it a top holding. It has been one of the biggest contributors to performance

Morningstar's Take

Morningstar Analyst Rating



Morningstar Pillars

Process		Positive
Performance		Positive
People		Positive
Parent		Positive
Price		Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

 Gold  Silver  Bronze **Neutral**  Negative

Fund Performance

	Total Return %	+/- Category
YTD	9.09	2.21
2013	34.15	2.65
2012	15.64	0.68
2011	3.38	4.65
2010	9.10	-4.91

Parnassus Core Equity Institutional PRILX

Analysis

during the past year. Xylem XYL, another top name, was added last year after an earnings miss; the managers consider the water storage and transport company "a marriage of moat, relevancy, management, valuations, and ESG."

Ahlsten and Allen regularly adjust position sizes as valuations and risk profiles change. Biopharmaceutical company Gilead Sciences GILD, a top performer during the past few years, has an "exceptional moat and exceptional management" but is no longer exceptionally undervalued, so it has dropped from the top 10 to a 2% core position. Recent add Allergan AGN was in the top five as of March 2014; valuations came down on concerns about generic competition, but the company still has its valuable Botox franchise.

Schwab SCHW and MasterCard MA are the only financials the fund owns; the managers are uncomfortable with the risk/reward profiles of money center banks. They are also skeptical about retailers' ability to sustain moats, and the fund has little in consumer cyclicals.

Performance Pillar: + Positive

Todd Ahlsten took over as sole manager in 2002, and Ben Allen came on in May 2012. Ahlsten got off to rocky start with an ill-timed cash stockpile and some poor picks. But he foreswore cash bets and Parnassus began building its research team in earnest. (Allen joined as a senior research analyst in 2005.) This fund now boasts one of the best 10-year records in its category, with an annualized 9.5% return through March 2014, compared with 7.4% for its benchmark, the S&P 500.

The fund did lag in 2010, which accounts for its middling five-year record; Ahlsten says a number of his high-quality names surged in the fourth quarter of 2009 and then fell behind riskier names that led in 2010. But he has met his goal of staying competitive on the upside while minimizing downside risk. During the past 10 years through March 2014, the fund has captured 93% of the upside of the S&P 500, but only 78% of its downside. It is worth noting that Ahlsten made an excellent call by avoiding financials before the crisis, and

the fund's 2008 performance is a big part of its success.

The fund's three-year record ranks well, owing in part to its top showing in 2011's rough market, but also competitive returns in 2012 and 2013. Its sector biases were a negative overall, particularly its limited exposure to consumer cyclicals, but strong stock-picking led to a top-quintile three-year ranking.

People Pillar: + Positive

Lead manager Todd Ahlsten is Parnassus' chief investment officer. He joined the firm as a research analyst in 1995 and became director of research in 1998. Ahlsten began comanaging this fund with Parnassus' founder Jerome Dodson in 2001. He took over as sole manager in 2002 and has earned excellent results since. According to fund filings, Ahlsten has more than \$1 million invested here.

Ben Allen joined as comanager on May 1, 2012, and is Parnassus' director of research. Allen started at Parnassus as an analyst in 2005 and was part of a three-manager team that earned a nice record at Parnassus Mid-Cap PARMX from October 2008 through April 2012 before moving on to this fund. Allen has increased his investment here, and it now stands between \$100,000 and \$500,000, according to the latest filing.

While Ahlsten has final say on picks, each manager is responsible for half of the fund's 40 or so holdings. (As Parnassus' managers and analysts provide support across the lineup, Allen covered a number of the names before coming on as comanager.) Ahlsten generally covers health-care and technology stocks, while Allen favors industrials and business services.

Ahlsten and Allen are part of a 16-member investment team, which together provides research for all the funds in the lineup. The team has grown steadily, and the firm has a high retention rate.

Parent Pillar: + Positive

Parnassus Investments is an employee-owned company founded by Jerome Dodson in 1984. It launched its seventh fund, an Asia fund, at the end

of April 2013. While a foreign fund is a first for the company, the firm has not grown recklessly; the last time it launched a new fund was in 2005. The firm has also steadily built its investment team. In 2013, the firm hired from the outside to bring fixed-income expertise to Parnassus Fixed Income PRFIX, but portfolio managers are generally promoted from the analyst ranks, and retention on the investment team is high.

The funds invest only in securities that pass its environmental, social, and governance screens. From there, the team finds companies with relevant products, sustainable competitive advantages, quality management, and ethical practices, and it buys when the stock is undervalued. The fixed-income fund also uses equity research for security selection.

In recent years, Parnassus has made a concerted effort to attract 401(k) and institutional clients, which has resulted in steady, but manageable, inflows. Most have gone to Parnassus Equity Income PRBLX, which has excellent long-term risk-adjusted performance. Four of the seven funds, accounting for more than 95% of assets, have manager investment greater than \$1 million. The funds' board of directors is experienced and has negotiated average fees overall.

Price Pillar: + Positive

This fund's 87-basis-point expense ratio is below average for large-cap no-load funds.

Except for a blip up to 1.04% in 2004 (which Morningstar criticized at the time), the fund's expenses have always been reasonable. As the fund's asset base has grown, its net expense ratio has decreased over the past few years.

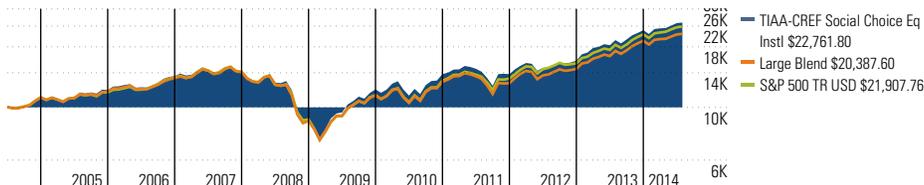
Institutional shareholders also get a good deal. Requiring a minimum investment of only \$100,000, the share class charges 69 basis points a year. That is below average for the large-cap institutional peer group.

TIAA-CREF Social Choice Eq Instl TISCX

Morningstar Analyst Rating
Bronze

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
16.67	↓0.08 0.48	1.29	2.1	Open	\$2	None	0.18%	★★★★	Large Blend	Large Blend

Growth of 10,000 07-09-2004 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks a favorable long-term total return that reflects the investment performance of the overall U.S. stock market while giving special consideration to certain social criteria. Under normal circumstances, the fund invests at least 80% of its assets in equity securities. The fund attempts to track the return of the U.S. stock market as represented by its benchmark, the Russell 3000® Index, while investing only in companies whose activities are consistent with the fund's social criteria. The fund's investments are subject to certain environmental, social and governance ("ESG") criteria.

Pillars

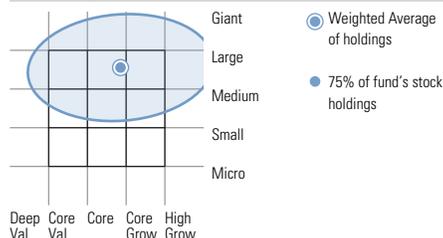
Process	Neutral
Performance	Positive
People	Neutral
Parent	Neutral
Price	Positive
Rating	Bronze

Performance 07-09-2014

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,769	10,140	12,088	15,386	24,921	22,711
Fund	7.69	1.40	20.88	15.45	20.04	8.55
+/- S&P 500 TR USD	-0.21	0.13	-1.03	-0.71	0.08	0.43
+/- Category	0.81	0.40	0.10	1.07	1.55	0.92
% Rank in Cat	31	16	52	37	18	19
# of Funds in Cat	1,633	1,676	1,564	1,337	1,204	796

* Currency is displayed in USD

Style Map

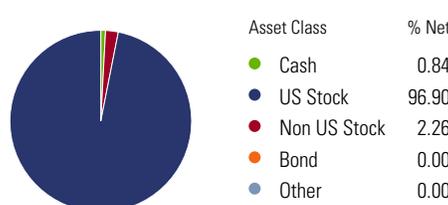


Top Holdings 05-31-2014

	Weight %	Last Price	Day Chg %	52 Week Range
Johnson & Johnson	1.74	105.58 USD	-0.43 ↓	85.50 - 106.74
Berkshire Hathaway Inc Class B	1.49	128.26 USD	-0.38 ↓	108.12 - 129.73
Procter & Gamble Co	1.41	81.48 USD	-0.23 ↓	73.61 - 85.82
International Business Machines Corp	1.28	187.17 USD	-0.66 ↓	172.19 - 200.94
Merck & Co Inc	1.27	58.58 USD	0.05 ↑	44.62 - 59.84
% Assets in Top 5 Holdings	7.18			

⊕ Increase ⊖ Decrease ✱ New to Portfolio

Asset Allocation



Top Sectors 04-30-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	16.98	17.39	16.70	16.24
Financial Services	16.42	16.90	15.12	15.39
Healthcare	11.61	11.61	10.99	13.46
Consumer Cyclical	11.36	11.48	10.33	10.28
Industrials	10.35	12.04	10.35	13.69

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-12-13	14.83	0.1400	0.0000	0.0000	0.2200	0.3500
2012-12-07	11.66	0.0000	0.0000	0.0000	0.2400	0.2400
2011-12-09	10.64	0.0000	0.0000	0.0000	0.1900	0.1900
2010-12-10	10.60	0.0000	0.0000	0.0000	0.1700	0.1700
2009-12-11	9.26	0.0000	0.0000	0.0000	0.1500	0.1500

Management

	Start Date
Phillip James Campagna	2005-08-01
Lei Liao	2014-05-30

TIAA-CREF Social Choice Eq Instl TISCX

Analysis

This is a fine core option among socially responsible mutual funds.

By David Kathman, CFA 3/7/2014

TIAA-CREF Social Choice Equity has lots of good features for socially conscious investors.

As socially responsible mutual funds go, this is one of the more attractive options available to retail investors. The social screening is overseen by Amy O'Brien and her team at TIAA-CREF, who also oversee the \$13 billion CREF Social Choice account. The screens, which are implemented by the social investment team at MSCI in collaboration with O'Brien's team, focus less on excluding companies than on identifying those that best fit various environmental, social, and governance criteria. Stocks that don't make the cut include such big names as Exxon Mobil XOM, General Electric GE, and AT&T T, as well as Apple AAPL, which is held by some socially responsible funds but excluded here because of human-rights issues in its supply chain.

The screening criteria were tightened a few years ago and are stricter than in many peers, with fewer than half of the stocks in the fund's investable universe (based on the Russell 3000 Index) making it through to the "acceptable" list. A quantitative team at TIAA-CREF, led by listed managers Anne Sapp and Phillip Campagna, narrows this down to a portfolio of 700 to 1,000 stocks using quant models that aim to replicate the risk characteristics of the Russell 3000, but don't try to identify individual stocks that will outperform.

It might seem that these strict social screens would make it tougher to outperform peers and the broader market, but in fact, this fund has been an appealingly solid and consistent long-term performer. It has beaten the large-blend category in nine of the past 12 calendar years, and its five- and 10-year returns rank in the category's top quartile as of March 2014. After an off year in 2012, it rebounded nicely in 2013 with a top-quartile gain of 34%.

The cherry on the sundae is the fund's low expenses, 0.18% for Institutional shares and 0.48% for Retail shares. Rival Vanguard FTSE Social Index VFTSX is cheaper, but features a significantly worse long-term track record.

Process Pillar: Neutral

First, the social investment team at MSCI ranks the stocks in the MSCI Investable Market Index (about 2,600 stocks) according to how well they meet social criteria laid down by TIAA-CREF's social and community investing unit. These criteria vary by industry, but in general they favor firms that are: 1) strong stewards of the environment; 2) devoted to serving their communities, human rights, and philanthropy; 3) committed to high labor standards and good employee relations; 4) dedicated to producing high-quality and safe products; and 5) managed in an exemplary and ethical manner. Since 2006, there has been less of an emphasis on excluding companies, and more on finding stocks that best fit a set of positive criteria.

Each stock is given a grade from A to F, and stocks within each sector are ranked according to their scores. The top 50% within each sector pass, as long as they're rated A or B. Slightly less than half of the original universe (1,190 stocks) makes it through this stage to the "acceptable" list; about two thirds used to make it through until 2010, when MSCI and TIAA-CREF tightened the criteria. Finally, the quantitative team at TIAA-CREF narrows this acceptable list down to 700-1,000 stocks. Their models are designed to replicate the risk characteristics of the Russell 3000, but don't try to identify specific stocks that will perform better or worse than the index.

The portfolio's sector weightings don't differ too dramatically from those of the Russell 3000 benchmark (or the Russell 1000), because the process is designed to avoid huge sector bets. As of Dec. 31, 2013, nine of the fund's 11 sector weightings were within 2.0 percentage points of the Russell 3000, and none differed from the benchmark by more than 2.5 percentage points. The biggest over-weighting relative to the benchmark was in financials (the portfolio's biggest sector, with 16.9% of

Morningstar's Take

Morningstar Analyst Rating



Morningstar Pillars

Process		Neutral
Performance		Positive
People		Neutral
Parent		Neutral
Price		Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



Fund Performance

	Total Return %	+/- Category
YTD	7.69	0.81
2013	34.32	2.82
2012	14.05	-0.91
2011	-0.05	1.22
2010	15.91	1.90

TIAA-CREF Social Choice Eq Instl TISCX

Analysis

assets), and the biggest underweightings were in health care and industrials.

The social screening eliminates some stocks that are prominent in the Russell 3000 and Russell 1000, such as Apple, Exxon Mobil, General Electric, and AT&T. The largest holdings as of Dec. 31, 2013, were all well-known mega-cap names such as IBM, Johnson & Johnson, Procter & Gamble, and Google, none of which took up more than 2% of assets. About 17% of the portfolio was in mid-caps, and almost 5% was in small caps, above the 3% large-blend category average but below the 8% small-cap weighting in the Russell 3000.

All of this fund's holdings have to be in the Russell 3000, so some changes are usually necessary after that index is rebalanced on July 1 each year.

Performance Pillar: + Positive

This fund has been a strong performer over the long run, with five- and 10-year returns that rank in the top quartile of the large-blend category as of March 2014. The Institutional shares beat the category in eight of the 10 years from 2002 through 2011, with 2006 (50th percentile) and 2007 (72nd percentile) being the only years in which they didn't. The fund ranked in the category's top quartile in four of those years, all of them (2003, 2004, 2009, and 2010) coming near the start of a bull market following a market downturn. This pattern reflects the fund's historical tendency to perform relatively well in speculation-driven bull markets where risk is in favor, though it also beat the category in the 2008 bear market despite losing 36% for the year.

That pattern helps explain the fund's behavior in 2012, when it trailed about two thirds of its category peers thanks in part to the absence of Apple from the portfolio. Its performance looked even worse through the first three quarters of the year, but it rallied in the fourth quarter to improve its year-end ranking. The fund continued to look good in the bull market of 2013, gaining 34% to rank in the category's top quartile for the year, and this time the absence of Apple was a plus as that stock

struggled. The fund continued to outpace the category in the first two months of 2014.

People Pillar: ○ Neutral

This fund's listed managers are Anne Sapp and Phillip James Campagna of TIAA-CREF's quantitative group. They have managed the portfolio on a day-to-day basis since October 2004, before which they were at Mellon Capital Management. (Campagna was technically named comanager only in August 2005.) They also manage seven other index funds for TIAA-CREF, including the \$4 billion TIAA-CREF Equity Index, and Sapp also manages the \$11 billion-plus CREF Equity Index and CREF Social Choice portfolios. Others from TIAA-CREF's quant group managed the fund day to day from its 1999 inception to 2004.

A team led by Amy O'Brien, TIAA-CREF's director of social investing, oversees the social screening for this fund and several other socially screened portfolios, including CREF Social Choice. For many years it did this in conjunction with top social investing firm KLD, but now the team does it with the social-investment department at MSCI, which bought KLD in 2009 and is now the largest socially responsible investing (SRI) research firm in the world. The MSCI team does most of the nitty-gritty SRI analysis of individual companies, while O'Brien and the TIAA-CREF team focus more on the big picture, including deciding what screening criteria the fund should use. The TIAA-CREF team also oversees corporate engagement (proxy votes, shareholder resolutions) and community investing.

Parent Pillar: ○ Neutral

TIAA-CREF announced in April 2014 that it intends to buy Nuveen Investments, a \$221 billion diversified asset manager with specialties in tax-free fixed-income investments and closed-end funds. TIAA-CREF says after the \$6.25 billion deal closes it will not integrate the firms, so there should be little impact on either firm's care-of-capital profile. The Nuveen deal is consistent with TIAA-CREF's aggressive expansion effort, which began in 2010 with the goal of doubling mutual fund assets.

TIAA-CREF will likely maintain its disciplined approach to investing. Its portfolio managers are

seasoned and often homegrown, though their investments in fund shares often do not meet the industry's highest standard. They enjoy support from more than 40 fixed-income analysts and 40 equity analysts with 16 years of experience on average. TIAA-CREF has a career track for analysts, which helps maintain some level of continuity.

TIAA-CREF's nonprofit heritage has helped align its interests with those of its customer base, which historically centered on educators, though it has broadened over the past several decades. This uncommon structure removes some pressures to grow revenues or margins and has translated into comparatively small expense ratios, though that advantage will not carry over to Nuveen. However, in the mid-2000s management acted against a shareholder vote to keep expense waivers in place, and expense ratios rose across the board.

Price Pillar: + Positive

Each of this fund's four share classes (Institutional, Premier, Retail, and Retirement) have expense ratios in the cheapest quartile of all domestic large-cap funds, and all but the Retirement shares are in the cheapest decile of that peer group. They only rank in the middle of the pack when compared with all domestic large-cap index funds, but that's not really a fair comparison since this isn't a true index fund.

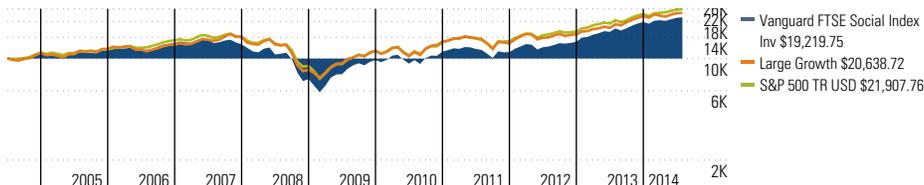
The Retail shares became more expensive in 2009 when TIAA-CREF added a 0.25% 12b-1 fee, though the price tag for those shares has come down a bit since then.

Vanguard FTSE Social Index Inv VFTSX

Morningstar Analyst Rating
Bronze

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
12.48	↓0.06 0.48	1.20	1.2	Open	\$3,000	None	0.28%	★★★	Large Growth	Large Blend

Growth of 10,000 07-09-2004 - 07-09-2014



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks to track the performance of a benchmark index that measures the investment return of large- and mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the FTSE4Good US Select Index. The index is composed of the stocks of companies that have been screened for certain social and environmental criteria by the index sponsor, which is independent of Vanguard. It attempts to replicate the index by investing all, or substantially all, of its assets in the stocks that make up the index.

Performance 07-09-2014

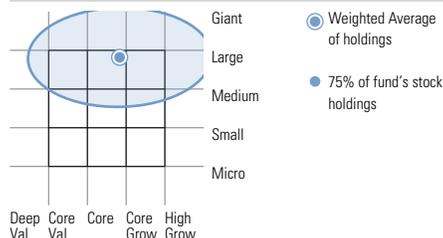
	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,759	10,138	12,219	16,146	25,637	19,168
Fund	7.59	1.38	22.19	17.32	20.72	6.72
+/- S&P 500 TR USD	-0.31	0.11	0.28	1.16	0.76	-1.40
+/- Category	2.55	0.13	-0.74	3.70	2.05	-1.44
% Rank in Cat	12	37	58	3	14	87
# of Funds in Cat	1,730	1,766	1,693	1,493	1,330	905

* Currency is displayed in USD

Pillars

Process	Neutral
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Bronze

Style Map

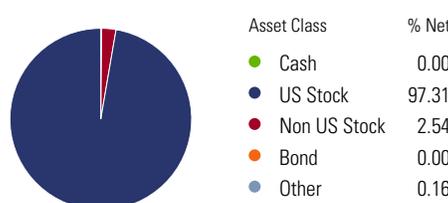


Top Holdings 05-31-2014

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Johnson & Johnson	2.92	105.58 USD	-0.43 ↓	85.50 - 106.74
⊕ Wells Fargo & Co	2.81	51.83 USD	-0.69 ↓	40.07 - 53.08
⊕ Procter & Gamble Co	2.30	81.48 USD	-0.23 ↓	73.61 - 85.82
⊕ JPMorgan Chase & Co	2.21	55.57 USD	-0.80 ↓	50.06 - 61.48
⊕ Pfizer Inc	1.98	29.92 USD	-0.45 ↓	27.76 - 32.96
% Assets in Top 5 Holdings	12.21			

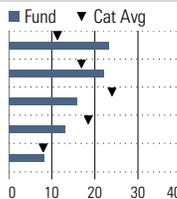
⊕ Increase ⊖ Decrease ✱ New to Portfolio

Asset Allocation



Top Sectors 05-31-2014

	Fund	3 Yr High	3 Yr Low	Cat Avg
🏦 Financial Services	23.18	24.25	23.18	10.40
🏥 Healthcare	22.14	23.46	21.36	15.98
💻 Technology	15.70	15.70	15.11	23.07
🛒 Consumer Cyclical	12.94	13.63	10.87	17.54
🛒 Consumer Defensive	8.15	8.15	6.92	7.11



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
2013-12-17	11.17	0.0000	0.0000	0.0000	0.1500	0.1500
2012-12-17	8.59	0.0000	0.0000	0.0000	0.1400	0.1400
2011-12-16	7.23	0.0000	0.0000	0.0000	0.0900	0.0900
2010-12-16	7.47	0.0000	0.0000	0.0000	0.0600	0.0600
2009-12-15	6.55	0.0000	0.0000	0.0000	0.0700	0.0700

Management

Christine D. Franquin
Start Date: 2011-12-20

Vanguard FTSE Social Index Inv VFTSX

Analysis

A cost-effective way to hold a basket of socially responsible U.S. equities.

By Robert Goldsborough 2/25/2014

Vanguard FTSE Social Index is a fine choice for those seeking exposure to a diverse set of large- and mid-cap U.S. firms that have been screened for environmental, social, and governance characteristics.

This passively managed fund seeks to replicate the FTSE4Good US Select Index. The fund holds about 376 companies weighted by float-adjusted market cap. Not surprisingly, the fund tilts heavily to large-cap companies, which make up 82% of its portfolio. This fund's Investor share class charges expenses of just 0.28% while its Institutional share class costs 0.16%. That makes this fund the lowest-priced option in its peer group of socially responsible funds, although its competitors all are actively managed funds.

Investors should note that the social screens eliminate some very prominent stocks, such as Apple AAPL, Exxon Mobil XOM, General Electric GE, and Microsoft MSFT.

This fund could be a good core holding for investors desiring to avoid companies involved with alcohol, tobacco, or military weapons, in favor of those with good employee relations and environmental records.

We have assigned the Investor share class of this fund a Morningstar Analyst Rating of Bronze. This fund has done a fine job tracking its index over time and has a very attractive fee, particularly when compared with its peer group of socially responsible funds. The fund also has had strong short- and medium-term performance, but it has posted weak long-term performance relative to other socially responsible funds and to the broader market.

This fund does not have an Admiral share class.

Process Pillar: Neutral

The index that this fund tracks, the FTSE4Good US

Select Index, draws constituents from the market-cap-weighted FTSE USA All-World Index and contains large- and mid-cap U.S. stocks that have been screened for certain social and environmental criteria. Companies are ineligible if they are involved in gambling, tobacco sales, the production of alcoholic beverages, or nuclear weapons. Also ineligible are companies where adult entertainment makes up more than 10% of revenue. The criteria also exclude firms with records of polluting the environment, violating international human rights principles, or violating International Labor Organization core principles. Finally, the FTSE4Good US Select Index requires constituents to have a baseline level of diversity in their management and board.

The index provider determines potential index constituents' suitability against the criteria listed above by tapping data from the nonprofit Ethical Investment Research Service, which researches about 3,000 companies globally on more than 100 different environmental, social, and governance issues.

From its inception in 2000 until 2005, this fund tracked the Calvert Social Index. In December 2005, this fund began tracking its current index.

The social screens employed by this fund's index provider result in sector weightings that differ meaningfully from the S&P 500 Index. For example, financial companies comprise 25.5% of this fund's assets, and health-care firms make up another 21.5%; by comparison, in the S&P 500 Index, financial firms make up 16% and health-care companies constitute another 13.5%. The sector divergence becomes even more pronounced when one considers that this fund technically is classified as large-growth--it has bounced back and forth over the years between large-growth and large-blend. This fund tilts far more heavily toward financials and health care than does a typical large-growth fund. In addition, this fund is slightly more concentrated than some large-blend funds, including S&P 500 Index funds. The fund's largest holdings are quality large-cap names, such as Google GOOG,

Morningstar's Take

Morningstar Analyst Rating



Morningstar Pillars

Process	 Neutral
Performance	 Positive
People	 Positive
Parent	 Positive
Price	 Positive

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



Fund Performance

	Total Return %	+/- Category
YTD	7.59	2.55
2013	36.84	2.92
2012	17.84	2.50
2011	-0.78	1.68
2010	14.43	-1.10

Vanguard FTSE Social Index Inv VFTSX

Analysis

Johnson & Johnson JNJ, Wells Fargo WFC, JP-Morgan Chase JPM, and Procter & Gamble PG.

Although this fund is permitted to hold foreign stocks, fully 97.5% of its assets are invested in U.S. companies. The fund practices full replication of its index. Vanguard specializes in tracking indexes and uses proprietary software to trade efficiently and keep transaction costs low.

Performance Pillar: + Positive

This fund recently has outperformed other socially responsible funds and other large-growth funds. This fund has returned 26.0% over the past year and 14.5% over the past three years ended Feb. 12, 2014, driven by its relative overweighting to the health-care and financials sectors. Over the past five years, the fund's 21.7% return tops other SRI fund peers. The fund has lagged other SRI funds over the past decade, owing to sector biases. The fund was heavy in financials in 2007 and 2008 and underweighted energy and industrial materials companies, which soared prior to the financial crisis. In 2004 and 2005, performance was hurt by above-average stakes in underperforming sectors, such as technology and drugmakers.

Compared with the U.S. large-growth category, this fund has posted strong three- and five-year performance numbers. The fund has bested the U.S. large-growth category over the past three and five years by more than 180 basis points. Over the past decade, the fund has meaningfully lagged the large-growth category, returning 5.47% versus the category's 7.2%.

This fund long has tracked its index very closely. Its returns have lagged the index's returns by almost exactly the investor fee.

This fund has been more volatile than the S&P 500 Index, with a volatility of return of 16.7% over the past five years. The broader benchmark has posted a 15.3% volatility of return.

People Pillar: + Positive

Christine Franquin is the manager of the fund, leading since 2011. She has been with Vanguard since 2000. She manages eight other funds, in-

cluding Gold-rated Vanguard Balanced Index VBAIX, Vanguard Total World Stock Index VTWIX, and Gold-rated Vanguard Tax-Managed International Fund VTMINX. Franquin is assisted by Vanguard's equity index group, headed by John Brennan. The group manages roughly \$1 trillion in indexed assets, and offers a deep bench of talent. The group specializes in efficient trading and construction techniques to minimize tracking error and oversees all passively managed equity funds. The team includes Vanguard's other senior portfolio managers.

Although Franquin does not invest in the fund, her compensation is linked to the fund's operating efficiency. Even without an investment in the fund, Franquin's interests are aligned with those of shareholders. In addition, because minimizing costs and tracking error are Franquin's primary objectives, it's less important for her to invest in the fund than it would be for an active manager. Her execution should not leave many surprises.

Parent Pillar: + Positive

Vanguard has become one of the largest money managers by giving fund owners a fair deal and straight talk--and by providing strong performance overall.

The source of Vanguard's competitive advantage and the foundation of its culture is its mutual ownership structure. In the United States, the family's fund shareholders own Vanguard through their funds, which compels the firm to operate at cost, rather than for profit, and put investors' interests first. It also boasts traits that foster stewardship, such as above-average manager retention, a strong compliance culture, and an independent board.

Vanguard looks out for fund owners in many ways. It shares the economies of its scale via lower fees; has closed actively managed funds when inflows have jeopardized strategies; publishes clear and concise shareholder reports, investing education, commentary, and research; and avoids trendy fund launches.

The family didn't get to the top on altruism alone, though. It has aggressively expanded its lineup--especially exchange-traded funds--and assertively advertised its wares in recent years. And it has been moving into a handful of markets overseas, with more expansion to come. Still, Vanguard improves the global fund industry by inciting price competition. If it remembers its roots as it spreads its branches, Vanguard will remain a reliable steward.

Price Pillar: + Positive

This fund's Investor share class price tag of 0.28% is far lower than the Retail share class fees for any socially responsible fund, whether passively or actively managed.

Vanguard engages in securities lending, which is the practice of lending out the fund's underlying holdings in exchange for a fee. This ancillary income partially offsets the fund's expenses.

This fund does not charge a purchase and redemption fee.