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New Multimedia Tools

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2016

First Quarter Fund Performance

By Michael Sheridan, Senior Consultant

As we predicted, the first quarter experienced many volatile days and ended up about even for the year. I had expected that it would take as long as the end of the second quarter to get back to even but the volatility brought the markets back sooner. I still expect a somewhat "even for the year" result at the end of June.

Therefore, we will rely on continued, albeit subdued, profits from US domestic companies and steady dividend payments which are credited to your fund selections in the form of additional shares. I think that dividend rates will exceed short term bond interest rates and certainly should do better than money market funds.

There is no evidence of a return of a recession in the near future.

So far this year, so called value funds are more in favor than other categories as energy and bank stocks are making small comebacks in March and April. There are other undervalued sectors but the value funds, regardless of whether they were small, mid-size or large cap, outperformed other stock fund categories.

As you probably know, the US Federal Reserve will probably not increase interest rates in April and seems to have deferred until June. They are concerned about fragility of the US economy which, according to most of the economic indexes, seems to be strong, even though growth in the near future may be subdued.

All of the bond funds did well although I remain puzzled

about the long term bond funds outstanding first quarter performance. Perhaps bond investors are not as worried as they have been about a rapid escalation of interest rates, which would devalue long term bonds more than other duration categories. The inflation protected bond fund is having a good year but I think that its performance is overrated because inflation rates, at least so far this year, remain well below the Federal Reserve's 2 percent annual rate target.

We continue to be concerned about foreign economics and turmoil and the two funds in your plan, international and global world, are relatively flat for the year.

I think that continuing a diversified investment strategy of both stock and bond funds is still the wisest approach in this uncertain world. Let's not chase the highest performer but stick to a conservative strategy.



Explanation of the Category Designations on the 3/31/2016 Fund Performance Chart

By; Michael Sheridan, Senior Consultant

For many years, we used Category Designations as assigned by Lipper, a large and respected mutual fund analysis company. During ensuing years and up to the present, Morningstar has become a larger and more used analytics company than Lipper. We have found that most of the Mutual Fund Companies that we include in Vista 401(k) use Morningstar as their primary independent source.

We have decided to begin to use Morningstar. We have been subscribed to their service for years.

Both Morningstar and Lipper have similar designations for the Funds that are included in your plan. The wording may slightly differ but the categories are similar.

As you know, we have, historically, only offered one fund in each of the investment objective categories. By changing to Morningstar, we have found that a few of the funds have ended up in the same category. We agree that some of our funds now deserve to be in the same category and note that some of them have gradually drifted away from the category for which we originally selected for them to be included. An example would be American Century; Income and Growth which is our large cap value inclusion and T. Rowe Price; Equity Income, which was our Equity Income selection but is now also categorized as a large cap value fund.

In the days when Equity Income category designation meant that the companies held by each Mutual Fund emphasized paying generally higher dividends, this was an important designation that distinguished them from being large cap value funds. Large cap value

funds held companies that were perceived to be solid but undervalued and probably dividend payers. Value, not dividends, was their selection emphasis.

In today's climate, the distinction mostly no longer exists. Today's large cap value funds usually hold companies that are dividend payers and the distinction with the Equity Income category is no longer very much, if any.

We also have had separate funds for short, intermediate and long duration bonds. Those distinctions seem far less necessary than they did just a few years ago and we are reviewing whether these separate funds are necessary any longer. As part of that analysis, we are evaluating whether one fund with multiple but diversified durations would serve as well.

All of your School Board plan sponsors will meet in Orlando on June 10, 2016 for a periodic Vista 401(k) Advisory Council meeting. All of these matters will be discussed and decisions will be made regarding the continuation and/or addition of funds.

We have been conducting meetings with every fund company regarding each fund in Vista 401(k) and will make recommendations regarding each funds continuation at the Advisory Council meeting.

We welcome your comments by phone or email prior to that meeting, mhsheridan@fbmc.com.

Carefully consider the investment objectives, risks, charges and expenses of the underlying fund before you invest. This and other important information is contained in the prospectus, which should be read carefully before investing. You can request underlying fund prospectuses from the Vista 401(k) website at www.vista401k.com or call us at 866-325-1278. Please note that investing generally involves various kinds of risk - market, inflation, interest rate, volatility etc.. Your principal is not guaranteed, and there is no guarantee that investment objectives will be achieved.

Fund Performance Chart			Current Fund Operating Expense	YTD March 2016	Average Annual Performance				Inception Date
Fund Company	Fund	Category			1 Year	3 Years	5 Years	10 Years or since Inception	
TOTAL RETURNS (%) as of 3/31/16; 1, 3, 5, and 10 year returns are annualized. <i>Italics indicate performance is since inception.</i>									
International									
American Funds	Capital World G & I	World Stock	0.77%	0.3%	-4.5	6.2	6.2	5.3	03/26/93
American Funds	EuroPacific	Foreign Lg Growth	0.83%	-2.4%	-8.6	3.3	2.4	3.6	04/06/84
Small Cap Stock									
Fidelity Advisor	Small Cap Growth	Small Growth	1.22%	-5.6%	-8.3	9.1	8.5	6.4	11/03/04
Fidelity Advisor	Small Cap Value	Small Value	1.46%	3.8%	-0.3	8.3	9.9	7.5	11/03/04
T.Rowe Price	Small-Cap Stock	Small Growth	0.90%	-0.2%	-7.0	8.1	9.0	7.4	12/31/59
Mid Cap Stock									
American Century	Heritage	Mid Cap Growth	1.25%	-2.5%	-8.2	8.5	7.0	8.1	07/11/97
American Century	Mid Cap Value	Mid Cap Value	1.26%	5.1%	1.7	11.7	11.3	8.7	01/13/05
Vanguard	Mid Cap Index - Admiral	Mid Cap Blend	0.09%	1.2%	-4.3	10.8	10.0	7.2	11/12/01
Large Cap Stock									
American Funds	Investment Company of America	Large Blend	0.59%	3.1%	1.0	11.3	10.4	6.4	01/01/34
American Century	Growth	Large Growth	1.22%	-1.5%	-0.5	10.9	9.3	7.3	06/04/97
American Century	Income and Growth	Large Value	0.92%	3.3%	-2.1	9.9	10.4	5.5	12/15/97
Vanguard	Institutional Index Fund	Large Blend	0.04%	1.3%	1.8	11.8	11.6	7.0	07/31/90
T.Rowe Price	Equity Income	Large Value	0.66%	2.7%	-3.1	6.4	8.1	5.4	10/31/85
Balanced									
Vanguard	Balanced Index	Moderate Allocation	0.08%	2.0%	0.7	7.7	8.3	6.6	12/01/00
Vanguard	Wellesley Admiral	Conservative Allocation	0.16%	3.8%	3.9	6.1	7.9	7.4	10/03/89
Vanguard	Wellington Admiral	Moderate Allocation	0.18%	1.9%	1.2	7.9	8.6	7.3	12/31/59
Mixed Asset Target Date									
Fidelity Advisor	Freedom 2005	Tgt Date 2000-2005	0.81%	1.3%	-1.2	3.1	3.5	3.6	11/06/03
Fidelity Advisor	Freedom 2010	Tgt Date 2000-2010	0.85%	1.2%	-1.7	3.7	4.2	4.1	07/24/03
Fidelity Advisor	Freedom 2015	Tgt Date 2011-2015	0.89%	0.9%	-2.1	3.9	4.4	4.1	11/06/03
Fidelity Advisor	Freedom 2020	Tgt Date 2016-2020	0.91%	0.7%	-2.4	4.2	4.5	3.9	07/24/03
Fidelity Advisor	Freedom 2025	Tgt Date 2021-2025	0.95%	0.5%	-2.7	4.9	5.0	4.1	11/03/03
Fidelity Advisor	Freedom 2030	Tgt Date 2026-2030	0.99%	0.0%	-3.4	5.1	5.1	3.8	07/24/03
Fidelity Advisor	Freedom 2035	Tgt Date 2031-2035	1.01%	-0.3%	-3.9	5.4	5.3	3.9	11/06/03
Fidelity Advisor	Freedom 2040	Tgt Date 2036-2040	1.01%	-0.3%	-3.8	5.5	5.3	3.8	07/24/03
Fidelity Advisor	Freedom 2045	Tgt Date 2041-2045	1.01%	-0.3%	-3.9	5.6	5.4	4.7	06/01/06
Fidelity Advisor	Freedom 2050	Tgt Date 2046-2050	1.01%	-0.3%	-3.8	5.7	5.4	4.0	06/01/06
Fidelity Advisor	Freedom Income	Retirement Income	0.75%	1.6%	-0.6	2.2	2.9	3.6	07/24/03
Bond									
American Century	Government Bond	Intermediate Govmt	0.47%	2.6%	1.9	1.6	2.8	4.4	05/16/80
American Century	Inflation-Adjusted Bond	Inflation Protected	0.47%	4.4%	1.0	-1.5	2.5	4.2	02/10/97
PIMCO	Total Return	Intermediate Term	0.71%	1.7%	0.1	1.3	3.4	5.7	09/08/84
Vanguard	Short-Term Treasury-Admiral	Short Government	0.10%	1.3%	1.3	0.9	1.2	2.8	02/13/01
Vanguard	Interm.Term Treasury-Admiral	Intermediate Govmt	0.10%	3.5%	3.2	2.0	3.8	5.2	02/12/01
Vanguard	Long-Term Treasury-Admiral	Long Government	0.10%	8.3%	2.7	6.0	9.6	7.8	02/12/01
Cash/Money Market									
Vanguard	Prime Money Market-Admiral	Money Market	0.10%	0.1%	0.2	0.1	0.1	1.3	10/3/89
Broad Base Benchmarks									
S & P 500				1.4%	1.8	11.8	11.6	7.1	
Barclays US Aggregate Bond				3.0%	2.0	2.5	3.8	4.9	

Sources: www.morningstar.com website 04/04/2016 and direct reports from the Fund Companies.

There are no sales (front-end load), transfer or surrender charges for any of the Vista 401(k) funds. If the fund normally charges such a fee to the public, they have been waived to Vista 401(k) participants.

Each mutual fund assesses a fee, which is a percentage of the total assets that they have under management. This report lists the current fund expense as reported on the www.morningstar.com website. This fee, known as Annual Fund Operating Expense is comprised of Management fees, Distribution and/or Service (12b-1) fees and other expenses. The fees shown in this column are expressed on an annual basis. Please note that these are the current charges.

Disclosure:

1. All performance information reflects that the fund's front-end or deferred charges, if any, have been waived.
2. Performance data represents past results and does not guarantee future results.
3. Your investment return and principal value will fluctuate and that these values, when redeemed, may be more or less than your original cost.
4. Current performance may be lower or higher than the past performance data listed herein.

For Further Information: refer to the www.vista401k.com Web site to direct link to Fund company information . You may call Vista 401(k) toll free at 866-325-1278 to speak to a Retirement Services Team representative and obtain the most recent month end returns.

* An Investment in the Prime Money Market Fund is not insured or guaranteed by the FDIC or any other government agency. It is possible to lose money by investing in the Fund.



WHY CRACKING OPEN YOUR NEST EGG TO TAKE OUT A LOAN IS A BAD IDEA.

By Toni Milton, Analyst

Most people see their 401(k) account as money that's there for the taking whenever their budget gets strained. But given that you could potentially pay penalties, pay more in taxes and have a decrease in your retirement savings does not make good sense to take a loan. Remember that the purpose of your 401(k) retirement account is to provide you with a nice nest egg in your golden years. When you take a loan from your account you are selling shares of your investments to generate cash. You buy back the investment shares as you repay the loan but may be repurchasing the investment shares at a higher price. If you are thinking about taking a loan from your 401(k) account, take a moment and think about the following reasons why you shouldn't.

Fewer Tax Benefits:

Unfortunately, when you take a loan from your account you lose the key benefits of tax-deferral on the borrowed money. When you make contributions to your account they are made on a pre-tax basis, therefore reducing your taxable income. Since the loan payments are repaid with post-tax money, contributions are taken after taxes are withheld and will therefore not have an effect on your taxable income.

Double Taxation:

When you take loans from your 401(k) you are actually subjecting yourself to paying double taxes. When you retire you'll have to pay taxes on the full account balance, even the portion that was paid back with post-tax contributions from the loan. In other words, you pay taxes on the money twice.

Compounding lost:

Over time, the interest and gains on the money in your account can accumulate significantly. When you pull money from your 401(k) that means you're selling your investment. If they continue to rise in value you won't get the profits, and miss out on the compounding. Although you are slowly repaying the loan with a bit of added interest, this slow repayment plan can affect the rate at which your money can grow.

Fees:

The plan charges a one-time loan processing fee of \$65.00 and the Trust Bank charges a distribution fee of \$20.00 to cut a check or to direct deposit the money.

Failure to repay:

If you fail to repay the loan in full before you leave employment, you will default on the loan. When you default on a 401(k) loan and have not reached the age of 59.5 years, the IRS treats the loan as a distribution, which would not only be subject to 20 percent income taxes, but an additional 10 percent early withdrawal penalty as well. This can quickly put a big dent in your retirement savings.

Now would be the time to make sure that your current short-term needs do not jeopardizing your long-term retirement needs. Borrowing from your account for any reason will only hurt you in the long run. Taking a loan from your account is surely one way to detour your retirement savings plan and put you at risk of having a lot less money than you had planned in those golden years.

ACTION STEPS FOR FUTURE RETIREES

By Robert Pumphrey,
Retirement Services Representative

As the end of the school year approaches, this time of year can be bittersweet for those of you who are retiring. We wish you the best and hope that you have achieved your 401(k) retirement goals! If you happen to be one of those "lucky ones" who are retiring at the end of this school year, or the next year or so, then there are a few steps you might want to consider in the near future.



ROLLOVER YOUR DROP MONEY TO US

If you enrolled in DROP in 2011 you will receive your payout this year. Here are a few things to keep in mind. In order to keep as much of your DROP payout as possible, consider rolling over these funds to the Vista 401(k) Plan and postpone paying unnecessary income taxes. Call Vista 401(k) at 866-325-1678 for the necessary forms. Taking the lump sum payout option might put you in a higher tax bracket. By doing a rollover of the total or partial accumulation of your DROP funds into your Vista 401(k) account, you can structure your distributions as needed to lower your tax burden. Contact FRS at 866-446-9377 they will provide you with the paperwork necessary to rollover your payout.

MAX OUT YOUR CONTRIBUTIONS

If you are not already doing so, consider contributing the maximum allowable to your Vista 401(k) to get as much into your account as possible before you retire. The contribution limits are \$24,000 for age 50 or older. Simply call us at 866-325-1278 and we can assist you.

CONSOLIDATE YOUR RETIREMENT ACCOUNT

If you are contributing to multiple retirement accounts, it might be time to think about consolidating. In addition, you might have a retirement account from a previous employer, but not had the time to look into the rollover process? Now is a perfect time to get this done! Consolidation allows you to monitor your investments, fees, and returns a lot easier. Your Vista 401(k) Plan allows you to rollover funds from a variety

of other accounts such as: 403(b), 457, and Traditional IRAs. Advantages of consolidating into your Vista 401(k) account are:

- ❖ Your earnings will be tax-deferred
- ❖ No commission paid to any sales representative
- ❖ No restrictions or charges for fund transfers
- ❖ No surrender charges
- ❖ No exchange fees
- ❖ Receive a quarterly statement
- ❖ Online access – check account balance, review investment choices, and make changes

FBMC Retirement Services is here to assist you. Thank you for allowing us to handle your retirement savings. Contact us by email, 401k@vista401k.com, or call 866-325-1278.

The DROPBOX

Are you enrolled in DROP? Do you have specific questions about your distribution or would you prefer to receive information specific to your needs?

Call us at 866-325-1278 or e-mail us at 401k@vista401k.com for one-on-one service from our experienced Retirement Services Team.

Upon termination of DROP, you must select a payout method. You have three DROP payout choices for the distribution of your DROP benefits:

- ◇ Lump Sum – less 20 percent tax withholding (under age 55, an additional 10 percent tax penalty withheld)
- ◇ Direct Rollover – no tax withholding
- ◇ Partial Lump Sum and direct rollover – some tax withholding

Here are some good reasons to rollover the DROP payout into a Vista 401(k) account:

- ◇ If you take the DROP funds as a payment directly to yourself, these funds will be taxable income for the current tax year. For example, if your DROP payout is \$120,000 and you asked for these funds to be paid directly to you, your taxable income for 2016 will be \$120,000, plus any taxable amount you earned up until your retirement. You will receive only \$96,000 (less the 20 percent tax withheld).

Smart Alternative: Rollover your DROP accumulation to your Vista 401(k) account. The \$120,000 rolled into the plan is NOT taxable until you withdraw it.

- ◇ If you qualify for normal retirement from the School Board and reach the age of 55, you qualify to withdraw your funds without incurring the age 59½ withdrawal penalty from your 401(k) Plan. This means that if you choose to rollover your DROP funds to your 401(k) Plan, instead of a traditional IRA, you can withdraw funds before age 59 ½, without a penalty.

If you entered DROP in 2011 you will receive your payout distribution this year. Call Vista 401(k) at 866-325-1278 for the necessary forms.



Frequently Asked Questions

Q: When am I eligible to enroll in the Vista 401(k) Plan?

You're eligible immediately upon being hired. You can enroll any time of the year. No waiting period is required.

Q: How can I change my mailing address online?

You can change your address online by logging into your account and selecting the "account information" tab. Next, click "Update Personal Profile." Enter your information into the appropriate fields and click the "Update" button. Additionally, you must change the address with your employer to ensure they update their system otherwise the change will be overridden by the address on file with your employer.

Q: What is the maximum amount you can contribute to your 401(k) Plan annually?

The maximum for participants under the age of 50 is \$18,000 for year 2016. The maximum for participants over 50 years old is \$24,000.

Q: Does Vista 401(k) have representatives onsite at our schools?

No, we do not have agents at your schools. You may contact us at 866-325-1278 or go to our website at www.vista401k.com.

Q: I am about to receive a DROP payout. Can I rollover some or all of the money into my 401(k) Plan?

Yes. You may rollover all or a portion of the DROP payout into the Vista 401(k) Plan. Contact our office at 866-325-1278 for the necessary forms.

Q: How do I qualify for a loan from my 401(k) account?

You must have a balance of at least \$2,000.

Q: What is the minimum loan I can take?

The minimum loan is \$1,000 and the maximum is 50% of your loan balance up to \$50,000.

Q: Can I have more than one loan at a time?

No. You can only have one loan at a time. Once you have paid off your loan there is a 30-day waiting period before you can apply for another loan.

Q: My payroll deduction summary from my paycheck has a deduction for Vista. Does that mean I am contributing to the Vista 401(k) Plan?

No. Your Vista 401(k) contribution will be noted on your paycheck summary as **401(k)**. Call us at 1-866-325-1278 for additional information.

Q: I designated a beneficiary when I signed up for my benefits with the School District. Does that apply to my 401(k) account?

No. Your 401(k) Plan is a completely separate account from your other School District benefits. You must designate a specific beneficiary on this account by logging onto your account online or by contacting our office to request a form be mailed to you.

Q. I am legally married in a same-sex couple. If I want my nephew to be the primary beneficiary for my 401(k) plan, do I need to change my beneficiary designation?

Yes. Legally your spouse is the beneficiary of your retirement accounts. If you are legally married and name someone other than your spouse, you must have the spousal consent waiver signed and notarized.

Q: I took a hardship from my account. Do my contributions have to stop?

Yes. By law, your 401(k) contributions and any other contribution to a retirement plan must cease for six months. After six months, you must restart your contributions. The payments will not automatically resume.

Q: When I retire, do I have to take a lump-sum payout of my 401(k) account?

No. You can leave your account with the Vista 401(k) Plan as long as want. You have the option of setting up systematic withdrawals or you can have periodic withdrawals – giving you the capability to receive payments monthly, quarterly or as needed.

Q: I am about to be 70 ½ years old, do I need to call the office about getting my Required Minimum Distribution (RMD) paid out to me?

No. Our company automatically calculates your RMD amount and sends out a check to the address on file. Contact our office to update your contact information.

Q: Is there a fixed amount I must contribute to an account?

There is no fixed amount you must contribute. However, there is a \$25 minimum contribution per pay period.

Q: How can I increase the amount I am contributing into my 401(k) Plan?

1) You can log into your account at www.vista401k.com and select the "change deferral amount" tab. Enter how much you want to contribute and click the "submit" button. 2) We can e-mail, fax or mail you a form to fill out and send back to us. 3) You can call our automated system at 1-800-213-2310.

Q: Can I rollover my 403(b) account into my 401(k) account?

You can rollover your 403(b) account into your 401(k) account, as long as you meet certain IRS requirements:

- You are over the age of 59 ½
- No longer working for the plan sponsor

Rolling over funds to your 401(k) account may be a good way to cut expenses and keep more of your returns.

Q: How can I receive the most current information about the 401(k)?

Log onto our website at www.vista401k.com and select our "Learning Center" link.

Q: How can I reset my password?

For security purposes, you can only have your password reset by calling our office at 1-866-325-1278.

Q: When will I receive a statement?

Participant statements are mailed out after each quarter to the address we have on file.

Q: How can I pay off my loan early?

To pay off a loan early, first you must contact our office at 1-866-325-1278 to get your current balance. Payments must be made with either a cashier's check or money order payable to "Matrix Trust Co. FBO: Vista 401k". Address the envelope to: Vista 401(k), P.O. Box 1878, Tallahassee, Florida 32302.

Q: I will be out of school soon for the summer. Do I need to stop my contributions to my 401(k) plan?

No. 10- month employees do not have contributions taken over the summer.