

Investment Performance Review
Period Ending December 31, 2019

Port of Houston Authority DC Plan Executive Summary



First and foremost, “Thank you” for giving AndCo the opportunity to serve you. On behalf of our entire organization, we are extremely grateful and appreciative of our client partnerships and will continue working hard to maintain your trust and confidence. Our mission statement reads “To represent the sole interest of our clients by redefining independence.” We’re happy to report that we remain steadfast in this core belief and continue to build an organization with a service model that is independent, singularly focused, customized and passionately delivered.

2020 is a big year for AndCo. We are celebrating our 20-year anniversary of serving our valuable clients. As we start 2020, we are 89 people strong advising approximately \$92 billion in client assets – a record high. In 2019 we hired 9 new team members. All departments within AndCo have grown over the years as we thoughtfully invest in our firm to provide the services you expect. We have included our organizational chart in this report which your consultant will review to provide you a visualization of our continued commitment to service and quality.


2020 will also represent another year of significant investment in the organization. As a result, your feedback is invaluable as we continue to focus our reinvestment in areas that will enhance our services to clients. We would like to thank everyone for their participation in our client survey last year. Your honesty and candor allowed us to accurately assess where we are strong and where there are opportunities for improvement. The areas where our clients indicate potential room for improvement drive much of our investment and focus. This is a primary reason why we hired 7 new team members in our research group last year to help promote investment ideas and support our consultants. Today, we have 19 dedicated research analysts. As 2020 progresses, we are targeting additional investments within our finance, compliance, human resources, information technology, marketing and research departments.

Moreover, each January we have our annual firmwide retreat. This retreat is a great time for all of our employees to spend time together and for us to reinforce everyone’s understanding of AndCo’s primary purpose, share results highlighted by our strategic goals, and review areas of focus for the upcoming year. Since the inception of AndCo, the idea has been to make the firm a multigenerational organization owned and operated by its employees. As a result, since 2015, along with the strategic elements of our annual retreat, we also announce new partners of the firm to support our succession plan and the long-term sustainability of the organization. Today we have a total of 10 partners controlling 100% of the company. This year we added two new partners Kim Spurlin and Evan Scussel. Kim has been on our Executive Leadership team for the past 7 years and currently serves as our CFO. Evan has been on our research team for 7 years and was recently promoted to a Research Director. We couldn’t be happier for both Kim and Evan.

The evolution of our firm would not be possible without great client partners like you. Our name reminds us who we work for every day “Our Client” &Co. You will always be our first priority. As we continue to discuss strategic decisions regarding our firm, please know every decision is filtered through the following question “How does this benefit our clients?” and if it doesn’t benefit you, we don’t do it, it’s that simple. We said this last year and we’ll say it again next year. If this commitment ever falters, you need to find a new consultant.

We know each of our clients is facing many challenges and we want to be there to help support you through all environments. We are honored and humbled that you have chosen AndCo as your partner. We do not take that relationship and responsibility for granted and will continue to work tirelessly to exceed your expectations.

On behalf of AndCo, thank you for your valued partnership and the opportunity to serve you.


Mike Welker, CFA®
CEO



Organizational Chart

PARTNERSHIP

Mike Welker, CFA **Evan Scussel, CFA, CAIA**
Bryan Bakardjiev, CFA **Jason Purdy**
Dan Johnson **Kim Spurlin, CPA**
David Ray **Steve Gordon**
Donna Sullivan **Troy Brown, CFA**

LEADERSHIP & MANAGEMENT

Mike Welker, CFA **Dan Johnson**
CEO Consulting Director

Bryan Bakardjiev, CFA **Derek Tangeman, CFP, CIMA**
COO Marketing Director

Kim Spurlin, CPA **Evan Scussel, CFA, CAIA**
CFO Research Director

Sara Searle **Jack Evatt**
CCO Consulting Director

Rachel Brignoni, MHR **Jacob Peacock**
CHRO Consulting Director

Steve Gordon **Jason Purdy**
Partner I.T. Director

Troy Brown, CFA **Philip Schmitt, CIMA**
Executive Director Research Director

David Ray
Executive Director

OPERATIONS

FINANCE **I.T.**
Brandie Rivera **Jamie Utt**

OPERATIONS **MARKETING**
Dan Osika, CFA **Bonnie Burgess**
Jerry Camel **Kim Goodearl**
 Tala Chin

INVESTMENT POLICY COMMITTEE

Mike Welker, CFA **David Ray** **Troy Brown, CFA**
Bryan Bakardjiev, CFA **Sara Searle**

CONSULTING

Annette Bidart **James Ross** **Mary Nye**
Brad Hess, CFA **Jeff Kuchta, CFA** **Michael Fleiner**
Brendon Vavrica, CFP **Jennifer Brozstek** **Michael Holycross, CIMA**
Brian Green **Jennifer Gainfort, CFA** **Mike Bostler**
Brian King **Joe Carter, CPFA** **Paul Murray, CPFA**
Chris Kuhn, CFA, CAIA **John McCann, CIMA** **Peter Brown**
Christiaan Brokaw, CFA **John Mellinger** **Tim Nash**
Dave West, CFA **John Thinnis, CFA, CAIA** **Tim Walters**
Doug Anderson **Jon Breth, CFP** **Tony Kay**
Gwelda Swilley **Justin Lauver, Esq.** **Trevor Jackson**
Ian Jones **Kerry Richardville, CFA** **Tyler Grumbles, CFA, CIPM**

CLIENT SOLUTIONS

Donna Sullivan **Donnell Lehrer** **Mary Ann Johnson**
Albert Sauerland **Grace Niebrzydowski** **Meghan Haines**
Amy Foster **Jeff Pruniski** **Misha Bell**
Annie Lopez **John Rodak, CIPM** **Rosemarie Kieskowski**
Brooke Wilson, CIPM **Junyan Peng** **Yoon Lee-Choi**
David Gough, CPFA **Kim Hummel**

RESEARCH

Austin Brewer, CFA
Public Fixed Income

Ben Baldridge, CFA, CAIA
Private & Hedged Fixed Income

David Julier
Real Estate & Real Assets

Elizabeth Wolfe
Capital Markets & Asset Allocation

Evan Scussel, CFA, CAIA
Private & Public Equity

Jeffrey Karansky
Public Equity

Jeremy Fisch
Public Multi Assets & Fixed Income

Joseph Ivaszuk
Operational Due Diligence

Josue Christiansen, CIPM
Public Equity

Julie Baker, CFA
Private & Hedged Equity

Justin Ellsesser, CFA, CAIA
Private Equity

Kadmiel Onodje, CAIA
Hedged & Public Multi Assets

Kai Petersen, CFA
Asset Liability & Capital Markets

Kevin Laake, CFA
Private Equity

Matthew Ogren
Public Fixed Income

Philip Schmitt, CIMA
Fixed Income & Capital Markets

Rob Mills, CAIA
Real Estate & Real Assets

Tim Kominarek, CAIA
Private Equity & Infrastructure

Zac Chichinski, CFA, CIPM
Public Equity

Updated as of 01/13/20



89
EMPLOYEES

33 ADVANCED
DEGREES

21 CFA

8 CAIA

5 CIPM

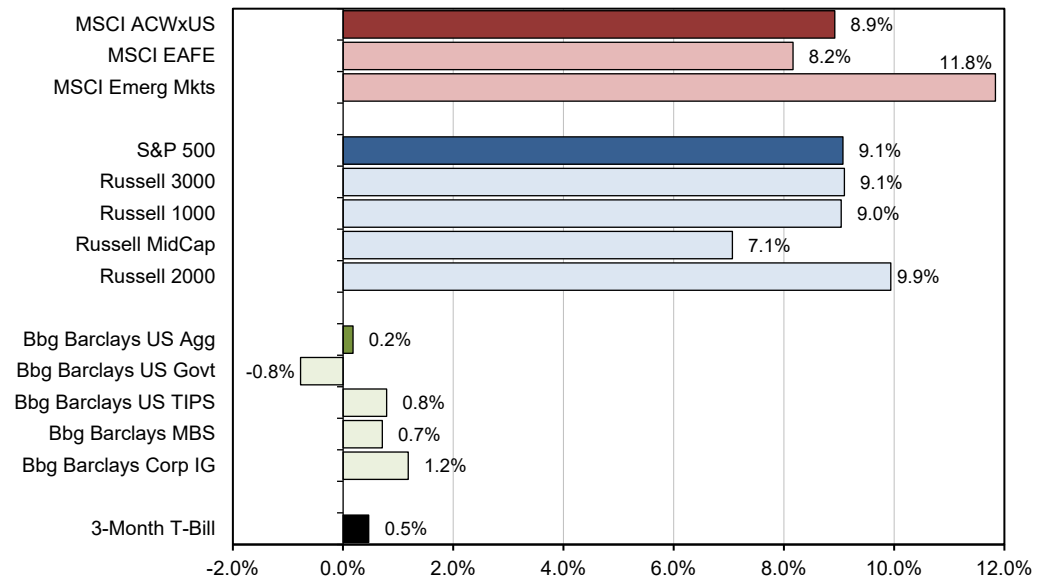


4th Quarter 2019 Market Environment

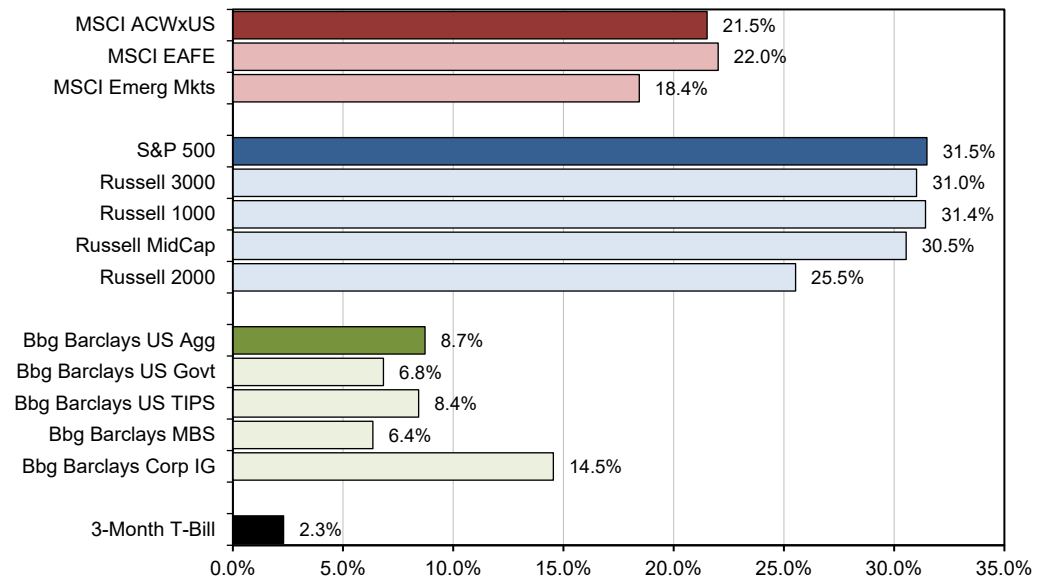


- Broad asset class returns were positive during the 4th quarter of 2019 with the exception of the US Gov't bond index. Both US and international equity markets benefited from positive developments concerning trade disruptions. Generally, the dispersion between US and international developed equities was muted during the quarter. Emerging markets significantly outperformed as previously noted trade tensions between the US and China eased. Monetary policy remained supportive with the Federal Reserve (Fed) cutting rates once during the period in addition to providing liquidity to the market through security purchases which acted as a catalyst to risk assets. Within domestic equity markets, the performance dispersion between large cap and small cap stocks reversed during the quarter with the S&P 500 Index returning 9.1% versus a return of 9.9% for the small cap Russell 2000 Index. 2019 performance of US equity markets was the highest since 2013 with large and mid-cap stocks returning 31.5% and 30.5%, respectively, while small cap stocks posted a return of 25.5%.
- International equity market returns were strong during the 4th quarter. Similar to US markets, international performance was impacted by continued monetary policy relief from the Bank of Japan and the European Central Bank, positive developments around global trade, and likely resolution on Brexit. International returns were also buoyed by a weakening US dollar (USD) which declined against most major currencies during the period. Emerging markets outperformed relative to developed markets during the period with the MSCI Emerging Markets Index posting a gain of 11.8% compared to a return of 8.2% for the MSCI EAFE Index. Both developed and emerging markets posted strong returns over the 1-year period, returning 22.0% and 18.4% respectively.
- Fixed income index performance was muted during the 4th quarter. The broad market Bloomberg Barclays Aggregate Index managed to gain 0.2% as investors favored equities and interest rates were generally flat during the quarter as concerns over an imminent US recession eased. Investment grade corporate bonds delivered solid performance for the 4th quarter returning 1.2%, which outperformed Treasury and securitized issues. Corporate bonds benefitted from the same increased investor risk appetite that fueled equity returns during the quarter. Overall, the bond market delivered strong trailing 1-year returns with the Bloomberg Barclays Aggregate posting a return of 8.7%.

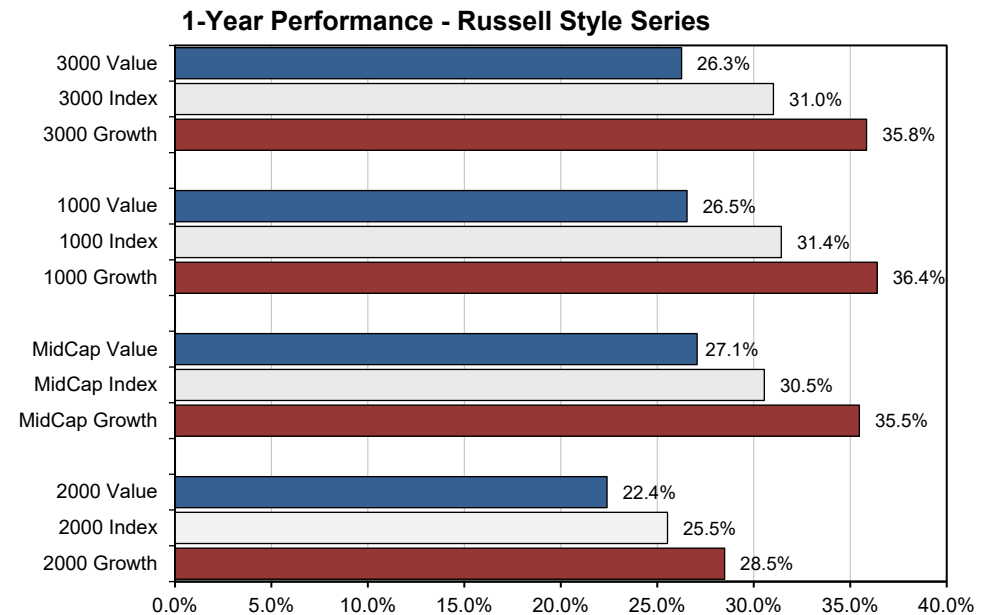
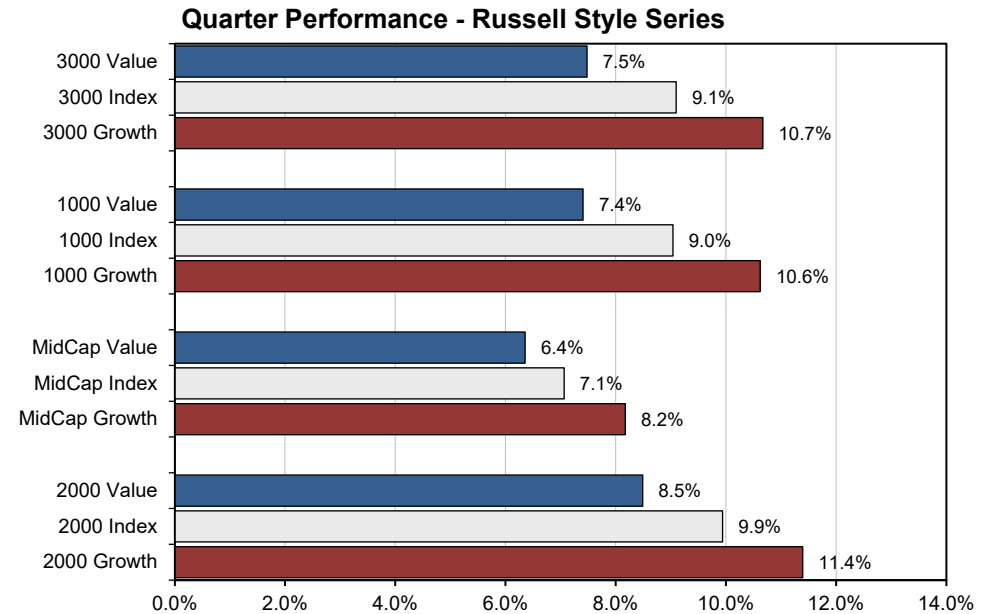
Quarter Performance



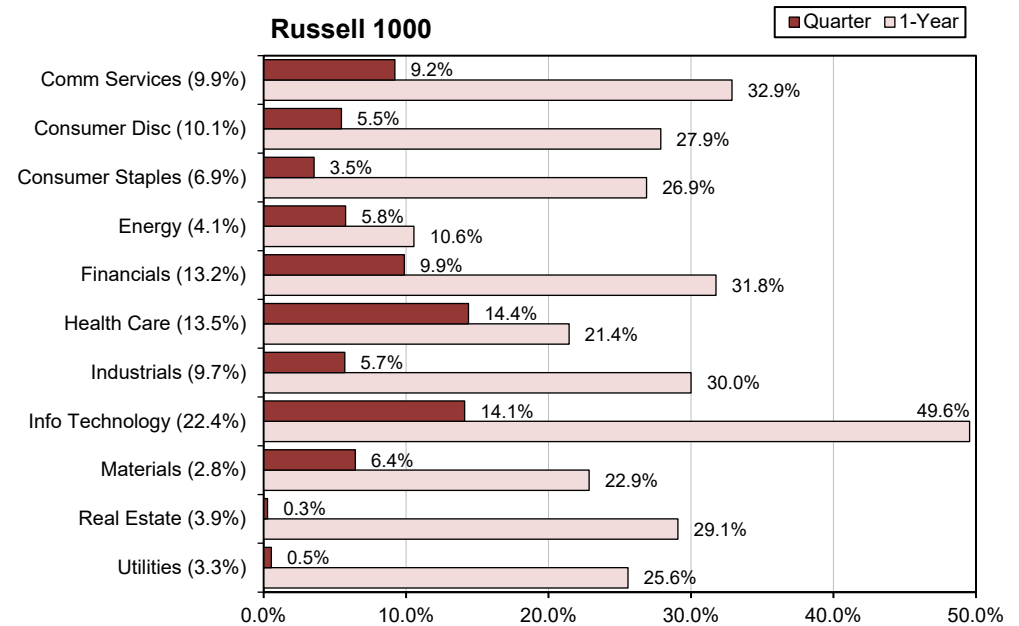
1-Year Performance



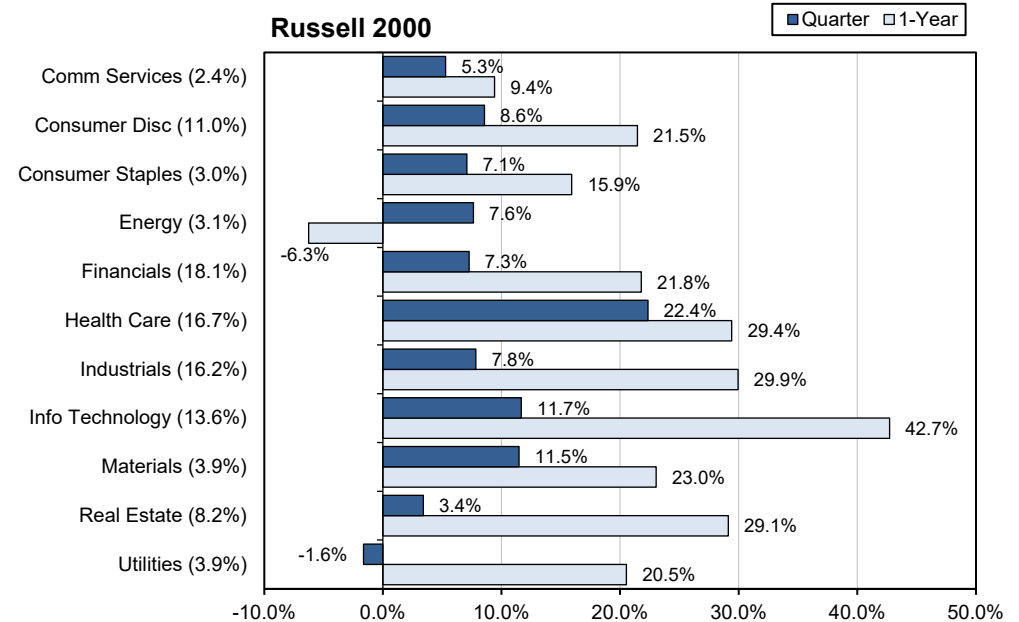
- Against the largely positive global economic backdrop detailed on the previous page, the US equity market delivered strong gains across the capitalization and style spectrum for the 4th quarter of 2019. Growth stocks outperformed value stocks for the full capitalization range during the period. Further, as is often the case during periods of strong “risk-on” performance, small cap growth stocks outpaced large cap growth stocks due primarily to an expectation that smaller companies have accelerated earnings growth relative to large companies.
- The Russell 2000 Growth Index was the best performing style index for the period, returning 11.4%, while large cap and mid-cap growth returned a solid 10.6% and 8.2% respectively. The outperformance of small cap stocks across the style spectrum for the period represented a reversal from previous quarters. The small cap Russell 2000 Index gained 9.9% during the period versus a 9.0% return for the large cap Russell 1000 Index.
- When viewed over the most recent 1-year period, large cap stocks significantly outperformed small cap stocks with the Russell 1000 posting a strong 31.4% gain while the Russell 2000 delivered a solid 25.5% return. Unsurprisingly, given the recent strong market environment, value stocks also trailed their growth counterparts over the trailing 1-year period. The technology-heavy Russell 1000 Growth Index was the best performing index over the 1-year period delivering a stellar 36.5% return compared to a return of 26.5% for the Russell 1000 Value Index



- Performance was positive across all eleven large cap economic sectors for the 4th quarter but four outpaced the return of the broader Russell 1000 Index. The more economically sensitive sectors, such as technology, financials and communication services posted returns of 14.1%, 9.9% and 9.2%, respectively, as investors' expectations of future economic growth improved. Health care stocks rallied as the cost and drug pricing rhetoric from Democratic Presidential candidates softened. Technology was also a leader with stocks such as Apple experiencing strong holiday sales and Microsoft making a strong earnings announcement. Not surprisingly, defensive sectors such as consumer staples, industrials and energy underperformed the broader market during the period. All eleven economic sectors were also positive over the 1-year trailing period with each sector posting a return in excess of 20% for the year. Similar to the quarter's results, economically sensitive sectors outpaced defensive ones by a considerable margin. The technology sector was 2019's standout performer, posting an impressive 49.6% for the year. The sector was buoyed by Apple's 89.0% return and Microsoft's 57.6% return for the year. The financial sector, which returned 31.8% for the year, also experienced strong earnings as recessionary fears subsided and the US yield curve moved toward a more normal, positively slope. The only other economic sector to outperform the broader Russell 1000 index return of 31.4% for the 1-year period was the communication services sector, which posted a return of 32.9% for the year.



- Quarterly results for small cap sectors were mixed compared to their large cap counterparts with seven of the eleven economic sectors outpacing their corresponding large cap equivalents. Ten of the eleven small cap sectors produced positive absolute returns during the quarter, but similar to large cap performance, only three sectors managed to outpace the broad Russell 2000 Index. Economically sensitive sectors were also the strongest performers in the small cap space as investors expressed an appetite for risk. The health care sector was the quarter's standout, posting a return of 22.4% for the quarter. The technology and materials sectors also posted double-digit performance for the period with returns of 11.7% and 11.5% respectively. While not a significant weight in the index, the utilities, which are considered defensive, was the only negative sector, posting a loss of -1.6%. Over the trailing 1-year period, returns were broadly positive with only the highly cyclical energy sector, largely tied to oil prices, producing negative performance with a return of -6.3%. Similar to large cap performance, technology led the way with the sector returning a stellar 42.7% for the year. Returns were also impressive in the industrials, health care and real estate sectors, which posted gains of 29.9%, 29.4% and 29.1%, respectively, and finished ahead of the Russell 2000 index return of 25.5% for the year.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2019

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	4.40%	31.5%	89.0%	Information Technology
Microsoft Corp	4.02%	13.8%	57.6%	Information Technology
Amazon.com Inc	2.57%	6.4%	23.0%	Consumer Discretionary
Facebook Inc A	1.65%	15.3%	56.6%	Communication Services
Berkshire Hathaway Inc B	1.49%	8.9%	10.9%	Financials
JPMorgan Chase & Co	1.46%	19.4%	47.3%	Financials
Alphabet Inc A	1.35%	9.7%	28.2%	Communication Services
Alphabet Inc Class C	1.35%	9.7%	29.1%	Communication Services
Johnson & Johnson	1.31%	13.5%	16.2%	Health Care
Visa Inc Class A	1.08%	9.4%	43.3%	Information Technology

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Tesla Inc	0.20%	73.7%	25.7%	Consumer Discretionary
Sarepta Therapeutics Inc	0.03%	71.3%	18.2%	Health Care
Ubiquiti Inc	0.01%	60.1%	91.6%	Information Technology
Advanced Micro Devices Inc	0.16%	58.2%	148.4%	Information Technology
Qorvo Inc	0.05%	56.8%	91.4%	Information Technology
Zillow Group Inc A	0.01%	54.8%	45.5%	Communication Services
Align Technology Inc	0.07%	54.2%	33.2%	Health Care
Zillow Group Inc C	0.02%	54.1%	45.5%	Communication Services
Transocean Ltd	0.01%	53.9%	-0.9%	Energy
Skyworks Solutions Inc	0.07%	53.2%	84.1%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Beyond Meat Inc	0.01%	-49.1%	N/A	Consumer Staples
Sage Therapeutics Inc	0.01%	-48.5%	-24.6%	Health Care
Chesapeake Energy Corp	0.00%	-41.4%	-60.7%	Energy
ServiceMaster Global Holdings Inc	0.02%	-30.8%	5.2%	Consumer Discretionary
Twitter Inc	0.08%	-22.2%	11.5%	Communication Services
Taubman Centers Inc	0.01%	-22.1%	-27.0%	Real Estate
Elastic NV	0.01%	-21.9%	-10.0%	Information Technology
Etsy Inc	0.02%	-21.6%	-6.9%	Consumer Discretionary
Sinclair Broadcast Group Inc	0.01%	-21.5%	29.0%	Communication Services
Ventas Inc	0.07%	-19.9%	3.4%	Real Estate

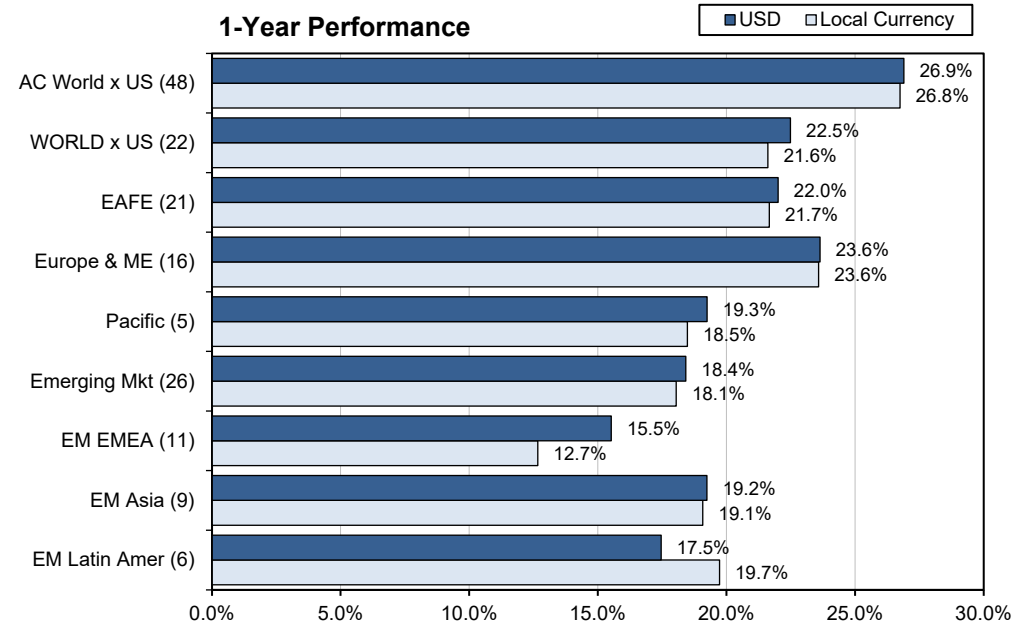
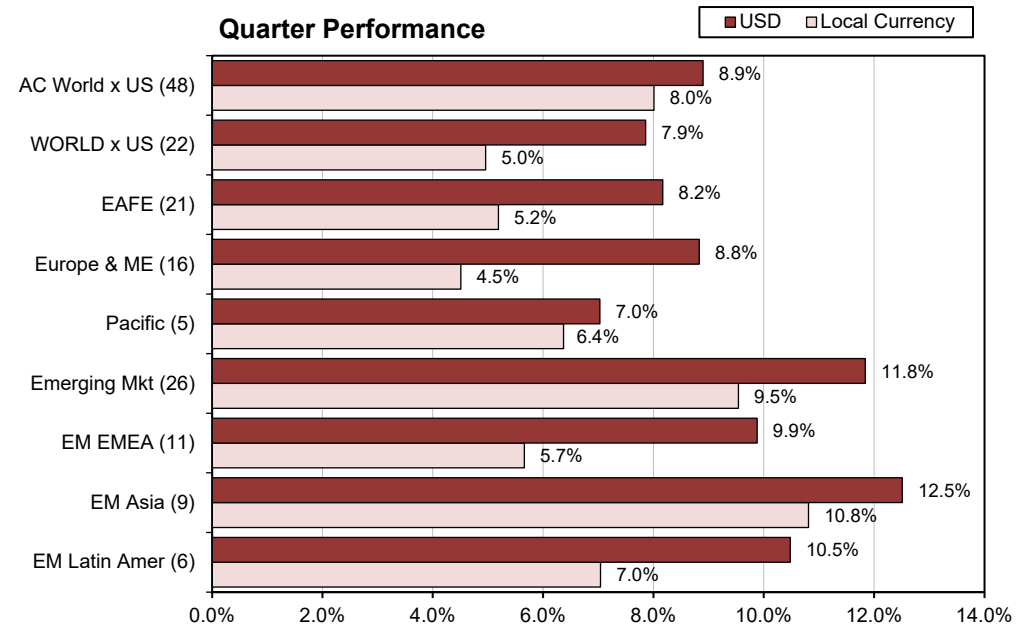
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
NovoCure Ltd	0.35%	12.7%	151.7%	Health Care
The Medicines Co	0.30%	69.9%	343.8%	Health Care
Generac Holdings Inc	0.29%	28.4%	102.4%	Industrials
Lumentum Holdings Inc	0.29%	48.1%	88.8%	Information Technology
Teladoc Health Inc	0.29%	23.6%	68.9%	Health Care
Arrowhead Pharmaceuticals Inc	0.28%	125.1%	410.7%	Health Care
Haemonetics Corp	0.28%	-8.9%	14.8%	Health Care
Marriott Vacations Worldwide Corp	0.25%	24.8%	85.9%	Consumer Discretionary
Performance Food Group Co	0.25%	11.9%	59.5%	Consumer Staples
Trex Co Inc	0.25%	-1.2%	51.4%	Industrials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Constellation Pharmaceuticals Inc	0.03%	629.3%	1074.8%	Health Care
Forty Seven Inc	0.04%	513.2%	150.4%	Health Care
ChemoCentryx Inc	0.08%	483.3%	262.5%	Health Care
Axsome Therapeutics Inc	0.12%	410.7%	3565.2%	Health Care
Kodiak Sciences Inc	0.08%	400.3%	913.4%	Health Care
Karuna Therapeutics Inc	0.02%	361.6%	N/A	Health Care
Intra-Cellular Therapies Inc	0.07%	359.3%	201.2%	Health Care
Synthorx Inc	0.03%	329.6%	302.1%	Health Care
Mersana Therapeutics Inc	0.01%	262.7%	40.4%	Health Care
VBI Vaccines Inc	0.01%	192.9%	-13.8%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
resTORbio Inc	0.00%	-83.1%	-82.7%	Health Care
TransEnterix Inc	0.00%	-81.8%	-95.0%	Health Care
Unit Corp	0.00%	-79.4%	-95.1%	Energy
Cyclerion Therapeutics Inc Ord Shrs	0.00%	-77.6%	N/A	Health Care
Waitr Holdings Inc Class A	0.00%	-74.9%	-97.1%	Consumer Discretionary
Intelsat SA	0.02%	-69.2%	-67.1%	Communication Services
Contura Energy Inc	0.01%	-67.6%	-86.2%	Energy
McDermott International Inc	0.01%	-66.5%	-89.7%	Energy
Pareteum Corp	0.00%	-66.1%	-74.1%	Communication Services
Exela Technologies Inc	0.00%	-65.4%	-89.5%	Information Technology



- Broad international equity returns were positive in both local currency and USD terms for the 4th quarter as investors benefited from a broad “risk-on” environment. US investors also benefited as the USD weakened relative to most major developed and emerging market currencies during the period. Within the broader currency moves that boosted USD return, the British pound and the Euro appreciated relative to the USD during the quarter which acted as a headwind to holdings in those sub-markets. However, the macro impact of the USD weakness for the period was positive for US investors for the broad market international indexes. The MSCI EAFE and ACWI ex US Indexes returned 8.2% and 7.9% respectively for the quarter. Similar to US markets, international equity markets were buoyed by loose central bank monetary policies which supplied the markets with liquidity. Christine Lagarde assumed the presidency of the European Central Bank (ECB) and announced that interest rates would remain negative at -0.5% while the Bank of Japan’s key rate also remains in negative territory at -0.1%. The People’s Bank of China announced during the quarter that it would continue with its prudent monetary policy with the goal of providing stimulus measures as needed.
- As previously noted, results for developed market indexes were strongly positive for the 4th quarter. European stocks moved higher on expectations of a trade resolution between China and the US. In the UK, Prime Minister Boris Johnson received a resounding mandate in recent elections resulting in a large majority in Parliament. The results make it highly likely that the UK will leave the European Union. The decrease in Brexit uncertainty led the British pound to rally against most major currencies. In contrast, the economy in Hong Kong fell into recession as continued political protests and the Chinese government’s response detracted from growth. While not as strong as US equity market returns, each of the broad, developed market benchmarks posted returns in excess of 20% for the trailing 1-year period.
- For the 4th quarter, emerging markets reversed the recent trend and managed to outperform developed international markets. The MSCI Emerging Markets Index returned a strong USD return of 11.8%. As previously noted, the prospect of reduced trade tensions between the US and China stoked returns in emerging markets. As a result, countries with greater sensitivities to commodity prices and global trade activity performed well during the period. As evidence, Russia and Brazil, both large energy exporters, returned 16.6% and 15.6%, respectively, during the quarter. For the full year, emerging markets delivered strong returns in both local currency and USD terms. The MSCI Emerging Markets Index climbed 18.4% in local currency and 18.1% in USD terms. The narrow performance differential between local currency and USD emerging market returns is also observable across each of the international benchmarks for the 1-year period as the year’s currency volatility largely balanced out.



The Market Environment
US Dollar International Index Attribution & Country Detail
As of December 31, 2019

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.2%	4.8%	12.7%
Consumer Discretionary	11.6%	9.4%	24.8%
Consumer Staples	11.3%	1.9%	18.9%
Energy	4.9%	3.8%	7.6%
Financials	18.6%	8.4%	17.7%
Health Care	12.2%	12.4%	30.7%
Industrials	15.0%	10.0%	26.2%
Information Technology	7.1%	12.6%	37.7%
Materials	7.1%	10.5%	22.9%
Real Estate	3.5%	4.2%	14.8%
Utilities	3.7%	5.3%	19.2%
Total	100.0%	8.2%	22.0%

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.7%	7.0%	12.1%
Consumer Discretionary	11.8%	11.4%	27.7%
Consumer Staples	9.4%	1.9%	17.5%
Energy	6.5%	6.5%	14.8%
Financials	21.4%	8.1%	17.2%
Health Care	8.9%	12.5%	27.7%
Industrials	11.9%	9.6%	24.0%
Information Technology	9.4%	15.5%	40.7%
Materials	7.4%	10.8%	18.6%
Real Estate	3.2%	7.3%	17.1%
Utilities	3.4%	4.8%	17.4%
Total	100.0%	8.9%	26.9%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	11.0%	9.8%	11.2%
Consumer Discretionary	14.2%	16.7%	35.1%
Consumer Staples	6.3%	2.6%	10.7%
Energy	7.4%	9.8%	19.8%
Financials	24.2%	9.8%	12.6%
Health Care	2.8%	14.7%	3.7%
Industrials	5.3%	7.8%	7.1%
Information Technology	15.7%	18.9%	41.6%
Materials	7.4%	12.3%	5.9%
Real Estate	3.0%	17.6%	23.9%
Utilities	2.6%	4.3%	7.9%
Total	100.0%	11.8%	18.4%

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	24.5%	16.1%	7.6%	19.6%
United Kingdom	16.5%	10.8%	10.0%	21.1%
France	11.4%	7.5%	8.5%	25.7%
Switzerland	9.3%	6.1%	7.6%	32.3%
Germany	8.7%	5.7%	9.9%	20.8%
Australia	6.8%	4.5%	4.3%	22.9%
Netherlands	4.0%	2.6%	7.4%	32.1%
Hong Kong	3.5%	2.3%	7.3%	10.3%
Spain	2.8%	1.9%	6.0%	12.0%
Sweden	2.7%	1.8%	13.1%	21.2%
Italy	2.3%	1.5%	8.1%	27.3%
Denmark	1.8%	1.2%	13.1%	28.2%
Singapore	1.3%	0.8%	7.4%	15.0%
Belgium	1.0%	0.7%	-1.1%	20.3%
Finland	0.9%	0.6%	3.0%	9.5%
Norway	0.6%	0.4%	4.3%	10.4%
Ireland	0.6%	0.4%	18.5%	37.5%
Israel	0.6%	0.4%	7.2%	9.6%
New Zealand	0.3%	0.2%	17.4%	38.2%
Austria	0.2%	0.2%	8.0%	14.5%
Portugal	0.2%	0.1%	8.7%	23.7%
Total EAFE Countries	100.0%	65.8%	8.2%	22.0%
Canada		6.7%	4.9%	27.5%
Total Developed Countries		72.5%	7.9%	22.5%
China		9.4%	14.7%	23.5%
Korea		3.2%	13.4%	12.5%
Taiwan		3.2%	17.9%	36.4%
India		2.4%	5.3%	7.6%
Brazil		2.1%	14.2%	26.3%
South Africa		1.3%	13.1%	10.0%
Russia		1.1%	16.8%	50.9%
Saudi Arabia		0.7%	2.7%	7.2%
Thailand		0.7%	-0.9%	9.5%
Mexico		0.6%	6.2%	11.4%
Indonesia		0.5%	7.0%	9.1%
Malaysia		0.5%	3.1%	-2.0%
Philippines		0.3%	2.9%	10.5%
Qatar		0.3%	2.2%	-1.0%
Poland		0.2%	4.1%	-5.9%
Chile		0.2%	-8.8%	-16.9%
United Arab Emirates		0.2%	-1.5%	4.0%
Turkey		0.1%	-0.1%	11.1%
Colombia		0.1%	14.4%	30.8%
Peru		0.1%	6.0%	4.8%
Greece		0.1%	12.7%	43.2%
Hungary		0.1%	22.2%	19.4%
Argentina		0.0%	15.4%	-20.8%
Czech Republic		0.0%	8.9%	4.2%
Egypt		0.0%	5.6%	41.8%
Pakistan		0.0%	26.5%	9.7%
Total Emerging Countries		27.5%	11.8%	18.4%
Total ACWIXUS Countries		100.0%	8.9%	26.9%

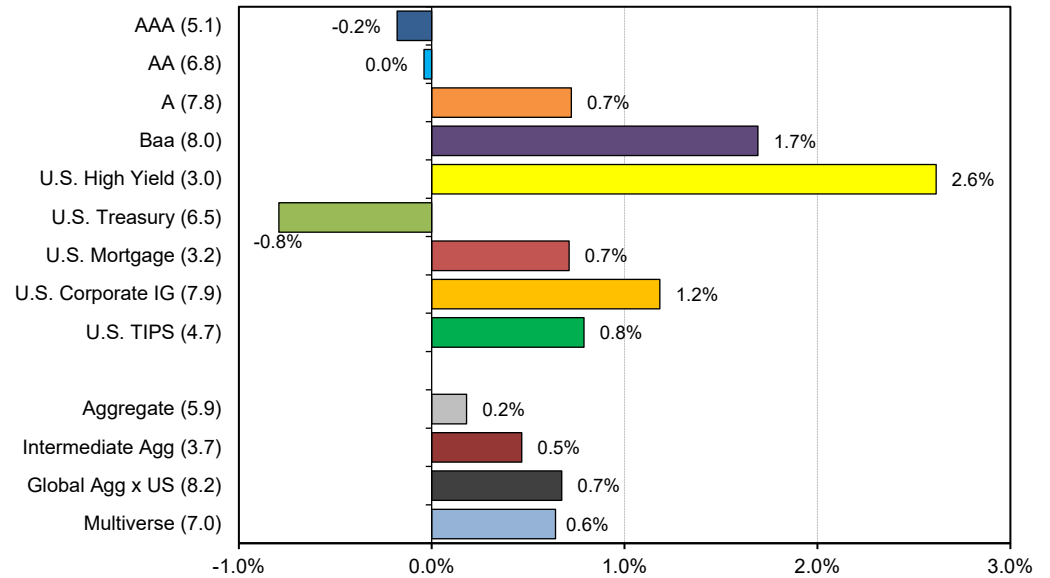
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

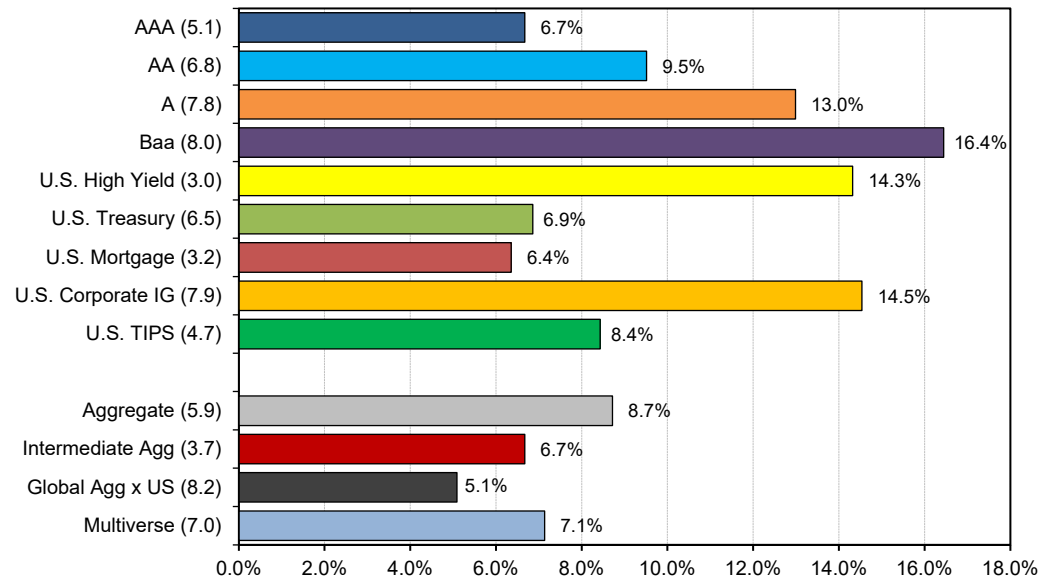


- Fixed income markets extended their gains in the 4th quarter, except for US Treasury bonds which declined during the period. Interest rates rose modestly across the US Treasury Yield Curve through the quarter as investors' confidence generally improved which resulted in bond prices falling. The Fed continued to provide liquidity by cutting short-term interest rates by 25 basis points to between 1.50% and 1.75% in October. The Fed began expanding its balance sheet by purchasing securities to provide the market with liquidity which is another form of monetary easing. The Fed made no changes to monetary policy at their December meeting and signaled that they would remain on hold but would continue to monitor the economy closely for any further deterioration. Importantly, the US Treasury Yield Curve normalized between the 2-year and 10-year issues which suggests that the threat of an imminent recession has been reduced. An inverted yield curve has historically preceded a recession within the next 6-24 months. The bellwether Bloomberg Barclays US Aggregate Index added 0.2% during the 4th quarter while returning 8.7% for the 1-year period ending in December.
- Within investment grade credit, lower quality issues resumed their outperformance over higher quality issues as investors' appetites for risk increased during the quarter. Bonds rated Baa were the best performing investment grade credit quality segment returning 1.7% for the quarter, while AAA was the worst performing, returning -0.2%. High yield corporate bonds outpaced all other credit sectors during the quarter returning 2.6%. For the full year both investment grade and high yield bonds delivered strong performance returning 14.5% and 14.3% respectively.
- Performance across defensive sectors such as US Treasury bonds, mortgage backed securities and TIPS were mixed during the quarter mostly due to their duration profiles. Rising interest rates during the quarter acted as a headwind to performance. As a result, US Treasury bonds, mortgage bonds and TIPS returned -0.8%, 0.7% and 0.8% respectively. Overall, fears of rising inflation remain relatively low while expectations for a positive economic environment remain strong. As a result, for the full 1-year period, US Treasury, mortgages and TIPS returned 6.9%, 6.4% and 8.4% respectively, trailing all corporate credit sectors significantly over the full year.

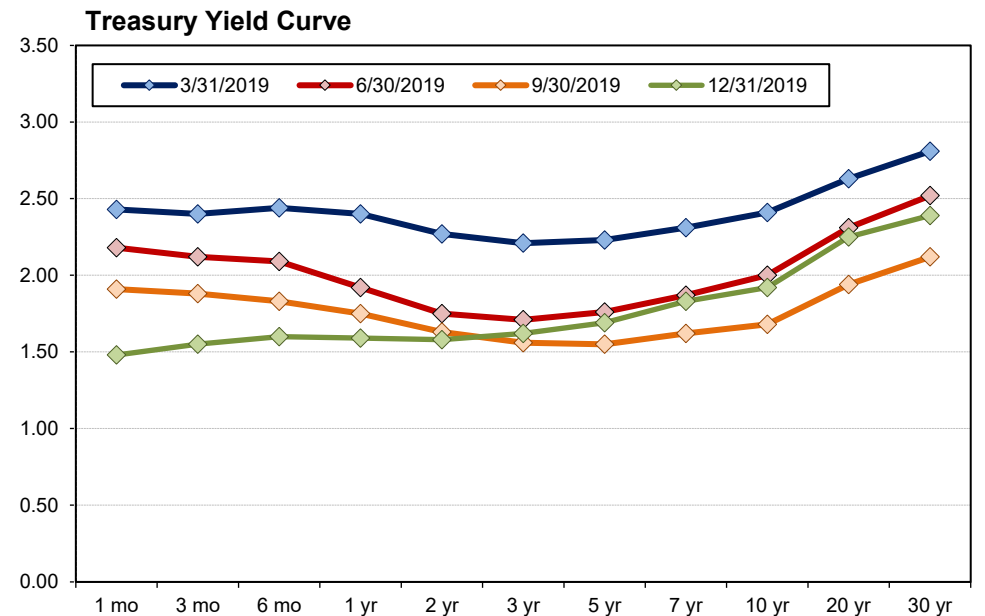
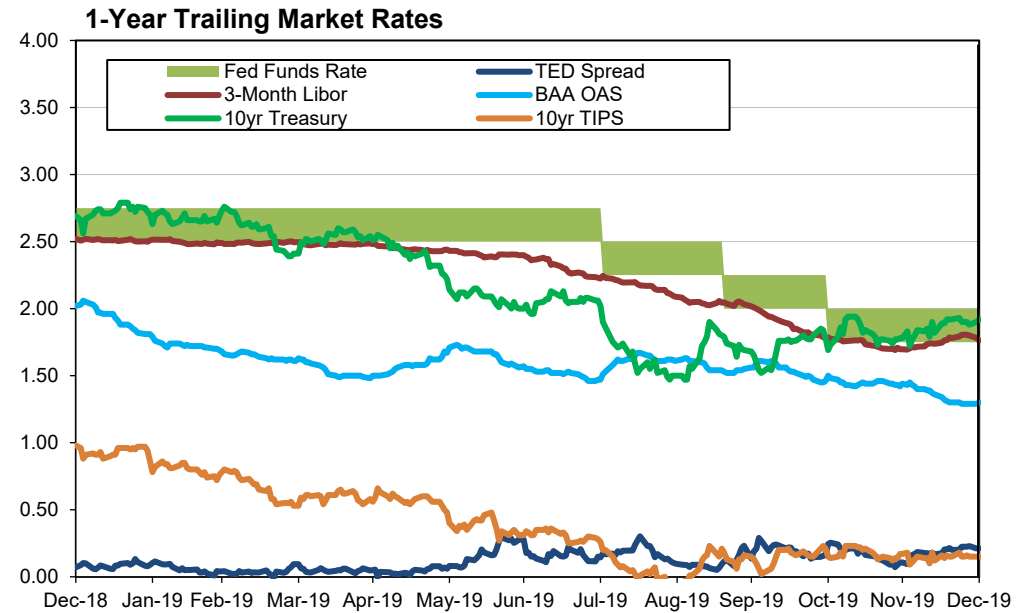
Quarter Performance



1-Year Performance

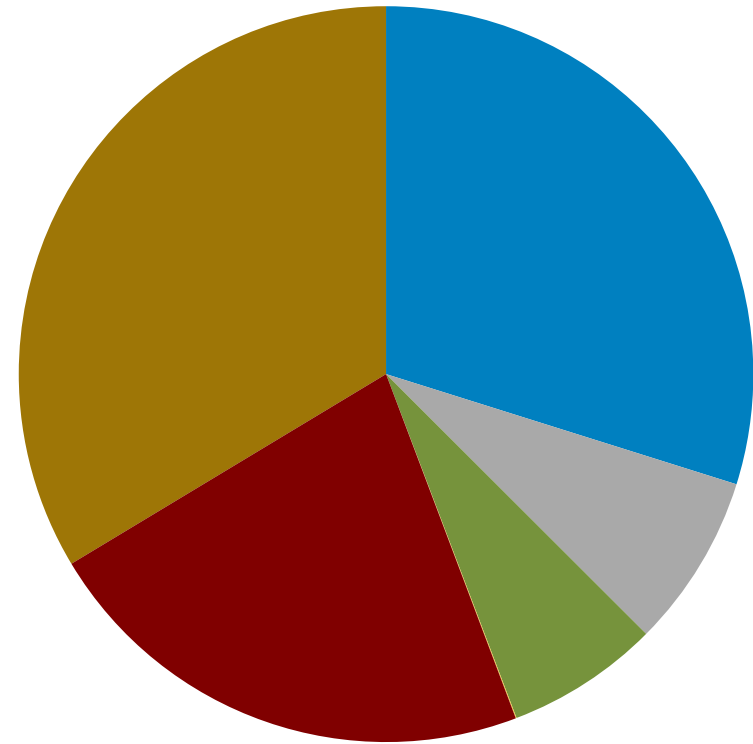
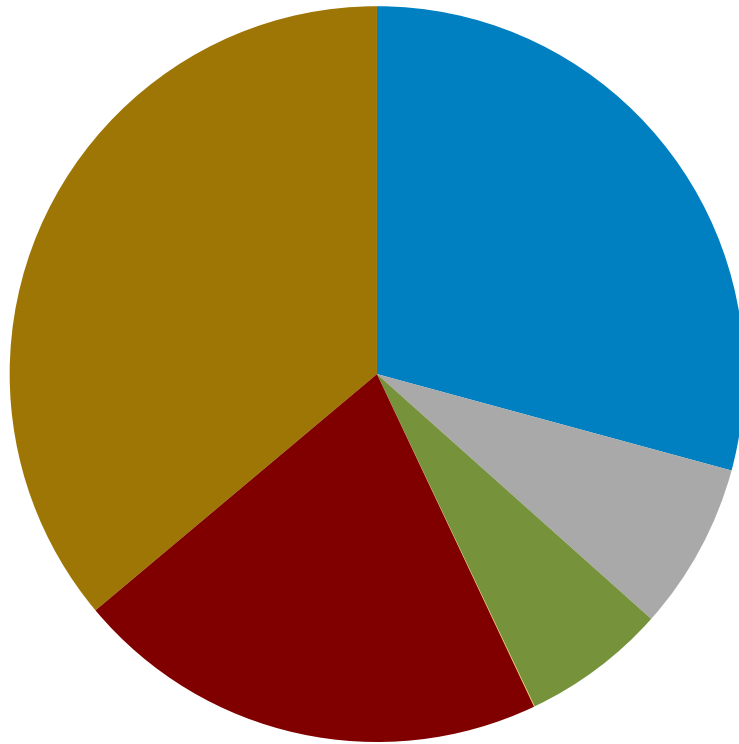


- Global fixed income returns were positive during the 4th quarter. Generally, global central bank monetary policy remains supportive as low economic growth persists in much of the world outside of the US. As a result, negative interest rates persist in much of Europe and Japan. However, the number of bonds with negative yields declined in recent months as future expectations for economic growth improved. As mentioned previously, we saw currency volatility increase during the quarter with the USD moving lower against most major developed and emerging market currencies. The depreciation of the USD acted as a catalyst for US investors compared to local investors. Global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, returned was 0.7% during the quarter which outperformed US bonds represented by the Bloomberg Barclays Aggregate Index. For the full 1-year period, global bonds underperformed domestic bonds 5.1% versus 8.7% respectively.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that over the last year, the 10-year Treasury yield (green line) fell from highs near 2.8%, to yields below 1.5% before ending the quarter at 1.92%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates the continued decline from nearly 2.5% in the 1st quarter of 2019 to less than 1.6% in 4th quarter as investors sought out higher yielding assets and concerns regarding trade and the potential for a recession in the US declined. Spreads tightened by about 24 basis points during the quarter. Spread tightening is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. The green band across the graph illustrates the decrease in the Federal Funds Rate due to the recent easing in US monetary policy. The Fed cut the Fed Funds Rate three times during the year on fears that economic growth was decelerating.
- The lower graph provides a snapshot of the US Treasury Yield Curve at the end of each of the last four calendar quarters. Interest rates were broadly lower over the full year as the Fed cut interest rates and expectations of future economic growth declined. During the year, the US Treasury curve was inverted between 2-year and 10-year rates. After multiple rate cuts, the curve finished the year with a more normalized shape with the long end of the curve higher than the short end.



September 30, 2019 : \$52,910,343

December 31, 2019 : \$55,804,305



Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	15,459,934	29.2
International Equity	3,897,341	7.4
Domestic Fixed Income	3,362,068	6.4
Cash Equivalent	17,318	0.0
Target Date Funds	11,073,326	20.9
Fixed Account	19,100,357	36.1

Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	16,651,968	29.8
International Equity	4,261,867	7.6
Domestic Fixed Income	3,762,162	6.7
Cash Equivalent	21,529	0.0
Target Date Funds	12,345,871	22.1
Fixed Account	18,760,909	33.6

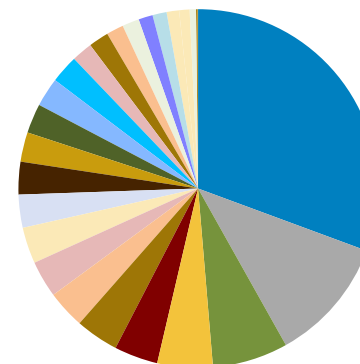
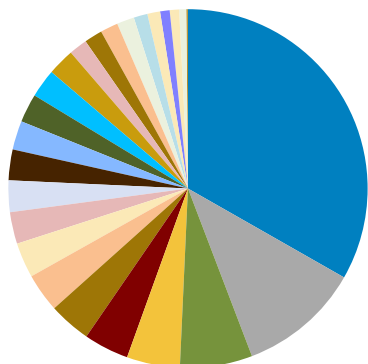


**Asset Allocation by Fund
Total Fund**

As of December 31, 2019

September 30, 2019 : \$52,910,343

December 31, 2019 : \$55,804,305

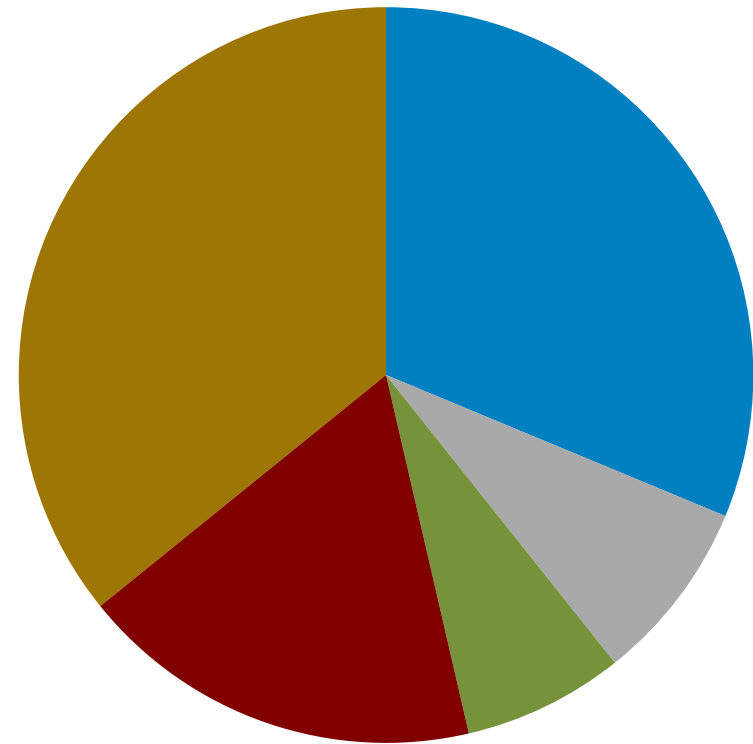
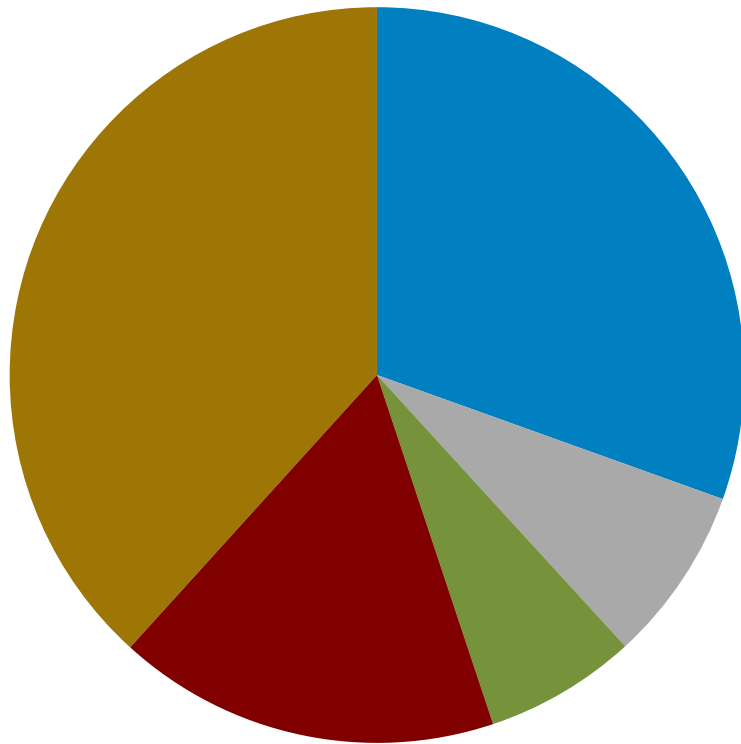


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Nationwide Fixed Account	17,594,416	33.3	Nationwide Fixed Account	17,099,118	30.6
MFS Growth R4 (MFEJX)	5,795,078	11.0	MFS Growth R4 (MFEJX)	6,271,033	11.2
Vanguard 500 Index (VFIAX)	3,446,395	6.5	Vanguard 500 Index (VFIAX)	3,792,490	6.8
American Funds Europacific Growth R4 (REREX)	2,531,297	4.8	American Funds Europacific Growth R4 (REREX)	2,782,961	5.0
DFA US Large Cap Value (DFLVX)	2,148,660	4.1	DFA US Large Cap Value (DFLVX)	2,193,458	3.9
American Funds 2030 Target Date (RDETXX)	2,010,443	3.8	American Funds 2030 Target Date (RDETXX)	2,168,337	3.9
Western Asset Core Plus Bond Fund (WACPXX)	1,849,151	3.5	Western Asset Core Plus Bond Fund (WACPXX)	1,914,477	3.4
American Funds 2025 Target Date (RDDTXX)	1,677,333	3.2	Vanguard Total Bond Index (VBTLXX)	1,847,685	3.3
Vanguard Total Bond Index (VBTLXX)	1,512,916	2.9	American Funds 2025 Target Date (RDDTXX)	1,822,767	3.3
Total Fixed Assets	1,505,941	2.8	Total Fixed Assets	1,661,790	3.0
American Funds 2040 Target Date (RDGTXX)	1,463,986	2.8	American Funds 2040 Target Date (RDGTXX)	1,639,067	2.9
Vanguard Mid Cap Index (VIMAX)	1,379,311	2.6	American Funds 2045 Target Date (RDHTXX)	1,486,568	2.7
Vanguard Total Intl Stock Index (VTIAX)	1,366,044	2.6	Vanguard Total Intl Stock Index (VTIAX)	1,478,906	2.7
American Funds 2035 Target Date (RDFTXX)	1,359,717	2.6	Vanguard Mid Cap Index (VIMAX)	1,462,389	2.6
American Funds 2045 Target Date (RDHTXX)	1,287,931	2.4	American Funds 2035 Target Date (RDFTXX)	1,415,248	2.5
Touchstone Mid Cap Growth Y (TEGYXX)	870,766	1.6	Touchstone Mid Cap Growth Y (TEGYXX)	1,048,988	1.9
American Funds 2050 Target Date (RDITXX)	859,832	1.6	American Funds 2050 Target Date (RDITXX)	1,006,361	1.8
American Funds 2010 Target Date (RDATXX)	842,390	1.6	American Funds 2010 Target Date (RDATXX)	864,042	1.5
Vanguard Small Cap Index (VSMAX)	824,953	1.6	Vanguard Small Cap Index (VSMAX)	854,182	1.5
Goldman Sachs Small Cap Growth Insights Instl (GSIOXX)	656,547	1.2	American Funds 2020 Target Date (RDCTXX)	712,594	1.3
American Funds 2015 Target Date (RDBTXX)	608,881	1.2	Goldman Sachs Small Cap Growth Insights Instl (GSIOXX)	707,563	1.3
American Funds 2020 Target Date (RDCTXX)	454,958	0.9	American Funds 2015 Target Date (RDBTXX)	631,354	1.1
American Funds 2055 Target Date (RDJTXX)	444,120	0.8	American Funds 2055 Target Date (RDJTXX)	517,744	0.9
American Beacon Small Cap Value Y (ABSYYX)	338,224	0.6	American Beacon Small Cap Value Y (ABSYYX)	321,864	0.6
American Funds 2060 Target Date (RDKTXX)	63,737	0.1	American Funds 2060 Target Date (RDKTXX)	81,789	0.1
Nationwide Government Money Fund (GMIXXX)	15,299	0.0	Nationwide Government Money Fund (GMIXXX)	18,734	0.0
Total Vanguard Treasury Money Market Fund (VUSXX)	2,019	0.0	Total Vanguard Treasury Money Market Fund (VUSXX)	2,795	0.0



September 30, 2019 : \$49,912,562

December 31, 2019 : \$52,393,393



Asset Allocation by Segment

Segments	Market Value	Allocation
■ Domestic Equity	15,209,401	30.5
■ International Equity	3,853,756	7.7
■ Domestic Fixed Income	3,339,157	6.7
■ Target Date Funds	8,409,891	16.8
■ Fixed Account	19,100,357	38.3

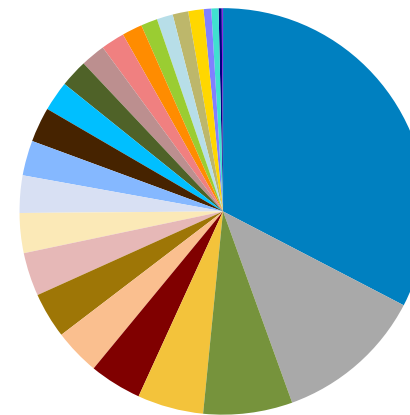
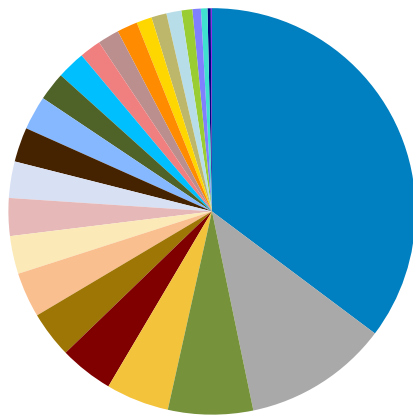
Asset Allocation by Segment

Segments	Market Value	Allocation
■ Domestic Equity	16,378,641	31.3
■ International Equity	4,210,246	8.0
■ Domestic Fixed Income	3,713,476	7.1
■ Target Date Funds	9,330,121	17.8
■ Fixed Account	18,760,909	35.8



September 30, 2019 : \$49,912,562

December 31, 2019 : \$52,393,393

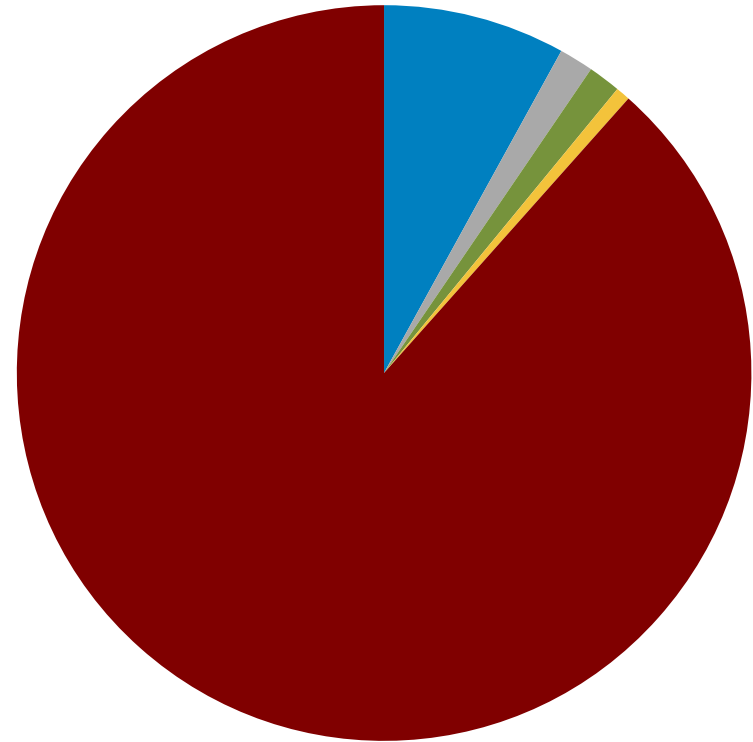
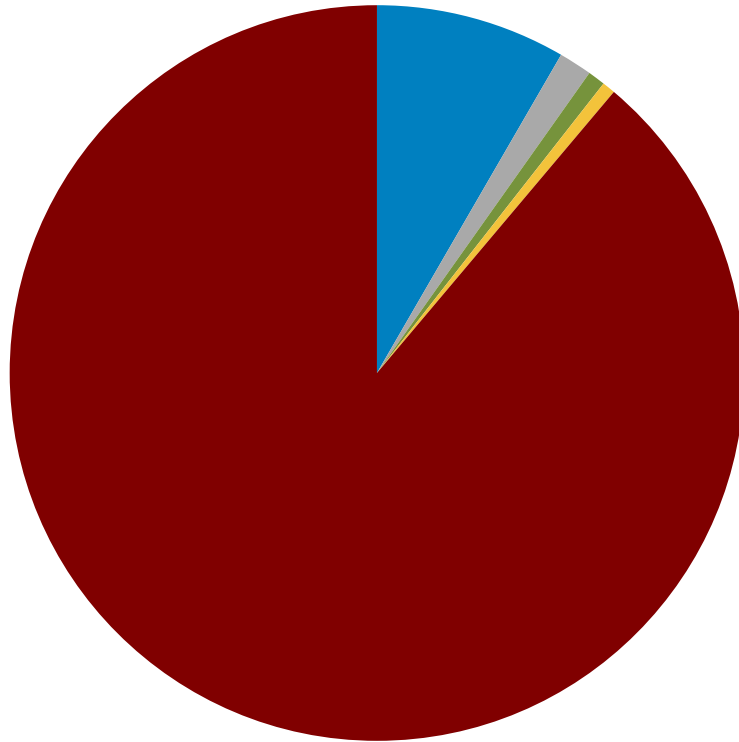


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
457(b) Nationwide Fixed Account	17,594,416	35.3	457(b) Nationwide Fixed Account	17,099,118	32.6
457(b) MFS Growth R4 (MFEJX)	5,738,876	11.5	457(b) MFS Growth R4 (MFEJX)	6,210,215	11.9
457(b) Vanguard 500 Index (VFIAX)	3,363,542	6.7	457(b) Vanguard 500 Index (VFIAX)	3,708,451	7.1
457(b) American Funds Europacific Growth R4 (REREX)	2,502,357	5.0	457(b) American Funds Europacific Growth R4 (REREX)	2,748,726	5.2
457(b) DFA US Large Cap Value (DFLVX)	2,131,233	4.3	457(b) DFA US Large Cap Value (DFLVX)	2,172,777	4.1
457(b) Western Asset Core Plus Bond Fund (WACPX)	1,839,647	3.7	457(b) American Funds 2030 Target Date (RDETX)	1,914,205	3.7
457(b) American Funds 2030 Target Date (RDETX)	1,787,330	3.6	457(b) Western Asset Core Plus Bond Fund (WACPX)	1,905,570	3.6
457(b) Fixed Assets	1,505,941	3.0	457(b) Vanguard Total Bond Index (VBTLX)	1,807,906	3.5
457(b) Vanguard Total Bond Index (VBTLX)	1,499,510	3.0	457(b) Fixed Assets	1,661,790	3.2
457(b) American Funds 2025 Target Date (RDDTX)	1,445,191	2.9	457(b) American Funds 2025 Target Date (RDDTX)	1,557,500	3.0
457(b) Vanguard Mid Cap Index (VIMAX)	1,370,944	2.7	457(b) Vanguard Total Intl Stock Index (VTIAX)	1,461,519	2.8
457(b) Vanguard Total Intl Stock Index (VTIAX)	1,351,399	2.7	457(b) Vanguard Mid Cap Index (VIMAX)	1,452,373	2.8
457(b) American Funds 2035 Target Date (RDFTX)	1,131,372	2.3	457(b) American Funds 2040 Target Date (RDGTX)	1,246,280	2.4
457(b) American Funds 2040 Target Date (RDGTX)	1,124,613	2.3	457(b) American Funds 2035 Target Date (RDFTX)	1,151,724	2.2
457(b) American Funds 2045 Target Date (RDHTX)	852,029	1.7	457(b) Touchstone Mid Cap Growth Y (TEGYX)	1,023,384	2.0
457(b) Touchstone Mid Cap Growth Y (TEGYX)	848,382	1.7	457(b) American Funds 2045 Target Date (RDHTX)	983,317	1.9
457(b) Vanguard Small Cap Index (VSMAX)	816,877	1.6	457(b) Vanguard Small Cap Index (VSMAX)	844,004	1.6
457(b) American Funds 2015 Target Date (RDBTX)	608,881	1.2	457(b) American Funds 2020 Target Date (RDCTX)	682,908	1.3
457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	602,419	1.2	457(b) American Funds 2050 Target Date (RDITX)	675,412	1.3
457(b) American Funds 2050 Target Date (RDITX)	594,832	1.2	457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	646,846	1.2
457(b) American Funds 2020 Target Date (RDCTX)	430,132	0.9	457(b) American Funds 2015 Target Date (RDBTX)	631,354	1.2
457(b) American Beacon Small Cap Value Y (ABSYX)	337,128	0.7	457(b) American Beacon Small Cap Value Y (ABSYX)	320,591	0.6
457(b) American Funds 2055 Target Date (RDJTX)	259,692	0.5	457(b) American Funds 2055 Target Date (RDJTX)	299,526	0.6
457(b) American Funds 2010 Target Date (RDATX)	125,570	0.3	457(b) American Funds 2010 Target Date (RDATX)	128,224	0.2
457(b) American Funds 2060 Target Date (RDKTX)	50,250	0.1	457(b) American Funds 2060 Target Date (RDKTX)	59,671	0.1



September 30, 2019 : \$2,997,780

December 31, 2019 : \$3,410,912



Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	250,532	8.4
International Equity	43,584	1.5
Domestic Fixed Income	22,910	0.8
Cash Equivalent	17,318	0.6
Target Date Funds	2,663,435	88.8

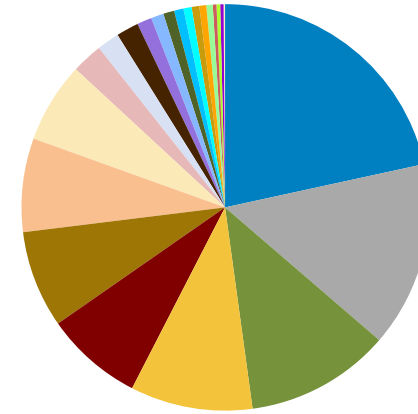
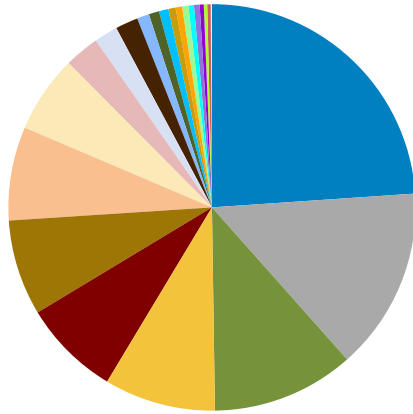
Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	273,326	8.0
International Equity	51,621	1.5
Domestic Fixed Income	48,685	1.4
Cash Equivalent	21,529	0.6
Target Date Funds	3,015,750	88.4



September 30, 2019 : \$2,997,780

December 31, 2019 : \$3,410,912



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
401(a) American Funds 2010 Target Date (RDATX)	716,820	23.9	401(a) American Funds 2010 Target Date (RDATX)	735,819	21.6
401(a) American Funds 2045 Target Date (RDHTX)	435,902	14.5	401(a) American Funds 2045 Target Date (RDHTX)	503,251	14.8
401(a) American Funds 2040 Target Date (RDGTX)	339,373	11.3	401(a) American Funds 2040 Target Date (RDGTX)	392,787	11.5
401(a) American Funds 2050 Target Date (RDITX)	265,000	8.8	401(a) American Funds 2050 Target Date (RDITX)	330,950	9.7
401(a) American Funds 2025 Target Date (RDDTX)	232,142	7.7	401(a) American Funds 2025 Target Date (RDDTX)	265,267	7.8
401(a) American Funds 2035 Target Date (RDFTX)	228,345	7.6	401(a) American Funds 2035 Target Date (RDFTX)	263,524	7.7
401(a) American Funds 2030 Target Date (RDETX)	223,112	7.4	401(a) American Funds 2030 Target Date (RDETX)	254,132	7.5
401(a) American Funds 2055 Target Date (RDJTX)	184,428	6.2	401(a) American Funds 2055 Target Date (RDJTX)	218,218	6.4
401(a) Vanguard 500 Index (VFIAX)	82,853	2.8	401(a) Vanguard 500 Index (VFIAX)	84,039	2.5
401(a) MFS Growth R4 (MFEJX)	56,202	1.9	401(a) MFS Growth R4 (MFEJX)	60,818	1.8
401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	54,128	1.8	401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	60,717	1.8
401(a) American Funds Europacific Growth R4 (REREX)	28,940	1.0	401(a) Vanguard Total Bond Index (VBTLX)	39,779	1.2
401(a) American Funds 2020 Target Date (RDCTX)	24,826	0.8	401(a) American Funds Europacific Growth R4 (REREX)	34,235	1.0
401(a) Touchstone Mid Cap Growth Y (TEGYX)	22,383	0.7	401(a) American Funds 2020 Target Date (RDCTX)	29,686	0.9
401(a) DFA US Large Cap Value (DFLVX)	17,427	0.6	401(a) Touchstone Mid Cap Growth Y (TEGYX)	25,604	0.8
401(a) Nationwide Government Money Fund (GMIXX)	15,299	0.5	401(a) American Funds 2060 Target Date (RDKTX)	22,118	0.6
401(a) Vanguard Total Intl Stock Index (VTIAX)	14,645	0.5	401(a) DFA US Large Cap Value (DFLVX)	20,682	0.6
401(a) American Funds 2060 Target Date (RDKTX)	13,486	0.4	401(a) Nationwide Government Money Fund (GMIXX)	18,734	0.5
401(a) Vanguard Total Bond Index (VBTLX)	13,406	0.4	401(a) Vanguard Total Intl Stock Index (VTIAX)	17,386	0.5
401(a) Western Asset Core Plus Bond Fund (WACPX)	9,504	0.3	401(a) Vanguard Small Cap Index (VSMAX)	10,178	0.3
401(a) Vanguard Mid Cap Index (VIMAX)	8,368	0.3	401(a) Vanguard Mid Cap Index (VIMAX)	10,016	0.3
401(a) Vanguard Small Cap Index (VSMAX)	8,076	0.3	401(a) Western Asset Core Plus Bond Fund (WACPX)	8,907	0.3
401(a) Vanguard Treasury Money Market Fund (VUSXX)	2,019	0.1	401(a) Vanguard Treasury Money Market Fund (VUSXX)	2,795	0.1
401(a) American Beacon Small Cap Value Y (ABSYX)	1,095	0.0	401(a) American Beacon Small Cap Value Y (ABSYX)	1,272	0.0
401(a) American Funds 2015 Target Date (RDBTX)	-	0.0	401(a) American Funds 2015 Target Date (RDBTX)	-	0.0



Asset Allocation & Performance

	Performance(%)													
	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Domestic Equity														
DFA US Large Cap Value (DFLVX)	9.06	(24)	25.45	(60)	25.45	(60)	9.66	(57)	8.63	(31)	12.89	(10)	12.75	(6)
Russell 1000 Value Index	7.41	(54)	26.54	(45)	26.54	(45)	9.68	(57)	8.29	(40)	12.20	(27)	11.80	(20)
IM U.S. Large Cap Value Equity (MF) Median	7.54		26.04		26.04		9.96		7.91		11.60		10.78	
Vanguard 500 Index (VFIAX)	9.06	(38)	31.46	(30)	31.46	(30)	15.23	(25)	11.66	(14)	14.69	(13)	13.52	(11)
S&P 500 Index	9.07	(38)	31.49	(29)	31.49	(29)	15.27	(24)	11.70	(13)	14.73	(12)	13.56	(10)
IM U.S. Large Cap Core Equity (MF) Median	8.71		29.62		29.62		13.95		10.30		13.31		12.21	
MFS Growth R4 (MFEJX)	8.52	(78)	37.68	(11)	37.68	(11)	22.73	(9)	15.25	(7)	17.12	(11)	15.15	(11)
Russell 1000 Growth Index	10.62	(27)	36.39	(21)	36.39	(21)	20.49	(40)	14.63	(19)	16.92	(14)	15.22	(11)
IM U.S. Large Cap Growth Equity (MF) Median	9.69		33.38		33.38		19.87		13.20		15.60		13.85	
Vanguard Mid Cap Index (VIMAX)	6.88	(54)	31.03	(43)	31.03	(43)	12.36	(46)	9.25	(47)	13.28	(35)	13.08	(28)
CRSP U.S. Mid Cap TR Index	6.88	(54)	31.09	(42)	31.09	(42)	12.39	(45)	9.29	(46)	13.33	(33)	13.25	(26)
IM U.S. Mid Cap Equity (MF) Median	6.99		30.29		30.29		11.52		8.98		12.24		11.96	
Touchstone Mid Cap Growth Y (TEGYX)	11.37	(8)	42.46	(6)	42.46	(6)	19.60	(19)	12.66	(20)	15.70	(14)	13.62	(38)
Russell Midcap Growth Index	8.17	(37)	35.47	(38)	35.47	(38)	17.36	(40)	11.60	(40)	14.81	(30)	14.24	(24)
IM U.S. Mid Cap Growth Equity (MF) Median	7.45		34.41		34.41		16.58		11.16		13.69		13.14	
American Beacon Small Cap Value Y (ABSIX)	9.27	(19)	23.37	(27)	23.37	(27)	4.16	(38)	6.31	(33)	10.31	(21)	10.82	(25)
Russell 2000 Value Index	8.49	(37)	22.39	(38)	22.39	(38)	4.77	(30)	6.99	(22)	10.13	(25)	10.56	(31)
IM U.S. Small Cap Value Equity (MF) Median	8.11		21.36		21.36		3.32		5.24		9.18		9.97	
Vanguard Small Cap Index (VSMAX)	8.14	(57)	27.37	(25)	27.37	(25)	10.32	(26)	8.88	(30)	12.41	(25)	12.81	(20)
CRSP U.S. Small Cap TR Index	8.12	(58)	27.35	(25)	27.35	(25)	10.31	(26)	8.86	(30)	12.47	(25)	12.99	(18)
IM U.S. Small Cap Equity (MF) Median	8.46		24.05		24.05		7.08		7.48		10.91		11.28	
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	9.79	(54)	26.49	(56)	26.49	(56)	11.62	(69)	9.77	(52)	13.02	(54)	13.72	(33)
Russell 2000 Growth Index	11.39	(35)	28.48	(47)	28.48	(47)	12.49	(63)	9.34	(58)	13.08	(51)	13.01	(49)
IM U.S. Small Cap Growth Equity (MF) Median	9.99		27.70		27.70		13.82		9.81		13.09		12.96	
International Equity														
Vanguard Total Intl Stock Index (VTIAX)	9.01	(49)	21.51	(76)	21.51	(76)	9.87	(57)	5.85	(39)	5.62	(52)	N/A	
FTSE Global ex USA All Cap Index (Net)	9.26	(41)	21.80	(75)	21.80	(75)	9.84	(57)	5.84	(39)	5.79	(46)	5.39	(48)
IM International Large Cap Equity (MF) Median	8.98		25.95		25.95		10.21		5.42		5.73		5.28	
American Funds Europacific Growth R4 (REREX)	10.01	(28)	26.98	(52)	26.98	(52)	12.06	(46)	7.04	(33)	7.36	(20)	6.36	(37)
MSCI AC World ex USA (Net)	8.92	(53)	21.51	(94)	21.51	(94)	9.87	(74)	5.51	(68)	5.44	(69)	4.97	(75)
IM International Large Cap Growth Equity (MF) Median	9.00		27.05		27.05		11.87		6.14		6.14		5.94	

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 3.5% from now until end of 2019.



	Performance(%)													
	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Target Date Funds														
American Funds 2010 Target Date (RDATX)	3.76	(20)	13.42	(70)	13.42	(70)	6.63	(51)	5.13	(40)	6.27	(20)	6.68	(27)
Morningstar Category Target-Date 2000-2010	3.25	(63)	13.85	(58)	13.85	(58)	6.67	(45)	4.85	(59)	5.23	(75)	5.72	(77)
IM Mixed-Asset Target 2010 (MF) Median	3.50		14.19		14.19		6.63		4.98		5.59		6.29	
American Funds 2015 Target Date (RDBTX)	4.13	(32)	14.58	(68)	14.58	(68)	7.16	(47)	5.48	(36)	6.95	(12)	7.14	(33)
Morningstar Category Target-Date 2011-2015	3.72	(56)	15.38	(48)	15.38	(48)	7.25	(44)	5.24	(58)	5.74	(78)	6.21	(84)
IM Mixed-Asset Target 2015 (MF) Median	3.83		15.30		15.30		7.13		5.30		6.28		6.88	
American Funds 2020 Target Date (RDCTX)	4.45	(29)	15.28	(65)	15.28	(65)	7.92	(34)	6.00	(22)	7.72	(9)	7.79	(15)
Morningstar Category Target-Date 2016-2020	3.90	(51)	16.19	(48)	16.19	(48)	7.54	(50)	5.39	(53)	6.16	(56)	6.63	(63)
IM Mixed-Asset Target 2020 (MF) Median	3.90		15.97		15.97		7.52		5.46		6.45		7.03	
American Funds 2025 Target Date (RDDTX)	5.50	(22)	17.41	(68)	17.41	(68)	9.09	(27)	6.74	(18)	8.90	(4)	8.77	(8)
Morningstar Category Target-Date 2021-2025	4.75	(49)	18.29	(50)	18.29	(50)	8.64	(46)	6.14	(52)	7.24	(50)	7.46	(66)
IM Mixed-Asset Target 2025 (MF) Median	4.71		18.18		18.18		8.58		6.16		7.24		7.87	
American Funds 2030 Target Date (RDETX)	6.50	(16)	19.71	(60)	19.71	(60)	10.47	(14)	7.71	(7)	9.89	(3)	9.49	(6)
Morningstar Category Target-Date 2026-2030	5.49	(52)	20.10	(50)	20.10	(50)	9.40	(53)	6.66	(55)	7.79	(58)	7.83	(67)
IM Mixed-Asset Target 2030 (MF) Median	5.52		20.08		20.08		9.44		6.76		7.99		8.29	
American Funds 2035 Target Date (RDFTX)	7.93	(12)	22.90	(32)	22.90	(32)	11.89	(5)	8.61	(5)	10.60	(3)	9.96	(6)
Morningstar Category Target-Date 2031-2035	6.41	(55)	22.04	(56)	22.04	(56)	10.35	(49)	7.18	(55)	8.63	(57)	8.52	(61)
IM Mixed-Asset Target 2035 (MF) Median	6.46		22.26		22.26		10.30		7.29		8.74		8.76	
American Funds 2040 Target Date (RDGTX)	8.46	(10)	23.94	(42)	23.94	(42)	12.37	(5)	8.92	(4)	10.89	(3)	10.16	(8)
Morningstar Category Target-Date 2036-2040	6.98	(55)	23.18	(58)	23.18	(58)	10.67	(55)	7.48	(53)	8.85	(62)	8.61	(68)
IM Mixed-Asset Target 2040 (MF) Median	7.09		23.63		23.63		10.74		7.51		9.09		9.00	
American Funds 2045 Target Date (RDHTX)	8.53	(15)	24.25	(62)	24.25	(62)	12.56	(6)	9.05	(5)	11.00	(3)	10.23	(8)
Morningstar Category Target-Date 2041-2045	7.52	(51)	24.35	(58)	24.35	(58)	11.22	(45)	7.84	(47)	9.39	(52)	9.08	(59)
IM Mixed-Asset Target 2045 (MF) Median	7.53		24.61		24.61		11.10		7.80		9.41		9.23	
American Funds 2050 Target Date (RDITX)	8.76	(14)	24.61	(54)	24.61	(54)	12.71	(5)	9.17	(3)	11.08	(3)	10.29	(7)
Morningstar Category Target-Date 2046-2050	7.61	(51)	24.51	(55)	24.51	(55)	11.14	(50)	7.81	(51)	9.25	(64)	8.90	(71)
IM Mixed-Asset Target 2050 (MF) Median	7.61		24.67		24.67		11.11		7.83		9.49		9.30	
American Funds 2055 Target Date (RDJTX)	8.76	(15)	24.60	(58)	24.60	(58)	12.71	(5)	9.15	(4)	11.07	(4)	N/A	
Morningstar Category Target-Date 2055	7.81	(46)	24.91	(47)	24.91	(47)	11.44	(40)	8.02	(45)	9.72	(49)	N/A	
IM Mixed-Asset Target 2055 (MF) Median	7.76		24.80		24.80		11.23		7.92		9.68		9.19	
American Funds 2060 Target Date (RDKTX)	8.76	(12)	24.53	(75)	24.53	(75)	12.66	(7)	N/A		N/A		N/A	
Morningstar Category Target Date 2060+	7.90	(47)	25.16	(47)	25.16	(47)	11.55	(48)	N/A		N/A		N/A	
IM Mixed-Asset Target 2060+ (MF) Median	7.79		25.07		25.07		11.45		8.37		N/A		N/A	

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 3.5% from now until end of 2019.



Asset Allocation & Performance
Trailing Periods
As of December 31, 2019

	Performance(%)													
	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Fixed Income														
Vanguard Total Bond Index (VBTLX)	0.03	(81)	8.71	(1)	8.71	(1)	4.02	(1)	3.00	(4)	2.66	(2)	3.68	(8)
Blmbg. Barc. U.S. Aggregate Float Adjusted	0.14	(76)	8.87	(1)	8.87	(1)	4.08	(1)	3.07	(2)	2.73	(2)	3.78	(7)
IM U.S. Intermediate Duration Fixed Income (MF) Median	0.39		5.29		5.29		2.50		1.96		1.60		2.43	
Western Asset Core Plus Bond Fund (WACPX)	1.34	(4)	12.27	(5)	12.27	(5)	5.76	(2)	4.66	(3)	4.24	(3)	5.66	(7)
Blmbg. Barc. U.S. Aggregate Index	0.18	(67)	8.72	(64)	8.72	(64)	4.03	(59)	3.05	(59)	2.72	(59)	3.75	(79)
IM U.S. Broad Market Core+ Fixed Income (MF) Median	0.37		9.33		9.33		4.15		3.22		2.90		4.29	
Nationwide Government Money Fund (GMIXX)	0.34	(61)	1.80	(61)	1.80	(61)	1.22	(62)	0.74	(62)	0.53	(62)	0.37	(65)
90 Day U.S. Treasury Bill	0.46	(5)	2.28	(5)	2.28	(5)	1.67	(11)	1.05	(12)	0.76	(11)	0.56	(11)
IM U.S. Taxable Money Market (MF) Median	0.37		1.90		1.90		1.33		0.81		0.58		0.41	

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Asset Allocation & Performance

	Performance(%)											
	YTD	2018		2017		2016		2015		2014		
Domestic Equity												
DFA US Large Cap Value (DFLVX)	25.45	(60)	-11.65	(90)	18.97	(19)	18.89	(13)	-3.49	(49)	10.07	(69)
Russell 1000 Value Index	26.54	(45)	-8.27	(36)	13.66	(77)	17.34	(19)	-3.83	(57)	13.45	(9)
IM U.S. Large Cap Value Equity (MF) Median	26.04		-9.08		16.34		13.82		-3.55		10.81	
Vanguard 500 Index (VFIAX)	31.46	(30)	-4.43	(31)	21.79	(39)	11.93	(27)	1.36	(33)	13.64	(17)
S&P 500 Index	31.49	(29)	-4.38	(30)	21.83	(38)	11.96	(26)	1.38	(33)	13.69	(16)
IM U.S. Large Cap Core Equity (MF) Median	29.62		-5.61		21.17		10.07		0.25		11.41	
MFS Growth R4 (MFEJX)	37.68	(11)	2.59	(15)	30.88	(36)	2.45	(47)	7.38	(31)	8.78	(72)
Russell 1000 Growth Index	36.39	(21)	-1.51	(58)	30.21	(41)	7.08	(8)	5.67	(54)	13.05	(22)
IM U.S. Large Cap Growth Equity (MF) Median	33.38		-0.87		29.47		2.18		6.01		10.47	
Vanguard Mid Cap Index (VIMAX)	31.03	(43)	-9.23	(47)	19.25	(47)	11.22	(52)	-1.34	(40)	13.76	(8)
CRSP U.S. Mid Cap TR Index	31.09	(42)	-9.22	(47)	19.30	(47)	11.25	(52)	-1.28	(39)	13.83	(8)
IM U.S. Mid Cap Equity (MF) Median	30.29		-9.95		18.71		11.41		-2.50		8.28	
Touchstone Mid Cap Growth Y (TEGYX)	42.46	(6)	-3.52	(37)	24.47	(55)	4.88	(49)	1.13	(45)	13.23	(4)
Russell Midcap Growth Index	35.47	(38)	-4.75	(47)	25.27	(44)	7.33	(25)	-0.20	(56)	11.90	(10)
IM U.S. Mid Cap Growth Equity (MF) Median	34.41		-5.01		24.81		4.80		0.53		7.28	
American Beacon Small Cap Value Y (ABSXYX)	23.37	(27)	-15.70	(47)	8.65	(46)	26.61	(50)	-5.10	(30)	4.61	(33)
Russell 2000 Value Index	22.39	(38)	-12.86	(24)	7.84	(57)	31.74	(15)	-7.47	(54)	4.22	(37)
IM U.S. Small Cap Value Equity (MF) Median	21.36		-16.08		8.32		26.61		-7.12		3.36	
Vanguard Small Cap Index (VSMAX)	27.37	(25)	-9.31	(31)	16.24	(29)	18.30	(63)	-3.64	(43)	7.50	(10)
CRSP U.S. Small Cap TR Index	27.35	(25)	-9.33	(31)	16.24	(29)	18.26	(64)	-3.68	(44)	7.54	(10)
IM U.S. Small Cap Equity (MF) Median	24.05		-12.06		12.98		20.49		-4.29		3.88	
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	26.49	(56)	-7.15	(66)	18.41	(68)	13.89	(21)	0.62	(20)	6.72	(11)
Russell 2000 Growth Index	28.48	(47)	-9.31	(79)	22.17	(41)	11.32	(41)	-1.38	(37)	5.60	(21)
IM U.S. Small Cap Growth Equity (MF) Median	27.70		-5.12		20.69		9.86		-2.34		2.79	
International Equity												
Vanguard Total Intl Stock Index (VTIAX)	21.51	(76)	-14.43	(40)	27.55	(46)	4.67	(7)	-4.26	(84)	-4.17	(30)
FTSE Global ex USA All Cap Index (Net)	21.80	(75)	-14.61	(41)	27.41	(46)	4.72	(7)	-4.29	(84)	-3.39	(26)
IM International Large Cap Equity (MF) Median	25.95		-15.18		26.76		0.06		-0.98		-5.55	
American Funds Europacific Growth R4 (REREX)	26.98	(52)	-15.22	(58)	30.70	(33)	0.69	(32)	-0.82	(65)	-2.66	(24)
MSCI AC World ex USA (Net)	21.51	(94)	-14.20	(43)	27.19	(65)	4.50	(10)	-5.66	(90)	-3.87	(33)
IM International Large Cap Growth Equity (MF) Median	27.05		-14.98		29.50		-0.87		-0.02		-4.98	

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	Performance(%)											
	YTD	2018		2017		2016		2015		2014		
Target Date Funds												
American Funds 2010 Target Date (RDATX)	13.42	(70)	-2.80	(17)	9.98	(63)	7.13	(14)	-1.15	(46)	6.37	(2)
Morningstar Category Target-Date 2000-2010	13.85	(58)	-3.26	(33)	10.21	(53)	5.80	(59)	-1.31	(59)	4.09	(52)
IM Mixed-Asset Target 2010 (MF) Median	14.19		-3.58		10.24		6.06		-1.20		4.11	
American Funds 2015 Target Date (RDBTX)	14.58	(68)	-3.04	(18)	10.77	(68)	7.23	(19)	-1.04	(38)	6.34	(8)
Morningstar Category Target-Date 2011-2015	15.38	(48)	-3.94	(53)	11.30	(52)	6.13	(66)	-1.40	(56)	4.45	(52)
IM Mixed-Asset Target 2015 (MF) Median	15.30		-3.90		11.40		6.40		-1.29		4.47	
American Funds 2020 Target Date (RDCTX)	15.28	(65)	-3.08	(10)	12.50	(54)	6.66	(39)	-0.20	(7)	6.35	(8)
Morningstar Category Target-Date 2016-2020	16.19	(48)	-4.59	(53)	12.19	(59)	6.25	(55)	-1.59	(57)	4.73	(50)
IM Mixed-Asset Target 2020 (MF) Median	15.97		-4.52		12.69		6.36		-1.44		4.72	
American Funds 2025 Target Date (RDDTX)	17.41	(68)	-3.77	(12)	14.90	(52)	6.91	(49)	-0.16	(6)	6.38	(20)
Morningstar Category Target-Date 2021-2025	18.29	(50)	-5.39	(53)	14.59	(54)	6.75	(56)	-1.60	(61)	5.07	(53)
IM Mixed-Asset Target 2025 (MF) Median	18.18		-5.23		14.95		6.87		-1.37		5.19	
American Funds 2030 Target Date (RDETX)	19.71	(60)	-4.53	(11)	17.97	(22)	7.34	(48)	0.18	(3)	6.69	(12)
Morningstar Category Target-Date 2026-2030	20.10	(50)	-6.33	(51)	16.38	(57)	7.36	(47)	-1.81	(63)	5.08	(55)
IM Mixed-Asset Target 2030 (MF) Median	20.08		-6.32		16.90		7.30		-1.47		5.18	
American Funds 2035 Target Date (RDFTX)	22.90	(32)	-5.52	(10)	20.63	(9)	7.65	(54)	0.23	(3)	6.66	(19)
Morningstar Category Target-Date 2031-2035	22.04	(56)	-7.06	(48)	18.45	(56)	7.15	(68)	-1.75	(59)	5.20	(59)
IM Mixed-Asset Target 2035 (MF) Median	22.26		-7.26		18.72		7.75		-1.53		5.40	
American Funds 2040 Target Date (RDGTX)	23.94	(42)	-5.85	(7)	21.59	(10)	7.82	(52)	0.21	(3)	6.60	(22)
Morningstar Category Target-Date 2036-2040	23.18	(58)	-7.76	(46)	19.30	(58)	7.96	(50)	-2.00	(63)	5.29	(54)
IM Mixed-Asset Target 2040 (MF) Median	23.63		-7.99		19.74		7.95		-1.66		5.38	
American Funds 2045 Target Date (RDHTX)	24.25	(62)	-5.90	(5)	21.98	(13)	7.93	(57)	0.20	(4)	6.72	(22)
Morningstar Category Target-Date 2041-2045	24.35	(58)	-8.13	(49)	20.42	(56)	7.96	(56)	-1.81	(56)	5.34	(56)
IM Mixed-Asset Target 2045 (MF) Median	24.61		-8.19		20.65		8.15		-1.65		5.55	
American Funds 2050 Target Date (RDITX)	24.61	(54)	-5.92	(5)	22.15	(12)	7.98	(55)	0.28	(3)	6.64	(25)
Morningstar Category Target-Date 2046-2050	24.51	(55)	-8.44	(48)	20.41	(61)	8.23	(48)	-1.96	(59)	5.42	(55)
IM Mixed-Asset Target 2050 (MF) Median	24.67		-8.54		20.80		8.10		-1.63		5.61	
American Funds 2055 Target Date (RDJTX)	24.60	(58)	-5.92	(5)	22.15	(15)	7.93	(59)	0.25	(3)	6.70	(28)
Morningstar Category Target-Date 2055	24.91	(47)	-8.43	(49)	20.99	(54)	8.01	(56)	-1.62	(49)	5.51	(48)
IM Mixed-Asset Target 2055 (MF) Median	24.80		-8.48		21.12		8.25		-1.67		5.43	
American Funds 2060 Target Date (RDKTX)	24.53	(75)	-5.95	(6)	22.09	(21)	8.00	(44)	N/A		N/A	
Morningstar Category Target Date 2060+	25.16	(47)	-8.51	(48)	21.22	(55)	8.02	(44)	N/A		N/A	
IM Mixed-Asset Target 2060+ (MF) Median	25.07		-8.66		21.30		7.86		-1.01		N/A	

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	Performance(%)											
	YTD		2018		2017		2016		2015		2014	
Fixed Income												
Vanguard Total Bond Index (VBTLX)	8.71	(1)	-0.03	(82)	3.56	(4)	2.60	(23)	0.40	(54)	5.89	(1)
Blmbg. Barc. U.S. Aggregate Float Adjusted	8.87	(1)	-0.08	(85)	3.63	(3)	2.75	(19)	0.44	(53)	5.85	(1)
IM U.S. Intermediate Duration Fixed Income (MF) Median	5.29		0.64		1.68		1.69		0.48		2.07	
Western Asset Core Plus Bond Fund (WACPX)	12.27	(5)	-1.49	(70)	6.96	(2)	4.79	(34)	1.29	(2)	7.68	(6)
Blmbg. Barc. U.S. Aggregate Index	8.72	(64)	0.01	(20)	3.54	(76)	2.65	(83)	0.55	(13)	5.97	(32)
IM U.S. Broad Market Core+ Fixed Income (MF) Median	9.33		-0.93		4.49		4.18		-0.27		5.22	
Nationwide Government Money Fund (GMIXX)	1.80	(61)	1.40	(65)	0.46	(59)	0.04	(55)	0.00	(89)	0.00	(92)
90 Day U.S. Treasury Bill	2.28	(5)	1.87	(10)	0.86	(13)	0.25	(16)	0.03	(20)	0.04	(9)
IM U.S. Taxable Money Market (MF) Median	1.90		1.54		0.55		0.06		0.01		0.01	

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 3.5% from now until end of 2019.



American Funds Target Retirement R4
Target Date Fund Universe Ranges
December 31, 2019

Asset Class	2060+	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Equity Range											
Maximum	100%	100%	100%	95%	95%	90%	85%	75%	65%	55%	45%
Minimum	50%	50%	50%	45%	45%	40%	35%	25%	15%	10%	5%
Fixed Income Range											
Maximum	20%	20%	30%	35%	40%	50%	55%	65%	70%	75%	80%
Minimum	0%	0%	0%	5%	5%	10%	15%	20%	25%	35%	40%
Cash Range											
Maximum	20%	20%	30%	30%	30%	30%	30%	30%	35%	35%	35%
Minimum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Range											
Maximum	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Minimum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Target Date Universe	61	54	55	52	55	54	51	57	56	37	38

Morningstar Definitions:

1. Cash - The percentage of the fund's assets in cash. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.
2. Other - The percentage of the fund's assets in other instruments. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.
3. Target Date Universe - Based on the number of unique glide paths in the Morningstar Target Date Universe. Only one share class is selected to represent the fund manager.



**American Funds Target Retirement R4
Target Date Fund Asset Allocation**

December 31, 2019

Asset Class	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Total Equity	84%	84%	84%	83%	82%	77%	63%	54%	45%	42%	38%
Domestic Equity	56%	56%	56%	55%	54%	51%	43%	37%	32%	30%	26%
International Equity	21%	21%	21%	21%	21%	19%	15%	12%	10%	10%	9%
Emerging Equity	7%	7%	7%	7%	7%	7%	6%	5%	3%	3%	3%
Total Fixed Income	8%	8%	8%	10%	11%	16%	29%	38%	47%	49%	53%
Domestic Bonds	7%	7%	7%	8%	10%	14%	24%	32%	41%	43%	46%
International Bonds	1%	1%	1%	1%	2%	2%	5%	6%	6%	6%	7%
Cash	7%	7%	7%	7%	7%	7%	7%	8%	8%	8%	8%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	99%	99%	99%

Terminal Equity Date:	30 years after Retirement
Active/Passive/Blend Allocation:	Active

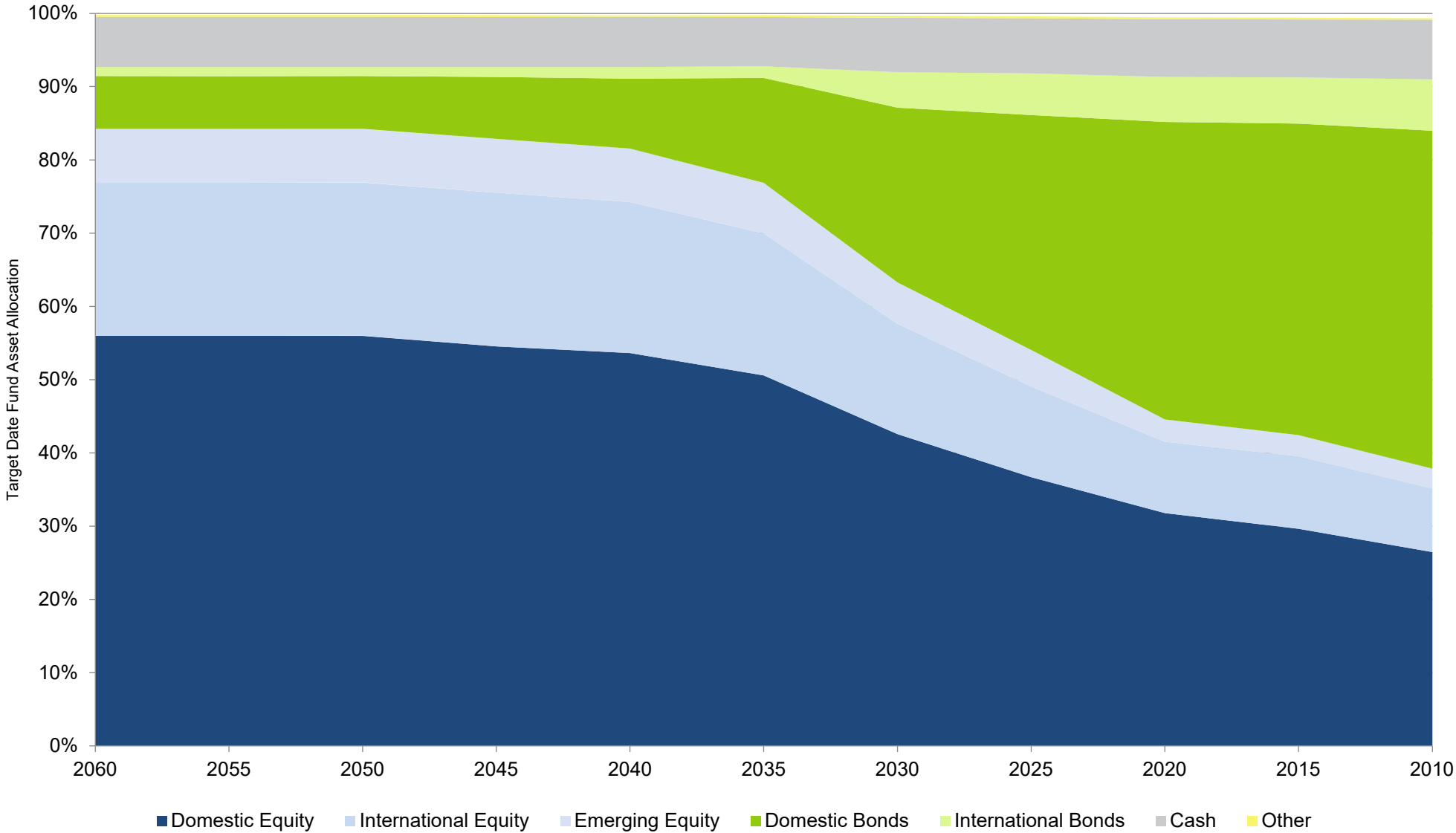
Morningstar Definitions:

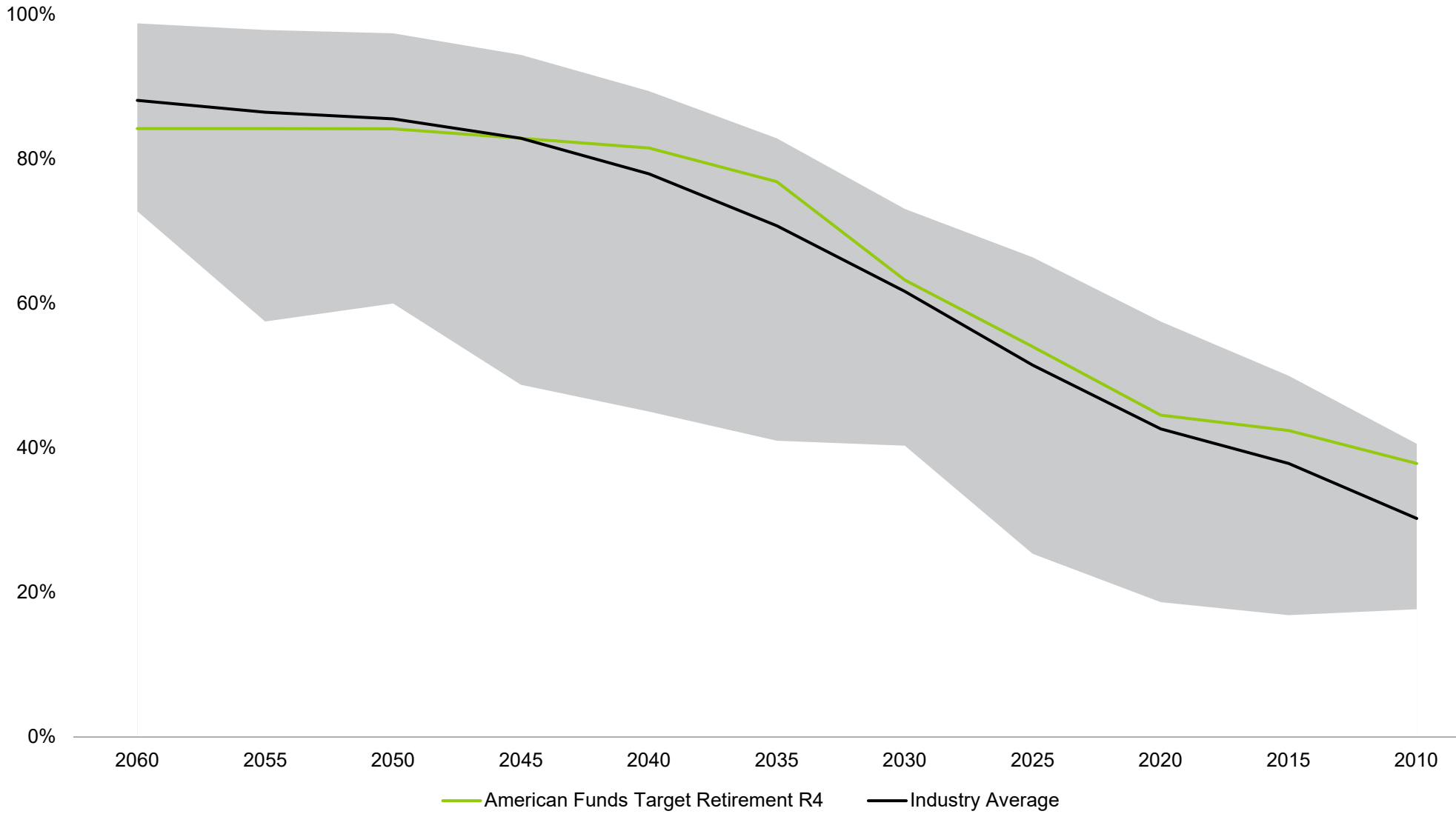
1. Cash - The percentage of the fund's assets in cash. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.
2. Other - The percentage of the fund's assets in other instruments. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.



American Funds Target Retirement R4
Target Date Fund Asset Allocation Graph

December 31, 2019





1. Industry Range (Gray Bar) - Represents the equity allocation range of the Target Date Funds in the universe.

2. Industry Average - The average equity allocation of the investments included in the universe.



Summary of Fiduciary Education Modules

The 2019 Fiduciary Module series focused on two main topics:
Cyber Security & Financial Wellness

Cybersecurity & Recordkeeping – For Participants

“It is not an overstatement to say that cybersecurity is one of the defining issues of our time.” – former SEC Commissioner Luis A. Aguilar*

Cybersecurity refers to the process of protecting computers, mobile devices, networks, and data from damage or unauthorized access attacks such as Social Engineering, and Phishing.

A few of the top cybersecurity risks facing participants are:

- Activating unregistered accounts
- Unauthorized loan applicants
- Multiple users on one account
- Post mortem claims
- Changes to Distribution option
 - ACH to Wire
 - Change of mailing address
 - Change of banking institution

*Source: [“A Threefold Cord – Working Together to Meet the Pervasive Cybersecurity Challenge”](#)

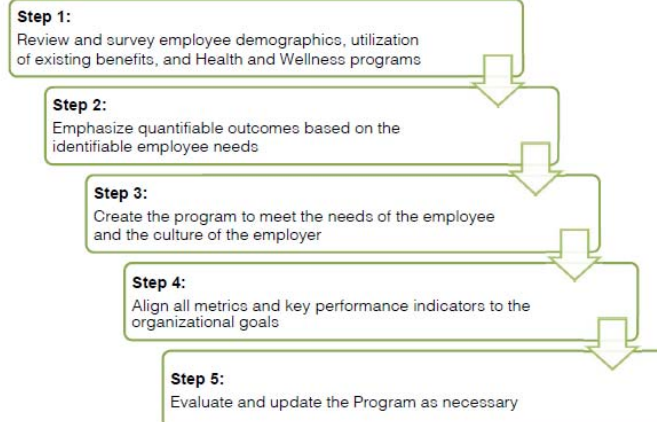
Cybersecurity & Recordkeeping – For Plan Sponsors

Some of the top cybersecurity risks facing Plan Sponsors are:

- Potential financial losses for participants
- Disruption of internal operations
- Potential financial costs to the institution
- Plan participants losing confidence
- Cost of remediation and litigation
- Fines and penalties the government may impose

*Source: Federal Office of Management and Budget – Memo on Preparing for Cybersecurity

Implementing the Financial Wellness Program



Next Quarter's Module Topic: Fiduciary Update

Reviewing Forfeitures & Expense Accounts

- Plan Forfeitures
 - Forfeitures refer to the non-vested portion of a participant's employer contribution account at the time they separate from employment
 - Verify if any forfeitures need to be processed and spend the forfeiture account balance based on plan provisions (e.g. use to offset or reduce current or future contributions, reallocate as additional contributions, or pay eligible plan expenses)
- Expense Accounts
 - Expense accounts give the ability to pay eligible plan-related expenses from plan assets
 - The Committee should have a procedure for spending any surplus amounts that remain in the account at least once per year



Fiduciary News – Acts, Proposals, and Rules

- Changes to Hardship Withdrawals for 401(k) & 403(b) Plans¹
 - Effective January 1, 2020
 - Elimination of the six-month contribution suspension requirement
 - Participants no longer required to take a plan loan before a hardship withdrawal
 - Earnings will be available to use for hardships in 401(k) plans
 - Simplified hardship verification for plan sponsors – burden of proof on employee to certify they lack enough cash to meet their financial needs
- Regulation Best Interest (Reg BI) under Securities Exchange Act of 1934²
 - Effective June 30, 2020
 - Establishes a “best interest” standard of conduct for broker-dealers and associated persons when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities, including recommendations on types of accounts
- Retirement Plans Electronic Disclosure Safe Harbor Rule³
 - Pending final approval – Earliest effective date January 1, 2021
 - The U.S. Department of Labor (DOL) announced a proposed rule to allow retirement plan disclosures to be posted online satisfying the obligation of plan administrators to furnish ERISA-required disclosures

¹ www.federalregister.gov/documents/2019/09/23/2019-20511/hardship-distributions-of-elective-contributions-qualified-matching-contributions-qualified

² www.finra.org/rules-guidance/key-topics/regulation-best-interest

³ www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/retirement-plans-electronic-disclosure-safe-harbor-rule

Fiduciary News – The SECURE Act

The SECURE (Setting Every Community Up for Retirement Enhancement) Act represents the first major retirement legislation since the Pension Protection Act (PPA) of 2006. Some of the main provisions of this Act include:

- Expands retirement savings by increasing the Auto Enrollment Safe Harbor cap from 10 to 15 percent. (Section 101)
- Removes the notification requirement for safe harbor plans and allows for more flexibility of the nonelective contributions. (Section 102)
- Permits direct transfers of lifetime income investments between qualified defined contribution plans, 403(b) plans, or governmental section 457(b) plans allowing participants to preserve lifetime income investments and avoid surrender charges and fees. (Section 108)
- Allows long-term, part-time workers to participate in 401(k) plans by requiring most employers offering a 401(k) plan to have a dual eligibility requirement under which an employee must complete either a one year of service requirement (with the 1,000-hour rule) or three consecutive years of service where the employee completes at least 500 hours of service. (Section 111)
- Increases the age requirement for beginning Required Mandatory Distributions from 70.5 to 72. (Section 113)
- Provides safe harbor protection for plan sponsors in the selection of lifetime income providers.(Section 204)

Source: House Committee on Ways and Means - The Setting Every Community Up For Retirement Enhancement Act Of 2019

For informational purposes only. AndCo Consulting does not provide legal advice.



Fiduciary News – Rising Contribution Limits

	2018	2019	2020
Elective Deferrals - 401(k), 403(b), and Most 457 Plans	\$18,500	\$19,000	\$19,500
Catch-up Contribution	\$6,000	\$6,000	\$6,500
DC Plan Combined Annual Contribution Limit	\$55,000	\$56,000	\$57,000
Defined Benefit Annual Benefit Limit	\$220,000	\$225,000	\$230,000
Highly Compensated Employee Threshold	\$120,000	\$125,000	\$130,000
Top Heavy Key Employee Dollar Limit	\$175,000	\$180,000	\$185,000
SIMPLE Plan Contribution Limit	\$12,500	\$13,000	\$13,500
SIMPLE Plan Catch-up	\$3,000	\$3,000	\$3,000
ESOP Maximum Balance Subject to Five-Year Distribution Rule	\$1,105,000	\$1,130,000	\$1,150,000
ESOP Amount to Determine Lengthening Five-Year Distribution Period	\$220,000	\$225,000	\$230,000
IRA Contribution Limit	\$5,500	\$6,000	\$6,000
IRA Catch-Up	\$1,000	\$1,000	\$1,000
HSA Contribution Limit, Single	\$3,450	\$3,500	\$3,550
HSA Contribution Limit, Non-Single	\$6,900	\$7,000	\$7,100

Source: IRS Notice 2019-59

Next Quarter's Module Topic: Understanding the SECURE Act



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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