

UNITEDHEALTH GROUP INC
Form 11-K
June 21, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 1-10864

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UnitedHealth Group 401(k) Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UnitedHealth Group Incorporated

UnitedHealth Group Center
9900 Bren Road East
Minnetonka, Minnesota

UNITEDHEALTH GROUP 401(k) SAVINGS PLAN

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| <u>as of December 31, 2016</u> | |

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for NOTE: Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
UnitedHealth Group 401(k) Savings Plan
Minnetonka, Minnesota

We have audited the accompanying statements of net assets available for benefits of UnitedHealth Group 401(k) Savings Plan (the "Plan") as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedules of assets (held at end of year) as of December 31, 2016, and the supplemental schedule of delinquent participant contributions for the year ended December 31, 2016 have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedules are the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
June 21, 2017

UNITEDHEALTH GROUP 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2016 AND 2015 (in thousands)

| | 2016 | 2015 |
|--|--------------------|--------------------|
| ASSETS: | | |
| Participant-directed investments: | | |
| Investments - at fair value | \$8,132,354 | \$6,738,555 |
| Investments - at contract value | 548,826 | 492,010 |
| Receivables: | | |
| Notes receivable from participants | 258,648 | 228,272 |
| Employer contributions | 799 | 4,084 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$8,940,627 | \$7,462,921 |

See Notes to the Financial Statements.

UNITEDHEALTH GROUP 401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016 (in thousands)

ADDITIONS:

Contributions:

| | |
|----------|-----------|
| Employee | \$678,323 |
| Employer | 316,173 |
| Rollover | 145,304 |

Total contributions 1,139,800

Net appreciation in fair value of investments 678,143

Interest and dividends 49,193

Interest income on notes receivable from participants 10,333

Total additions 1,877,469

DEDUCTIONS:

Benefits paid to participants (499,805)

Administrative expenses (6,105)

Total deductions (505,910)

INCREASE IN NET ASSETS BEFORE PLAN TRANSFERS 1,371,559

NET TRANSFERS INTO THE PLAN (Note 9) 106,147

INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 1,477,706

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year 7,462,921

End of year \$8,940,627

See Notes to the Financial Statements.

UNITEDHEALTH GROUP 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016 AND 2015 AND FOR
THE YEAR ENDED DECEMBER 31, 2016

1. DESCRIPTION OF PLAN

The following description of the UnitedHealth Group 401(k) Savings Plan (“the Plan”) is provided for informational purposes only. Participants should refer to the Plan document for more complete description of the Plan’s information.

General

The Plan was first established on July 1, 1985, as a defined contribution plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. UnitedHealth Group Incorporated (“the Company”) is the Plan’s sponsor and administrator. Fidelity Management Trust Company (“Fidelity”) performs recordkeeping and trustee functions relating to the Plan. The Administrative Committee is responsible for oversight of the Plan. The Investment Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance.

Eligibility

In general, eligible employees may make salary deferral contributions to the Plan upon employment with a participating employer of the Company and are automatically enrolled in the Plan as soon as administratively feasible after their hire date. Participants become eligible for employer safe harbor matching contributions once they are credited with one year of service. Employees whose employment is governed by the terms of a collective bargaining agreement (unless such collective bargaining agreement provides for the inclusion of those employees in the Plan), persons who the Company classifies as leased employees, and certain other classifications of employees are not eligible to participate in the Plan.

Contributions

Contributions to the Plan include (i) salary deferral contributions authorized by participants, (ii) matching contributions made by the Company, (iii) discretionary contributions made by the Company, and (iv) participant rollover contributions from another plan.

Participants may elect to contribute a percentage up to 50% of their eligible compensation to the Plan each year, up to the maximum dollar amount permissible under the Internal Revenue Code (“the Code”). Salary deferral contributions include pre-tax deferrals and Roth deferrals.

Eligible employees are automatically enrolled at an employee pre-tax deferral rate of 3% of their eligible pay, unless they decline to participate within a prescribed time limit or they elect a different deferral rate. The Plan provides for automatic annual deferral rate increases until the participant’s pre-tax and/or Roth deferral rate reaches 6%.

Participants are notified of the automatic rate increases in advance and have the opportunity to decline the automatic increases.

Participants who have attained age 50 before the end of the plan year may make additional catch-up contributions, subject to limitations imposed by the Code. A participant’s salary deferral and catch-up contributions cannot exceed 80% of the participant’s eligible pay.

The Company makes a safe harbor matching contribution equal to 100% of contributions up to 3% of eligible compensation, plus 50% of the next 3% of eligible compensation for a maximum contribution of 4.5% per payroll period as defined in the Plan document.

Additional discretionary contributions may also be made by the Company. A discretionary contribution in the amount of \$4,083,970 was made during the plan year ended December 31, 2016.

Rollover contributions are assets formerly held in a qualified employee benefit plan of a prior employer, which a participant elects to be transferred into the Plan.

Participant Accounts

Each participant's account is credited with the salary deferral contributions, rollover contributions, an allocation of the Company's contributions, and plan earnings (net of administrative expenses). Allocations are based on the participant's eligible compensation or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investment Classification

All investments are participant directed. Participants have the right to individually select the percentage of their accounts to be invested among different classifications of investments made available to them through a registered investment company or through the self-directed brokerage account option and may transfer between investments daily.

Vesting

Participants are immediately vested in their salary deferral contributions, rollover contributions, and earnings thereon. Company safe harbor contributions and discretionary contributions, if any, and earnings thereon vest in accordance with the provisions of the plan as follows:

| Years of Service | Vesting |
|-------------------|---------|
| Less than 2 years | 0% |
| 2 or more | 100% |

Notwithstanding the vesting schedule above, Company contributions, if any, will become fully vested (100%) upon the occurrence of any of the following events while the participant is employed by the Company: the participant's death, disability, attainment of normal retirement age (age 65), a partial or complete termination of or complete discontinuance of contributions to the Plan, or an acceleration date, as defined in the Plan document.

Dividend Payout

The Plan includes a Dividend Payout Feature for the UnitedHealth Group Stock Fund (the "Stock Fund"). This feature allows participants invested in the Stock Fund to elect whether dividends payable on Company stock held in the Stock Fund are distributed to participants in cash or reinvested in Company stock within the Stock Fund. The total dividends on the Company stock in the Stock Fund were \$4,223,934 for the year ended December 31, 2016. The amount participants elected to be distributed in cash was insignificant.

Forfeited Accounts

Nonvested account balances of terminated employees are forfeited. As of December 31, 2016 and 2015, forfeited nonvested accounts totaled \$9,342 and \$427,395 respectively. During the year ended December 31, 2016, employer contributions were reduced by \$4,278,294 from forfeiture accounts. Forfeitures can be used to reduce future employer contributions or to pay certain administrative expenses.

Payment of Benefits

Benefits may be paid to the participant or beneficiary upon death, disability, or termination of employment, as defined in the Plan document. The total vested portion of a participant's account balance is distributed in the form of a lump sum payment. However, if a participant's account balance is valued at less than \$1,000, it is distributed in cash as a direct distribution to the participant. Participants taking a distribution have the option to rollover into an Individual Retirement Account or into another employer-sponsored plan. Participants experiencing financial hardship may withdraw a portion of their account balance as defined in the Plan document.

Notes Receivable from Participants

Participants may borrow from their account balance a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 (subject to reduction for certain loan balances in the prior 12 months) or 50% of their vested account balance. These loans are secured by the balance in the participant's account. The loan bears interest at the prime rate of interest, plus 1% and is payable over a period not to exceed 59 months. A loan that is used by the participant to acquire a principal residence may, if the loan originated prior to April 1, 2001, be repaid over a period not to exceed 30 years, or if the loan originated between April 1, 2001 and August 31, 2010 over a period not to exceed 10 years, and if the loan originated on or after September 1, 2010, be repaid over a period not to exceed 118 months. Principal and interest are paid ratably through payroll deductions. Participants may have up to two outstanding loans at one time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value except for fully benefit-responsive investment contracts which are reported at contract value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance companies. See Note 3 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan's document. No allowance for credit losses has been recorded as of December 31, 2016 and 2015.

Administrative Expenses

Certain administrative expenses of the Plan are paid by the Company as provided in the Plan document. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in the net appreciation in fair value of investments.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. There are no amounts owed to the participants who had elected to withdraw from the Plan, but had not been paid as of December 31, 2016 or 2015.

3. FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Unadjusted quoted prices for identical assets in active markets that the Plan can access.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

• quoted prices for similar assets or liabilities in active markets;

• quoted prices for identical or similar assets or liabilities in inactive markets;

• inputs other than quoted prices that are observable for the asset or liability;

• inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Unobservable inputs for the asset.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Cash and cash equivalents: The carrying value of the cash and cash equivalents approximates fair value as maturities are less than three months.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Debt securities: Fair value of debt securities are based on quoted market prices, where available. A price is obtained for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, and, if necessary, makes adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment speeds, and nonbinding broker quotes.

Fair values of debt securities that do not trade on a regular basis in active markets but are priced using other observable inputs are classified as Level 2.

Mutual funds: Valued at the daily closing price reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U. S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Self-Directed Brokerage Accounts: The self-directed brokerage account allows participants the opportunity to invest in a wide array of individual securities including stocks, corporate bonds, zero-coupon bonds, U.S. Treasury securities, mortgage securities and U.S. government agency bonds, certificates of deposit, unit investment trusts, foreign securities, exchange-traded funds, and mutual funds, which are primarily valued using the methodologies described above for the Plan's investments in cash and cash equivalents, common stock, debt, and mutual funds.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's assets measured at fair value on a recurring basis at December 31, 2016 and 2015.

| (in thousands) | Fair Value Measurements at December 31, 2016 | | | Total Fair Value |
|--|--|--|--|------------------------|
| | Quoted Prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | | |
| Cash and cash equivalents | \$24,758 | \$ — | | \$24,758 |
| Debt securities: | | | | |
| U.S. government and agencies | 63,428 | 101,075 | | 164,503 |
| Corporate and other | — | 189,909 | | 189,909 |
| Mutual funds | 2,312,122 | — | | 2,312,122 |
| Self-directed brokerage accounts | 144,710 | 802 | | 145,512 |
| Common stock | 917,312 | — | | 917,312 |
| Total assets in the fair value hierarchy | \$3,462,330 | \$ 291,786 | | 3,754,116 |
| Instruments measured at NAV ⁽¹⁾ | | | | 4,378,238 |
| Total investments at fair value | | | | \$8,132,354 |

| (in thousands) | Fair Value Measurements at December 31, 2015 | | | Total Fair Value |
|--|--|--|--|------------------------|
| | Quoted Prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | | |
| Cash and cash equivalents | \$42,802 | \$ — | | \$42,802 |
| Debt securities: | | | | |
| U.S. government and agencies | 18,060 | 114,344 | | 132,404 |
| Corporate and other | — | 186,414 | | 186,414 |
| Mutual funds | 1,994,691 | — | | 1,994,691 |
| Self-directed brokerage accounts | 116,883 | 415 | | 117,298 |
| Common stock | 816,994 | — | | 816,994 |
| Total assets in the fair value hierarchy | \$2,989,430 | \$ 301,173 | | 3,290,603 |
| Instruments measured at NAV ⁽¹⁾ | | | | 3,447,952 |
| Total investments at fair value | | | | \$6,738,555 |

Certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair (1) value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets Available for Benefits.

For the year ended December 31, 2016, there were no transfers in or out of Levels 1 or 2.

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2016 and 2015. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only for the Plan.

| Investment | Fair Value (1) (in thousands) | Unfunded Commitment (in thousands) | Redemption Frequency | Other Redemption Restrictions (2) | Redemption Notice Period |
|-------------------------|--|---|-------------------------|--------------------------------------|-----------------------------|
| December 31, 2016 | | | | | |
| Common/collective trust | \$4,378,238 | \$ | —Immediate | Various | Various |

December 31, 2015

| | | | | | |
|-------------------------|-------------|----|------------|---------|---------|
| Common/collective trust | \$3,447,952 | \$ | —Immediate | Various | Various |
|-------------------------|-------------|----|------------|---------|---------|

(1) The fair value of investments are based on the fair values of the underlying investments in the funds.

(2) Certain events may cause funds held in the common/collective trust to be deferred, including, but not limited to, the following:

- (i) Closing or disruption of the financial markets or exchanges in which a transaction is unable to be settled prudently.
- (ii) An emergency situation in which the disposition of assets would be seriously prejudicial to Plan participants.
- (iii) Breakdown in the means of communication normally employed to determine fair market value of an investment.
- (iv) Investments cannot be effected at normal rates of exchange.

None of these events occurred in 2016 or 2015.

4. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS

The Plan provides a stable value investment fund to participants that is comprised of a separate account guaranteed investment contract and four security-backed investment contracts. These contracts meet the fully benefit-responsive investment contract criteria and, therefore, are reported at contract value. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals, and expenses. The following represents the disaggregation of contract value between types of investment contracts held by the Plan.

| (in thousands) | 2016 | 2015 |
|---|-----------|-----------|
| Security-backed investment contracts | \$415,840 | \$367,727 |
| Separate account guaranteed investment contract | 132,986 | 124,283 |
| Total | \$548,826 | \$492,010 |

Security-backed investment contracts and separate account guaranteed investment contracts are issued by insurance companies or other financial institutions, backed by a portfolio of fixed income funds and pooled separate accounts. The portfolio is either owned directly by the Plan (security-backed investment contract) or owned by the contract issuer and segregated in a separate account for the benefit of the Plan (separate account guaranteed investment contract). The issuer guarantees that all qualified participant withdrawals will be at contract value and that the crediting rate applied will not be less than 0%. Cash flow volatility (for example, timing of the benefit payments) as well as asset underperformance can be passed through to the Plan through adjustments to future contract crediting rates. Crediting rates are typically reset quarterly to account for the difference between the contract value and the fair value of the underlying portfolio.

Risks arise when entering into any investment contract due to the potential inability of the issuer to meet the terms of the contract. In addition, security-backed investment contracts and separate account guaranteed investment contracts have the risk of default or lack of liquidity of the underlying portfolio assets. The credit risk of each issuer is evaluated and monitored through the portfolio manager's credit analysis. The credit analysis includes, but is not limited to, asset quality and liquidity, management quality, surplus adequacy, and profitability. The Plan requires that the issuers of each contract have a minimum quality rating as of the contract effective date and that all underlying portfolio assets be rated investment grade at the time of purchase.

Security-backed investment contracts and separate account guaranteed investment contracts generally are automatically renewing contracts that contain termination provisions, allowing the Plan or the contract issuer to terminate with notice, at any time, at fair value, and providing for automatic termination of the contract if the contract value or the fair value of the underlying portfolio equals zero. The issuer is obligated to pay the excess contract value when the fair value of the underlying portfolio equals zero.

In addition, if the Plan defaults on its obligations under the contract (including the issuer's determination that the agreement constitutes a nonexempt prohibited transaction as defined by ERISA), and such default is not corrected within the time permitted by the contract, then the contract may be terminated by the issuer and the Plan will receive the fair value as of the date of termination. Each contract recognizes certain "events of default" which can invalidate the contract's coverage. Among these are investments outside of the range of instruments which are permitted under the investment guidelines contained in the investment contract, fraudulent or other material misrepresentations made to the issuer, changes in control of the investment adviser not approved by the contract issuer, changes in certain key regulatory requirements, or failure of the Plan to be tax qualified.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. Withdrawals associated with these events, which are not in the ordinary course of the Plan operations, are paid with a market value adjustment applied to the withdrawal as defined in the investment contract. These events may be different under each contract. Examples of such events include the following:

- Material amendments to the Plan's structure of administration;
- Failure of the Plan to qualify under Section 401(a) of the Code or the failure of the Plan to be tax-exempt under Section 501(a) of the Code;
- Premature termination of the contracts;
- Complete or partial termination of the Plan, including a merger within another plan;
- Redemption of all or a portion of the interests in the Plan at the direction of the Company, including withdrawals due to the removal of a specifically identifiable group of employees from coverage under the Plan (such as a group layoff or early retirement incentive program), the closing or sale of a subsidiary, employing unit or affiliate, or the Company's establishment of another tax qualified defined contribution plan;
- Changes to the Plan's prohibition on competing investment options; and
- Bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that significantly affect the Plan's normal operations.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

5. PLAN AMENDMENT OR TERMINATION

Although it has not expressed any intention to do so, the Company has the right to discontinue contributions or to amend or terminate the Plan at any time. In the event of the Plan's termination, participants' accounts would become 100% vested and the Company could direct either the current distribution of the assets or the continuation of the trust, in which case distribution of the benefits would occur in accordance with the terms of the Plan.

6. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated May 3, 2016, that the Plan and related trust are designed in accordance with applicable sections of the Code. Although the Plan has been amended since receiving the determination letter, the Plan's administrator and the Plan's tax counsel believe that the Plan is designed in compliance with the applicable requirements of the Code. The Company is aware of certain operational issues impacting the Plan. The Company will take all corrective action necessary and believes the Plan will maintain its qualified status.

GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Fidelity Institutional Asset Management Trust Company ("FIAM") and Galliard Capital Management ("Galliard") provide investment management services. FIAM is affiliated with Fidelity. Galliard is affiliated with Wells Fargo Bank N.A., a plan custodian. These transactions are exempt party-in-interest transactions. For the year ended December 31, 2016, the Plan paid \$2,468,780 and \$634,171 in fees related to investment management services provided by FIAM and Galliard, respectively, which were included as a reduction of the return earned on each fund.

The investment of the Plan in the Company's common stock is considered an exempt party-in-interest transaction. At December 31, 2016, the Plan held 1,775,831 shares of common stock of the Company with a cost basis of \$58,639,502. At December 31, 2015, the Plan held 1,886,448 shares of common stock of the Company with a cost basis of \$61,832,626.

8. RISKS AND UNCERTAINTIES

The Plan provides for investment in a variety of investment securities. Investments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

As of December 31, 2016 and 2015, the Plan had investments of \$983,313,985 and \$818,287,447, respectively, concentrated in one mutual fund investment that accounted for more than 10% of Plan assets.

9. PLAN TRANSFERS

During 2016, the Optum Clinical Services, Inc. 401(k) Savings Plan, Connexions, Inc. 401(k) & Profit Sharing Plan, and Monarch Healthcare Retirement Savings Savings Plan merged into the Plan.

10. RECONCILIATION TO THE FORM 5500

Reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2015 and 2014, is as follows:

| (in thousands) | 2016 | 2015 |
|--|-------------|-------------|
| Net assets available for benefits per the financial statements | \$8,940,627 | \$7,462,921 |
| Deemed distributions of participant loans | (414) | (350) |
| Fair market value adjustment of investment contracts | 908 | (553) |

| | | |
|---|-------------|-------------|
| Net assets available for benefits per the Form 5500 | \$8,941,121 | \$7,462,018 |
|---|-------------|-------------|

A reconciliation of the increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the year ended December 31, 2016 is as follows:

| (in thousands) | |
|--|-------------|
| Increase in net assets per the financial statements | \$1,477,706 |
| Deemed distributions activity | (64) |
| Fair market value adjustment of investment contracts | 1,461 |

| | |
|------------------------------|-------------|
| Net income per the Form 5500 | \$1,479,103 |
|------------------------------|-------------|

SUPPLEMENTAL SCHEDULE FURNISHED PURSUANT
TO THE REQUIREMENTS OF FORM 5500

UNITEDHEALTH GROUP 401(k) SAVINGS PLAN
(EIN 41-1321939, Plan #001)

FORM 5500, SCHEDULE H, Part IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT
END OF YEAR)
AS OF DECEMBER 31, 2016

| | Current Value (in thousands) |
|--|---------------------------------------|
| COMMON/COLLECTIVE TRUST FUNDS: | |
| WELLS FARGO DJ TARGET 2035 N* | \$657,012 |
| WELLS FARGO DJ TARGET 2030 N* | 619,477 |
| WELLS FARGO DJ TARGET 2025 N* | 559,537 |
| WELLS FARGO DJ TARGET 2040 N* | 552,608 |
| WELLINGTON MID-CAP OPPORTUNITIES FUND | 530,545 |
| WELLS FARGO DJ TARGET 2045 N* | 418,720 |
| WELLS FARGO DJ TARGET 2020 N* | 372,779 |
| WELLS FARGO DJ TARGET 2050 N* | 246,762 |
| WELLS FARGO FIXED INCOME FUND F | 186,852 |
| WELLS FARGO DJ TARGET 2015 N* | 132,992 |
| WELLS FARGO FIXED INCOME FUND L | 99,783 |
| STATE STREET U.S. BOND INDEX NON-LENDING SERIES FUND | 75,742 |
| WELLS FARGO DJ TARGET 2055 N* | 71,003 |
| WELLS FARGO FIXED INCOME FUND N | 70,236 |
| WELLS FARGO FIXED INCOME FUND Q | 58,456 |
| WELLS FARGO SHORT TERM INVESTMENT FUND | 36,965 |
| WELLS FARGO DJ TARGET 2010 N* | 33,534 |
| STATE STREET GLOBAL EQUITY EX-US INDEX FUND | 28,909 |
| NORTHERN TRUST TREASURY INFLATION | 22,641 |
| WELLS FARGO DJ TARGET TODAY N* | 13,770 |
| WELLS FARGO DJ TARGET 2060 N* | 6,663 |
| TOTAL COMMON/COLLECTIVE TRUST FUNDS | \$4,794,986 |
| MUTUAL FUNDS: | |
| VANGUARD INSTITUTIONAL INDEX FUND | 983,314 |
| VANGUARD MID-CAP INDEX FUND PLUS | 454,175 |
| VANGUARD SMALL-CAP INDEX FUND PLUS | 405,911 |
| AMERICAN EUROPACIFIC GROWTH FUND | 390,319 |
| ABERDEEN EMERGING MARKETS INSTL FUND | 45,824 |
| PIMCO ALL ASSET FUND INSTL CLASS | 32,579 |
| TOTAL MUTUAL FUNDS | \$2,312,122 |
| SEPARATE ACCOUNT GUARANTEED INVESTMENT CONTRACTS | |
| METROPOLITAN LIFE INSURANCE COMPANY | 132,986 |
| TOTAL TRADITIONAL INVESTMENT CONTRACTS | \$132,986 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| COMMON STOCK: | |
| UNITEDHEALTH GROUP* | \$ 278,461 |
| ENVISION HEALTHCARE CORP | 11,748 |
| ALPHABET INC CL C | 11,654 |
| MICROSOFT CORP | 10,635 |
| APPLE INC | 8,313 |
| MULTI COLOR CO. | 7,986 |
| BROADCOM LTD | 7,375 |
| WELLS FARGO & CO | 7,245 |
| GENERAL ELECTRIC CO | 7,206 |
| TIVO CORP | 7,169 |
| BANK OF AMERICA CORPORATI | 6,655 |
| AMAZON.COM INC | 6,223 |
| FACEBOOK INC A | 6,220 |
| CITIGROUP INC | 5,942 |
| UNITEDHEALTH GROUP INC | 5,743 |
| PFIZER INC | 5,414 |
| EBIX INC | 5,385 |
| PEPSICO INC | 5,327 |
| HONEYWELL INTL INC | 5,317 |
| SYNCHRONOSS TECH INC | 5,283 |
| SERVICEMASTER GLOBAL HLDG | 5,191 |
| MEDNAX INC | 5,133 |
| SERVICE CORP INTL INC | 5,043 |
| VISA INC CL A | 4,988 |
| GENPACT LTD | 4,892 |
| BANKUNITED INC | 4,862 |
| EOG RESOURCES INC | 4,817 |
| LOWES COS INC | 4,659 |
| REINSURANCE GROUP OF AMER | 4,624 |
| AT&T INC | 4,496 |
| PIONEER NATURAL RESOURCES | 4,495 |
| WNS HLDGS LTD SP ADR | 4,463 |
| J2 GLOBAL INC | 4,275 |
| ADOBE SYSTEMS INC | 4,235 |
| NASDAQ INC | 4,184 |
| TECH DATA CORP | 4,166 |
| DIAMONDBACK ENERGY INC | 4,114 |
| ALLERGAN PLC | 4,099 |
| DBV TECHNOLOGIES SA | 4,076 |
| COMMSCOPE HOLDING CO INC | 4,062 |
| VIRTUSA CORP | 4,038 |
| DELUXE CORP | 4,010 |
| DUN & BRADSTREET DEL NEW | 3,993 |
| TJX COMPANIES INC NEW | 3,963 |
| MORGAN STANLEY | 3,944 |

| | |
|---------------------------|-------------|
| TCF FINANCIAL CORPORATION | 3,932 |
| COMCAST CORP CL A | 3,924 |
| TEXAS INSTRUMENTS INC | 3,845 |
| CHARTER COMM INC A | 3,786 |
| LILLY (ELI) & CO | 3,760 |
| | (Continued) |

| | Current Value (in thousands) |
|---|---------------------------------------|
| COMMON STOCK | |
| ICF INTERNATIONAL INC | \$ 3,709 |
| CELGENE CORP | 3,661 |
| STAMPS.COM INC | 3,634 |
| UNION PACIFIC CORP | 3,485 |
| MONDELEZ INTL INC | 3,484 |
| DISCOVER FIN SVCS | 3,446 |
| BANK OF THE OZARKS INC | 3,434 |
| DUPONT (EI) DE NEMOURS & EVERTEC INC | 3,431 |
| SCHLUMBERGER LTD | 3,422 |
| CDW CORPORATION | 3,387 |
| BOSTON SCIENTIFIC CORP | 3,374 |
| FNB CORP PA | 3,334 |
| BRISTOL-MYERS SQUIBB CO | 3,273 |
| RADIUS HEALTH INC | 3,214 |
| EQT CORPORATION | 3,186 |
| CITIGROUP CAP XIII 7.875 | 3,184 |
| COMPASS MINERALS INTL INC | 3,137 |
| NEXTERA ENERGY | 3,111 |
| STARBUCKS CORP | 3,107 |
| METLIFE INC | 3,101 |
| COCA COLA BOTTLING CO CON | 3,061 |
| HOME DEPOT INC | 3,055 |
| ACCENTURE PLC CL A | 3,034 |
| ANALOG DEVICES INC | 3,030 |
| SCHWAB CHARLES CORP | 3,029 |
| EASTMAN CHEMICAL CO | 3,029 |
| EXLSERVICE HOLDINGS INC | 3,009 |
| COSTCO WHOLESALE CORP | 3,009 |
| MAXIMUS INC | 2,930 |
| EAST WEST BANCORP INC | 2,881 |
| STANLEY BLACK & DECKER | 2,863 |
| BANK OF NEW YORK MELLON | 2,838 |
| BIOGEN INC | 2,803 |
| CHUBB LTD | 2,766 |
| DISNEY (WALT) CO | 2,761 |
| REYNOLDS AMERICAN INC | 2,748 |
| GRAND CANYON EDUCATION | 2,729 |
| MOLSON COORS BREWING CO B | 2,695 |
| CSRA INC | 2,684 |
| UNITED CONTINENTAL HLDGS | 2,640 |
| FIDELITY NATL INFORM SVCS | 2,636 |
| GREAT WESTERN BANCORP INC | 2,607 |
| HELEN OF TROY LTD | 2,575 |
| EATON CORP PLC | 2,525 |
| | 2,468 |

| | |
|---------------------------|-------|
| AVALONBAY COMMUNITIES REI | 2,458 |
| WALGREENS BOOTS ALLIANCE | 2,433 |
| INTERCONTINENTAL EXCHANGE | 2,431 |
| WESTERN ALLIANCE BANCORP | 2,429 |
| MASCO CORPORATION | 2,399 |

(Continued)

| | Current Value (in thousands) |
|--------------------------------------|---------------------------------------|
| COMMON STOCK (Continued): | |
| CANADIAN PAC RAILWAY (W/I KEYCORP | \$ 2,371 2,355 |
| US FOODS HOLDING CORP | 2,308 |
| NEUROCRINE BIOSCIENCES | 2,293 |
| TE CONNECTIVITY LTD | 2,224 |
| ABBOTT LABORATORIES | 2,199 |
| CONCHO RESOURCES INC | 2,175 |
| E TRADE FINANCIAL CORP | 2,139 |
| EAGLE MATERIALS INC | 2,125 |
| HANGER INC | 2,116 |
| TWENTY FIRST CENTURY FOX | 2,116 |
| ALDER BIOPHARMACEUTICALS | 2,105 |
| VERTEX PHARMACEUTICALS | 2,083 |
| GENERAL DYNAMICS CORPORAT | 2,077 |
| ANADARKO PETROLEUM CORP | 2,060 |
| PROCTER & GAMBLE CO | 2,060 |
| CALLIDUS SOFTWARE INC | 2,056 |
| EXTRACTION OIL & GAS | 2,054 |
| CARRIAGE SERVICES INC | 2,050 |
| CATALENT INC | 2,046 |
| AETNA INC | 2,043 |
| KROGER CO | 2,030 |
| FIRSTCASH INC | 2,028 |
| ROYAL CARIBBEAN CRUISES | 1,990 |
| TAKE-TWO INTERACTV SOFTWR | 1,981 |
| EDISON INTL | 1,978 |
| ESSENT GROUP LTD | 1,965 |
| BANK OF NT BUTTERFIELD SO | 1,959 |
| DISH NETWORK CORP A | 1,959 |
| HARTFORD FINL SVCS GROUP | 1,945 |
| HUMANA INC | 1,863 |
| ALLEGION PLC | 1,860 |
| CALLON PETROLEUM CO | 1,839 |
| BLUE HILLS BANCORP INC | 1,813 |
| ON SEMICONDUCTOR CORP | 1,812 |
| CORNERSTONE ONDEMAND INC | 1,802 |
| GRAPHIC PACKAGING HLDGS C | 1,796 |
| UNITED NATURAL FOODS INC | 1,780 |
| GENERAL MOTORS CO | 1,778 |
| O'REILLY AUTOMOTIVE INC | 1,768 |
| MERCK & CO INC NEW | 1,762 |
| INVESTORS BANCORP INC NEW | 1,756 |
| CONSTELLATION BRANDS CL A | 1,746 |
| HP INC | 1,722 |
| OM ASSET MANAGEMENT PLC | 1,701 |

| | |
|--------------------------|-------|
| DELPHI AUTOMOTIVE PLC | 1,700 |
| PATTERSON COMPANIES INC | 1,686 |
| OASIS PETROLEUM INC | 1,679 |
| PACCAR INC | 1,674 |
| KIMCO REALTY CORPORATION | 1,654 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| COMMON STOCK | |
| CENTENNIAL RESOURCE DEV A | \$ 1,627 |
| FIRST CITIZEN BANCSHARES | 1,620 |
| STIFEL FINANCIAL CORP | 1,598 |
| PG&E CORP | 1,566 |
| XCEL ENERGY INC | 1,558 |
| SVB FINL GROUP | 1,519 |
| CIENA CORP | 1,504 |
| ARAMARK | 1,493 |
| LOXO ONCOLOGY INC | 1,479 |
| DELTA AIR INC | 1,445 |
| KRAFT HEINZ CO | 1,423 |
| OLIN CORP | 1,419 |
| CROWN HOLDINGS INC | 1,407 |
| AMEREN CORP | 1,398 |
| COGENT COMM HOLD INC | 1,393 |
| CINEMARK HOLDINGS INC | 1,384 |
| AMERICAN WOODMARK | 1,372 |
| TESARO INC | 1,372 |
| WOLVERINE WORLD WIDE INC | 1,354 |
| BOSTON PRIVATE FINL HLDG | 1,350 |
| TRANSCANADA CORP | 1,349 |
| HSN INC | 1,314 |
| ARTHUR J GALLAGHAR AND CO | 1,309 |
| KAR AUCTION SERVICES INC | 1,304 |
| BANNER CORP | 1,272 |
| NORTHROP GRUMMAN CORP | 1,261 |
| SNYDERS LANCE INC | 1,258 |
| PERFORMANCE FOOD GROUP CO | 1,219 |
| ADVANCED DISPOSAL SVCS | 1,218 |
| PACKAGING CORP OF AMERICA | 1,213 |
| NMI HOLDINGS INC | 1,210 |
| FERRO CORP | 1,204 |
| NORTHSTAR REALTY FINANCE | 1,200 |
| WORKDAY INC CL A | 1,181 |
| MOOG INC CL A | 1,171 |
| PDC ENERGY INC | 1,169 |
| TOPBUILD CORP | 1,168 |
| JACK IN THE BOX INC | 1,161 |
| SNAP-ON INCORPORATED | 1,151 |
| DIEBOLD NIXDORF INC | 1,142 |
| RSP PERMIAN INC | 1,138 |
| MOSAIC CO NEW | 1,117 |
| CMS ENERGY CORP | 1,107 |
| ARIAD PHARMACEUTICALS INC | 1,102 |
| HACKETT GROUP INC | 1,102 |

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|---------------------------|-------|
| CHENIERE ENERGY INC | 1,098 |
| AMICUS THERAPEUTICS INC | 1,084 |
| PHILIP MORRIS INTL INC | 1,040 |
| MOTORCAR PARTS OF AMERICA | 1,030 |
| NVIDIA CORP | 1,020 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| COMMON STOCK | |
| PERFICIENT INC | \$ 1,016 |
| WESTROCK CO | 1,011 |
| UMPQUA HOLDINGS CORP | 1,008 |
| KIMBERLY CLARK CORP | 1,007 |
| AGILENT TECHNOLOGIES INC | 993 |
| CAVIUM INC | 984 |
| CAMDEN NATIONAL CORP | 973 |
| SWIFT TRANSPORTATION CL A | 943 |
| HELIX ENERGY SOL GRP INC | 942 |
| LIONS GATE ENT CORP B | 940 |
| AVEXIS INC | 936 |
| ILLUMINA INC | 932 |
| NXP SEMICONDUCTORS NV | 931 |
| BIOMARIN PHARMACEUTICAL | 922 |
| FIRST FOUNDATION INC | 921 |
| TREEHOUSE FOODS INC | 917 |
| LANDSTAR SYSTEM INC | 913 |
| PULTEGROUP INC | 901 |
| TOLL BROTHERS INC | 860 |
| ALLEGIANT TRAVEL CO | 849 |
| PARK CITY GROUP INC | 849 |
| EVEREST REINSURANCE GROUP | 845 |
| OUTFRONT MEDIA INC | 833 |
| UNIVEST CORP PA | 831 |
| ARMSTRONG WORLD INDU INC | 811 |
| TIME WARNER INC | 796 |
| CORESITE REALTY CORP | 779 |
| AIR METHODS CORP | 772 |
| COHERENT INC | 769 |
| KEARNY FINANCIAL CORP | 760 |
| HANMI FIN CORPORATION | 751 |
| TEAM INC | 751 |
| SABRA HEALTHCARE REIT INC | 750 |
| FIRST BANCORP NC | 747 |
| EPAM SYSTEMS INC | 728 |
| CHURCHILL DOWNS INC | 722 |
| GILEAD SCIENCES INC | 717 |
| INNOSPEC INC | 712 |
| DEL FRISCOS RESTAURANT GP | 711 |
| BUILDERS FIRSTSOURCE | 709 |
| ALMOST FAMILY INC | 707 |
| GILDAN ACTIVEWEAR (US) | 693 |
| DR HORTON INC | 692 |
| ENTEGR FINANCIAL CORP | 687 |
| LAM RESEARCH CORP | 671 |

| | |
|-------------------------|-----|
| MIDLAND STATES BANCORP | 669 |
| CARDTRONICS PLC | 660 |
| ITT INC | 652 |
| MATTHEWS INTL CORP CL A | 634 |
| SIERRA BANCORP | 613 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| COMMON STOCK | |
| PERFICIENT INC | \$ 609 |
| WESTROCK CO | 589 |
| UMPQUA HOLDINGS CORP | 586 |
| KIMBERLY CLARK CORP | 570 |
| AGILENT TECHNOLOGIES INC | 559 |
| CAVIUM INC | 551 |
| CAMDEN NATIONAL CORP | 549 |
| SWIFT TRANSPORTATION CL A | 548 |
| HELIX ENERGY SOL GRP INC | 546 |
| LIONS GATE ENT CORP B | 520 |
| AVEXIS INC | 463 |
| ILLUMINA INC | 443 |
| NXP SEMICONDUCTORS NV | 440 |
| BIOMARIN PHARMACEUTICAL | 429 |
| FIRST FOUNDATION INC | 425 |
| TREEHOUSE FOODS INC | 423 |
| LANDSTAR SYSTEM INC | 404 |
| PULTEGROUP INC | 401 |
| TOLL BROTHERS INC | 398 |
| ALLEGIANT TRAVEL CO | 394 |
| PARK CITY GROUP INC | 391 |
| EVEREST REINSURANCE GROUP | 376 |
| OUTFRONT MEDIA INC | 373 |
| UNIVEST CORP PA | 372 |
| ARMSTRONG WORLD INDU INC | 365 |
| TIME WARNER INC | 361 |
| CORESITE REALTY CORP | 349 |
| AIR METHODS CORP | 349 |
| COHERENT INC | 346 |
| KEARNY FINANCIAL CORP | 343 |
| HANMI FIN CORPORATION | 333 |
| TEAM INC | 316 |
| SABRA HEALTHCARE REIT INC | 305 |
| FIRST BANCORP NC | 304 |
| EPAM SYSTEMS INC | 303 |
| CHURCHILL DOWNS INC | 302 |
| GILEAD SCIENCES INC | 279 |
| INNOSPEC INC | 244 |
| DEL FRISCOS RESTAURANT GP | 226 |
| BUILDERS FIRSTSOURCE | 215 |
| ALMOST FAMILY INC | 214 |
| GILDAN ACTIVEWEAR (US) | 207 |
| DR HORTON INC | 190 |
| ENTEGRA FINANCIAL CORP | 186 |
| LAM RESEARCH CORP | 180 |

| | |
|-------------------------|-----|
| MIDLAND STATES BANCORP | 175 |
| CARDTRONICS PLC | 174 |
| ITT INC | 157 |
| MATTHEWS INTL CORP CL A | 150 |
| SIERRA BANCORP | 131 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| COMMON STOCK | |
| DEL TACO RESTAURANTS INC | \$ 128 |
| SKECHERS USA INC CL A | 107 |
| HOMETRUST BANCSHARES INC | 106 |
| SUNOPTA INC | 102 |
| PB BANCORP INC | 52 |
| CODEXIS INC | 47 |
| NCI INC CL A | 46 |
| LIBERTY TAX INC CL A | 15 |
| RIGEL PHARMACEUTICALS INC | 10 |
| BIOSCRIP INC | 3 |
| TOTAL COMMON STOCK | \$ 917,312 |

DEBT SECURITIES

| | |
|---------------------------|--------|
| USTN 1.75% 11/30/21 | 11,552 |
| UST NOTE 0.75% 08/31/18 | 10,930 |
| UST NOTES 1.0% 08/15/18 | 9,421 |
| USTN .625% 9/30/17 | 7,989 |
| USTN .625% 5/31/17 | 7,001 |
| CA ST 7.55% 4/1/39 | 6,732 |
| USTN .875% 2/28/17 | 6,504 |
| USTN .75% 09/30/18 | 6,157 |
| FHR 2013-4283 EW VAR 12/4 | 5,764 |
| FNMA 30YR 4.5 06/4 AL8840 | 4,177 |
| RIO OIL FN STEP 7/24 144A | 3,951 |
| VERIZON COM 4.27% 1/15/36 | 3,949 |
| FNMA 30YR 4.5 02/4 AL9368 | 3,839 |
| FNR 2013-10 FA VAR 02/43 | 3,740 |
| AOL TIME WARNER 7.7 5/01/ | 3,655 |
| IMPERIAL TOB 4.257/2 14L | 3,608 |
| USTN 0.875% 05/15/17 | 3,514 |
| BAC CAP TR XI 6.625 5/23/ | 3,457 |
| FHLM ARM 2.917 08/ 2B4503 | 3,273 |
| TIME WARNER CAB 8.75 2/14 | 2,885 |
| RIO OIL FIN VAR 1/6/ 1A | 2,850 |
| FNMA 4.50% 3/41 #AH6790 | 2,814 |
| CAPITAL ONE 3.5% 6/23 WI | 2,792 |
| FHLM ARM 3.056 05/ 849327 | 2,729 |
| BOSTON PRP 5.625 11/15/20 | 2,700 |
| RBS GPR PLC 6.125 12/15/2 | 2,682 |
| FHLM ARM 2.673 07/ 840353 | 2,675 |
| FHR 2005-2957 VZ 5% 02/35 | 2,670 |
| FNMA 20YR 4.5 10/3 AL4165 | 2,665 |
| XEROX CORP 6.35% 5/15/18 | 2,635 |
| FORD MTR CR LLC 5.875 8/2 | 2,621 |

VERIZON COMM 6.55 9/15/43 2,587
(Continued)

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| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| DEBT SECURITIES | |
| FNMA ARM 2.877 5/4 AL8815 | \$ 2,519 |
| BNP PARIBAS 4.25 10/15/24 | 2,503 |
| FNMA ARM 9/43#AL4098 | 2,498 |
| KINDER MORGAN 5.625 15 | 2,470 |
| DIAMOND 1/2 FIN 4.42 61 | 2,455 |
| SLM MEDIUM 8.45 6/15/18 | 2,397 |
| FHLG 4.00 10/26 #G14585 | 2,339 |
| FNMA 30YR 4.5% #AL9096 | 2,332 |
| IL ST 5.665 03/01/18 | 2,302 |
| WELLS FARGO BK 2.15 129 | 2,298 |
| FNMA 30YR 4.5 04/4 AS7039 | 2,260 |
| KINDER MORGAN 5.4% 9/1/44 | 2,248 |
| TELECOM ITALIA CAP 7.175 | 2,243 |
| FNMA 6.00% 3/34 #725229 | 2,217 |
| FNR 2005-87 FB 1ML+50 5 | 2,206 |
| HSBC HLDGS 6.5% 5/02/36 | 2,186 |
| FNMA 30YR 4.5 10/4 AL6292 | 2,127 |
| FNMA 30YR 4.5 01/4 AL7545 | 2,109 |
| UNION PAC 07-3 6.176 1/2/ | 2,106 |
| FNMA 20YR 4 11/01/ MA2455 | 2,084 |
| FNMA 15YR 4% 05/27#AL5957 | 2,074 |
| FNMA ARM 2.749 11/ AL8451 | 2,056 |
| FHLG 30YR 4.5 12/4 G60384 | 2,047 |
| FHL ARM 2.88 10/44#849505 | 2,035 |
| FNMA 30YR 3.81 04/ 467786 | 2,034 |
| BANK OF AMER MTN 7.625 6/ | 2,000 |
| VULCAN MATERIAL 7.5 6/15/ | 1,913 |
| FHLG 20YR 4.5 12/3 G30670 | 1,874 |
| FED DEPT ST 6.9% 4/01/29 | 1,869 |
| NJ TPK 7.102% 01/01/41 | 1,854 |
| BHP BL VAR/6.75 10/1 14P | 1,824 |
| PETROLEOS MEXN 6.375 15 | 1,820 |
| BNP PARIBS 4.375 9/2 14P | 1,812 |
| CEMEX FIN LLC 6 04/0 14X | 1,798 |
| FNMA 20YR 4% 03/34#MA1814 | 1,753 |
| COX COMMUNICT 3.85 2/1/25 | 1,739 |
| ZOETIS INC 4.5% 11/13/25 | 1,720 |
| MYRIAD INT 5.5 7/21/ 1A | 1,712 |
| FNMA 7.00% 3/37 #888369 | 1,706 |
| MYRIAD INT HLDGS 6 7 1A | 1,704 |
| WELLS FARGO & CO MTN 4.S | 1,695 |
| TRANSCANADA 5.625/VAR 5A | 1,692 |
| ROYAL BK SC 6% 12/19/23 | 1,686 |
| LLOYDS BANK PLC 4.5 114 | 1,679 |
| FNMA ARM 2.938 1/1 AL6377 | 1,658 |

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|---------------------------|-------|
| HSBC HLDGS 6.5% 9/15/37 | 1,640 |
| BARCLAYS PLC 4.375 9/11/2 | 1,635 |
| REED ELSEVIE 3.125% 10/22 | 1,632 |
| FHLG 5.50% 1/40 #G07074 | 1,592 |
| IL ST TAXMUNI 5.1 6/01/33 | 1,591 |

(Continued)

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| DEBT SECURITIES | |
| TELECOM ITAL 5.303 0 14M | \$ 1,588 |
| BANK ONE CAP III 8.75 9/1 | 1,572 |
| FNMA 5.50% 6/33 #555531 | 1,569 |
| ENEL FIN INTL 6 10/7 144A | 1,539 |
| DOMINION RES 5.75/VAR 1N | 1,538 |
| CEMEX SAB 5.7 01/11/ 1A | 1,486 |
| PETROLEOS MEX 4.25 01/I | 1,448 |
| FNMA ARM 3.575 3/4 AL6357 | 1,447 |
| COX COMM 3.25 12/15/ 144 | 1,435 |
| FNMA 20YR 4% 12/35#AS6382 | 1,429 |
| FHLG 30YR 5.5 05/3 G07404 | 1,427 |
| FNMA 20YR 4.00 12/ MA0587 | 1,416 |
| CIGNA CORP 7.875% 5/15/27 | 1,413 |
| IL ST 5.365 03/01/17 | 1,408 |
| CIGNA 5.875% 3/15/41 | 1,406 |
| FNMA 5.50 5/23 #889527 | 1,396 |
| DOW CHEMICAL 9.4% 5/39 | 1,394 |
| FNMA 30YR 4.5 09/4 AL7384 | 1,387 |
| FHLG ARM 2.88 11/4 2B3527 | 1,347 |
| MAY DEPT STORES 6.9 1/15/ | 1,333 |
| PEMEX PRO FDG 6.625 6/15/ | 1,330 |
| BURLINGTON NORTH SAN 4.1 | 1,305 |
| FHLG ARM 2.91 10/4 2B3311 | 1,286 |
| COX COM 9.375 1/15/1 144A | 1,276 |
| FNMA ARM 2.777% #AL6245 | 1,276 |
| FNMA 20YR 4.5 01/3 AL4549 | 1,262 |
| KINDER MORGAN MTN 6.5 9/0 | 1,261 |
| DOW CHEMICAL 8.55% 5/19 | 1,260 |
| BNSF RAILWAY CO 5.996 4/0 | 1,256 |
| FNMA 20YR 4% 06/35#AL6932 | 1,249 |
| FNMA 20YR 4% 10/32#AL4778 | 1,248 |
| FNMA 5.50 10/23 #995405 | 1,230 |
| FHLG 30YR 4.5 07/4 G07504 | 1,216 |
| PETROBRAS INTL 5.375 1/27 | 1,198 |
| AT&T CORP 8/8.5% 11/15/31 | 1,195 |
| FHLG 30YR 4.5 01/4 G08568 | 1,189 |
| WELLS FARGO 3ML+65 12/19 | 1,178 |
| DIAMOND FN 1/2 5.45 15 | 1,166 |
| FHLG 20YR 4 10/31 #C91402 | 1,165 |
| MAY DEPT STR GLBL 6.65 7/ | 1,145 |
| TIME WARNER MTN 8.25 4/1/ | 1,135 |
| TELECOM ITALI 6.999 6/4/1 | 1,113 |
| FNR 2010-123 WT 7% 11/40 | 1,105 |
| ERP OPERAT LP 4.625 12/15 | 1,103 |
| FHLM ARM 2.896 02/ 2B3797 | 1,092 |

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|---------------------------|-------------|
| ULTRAPAR INTL 5.25 1 14R | 1,078 |
| HSBC HLDGS PLC 6.8 6/01/3 | 1,075 |
| AT&T INC 4.5% 03/09/48 | 1,063 |
| FNMA ARM 07/42#AO7669 | 1,052 |
| NORDSTROM GLB 6.25 1/18 | 1,047 |
| | (Continued) |

| | Current Value (in thousands) |
|---------------------------|---------------------------------------|
| DEBT SECURITIES | |
| TIME WARNER CAB 6.75 6/15 | \$ 1,045 |
| ACTAVIS FUNDING 3.45 03/2 | 1,014 |
| FNMA 3.5 09/28#AL5931 | 971 |
| 21ST CENTY FOX 6.65 117 | 952 |
| AT&T INC 5.65% 02/15/47 | 937 |
| LLOYDS BANK PLC 4.65 03S | 936 |
| PEMEX 6.5% 03/13/27 144A | 928 |
| FNMA 5.50 3/24 #AE0467 | 919 |
| HP ENTERPRISE CO VAR 10P | 915 |
| FHLG 30YR 4.5 11/4 G07596 | 914 |
| FNMA 4.5 09/28#AL4147 | 910 |
| ENEL FIN INTL6.8 9/1 144A | 879 |
| TELECOM ITALI 7.721 6/4/3 | 878 |
| CCO LLC/CAPITL 4.908 07O | 868 |
| FNMA 20YR 4.5 01/3 MA0634 | 865 |
| XEROX CORP 4.5% 5/15/21 | 857 |
| CAPITAL ONE FIN 4.2 105 | 852 |
| PETROLEOS MEX 5.625 1/2S | 851 |
| CEMEX SAB 6.125 05/0 14X | 792 |
| COMCAST CORP 6.3 11/15/17 | 781 |
| TRANSCANADA TR 5.875/VAA | 780 |
| CCO LLC/CAPITL 6.484 10O | 779 |
| FNMA ARM 5.26 9/38 965097 | 777 |
| FNMA 30YR 4.5 09/4 AL9407 | 775 |
| AT&T INC 5.35% 9/01/40 | 769 |
| FNMA 4.00 2/27 #AL2689 | 764 |
| FHLG 6.00% 11/36 #G02385 | 736 |
| TURLOCK 2.75 11/02/22 | 717 |
| ERP OPER LP 3% 4/15/23 | 690 |
| MACYS RETAIL HLDGS 7 2/15 | 686 |
| 21ST CENTY FOX 6.2 12/4 | 675 |
| FNMA ARM 2.189 07/ AO7685 | 652 |
| ACTAVIS FUNDING 3.8 035 | 650 |
| FNMA 20YR 4.5 10/3 AL5861 | 643 |
| PETROBRAS BV 4.375 05/2S | 633 |
| FNMA 20YR 4 06/34 #AS2666 | 594 |
| FHLG 15YR 4% 12/26#G14668 | 591 |
| KINDER MORGAN 4.3 6/1/25 | 591 |
| FNMA ARM 2.181 04/ AL6208 | 589 |
| FHLG 30YR 4.5 03/4 G07686 | 571 |
| NJ TPK SER F 7.414 01/01/ | 542 |
| FORD MTR CR LLC 4.25 9/20 | 540 |
| HSBC HLDGS PLC 5.1 4/05/2 | 540 |
| CEMEX SAB 6.5 12/10/ 14X | 529 |
| AT&T INC 4.75% 05/15/46 | 520 |

| | |
|---------------------------|-----|
| DOMINION RESOURCE STEP N | 520 |
| CAPITAL ONE FIN 4.75 7/15 | 513 |
| PROVIDENT COMPA 7.25 3/15 | 512 |
| FHLG 5.50% 1/35 #G01749 | 509 |
| FHLM ARM 5.42 3/38 1Q1114 | 496 |

(Continued)

| | Current Value |
|------------------------------|---------------|
| DEBT SECURITIES | |
| BANK OF AMERICA 5.625 7/0 | \$ 494 |
| FNMA ARM 4.84 9/35 AL2084 | 492 |
| FHLG 4.0 12/1/26 #G14678 | 484 |
| CIGNA 4% 2/15/22 | 470 |
| TELECOM ITALI 7.2 7/18/36 | 468 |
| BANK AMER FDG 4.2 08/26/2 | 458 |
| FNR 2008-16 AB 5.5% 12/37 | 453 |
| PEMEX 6.875% 8/4/26 144A | 448 |
| CRH AMER 3.875 5/18/ 1A | 432 |
| REED ELSEVIER C 8.625 1/1 | 410 |
| FNMA ARM 2.907 9/4 AT7040 | 378 |
| FNMA 5.50% 6/40 #AE0607 | 353 |
| CITIGROUP 4.05 7/30/22 | 336 |
| UST BILL 0% 02/23/17 | 330 |
| SLM MEDIUM 4.625 9/25/17 | 330 |
| TIME WARNER CAB 4 9/01/21 | 318 |
| COX COMMUN 2.95 6/23 144A | 306 |
| EXP-IMP BANK KOREA 4 1/11 | 300 |
| FORD MTR CR LLC 5.75 2/01 | 274 |
| FNMA ARM 5.36 10/3 995006 | 253 |
| FNMA ARM 6/1/39 #AL1845 | 229 |
| FEDERATED RTL 6.375 3/15/ | 185 |
| FNMA 5.194 1/18 #745629 | 122 |
| FHLG 6.00% 1/39 #G06932 | 115 |
| FHLG 6.00% 2/39 #G06570 | 109 |
| FNMA 6.50% 8/39 #AD0130 | 67 |
| USTBILL 0% 03/16/17 | 30 |
| FHLG 6.50% 2/38 #H09152 | 28 |
| TOTAL DEBT SECURITIES | \$ 354,412 |
| OTHER INVESTMENTS: | |
| CASH/CASH | |
| EQUIVALENTS | 24,758 |
| SELF DIRECTED | |
| BROKERAGE ACCOUNT | 145,512 |
| PARTICIPANT LOANS | |
| (INTEREST RANGING | |
| FROM 4.25% TO 10.02% | |
| AND MATURITY DATES | 258,234 |
| RANGING FROM JANUARY | |

2017 - JUNE 2044)

| | | |
|-------------------------|----|-----------|
| Total other investments | \$ | 428,504 |
| TOTAL INVESTMENTS | \$ | 8,940,322 |

* Known party in-interest

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITEDHEALTH GROUP 401(K) SAVINGS PLAN

By: UNITEDHEALTH GROUP INCORPORATED,
the Plan Administrator

Dated: June 21, 2017 By: /S/ THOMAS E. ROOS

Thomas E. Roos

Senior Vice President and Chief Accounting Officer