



# Item 1: Form ADV Part 2A

## Firm Brochure – Destination Portfolio<sup>SM</sup>

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*Effective April 26, 2016*

# Form ADV Part 2A: Firm Brochure

## Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Newport Group Securities, Inc. ("Newport Group"), as a Registered Investment Adviser ("RIA"). If you have any questions about the contents of this brochure, please contact the Participant Service Center at 888.401.5488 and/or email us at [corpcompliance@newportgroup.com](mailto:corpcompliance@newportgroup.com). The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Newport Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Newport Group is registered with the SEC as a RIA and broker-dealer, and is a member firm of the Financial Industry Regulatory Authority ("FINRA").

As an RIA, Newport Group offers the following types of services: investment consulting services; discretionary investment management services; fiduciary consulting services; and managed accounts for individuals through Destination Portfolio<sup>SM</sup> (see Item 4B).

The majority of Newport Group's clients are either broker-dealer or RIA clients. Generally, Newport Group does not act in a broker-dealer capacity to its investment consulting clients.

As an RIA, Newport Group strives to provide "best in class" independent investment advice to institutional clients and retirement plan participants. While registration as an RIA does not imply a certain level of skill or training, Newport Group requires standards of education and business experience for individuals involved in determining and rendering investment advice. A Newport Group Investment Adviser Representative ("IAR") who is directly managing client portfolios on either a discretionary or non-discretionary basis generally has at least five years of investment/financial experience and the required securities licenses in order to manage the Destination Portfolio<sup>SM</sup> program.

Newport Group encourages continuing education and achievement of recognized professional designations such as the Chartered Financial Analyst ("CFA"). All investment advice is provided under the direction of the Destination Portfolio<sup>SM</sup> Investment Committee (see Item 13).

Notably, this document is intended for only Destination Portfolio<sup>SM</sup> participants only. For further information concerning Destination Portfolio<sup>SM</sup>, please contact the Investment Consulting team at the Newport Group contact information listed in Item 1.

## Item 2: Material Changes

The following summary discusses material changes to the Newport Group Securities Form ADV, Part 2A Institutional Investment Consulting Practice Brochure (the "Brochure"), dated December 16, 2015. Consistent with the SEC rules we will provide you with a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is December 31<sup>st</sup>.

*Summary of Material Changes:* None

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## Item 4: Advisory Business

### Background

- A. Newport Group is registered with the SEC as an RIA and broker–dealer, and is a member firm of FINRA. Newport Group, established on December 20, 1991<sup>1</sup>, provides institutional investment and fiduciary consulting services primarily to retirement plans and their sponsors. Many of these plans provide for participant–directed investments.

Some individuals may represent Newport Group in one or more capacities. Individuals who provide fee–for–service investment consulting and fiduciary consulting services are qualified as IARs. Individuals who sell securities are registered with FINRA as Registered Representatives (“RR”).

See Item 10 below for information regarding the entities affiliated with the Firm.

- B. In its capacity as an RIA, Newport Group offers the following types of services:
1. Investment consulting services;
  2. Discretionary investment management services;
  3. Fiduciary consulting services;
  4. Managed accounts for individual retirement plan participants through Destination Portfolio<sup>SM</sup>; and
  5. If desired, manage risk-based asset allocation model portfolios comprised of the underlying funds in the investment menu.

### Investment Review

Newport Group’s Destination Portfolio<sup>SM</sup> Investment Committee completes an analysis of current investments, including an evaluation of the asset classes and investment styles included in the Destination Portfolio<sup>SM</sup> program (identifying potential gaps and overlap) and the asset allocation strategy and/or tools utilized.

### Asset Allocation and Menu Construction

Asset allocation is an important investment decision, as it is the primary determinant of the return and risk characteristics of a portfolio. Newport Group’s asset allocation process incorporates forward-looking input assumptions and attempts to utilize prudent risk control constraints. The Destination Portfolio<sup>SM</sup> program was designed so that each participant makes their investment decision based on their own personal situation, preferences and investment objectives.

To develop the Destination Portfolio’s<sup>SM</sup> glidepath, model portfolios are constructed using the basic underlying asset components of cash, fixed income and equities. Newport Group

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<sup>1</sup> Newport received approval as a member of FINRA on April 15, 1992 and received approval as a SEC registered investment adviser on July 20, 2001.

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developed the glidepath strategies so that each risk tolerance starting point will produce long-term performance that remains within a targeted volatility range.

### Managed Accounts for Individuals through Destination Portfolio<sup>SM</sup>

Newport Group's Destination Portfolio<sup>SM</sup> program is available exclusively as part of a recordkeeping relationship with its affiliate, Newport Group, Inc. The Destination Portfolio<sup>SM</sup> program enables plan participants to invest in accordance with their own personal situation, time horizon based on their selected target retirement age, and personal tolerance for market risk.

The Destination Portfolio<sup>SM</sup> program investment menu spans the risk spectrum from conservative to aggressive. The program automatically makes model portfolio adjustments over time to transition to more conservative model portfolios as the participant moves toward and beyond retirement.

- A. All of Newport Group's services are customized for each client and investment restrictions can be imposed by any client.
- B. Not applicable to Newport Group.
- C. As of October 2015, Newport Group has \$42,061,324 of discretionary assets under advisement in Destination Portfolio<sup>SM</sup>.

## Item 5: Fees and Compensation

**A.–C. Full Disclosure Fee Transparency** — Newport Group's compensation is exclusively fee based. For example, Newport Group charges a fee of .35% of your managed account balance per year within the Designation Portfolio program. This fee accrues daily and is paid to Newport Group quarterly. For example, if your managed account is valued at \$10,000, NGS's fee will be \$8.75 for each full calendar quarter in which you are enrolled in the Destination Portfolio<sup>SM</sup> program. The annual fee in this example is approximately \$35.00. Notably, your plan sponsor may choose to deduct the fee from your account.

### Fixed Fees

Newport Group typically provides investment advice on a fixed fee basis. Such fees are subject to negotiation under certain circumstances based on the nature and complexity of the work to be done and at the sole discretion of Newport Group.

- D. A client may obtain a refund of a pre-paid fee if the consulting contract is terminated before the end of a billing period in writing to Newport Group. Newport Group will refund the pro-rata amount by check within 30 days of receipt of the notice to terminate.
- E. 1–4. The majority of the mutual funds Newport Group recommends are institutional share and no-load funds as Newport Group attempts to minimize plan expenses. For a small number of clients, Newport Group may receive revenue sharing payments from mutual fund companies or custodians when Newport Group is acting as RIA. In such cases, Newport Group applies such revenue share to its outstanding invoices and credits any remaining revenue share back to the plan. In no circumstances does Newport Group receive any additional net compensation through revenue sharing. This is done to mitigate against any potential conflicts of interest and to avoid the perception that Newport Group is receiving two sources of revenue.

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Generally, when acting in the capacity of an RIA, Newport Group and its associated persons do not accept commissions (or markups/markdowns) in its capacity as broker-dealer.

## Item 6: Performance-Based Fees and Side-By-Side Management

Newport Group does not engage in Performance-Based Fee and Side-by-Side Management of accounts.

## Item 7: Types of Clients

Newport Group generally provides investment advice to Destination Portfolio<sup>SM</sup> program participants who are participants in a retirement plan administered (recordkept) by Newport Group, Incorporated.

Newport Group may interact with plan sponsors, plan committee members, boards of directors, officers responsible for investments or investment management, trustees, and named or functional fiduciaries (individuals that have discretionary authority).

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

- A. Newport Group advises clients on asset allocation using the Modern Portfolio Theory<sup>2</sup> and a mean-variance framework<sup>3</sup>. In general, the Newport Group's approach is to construct portfolios that have the highest expected return for the given level of risk a client is willing to assume.
- B. Investing in securities involves risk of loss of principal. Newport Group's risk management methodology does not protect against loss. Clients should evaluate their ability to withstand market losses prior to investing.
- C. As an institutional consultant Newport Group recommends investment managers within multiple assets classes so its clients' are provided the ability to construct diversified portfolios. Certain risks are inherent to investing in money markets, stable value, fixed income, equity (including domestic and international) and alternative asset classes.

One may wish to carefully review the models and underlying funds' prospectuses prior to investing.

Based upon the funds selected, other investment risks may include the following:

### Principal Equity Risks

Investing in equity securities is not guaranteed by any agency or program of the U.S. government or by any other person or entity, and **one could lose money**. An individual should consider its investment goals, time horizon and risk tolerance before investing. The principal risks associated with an investment could include the following:

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<sup>2</sup>A theory on how risk averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.

<sup>3</sup>The selection of portfolios based on the means and variances of their returns. The choice of a higher expected return portfolio will have greater variance than a lower variance portfolio for a given expected return.

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- **Equity Securities and Market Risk.** The financial risk that the investment manager may select individual companies that do not perform as anticipated, the risk that the stocks and markets in which the fund invests may experience periods of turbulence and instability, and the general risk that domestic and global economies and stock markets may go through periods of decline and cyclical change.
- **Non-Diversification Risk.** Some mutual funds may be classified as a “non-diversified” portfolio which means it may hold fewer securities than a diversified fund because it may invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of a fund could go down because of the poor performance of a single investment.
- **Foreign Investment Risk.** Investments in foreign securities may be riskier than U.S. investments because of factors such as unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors. Investments in emerging markets may involve these and other significant risks such as less mature economic structures and less developed and more thinly-traded securities markets.
- **Currency Risk.** The performance of a fund may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, particularly if a fund invests a significant percentage of its assets in foreign securities or other assets denominated in currencies other than the U.S. dollar.

### Principal Fixed-Income Risks

It is possible to lose money on an investment in fixed-income securities. The principal risks of investing in fixed-income securities, which could adversely affect its net asset value, yield and total return, include the following:

- **Fixed-Income Securities and Market Trading Risk:** The risk that an active secondary trading market for a mutual fund does not continue once developed, that a fund may not continue to meet a listing exchange’s trading or listing requirements, or that a fund shares trade at prices other than the fund’s net asset value.
- **Interest Rate Risk:** The risk that fixed-income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.
- **Credit Risk:** The risk that a fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.



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- **Market Risk:** The risk that the value of securities owned by a fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular sectors.
- **Issuer Risk:** The risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or service.
- **Liquidity Risk:** The risk that a particular investment may be difficult to purchase or sell and that a fund may be unable to sell illiquid (*non-marketable*) securities at an advantageous time or price.
- **Mortgage-Related and Other Asset-Backed Risk:** The risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk and prepayment risk.
- **Leveraging Risk:** The risk that certain transactions of a fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, causing a fund to be more volatile than if it had not been leveraged.
- **Management Risk:** The risk that there is no guarantee that the investment techniques and risk analyses applied by an investment manager will produce the desired results, and that legislative, regulatory, or tax developments may affect the investment techniques available to a particular investment/portfolio manager in connection with managing a fund and may also adversely affect the ability of a fund to achieve its investment objective.

### Item 9: Disciplinary Information

- A. Throughout its history as a registered entity, neither Newport Group nor any employees have been involved in a criminal or civil action in a domestic, foreign or military court.
- B. Throughout its history as a registered entity, neither Newport Group nor any employees have been investigated or sanctioned for any criminal or disciplinary action by the SEC, any federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. Throughout its history as a registered entity, neither Newport Group nor any employees have been involved in a self-regulatory organization ("SRO") proceeding or found to be in violation of any SRO rules.

### Item 10: Other Financial Industry Activities and Affiliations

A.–C. Newport Group is dually registered as a broker-dealer and RIA. All securities transactions are provided through the broker-dealer, while all investment advisory (also referred to as consulting) services are provided through its registered investment adviser. Principal executive officers and other employees are qualified as RRs and/or IARs. In addition, certain individuals are or may be licensed as insurance agents or brokers for one or more insurance companies.

Newport Group Securities is affiliated with Newport Group, Inc., which provides consulting, administration and recordkeeping services for deferred compensation plans and acts as an insurance agency for fixed insurance products. Newport Group is also



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affiliated with Verisight, Inc. which provides recordkeeping and administration services. Verisight, Inc. owns DailyAccess Corporation of which, InterServ, LLC is a wholly-owned subsidiary and a registered investment advisor. These entities are all owned by Newport Group Holdings I, Inc.

Newport Group Holdings I, Inc. is controlled by and 100% owned by Newport Group Holdings, L.P. Newport Group Holdings L.P. is indirectly controlled by Trident V L.P. and Trident V Parallel Fund, L.P. Stone Point Capital, LLC manages private equity funds (including Trident V L.P. and Trident V Parallel Fund, L.P.) that invest in companies operating in the financial services industry.

Newport Group's management believes that none of the indirect relationships that the Firm may have with any such companies through its indirect relationship with Stone Point Capital, LLC and its affiliation with Verisight, Inc. are material to the business of the Firm and do not cause a conflict of interest with the Firm's activities on behalf of its clients.

When acting as IARs, individuals associated with Newport Group operate under a strict fiduciary standard. Apart and aside from Newport Group's fee-for-service investment consulting business, when acting in both IAR and RR capacities, individuals associated with Newport Group are said to be acting in a "dual capacity."

Clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations as to an appropriate broker-dealer or upon implementation of investment recommendations. Newport Group has adopted certain procedures to mitigate the effect of these conflicts, including the proactive disclosure, on a client-specific basis, of the existence of any dual capacity situations.

A. Not applicable to Newport Group.

### Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

#### Code of Ethics

- A. Regulations require that an RIA provide its clients with a general description of the consulting firm's Code of Ethics. Newport Group has adopted a Code of Ethics that sets forth its governing ethical standards and principles. It also describes Newport Group's policies regarding the following: the protection of confidential information including the client's non-public information; the review of the personal securities accounts of certain Newport Group personnel for evidence of manipulative trading and insider trading; training of personnel; and recordkeeping. Newport Group does not recommend individual securities. You may obtain a copy of Newport Group's Code of Ethics by writing to Newport Group at the address listed in Item 1.
- B. Newport Group acts as an investment consultant on the retirement plan for a mutual fund company. Independently, Newport Group evaluates the funds of this company for consulting clients. Newport Group manages this conflict of interest by separating Newport Group employees that provide service to the retirement plan from those that evaluate the funds. The individuals that provide service to the retirement plans do not receive compensation based on the revenue that Newport Group receives as an investment consultant.

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- C. Not applicable to Newport Group.
- D. Not applicable to Newport Group.
- E. Not applicable to Newport Group.

### Employee Trading - Potential Conflicts of Interests Policy

Newport Group does not provide investment advice on individual securities. However, should Newport Group engage in that activity, individuals associated or employed with Newport Group may not buy or sell securities identical to those recommended to customers for their personal or related accounts. Newport Group has adopted a uniform insider trading policy and personal securities reporting requirement to identify and mitigate conflicts of interest.

In general, this policy covers personal trading of all Newport Group employees and any registered individual associated with Newport Group, and includes the following restrictions on personal trades:

1. No associated person is permitted to place a securities transaction to his advantage over that of a client. Newport Group's consulting personnel who have access to non-public information regarding clients' securities transactions, are involved in making securities recommendations to consulting clients, and/or have access to securities recommendations that are not public are required to disclose to Newport Group all personal transactions in securities other than transactions in direct obligations of the U.S. Government, money market instruments, money market funds, mutual funds, and unit investment trusts (including ETF's that are organized as UITs). A Newport Group supervisor reviews all such transactions; and
2. A director, officer or employee of Newport Group shall not buy or sell securities for their own personal portfolios where their decision is substantially derived, in whole or in part, from information received by reason of their employment unless the information is also available to the investing public upon reasonable inquiry.

### Item 12: Brokerage Practices

- A. 1. Not applicable to Newport Group.
- A. 2. Not applicable to Newport Group.
- A. 3. Not applicable to Newport Group.

### Item 13: Review of Accounts

- A. **Reviews of Accounts.** The Destination Portfolio<sup>SM</sup> program combines Newport Group's proprietary risk-based model portfolios with a target date retirement age glidepath methodology. The software-based program automatically makes model portfolio adjustments over time to transition to more conservative model portfolios as the participant moves toward and beyond retirement.

More specifically, the program's structured schedule of shifts is dependent on the participant's starting risk level. For example, a participant who originates an investment plan in the aggressive model will have five future scheduled shifts: moderate aggressive; moderate; moderate conservative; conservative; and stable value. The timing of the shifts is

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based on a participant's starting age. A younger participant will spend considerably longer in various risk stages than an older participant. The structured scheduled of shifts is called the glidepath.

All investment decisions and adjustments to the Destination Portfolio<sup>SM</sup> program are made by the Destination Portfolio<sup>SM</sup> Investment Committee.

### Destination Portfolio<sup>SM</sup> Investment Committee Members

The following individuals make up the investment committee and are either directly or indirectly responsible for delivering the review of the model portfolios and glidepath methodology of the Destination Portfolio<sup>SM</sup> program:

**Mendel A. Melzer, CFA**, Chief Investment Officer and President; and

**Julie M. Leinenbach, CFA, FSA**, Director of Asset Allocation

- B. **Frequency of Account Reviews.** The Destination Portfolio<sup>SM</sup> program is software-based and the program has built in to it automatic investment adjustments. First, the program permits participants to make their investment decision based on their own personal situation, preferences and objectives. This program enables participants to invest according to their current age, time horizon based on their selected target retirement age and personal tolerance for market risk. The program then automatically makes model portfolio adjustments over time to transition to more conservative model portfolios as the participant moves toward and beyond retirement. As such, Newport Group does not conduct any separate, additional account reviews.
- C. **Content of Participant Account Documents and Reports.** The Destination Portfolio<sup>SM</sup> program is utilized by plan participants through the website [ww.plandestination.com](http://ww.plandestination.com). When signed into the website, each participant is able to review the account performance, current investments and account statements. The website contains all documents and reports available for each participant's account.

## Item 14: Client Referrals and Other Compensation

- A. Newport Group receives no direct or indirect economic benefits from any outside sources for providing investment advice or other consulting services to Newport Group's clients.
- B. Newport Group may maintain solicitor referral agreements with certain advisory or brokerage firms or individuals ("Intermediary Partners"). Currently, Newport Group has such arrangements with: Baystate Wealth Management, LLC; Focus On Success; Fulcrum Partners, LLC; Linsco/Private Ledger (LPL) Corp.; Lombard Securities, Inc.; NFP Retirement, Inc.; Northwestern Mutual Investment Services, LLC; The Todd Organization; ValMark Advisers, Inc.; and VerityPoint LLC. Importantly, Newport Group does not maintain any solicitor referral agreements for the Destination Portfolio<sup>SM</sup> program.

In accordance with Rule 206(4)–3 under the Investment Advisers Act of 1940, a solicitor referral fee paid to an Intermediary Partner is fully disclosed in writing to the client at the time the Consulting Agreement is executed with Newport Group.

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The referral fee is paid in one of two ways:

1. A percent of Newport Group's annual consulting fee, payable to the Intermediary Partner quarterly; or
2. A one-time fee taken from Newport Group's consulting fee.

Importantly, the fee Newport Group pays the Intermediary Partner does not increase Newport Group's fee to the client for investment consulting services.

### Item 15: Custody

Not applicable to Newport Group.

### Item 16: Investment Discretion

#### Investment or Brokerage Discretion Portfolio<sup>SM</sup> Management Services

For participants in the Destination Portfolio<sup>SM</sup> program, Newport Group does exercise discretionary authority in order to invest in securities for participants. A participant's Destination Portfolio<sup>SM</sup> is created by combining a target retirement age glide path methodology with risk-based model portfolios developed by Newport Group's in-house investment professionals. The program automatically makes model portfolio adjustments over time to transition to more conservative model portfolios as the participant moves toward and beyond retirement.

### Item 17: Voting Client Securities

- A. Newport Group does not obtain or exercise any proxy voting authority over client securities. Consequently, Newport Group shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account.
- B. Newport Group does not have authority to vote client securities. In most cases, clients receive their proxies and/or other solicitations directly from their custodian (or transfer agent). Newport Group does not volunteer advice concerning the voting of proxies and/or other solicitations; however, Newport Group will offer advice if contacted by its clients to do so. Clients may contact us for assistance with proxies and/or solicitations via phone, electronic mail or in writing. Importantly, Newport Group will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. In addition, Newport Group typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

### Item 18: Financial Information

A.–C. Not applicable to Newport Group.

**Note:** Newport Group does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet.

Newport Group does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.



## Item 1: Form ADV Part 2B Supplement – Destination Portfolio<sup>SM</sup>

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*Effective April 26, 2016*

This brochure supplement provides information about the investment committee that supplements the Newport Group Securities, Inc. brochure. You should have received a copy of that brochure. Please contact the Participant Service Center at 888-401-5488 if you did not receive Newport Group's brochure or if you have any questions about the contents of this supplement.

Additional information about the investment committee of Newport Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Summary of Professional Designations

## Items 2–6

In compliance with SEC regulations, Newport Group Securities, Inc. (“Newport Group”) delivers this Form ADV Part 2B Supplement regarding the Investment Committee that provides advisory services on behalf of Newport Group’s Destination Portfolio<sup>SM</sup> program. The Destination Portfolio<sup>SM</sup> program is a managed account service for retirement plan participants that offer continuous professional model portfolio management. The investment process was developed and is implemented by Newport Group’s Investment Committee. The overall review of the investment management services of Newport Group lies with the Destination Portfolio<sup>SM</sup> Investment Committee members. The following individuals make up the Destination Portfolio<sup>SM</sup> Investment Committee and are either directly or indirectly responsible for delivering the review of the investments:

## Newport Group Securities, Inc. Investment Committee

**\*Note:** A description of the professional designations held is provided at the end of this document.

<b>Item 1:</b> <i>Name/Year of Birth/Title</i>	<b>Mendel A. Melzer, CFA (1960)</b> <i>Chief Investment Officer and President, Newport Group Securities, Inc.</i>
<b>Item 2:</b> <i>Educational Background and Business Experience</i>	Mendel Melzer leads Newport Group’s institutional investment and fiduciary consulting practice and serves as President of Newport Group Securities, Inc., Newport Group’s registered investment adviser and broker–dealer. His team of over 30 Consultants and Analysts provides investment and fiduciary consulting services to more than 150 institutional clients with over \$20 billion in assets under advisement. Mendel has over 30 years of investment management experience. He began his career at Prudential Financial, where he held several key leadership positions including Chief Investment Officer of Prudential Investments. In this position, he oversaw the management of portfolios totaling over \$180 billion. Mendel subsequently served as Chief Investment Officer of Weiss, Peck and Greer, an alternative asset management firm with over \$17 billion under management. Mendel earned his bachelor’s degree with honors from the University of Wisconsin and his master’s degree with distinction from New York University. He is a founding board member of the Defined Contribution Institutional Investment Association. In addition to the Chartered Financial Analyst designation, he holds Chartered Life Underwriter and Chartered Financial Consultant designations. He also holds FINRA Series 7, 24, 63 and 65 registrations.
<b>Item 3:</b> <i>Disciplinary Information</i>	None.
<b>Item 4:</b> <i>Other Business Activities</i>	Mr. Melzer is a registered representative with Newport Group; however, he does not receive any commissions, bonuses, or other compensation based on the sale of securities or investment products.

## Summary of Professional Designations

<b>Item 1: Name/Year of Birth/Title</b>	<b>Mendel A. Melzer, CFA (1960)</b> <b>Chief Investment Officer and President, Newport Group Securities, Inc.</b>
<b>Item 5: Additional Compensation</b>	None.
	Newport Group Securities, Inc has developed policies and procedures to guide the supervision of all supervised persons of the firm and the business of the firm. The person responsible for supervision of the firm is Mendel Melzer. Mr. Melzer's contact information is 407-333-2905 or mendel.melzer@newportgroup.com.

<b>Item 1: Name/Title/Year of Birth</b>	<b>Julie M. Leinenbach, CFA, FSA (1967)</b> <b>Director of Asset Allocation</b>
<b>Item 2: Educational Background and Business Experience</b>	Julie Leinenbach is responsible for evaluating investment manager performance, developing and maintaining Newport Group's asset allocation framework, and risk-based model portfolio allocations, as well as qualitative analysis of risk-based and target-date funds and participant advice services. Prior to joining Newport Group, Julie was a valuation actuary at UnumProvident Corporation from 1997 to 2000, and a product development actuary at American General Corporation from 1991 to 1997. Julie earned her bachelor's degree in applied mathematical science from Texas A&M University. She holds her Chartered Financial Analyst (CFA) designation and is a Fellow in the Society of Actuaries. She also holds FINRA Series 7 and 65 registrations.
<b>Item 3: Disciplinary Information</b>	None.
<b>Item 4: Other Business Activities</b>	Ms. Leinenbach is a registered representative with Newport Group; however, she does not receive any commissions, bonuses, or other compensation based on the sale of securities or investment products.
<b>Item 5: Additional Compensation</b>	None.
<b>Item 6: Supervision</b>	Newport Group Securities, Inc has developed policies and procedures to guide the supervision of all supervised persons of the firm and the business of the firm. The person responsible for supervision of the firm is Mendel Melzer. Mr. Melzer's contact information is 407-333-2905 or mendel.melzer@newportgroup.com.



# Summary of Professional Designations

This Summary of Professional Designations is provided to assist you in evaluating the professional designations and minimum requirements of Newport Group's Investment Committee members that hold these professional designations.

The Financial Industry and Regulatory Authority ("FINRA") also provides helpful information, titled "Understanding Professional Designations" which may be found at the following website: <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>.

## Chartered Financial Analyst

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### High Ethical Standards:

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### Global Recognition:

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

# Summary of Professional Designations

## Comprehensive and Current Knowledge:

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

## The Society of Actuaries

The Society of Actuaries is an education, research, and professional membership organization. Achieving Fellowship or Associateship status is based primarily on completing specified educational requirements, with no requirement related to a certain number of years of practical actuarial experience. The **FSA** and **ASA** designations and **CERA** credential signify completion of the following educational achievements:

- **Chartered Enterprise Risk Analyst:** A Chartered Enterprise Risk Analyst (**CERA**) of the Society of Actuaries has demonstrated knowledge in the identification, measurement and management of risk within risk-bearing enterprises. The CERA has also completed a professionalism course covering the professional code of conduct and the importance of adherence to recognized standards of practice. CERAs who have the Application for Admission as an Associate approved by the SOA Board of Directors will be granted membership as an Associate.
- **Associate:** An Associate of the Society of Actuaries has demonstrated knowledge of the fundamental concepts and techniques for modeling and managing risk. The Associate has also learned the basic methods of applying those concepts and techniques to common problems involving uncertain future events, especially those with financial implications. The Associate has also completed a professionalism course covering the professional code of conduct and the importance of adherence to recognized standards of practice. Associates who have been members of the SOA for five or more years may also vote in Society of Actuaries elections.
- **Fellow:** Has demonstrated a knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice. The Fellow has further demonstrated an in-depth knowledge of the application of appropriate techniques to a specific area of actuarial practice. Fellows may vote in Society of Actuaries elections.