

# MassMutual Diversified SAGIC II Fund

Hilton Resorts 401(k) Plan

# Hilton

As of 09-30-2018

Benchmark: FTSE 3 Month T-Bill Index

## Investment Information

### Objective:

To provide a stated rate of return, generated from performance of a diversified bond portfolio, that insulates the account from daily fluctuations in the bond market.

### Strategy Highlights:

The manager uses an active bond management strategy under a wrap structure. The active management of the underlying core-plus bond portfolio seeks a superior total rate of return in excess of the Bloomberg Barclays US Aggregate Bond Index, primarily through investments in US Treasuries, Agencies, Investment-Grade Corporate Bonds, Mortgage-Backed, and Asset-Backed securities. The manager may also invest up to 25% of assets in below Investment-Grade Debt securities. The assets are wrapped by a general account guarantee to pay a stated rate of return. Gains and losses are recognized over time by adjusting the interest rate credited to the fund. The guarantee of principal and a competitive rate of interest are backed by the MassMutual Life Insurance company.

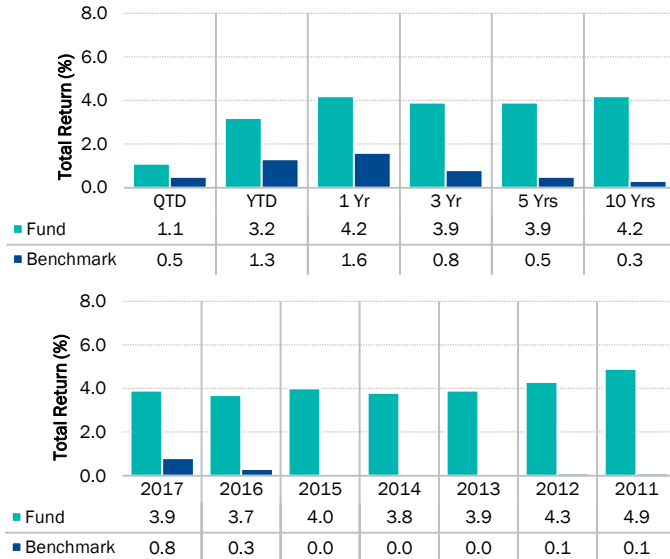
### Sub-advisor:

Barings LLC, MassMutual Financial Group, a wholly-owned subsidiary of MassMutual Life Insurance Company.

### Portfolio Manager:

The strategy is co-managed by eight investment professionals where David Nagle, CFA, serves as the primary portfolio manager. The stable value team is supported by Barings' seasoned Fixed Income Team with more than 110 years of aggregate experience driven by a disciplined fundamental research process. David Nagle has over 30 years of industry experience. He joined Barings in 1986 and holds an A.B. from Lafayette College. Other investment professionals include William Awad, Nat Barker, Ron Desautels, Walt Dwyer, Zoe Oemcke, Charles Sanford, and Douglas Trevallion.

## Fund Performance - Trailing (1) and Calendar (2) Returns



(1) Performance data reported net of fees. Other fees apply (see detail under Fees section). Returns for August 2012 and after represents the Diversified SAGIC II Fund composite, while data for July 2012 and prior represents the Diversified SAGIC I Fund composite. Returns for periods greater than 1 year are annualized.

(2) Calculated returns based on calendar 12 month periods of previous years.

## Fund Characteristics

	Fund
Crediting Rate (%)	4.07
Market-to-Book Ratio (%) (3)	97.6
Average Quality	A1/A+
Average Coupon (%)	3.5
Average Duration (in years)	5.7
Weighted Yield to Maturity (%)	4.9
Weighted Current Yield (%)	4.3
Number of Holdings	987
Portfolio Turnover % (12 months) (4)	53.1

(3) Represents assets on an aggregate basis, however, each contract experiences its own rate.

(4) Portfolio turnover, which is calculated on an annual basis by the manager, is as of 12/31/2017.

## Annual Fees (estimated) (5)

Fund Expense Ratio	0.35%
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(5) Participant may pay other fees including expenses incurred by the fund such as custody, consulting fees, certain audit and miscellaneous fees net of income received.

## Sector Breakdown (%)

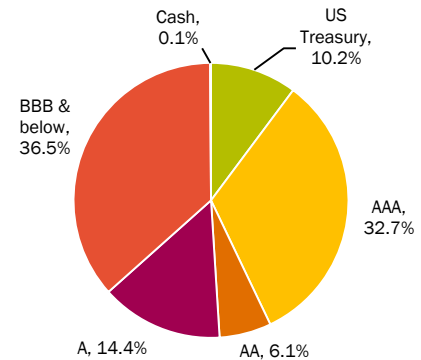
	Fund
Treasury/Agency	10.2
Mortgage/Asset-Backed	44.1
Corporate	45.6
Non-\$/Emerging Markets	0.0
Cash/Other	0.1

\* Other includes Municipals

## Top 5 Issuers

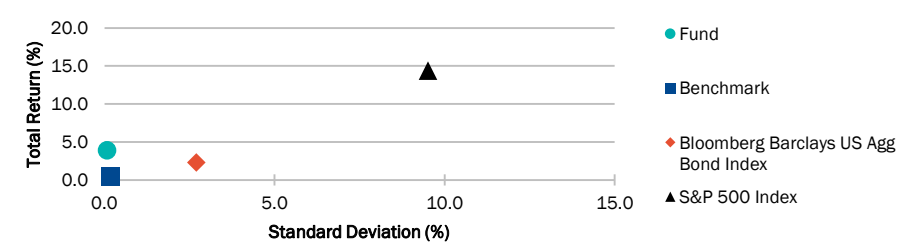
HCA Inc
Aercap Ireland Capital DAC
Citigroup, Inc.
Discover Financial Services
American International Group, Inc.

## Credit Quality (%)



See disclosures for Standard & Poor's credit rating definitions.

## Risk vs. Reward (5 year annualized)



The performance data featured represents past performance. Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially. Total return assumes that an investment is made at the beginning of the period and redeemed at the end of the period after reinvestment of any dividends, income or capital gains distributions. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the contributions to your individual account. All returns are calculated in U.S. dollars.

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## Disclosures

A **Standard & Poor's** issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects Standard & Poor's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

'**AAA**' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong. 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

'**BBB**' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

'**BB**', '**B**', '**CCC**', '**CC**', and '**C**' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

'**D**' is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action if payments on an obligation are jeopardized. An obligation's rating is lowered to 'D' upon completion of a distressed exchange offer, whereby some or all of the issue is either repurchased for an amount of cash or replaced by other instruments having a total value that is less than par.

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. 'NR' This indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that Standard & Poor's does not rate a particular obligation as a matter of policy.

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The **FTSE 3 Month T-Bill Index** represents the average of T-bill rates for each of the prior three months, adjusted to a bond equivalent basis. Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. It reflects the monthly return equivalent of yield averages, which are not marked to market.

**This fund fact sheet is not intended to be used as investment advice.**

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