# AGENDA

**Gainesville Retirement Plan A Board Meeting**
**Tuesday, November 12, 2019, 10:00 AM**
**Administration Building, Board Room**
**300 Henry Ward Way, 3rd Floor**
**Chairman or Vice Chairman Presides**

## REPORTS:

| | |
|---|---|
| • Fiscal Year 2019 Actuarial Valuation | Malichi Waterman, Segal |
| • Third Quarter 2019 Investment Report | Jeff Swanson, SEAS |
| • Wells Fargo Quarterly Executive Summary | Marsha Petzel, Wells Fargo |

## NEW BUSINESS:

| | |
|---|---|
| • New RPA Policies | Tommy Hunt |

## OLD BUSINESS:

| | |
|---|---|
| • Retirement Pop-Up Benefit - Retroactive | Tommy Hunt |

## EXECUTIVE SESSION:

| | |
|---|---|
| • Personnel Matters | Karen Rojas |

## REGULAR BUSINESS:

| | |
|---|---|
| • Executive Session Minutes: October 8, 2019 Meeting | Karen Rojas |
| • Minutes: October 8, 2019 Meeting | Karen Rojas |
| • New Disbursements Report | Karen Rojas |
| • New Benefits Report | Karen Rojas |
| • Rehire of Retirees Report | Karen Rojas |
| • 2020 Election Calendar | Karen Rojas |

## ADJOURNMENT:

Final: Monday, November 11, 2019, 5:38 PM

NEXT SCHEDULED MEETING
December 10, 2019, 10:00 AM

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Malichi Waterman, Segal

**Item of Business**: Fiscal Year 2019 Actuarial Valuation

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to receive the Fiscal Year 2019 Actuarial Valuation report from Segal Consulting.

**History/Background**:
Retirement Plan A submits data to the actuarial firm on an annual basis for the purpose of preparing an Actuarial Valuation and GASB Reports.

**Facts & Issues for Consideration**:
The actuary provided a memorandum summarizing the valuation report. The next step is to present the report to the governing body.

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| | Description | Type |
|---|---|---|
| 🗋 | FY2019 Actuarial Valuation | Report |

Segal Consulting

# City of Gainesville Retirement Plan A

## Actuarial Valuation and Review as of July 1, 2019

Segal Consulting
2727 Paces Ferry Road SE, Bldg 1 Suite 1400 Atlanta, GA 30339
T 678.306.3100 www.segalco.com

October 30, 2019

Board of Trustees
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2019. It summarizes the actuarial data used in the valuation, analyzes the 2018-2019 year's experience, and establishes the funding requirements for fiscal 2021.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census information and financial information on which our calculations were based was prepared by the staff of the City of Gainesville. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in my opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Retirement Plan.

*I hereby certify that the City of Gainesville Retirement Plan A has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2018-2019 plan year.*

I look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By: Malichi Waterman

Malichi S. Waterman, FCA, MAAA, ASA
Consulting Actuary
Enrolled Actuary 17-7141

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# Table of Contents

**City of Gainesville Retirement Plan A Actuarial Valuation and Review as of July 1, 2019**

# Section 1: Actuarial Valuation Summary

## Purpose and Basis

This report was prepared by Segal Consulting to present a valuation of the City of Gainesville Retirement Plan A as of July 1, 2019. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

Certain disclosure information required by GASB Statements No 67 and 68 as of June 30, 2019 for the Retirement Plan is provided in a separate report.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of June 30, 2019, provided by the City;
- The assets of the Plan as of June 30, 2019, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the Board.

## Significant Issues

1. Segal Consulting ("Segal") strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Board meets this standard. The contribution developed under the funding policy is called the recommended contribution. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law (See Page 24 for details).
2. The recommended contribution for the fiscal year ending June 30, 2020 is $9,828,302, an increase of $893,620 from last year. The contribution as a percentage of payroll increased from 35.17% of payroll to 35.62% of payroll.
3. Actual contributions to The Plan are set by statute, and are the joint responsibility of the employer and the employees. These statutory contributions are compared to the recommended contribution in order to assess the appropriateness of the statutory contributions. Based upon this comparison, the Board will decide what action to take, if any. City and employee contributions combined are 26.40% of payroll, which is 9.22% less than the recommended contribution. The average period for the bases in the determination of the recommended contribution is 10.8 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 21.7 years. The longest amortization period currently allowed by state law is 30 years. Therefore, the Plan is in compliance.
4. Actual contributions made during the fiscal year ending June 30, 2019 were $6,918,932. In the prior fiscal year, actual contributions were $6,419,248.
5. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 65.88%, compared to the prior year funded ratio of 65.90%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 66.56%, compared to 65.90% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Retirement Plan assets to cover the estimated cost of settling the Retirement Plan's benefit obligation or the need for or the amount of future contributions.
6. The employer normal cost is 11.81% of payroll and is fully covered by the 13.20% employee contribution rate.
7. The unfunded actuarial accrued liability is $54,131,422, which is an increase of $3,000,356 since the prior valuation. When compared to an expected unfunded actuarial accrued liability of $51,088,094, this yields an actuarial loss from investment and other experience of $3,043,328, or 1.92% of actuarial accrued liability.
8. The net experience loss from sources other than investment experience was 2.09% of the actuarial accrued liability. This loss primarily was due to greater salary increases than expected, less turnover than expected for participants hired prior to July 1, 2008, and fewer deaths than expected.

9. The rate of return on the market value of assets was 8.36% for the July 1, 2018 to June 30, 2019 plan year. The return on the actuarial value of assets was 7.27% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00%. This actuarial investment gain decreased the recommended contribution rate by 0.09% of pay. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various classes, we advise the Board to continue to monitor actual and anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.
10. The actuarial value of assets is 99.0% of the market value of assets. The investment experience in the past years has only been partially recognized in the actuarial value of assets. As the deferred net gain is recognized in future years, the cost of the Plan is likely to decrease unless the net gain is offset by future experience. The recognition of the market gains of $1,073,259 will also have an impact on the future funded ratio. If the net deferred gains were recognized immediately in the actuarial value of assets, the recommended contribution would decrease from 35.62% to about 35.26% of payroll.
11. There were no actuarial assumptions changes or plan changes reflected for the first time with this valuation.
12. The Retirement Plan uses the Entry Age Cost Method with the normal cost determined on a "replacement life" basis. This methodology allows reductions in the plan of benefits for new hires to be reflected in the normal cost for current employees even though the plan of benefits for current employees is unchanged. As a result, the actuarial accrued liability increases to offset the decrease in normal cost, and the recommended contribution is generally less than it would be if the "replacement life" approach was not used.
13. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution under the Retirement Plan's funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer's financial statements as of June 30, 2019, were released to the City's Finance Department in a separate report dated October 14, 2019. The accounting disclosures utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the contributions in this valuation are used as the actuarially determined contribution (ADC) for GASB financial reporting.
14. This actuarial report as of July 1, 2019 is based on financial and demographic data as of that date. Changes subsequent to that date are not reflected and will affect future actuarial costs of the plan. We are prepared to work with the City to model the effects of these and other subsequent developments.
15. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a brief discussion of some risks that may affect the Retirement Plan in Section 2. A more detailed assessment of the risks would provide the Board with a better understanding of the inherent risks. This could be important because the Board has not had a detailed risk assessment in several years.

## Summary of Key Valuation Results

| | | 2020 | 2019 |
|---|---|---|---|
| **Contributions for fiscal year beginning July 1:** | • Recommended total contributions | $9,828,302 | $8,934,682 |
| | • Recommended total contributions as a percent of payroll | 35.62% | 35.17% |
| | • Actual contribution rate | 26.40% | 26.40% |
| **Plan Year Beginning:** | | **July 1, 2018** | **July 1, 2017** |
| **Actuarial accrued liability for plan year beginning July 1:** | • Retired participants and beneficiaries | $86,782,127 | $83,865,944 |
| | • Inactive vested participants | 1,368,671 | 1,678,627 |
| | • Active participants | 70,255,259 | 65,369,971 |
| | • Inactive participants due a refund of employee contributions | 239,405 | 223,340 |
| | • Total | 158,645,462 | 151,137,882 |
| | • Normal cost including administrative expenses for plan year beginning July 1 | 3,171,837 | 2,907,427 |
| **Assets for plan year beginning July 1:** | • Market value of assets (MVA) | $105,587,299 | $99,606,816 |
| | • Actuarial value of assets (AVA) | 104,514,040 | 99,606,816 |
| | • Actuarial value of assets as a percentage of market value of assets | 98.98% | 100.00% |
| **Funded status for plan year beginning July 1:** | • Unfunded actuarial accrued liability on market value of assets | $53,058,163 | $51,531,066 |
| | • Funded percentage on MVA basis | 66.56% | 65.90% |
| | • Unfunded actuarial accrued liability on actuarial value of assets | $54,131,422 | $51,531,066 |
| | • Funded percentage on AVA basis | 65.88% | 65.90% |
| **Key assumptions:** | • Effective amortization period on an AVA basis | 21.7 years | 22.8 years |
| | • Net investment return | 7.00% | 7.00% |
| | • Inflation rate | 2.75% | 2.75% |
| | • Payroll increase | 2.75% | 2.75% |
| **Demographic data for plan year beginning July 1:** | • Number of retired participants and beneficiaries | 282 | 277 |
| | • Number of inactive vested participants | 9 | 12 |
| | • Number of active participants | 505 | 489 |
| | • Number of inactive participants entitled to a refund of employee contributions | 33 | 34 |
| | • Projected total payroll | $26,855,193 | $24,721,900 |
| | • Projected average payroll | 53,179 | 50,556 |
| | • Projected payroll for fiscal year | $27,593,711 | $25,401,752 |

# Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

| | |
|---|---|
| **Plan of benefits** | Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits. |
| **Participant data** | An actuarial valuation for a plan is based on data provided to the actuary by the City. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data. |
| **Assets** | The valuation is based on the market value of assets as of the valuation date, as provided by the City. The City uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements. |
| **Actuarial assumptions** | In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable. |

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Actuarial results in this report are not rounded, but that does not imply precision.
- If the City is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Retirement Board should look to their other advisors for expertise in these areas.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Retirement Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Retirement Plan.

# Section 2: Actuarial Valuation Results

## Participant Data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, inactive vested participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B* and *C*.

### PARTICIPANT POPULATION: 2010 – 2019

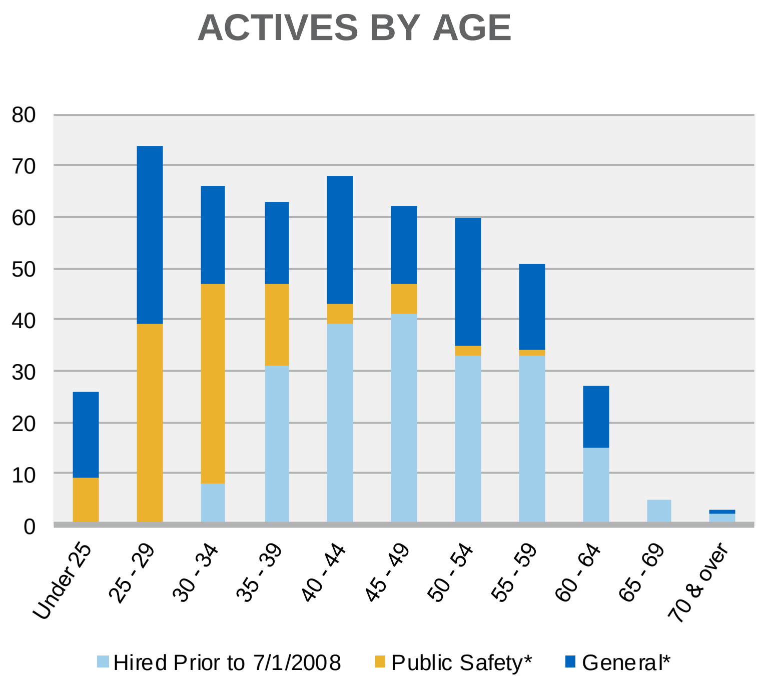
| Year Ended June 30 | Active Participants | Inactive Vested Participants* | Retired Participants and Beneficiaries | Total Non-Actives | Ratio of Non-Actives to Actives |
|---|---|---|---|---|---|
| 2010 | 472 | 9 | 197 | 206 | 0.44 |
| 2011 | 477 | 11 | 202 | 213 | 0.45 |
| 2012 | 484 | 11 | 210 | 221 | 0.46 |
| 2013 | 487 | 13 | 217 | 230 | 0.47 |
| 2014 | 476 | 15 | 230 | 245 | 0.51 |
| 2015 | 488 | 25 | 239 | 264 | 0.54 |
| 2016 | 489 | 29 | 247 | 276 | 0.56 |
| 2017 | 486 | 35 | 265 | 300 | 0.62 |
| 2018 | 489 | 46 | 277 | 323 | 0.66 |
| 2019 | 505 | 42 | 282 | 324 | 0.64 |

*Includes terminated participants due a refund of employee contributions

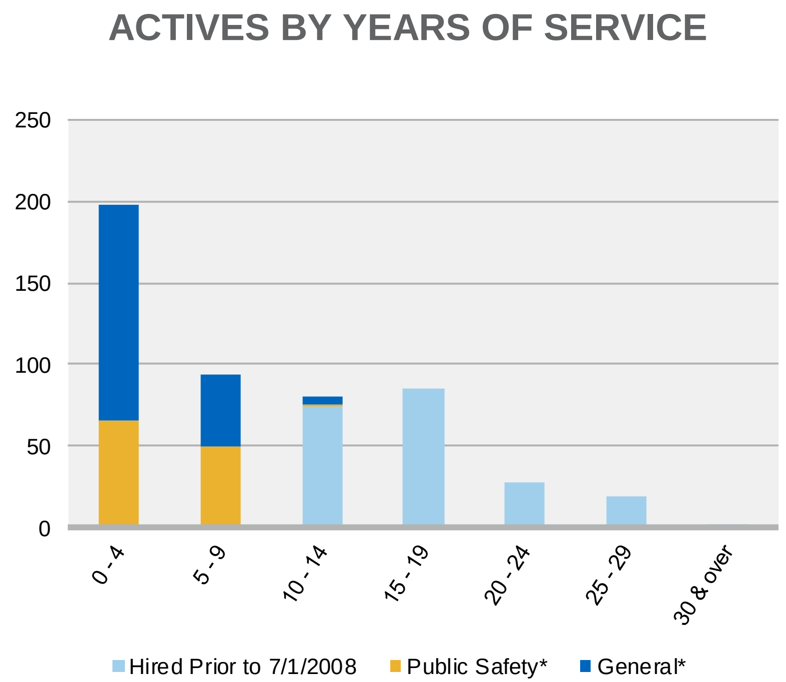
## Active Participants

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 505 active participants with an average age of 42.1, average years of benefit service of 9.4 years and average payroll of $53,179. The 489 active participants in the prior valuation had an average age of 41.6, average benefit service of 9.3 years and average payroll of $50,556.

### Distribution of Active Participants as of June 30, 2019




*Hired on or after 7/1/2008




*Hired on or after 7/1/2008

## Inactive Participants

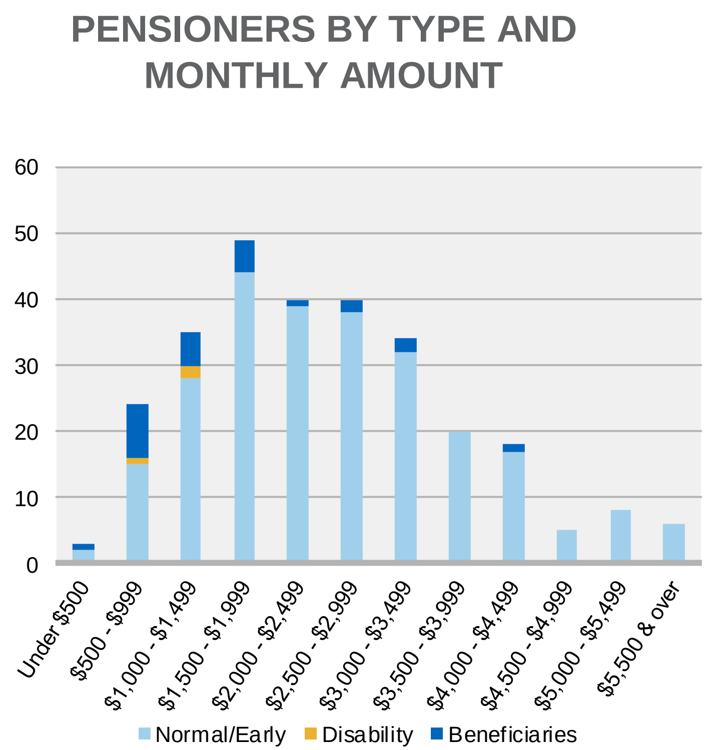
In this year's valuation, there were nine participants with a vested right to a deferred or immediate vested benefit. In addition, there were 33 participants entitled to a return of their employee contributions.

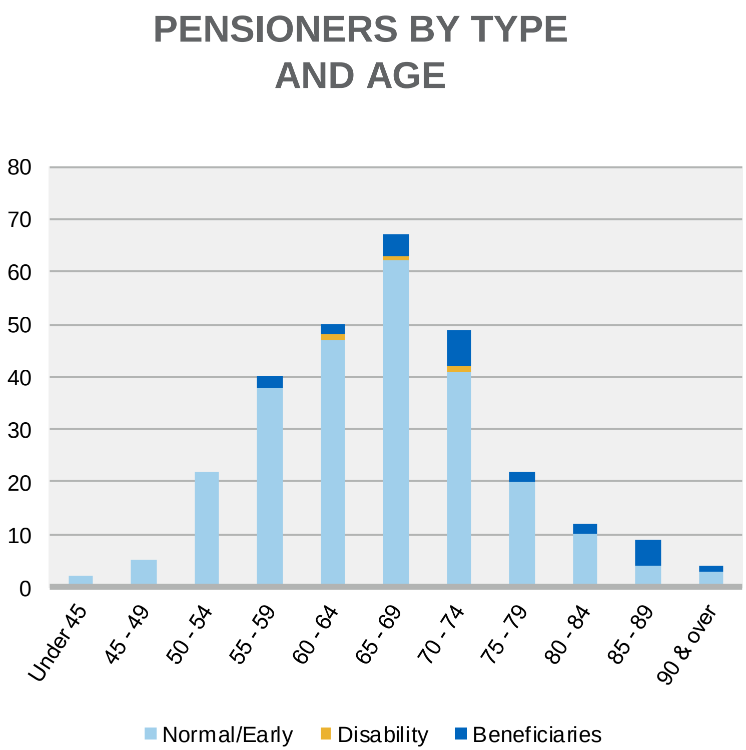
## Retired Participants and Beneficiaries

As of June 30, 2019, 257 retired participants and 25 beneficiaries were receiving total monthly benefits of $719,109. For comparison, in the previous valuation, there were 253 retired participants and 24 beneficiaries receiving monthly benefits of $692,655.

As of June 30, 2019, the average monthly benefit for retired participants and beneficiaries is $2,550, compared to $2,501 in the previous valuation. The average age for retired participants and beneficiaries is 66.8 in the current valuation, compared with 66.3 in the prior valuation.

### Distribution of Pensioners and Beneficiaries as of June 30, 2019



## Historical Plan Population

The chart below demonstrates the stability of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

### PARTICIPANT DATA STATISTICS: 2010 – 2019

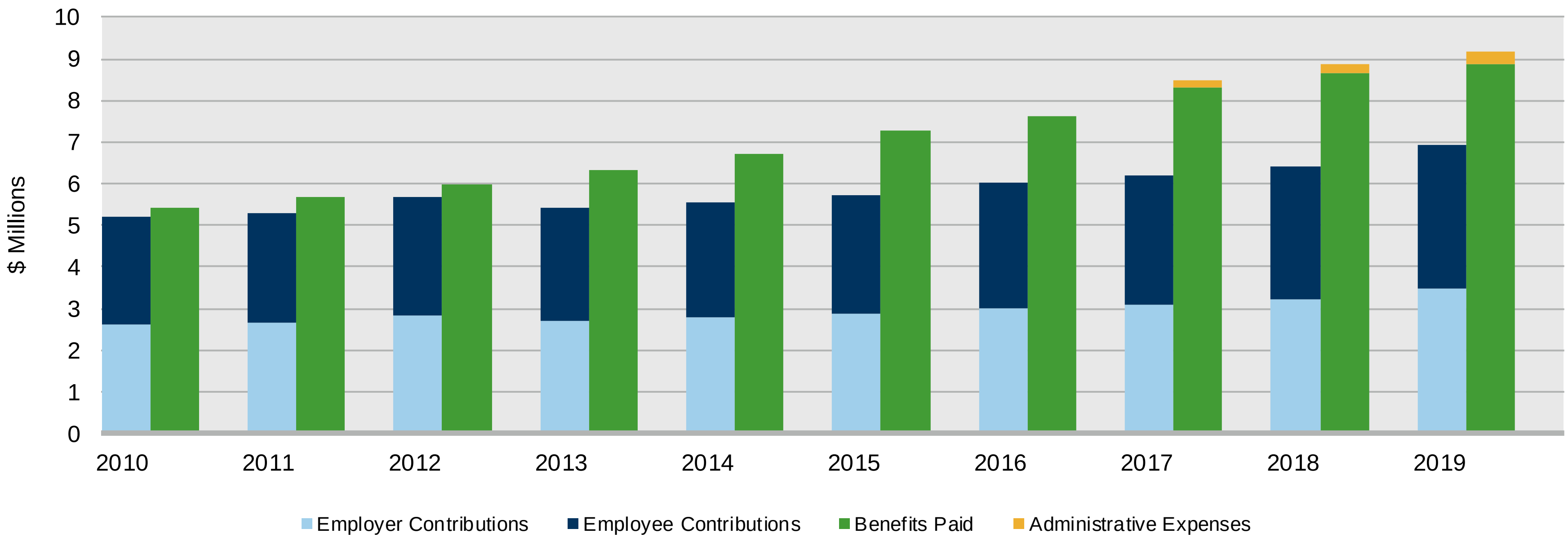
| | Active Participants | | | Retired Participants and Beneficiaries | | |
|---|---|---|---|---|---|---|
| Year Ended June 30 | Count | Average Age | Average Benefit Service | Count | Average Age | Average Monthly Amount |
| 2010 | 472 | 41.4 | 9.0 | 197 | 64.7 | $2,138 |
| 2011 | 477 | 41.9 | 9.1 | 202 | 64.5 | 2,211 |
| 2012 | 484 | 42.3 | 9.3 | 210 | 64.5 | 2,250 |
| 2013 | 487 | 42.7 | 9.5 | 217 | 64.9 | 2,290 |
| 2014 | 476 | 42.8 | 9.8 | 230 | 65.3 | 2,308 |
| 2015 | 488 | 42.3 | 9.5 | 239 | 65.3 | 2,372 |
| 2016 | 489 | 42.7 | 9.6 | 247 | 65.7 | 2,413 |
| 2017 | 486 | 42.2 | 9.3 | 265 | 66.0 | 2,454 |
| 2018 | 489 | 41.6 | 9.3 | 277 | 66.3 | 2,501 |
| 2019 | 505 | 42.1 | 9.4 | 282 | 66.8 | 2,550 |

## Financial Information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3*, *Exhibits D*, *E* and *F*.

### COMPARISON OF CONTRIBUTIONS MADE WITH BENEFITS AND EXPENSES PAID FOR YEARS ENDED JUNE 30, 2010 – 2019




Prior to the year ended June 30, 2017, administrative expenses were treated as an offset to investment income for valuation purposes.

The negative cash flow position means that the Retirement Plan is becoming more dependent on investment returns to meet benefit payments. This trend can be expected to continue as the retiree population grows.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

With 2018 valuation, the actuarial value of assets was reset to market value, and asset method was revised to reflect a five-year smoothing method with a 20% corridor. Market value gains and losses will be recognized prospectively over a five-year period.

## DETERMINATION OF ACTUARIAL VALUE OF ASSETS FOR YEAR ENDED JUNE 30, 2019

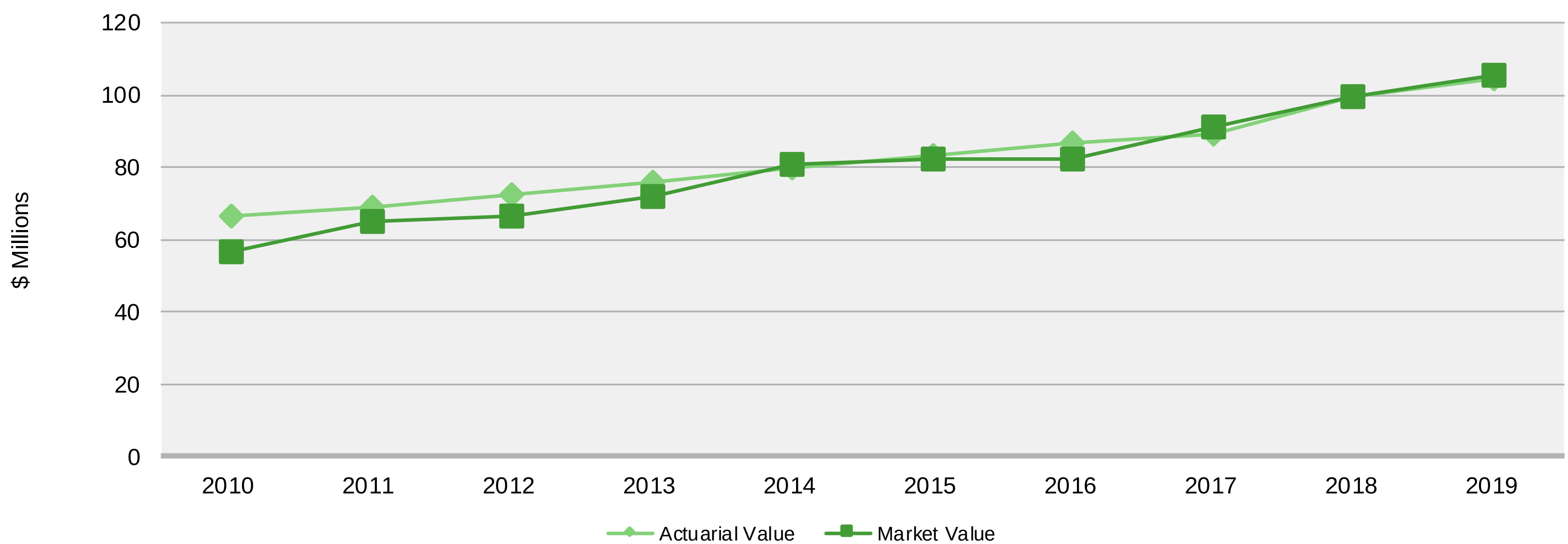
| | | Original Amount[1] | Percent Deferred | Unrecognized Amount[2] | |
|---|---|---|---|---|---|
| 1. | Market value of assets, June 30, 2019 | | | | $105,587,299 |
| 2. | Calculation of unrecognized return | | | | |
| (a) | Year ended June 30, 2019 | $1,341,574 | 80% | $1,073,259 | |
| (b) | Year ended June 30, 2018 | N/A | 60% | N/A | |
| (c) | Year ended June 30, 2017 | N/A | 40% | N/A | |
| (d) | Year ended June 30, 2016 | N/A | 20% | N/A | |
| (e) | Year ended June 30, 2015 | N/A | 0% | N/A | |
| (f) | Total unrecognized return | | | | 1,073,259 |
| 3. | Preliminary actuarial value: **(1) - (2f)** | | | | $104,514,040 |
| 4. | Adjustment to be within 20% corridor | | | | 0 |
| 5. | Final actuarial value of assets as of June 30, 2019: **(3) + (4)** | | | | 104,514,040 |
| 6. | Actuarial value as a percentage of market value: **(5) ÷ (1)** | | | | 99.0% |
| 7. | Amount deferred for future recognition[3]: **(1) - (5)** | | | | $1,073,259 |

[1]Total return minus expected return on a market value basis
[2]Recognition at 20% per year over five years
[3]Deferred return as of June 30, 2019 recognized in each of the next four years:

| | |
|---|---|
| (a) Amount recognized on June 30, 2020 | $268,315 |
| (b) Amount recognized on June 30, 2021 | 268,315 |
| (c) Amount recognized on June 30, 2022 | 268,315 |
| (d) Amount recognized on June 30, 2023 | 268,315 |

Both the actuarial value and market value of assets are representations of the Retirement Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Retirement Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

## ACTUARIAL VALUE OF ASSETS VS. MARKET VALUE OF ASSETS AS OF JUNE 30, 2010 – 2019



## Actuarial Experience

To calculate any recommended contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is $3,043,328, which includes $268,315 from investment gains and $3,311,643 in losses from all other sources. The net experience variation from individual sources other than investments and contribution shortfall was 2.1% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

### ACTUARIAL EXPERIENCE FOR YEAR ENDED JUNE 30, 2019

| | | |
|---|---|---|
| 1 | Net gain from investments* | $268,315 |
| 2 | Net loss from administrative expenses | -105,520 |
| 3 | Net loss from other experience | -3,206,123 |
| 4 | Net experience loss: **1 + 2 + 3** | -$3,043,328 |

*Details on next page.

## Investment Experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Retirement Plan's investment policy. The rate of return on the market value of assets was 8.36% for the year ended June 30, 2019.

For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.00%. The actual rate of return on an actuarial basis for the 2018-2019 plan year was 7.27%. Since the actual return for the year was greater than the assumed return, the Retirement Plan experienced an actuarial gain during the year ended June 30, 2019 with regard to its investments.

### INVESTMENT EXPERIENCE

| | | Year Ended June 30, 2019 | | Year Ended June 30, 2018 | |
|---|---|---|---|---|---|
| | | Market Value | Actuarial Value | Market Value | Actuarial Value |
| 1 | Net investment income | $8,235,138 | $7,161,879 | $10,757,165 | $12,875,003 |
| 2 | Average value of assets | 98,479,489 | 98,479,489 | 90,080,640 | 87,962,802 |
| 3 | Rate of return: 1 ÷ 2 | 8.36% | 7.27% | 11.94% | 14.64% |
| 4 | Assumed rate of return | 7.00% | 7.00% | 7.25% | 7.25% |
| 5 | Expected investment income: 2 x 4 | 6,893,564 | 6,893,564 | 6,530,846 | 6,377,303 |
| 6 | Actuarial gain/(loss): 1 – 5 | $1,341,574 | $268,315 | $4,226,319 | $6,497,700 |

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last 20 years, including averages over select time periods.

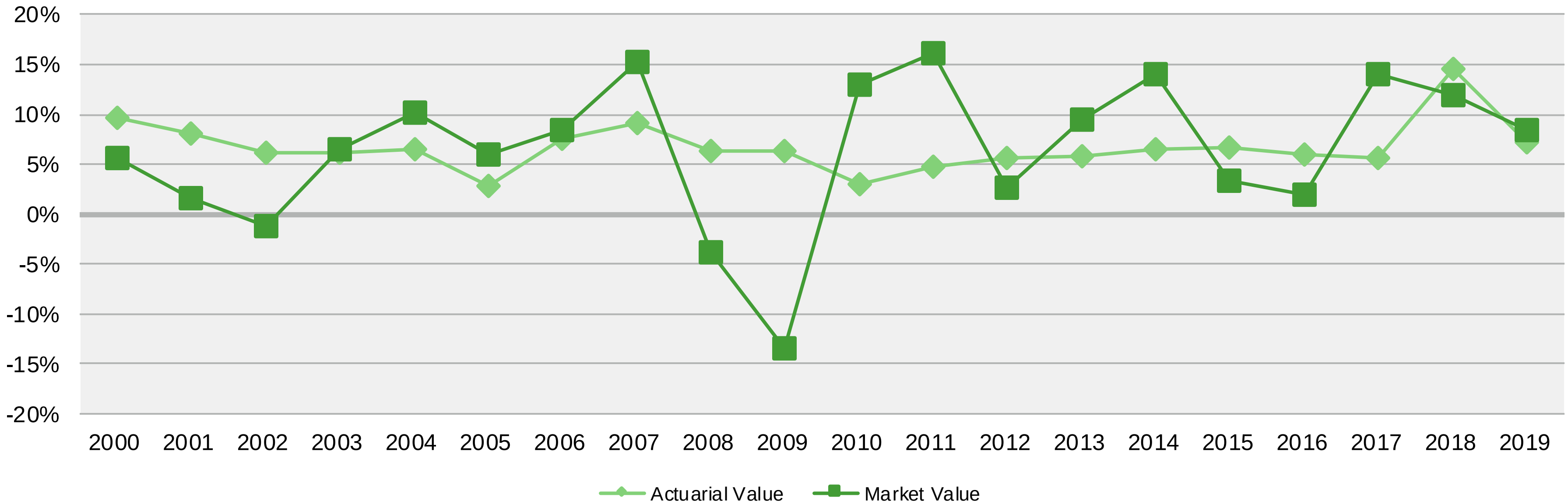
## INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE: 2000 - 2019

| Year Ended June 30 | Actuarial Value Investment Return | | Market Value Investment Return | | Year Ended June 30 | Actuarial Value Investment Return | | Market Value Investment Return | |
|---|---|---|---|---|---|---|---|---|---|
| | Amount | Percent | Amount | Percent | | Amount | Percent | Amount | Percent |
| 2000 | $3,442,889 | 9.71% | $2,174,186 | 5.55% | 2010 | $1,988,431 | 3.09% | $6,509,428 | 13.00% |
| 2001 | 3,047,108 | 8.00 | 631,692 | 1.56 | 2011 | 3,182,793 | 4.82 | 9,108,468 | 16.18 |
| 2002 | 2,483,031 | 6.17 | -469,295 | -1.17 | 2012 | 3,878,386 | 5.63 | 1,779,127 | 2.74 |
| 2003 | 2,603,212 | 6.20 | 2,531,446 | 6.49 | 2013 | 4,140,011 | 5.74 | 6,298,042 | 9.51 |
| 2004 | 2,864,351 | 6.52 | 4,156,258 | 10.16 | 2014 | 4,897,014 | 6.50 | 10,066,981 | 14.08 |
| 2005 | 1,280,348 | 2.86 | 2,886,018 | 5.91 | 2015 | 5,293,030 | 6.71 | 2,740,115 | 3.42 |
| 2006 | 3,569,024 | 7.53 | 4,000,983 | 8.51 | 2016 | 4,887,490 | 5.92 | 1,651,839 | 2.03 |
| 2007 | 4,621,770 | 9.06 | 7,773,002 | 15.22 | 2017 | 4,819,702 | 5.64 | 11,348,553 | 13.99 |
| 2008 | 3,556,073 | 6.32 | -2,293,335 | -3.86 | 2018 | 12,875,003 | 14.64 | 10,757,165 | 11.94 |
| 2009 | 3,813,918 | 6.31 | -7,822,179 | -13.53 | 2019 | 7,161,879 | 7.27 | 8,235,138 | 8.36 |
| | | | | | Total | $84,405,463 | | $82,063,632 | |
| | | | Most recent five-year average return | | | | 8.09% | | 8.05% |
| | | | Most recent ten-year average return | | | | 6.81% | | 9.25% |
| | | | Most recent 15-year average return | | | | 6.73% | | 7.27% |
| | | | Most recent 20-year average return | | | | 6.81% | | 6.81% |

Note: Each year's yield is weighted by the average asset value in that year.

As described earlier in this section, the actuarial asset valuation method gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

## MARKET AND ACTUARIAL RATES OF RETURN FOR YEARS ENDED JUNE 30, 2000 - 2019



## Administrative Expenses

Administrative expenses for the year ended June 30, 2019 totaled $292,750 compared to the assumption of $190,000. This resulted in a loss of $105,520 for the year when adjusted for timing. We have maintained the current assumption of $190,000 for the current year and may increase this assumption in a future valuation if the administrative expenses remain elevated.

## Contributions

Contributions for the year ended June 30, 2019 totaled $6,918,932, compared to the projected amount of $8,934,682. This resulted in a loss of $1,828,514 for the year, when adjusted for timing.

## Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- mortality (more or fewer deaths than projected),
- the number of disability retirements (more or fewer than projected), and
- salary increases (greater or smaller than projected).

The net loss from this other experience for the year ended June 30, 2019 amounted to $3,206,123, which is 2.0% of the actuarial accrued liability.

### LIABILITY CHANGES DUE TO DEMOGRAPHIC EXPERIENCE FOR YEAR ENDED JUNE 30, 2019

| | |
|---|---|
| Salary increases for active participants | -$1,424,636 |
| New active participants | -753,124 |
| Turnover | -490,276 |
| Pay status experience | -303,265 |
| Pre-retirement mortality | -43,132 |
| Disablement | 15,828 |
| Retirement | -13,250 |
| Miscellaneous | -194,268 |
| **Total** | **-$3,206,123** |

## Changes in the Actuarial Accrued Liability

The actuarial accrued liability as of July 1, 2019 is $158,645,462, an increase of $7,507,580, or 5.0%, from the actuarial accrued liability as of the prior valuation date. The liability is expected to grow each year with normal cost and interest, and to decline due to benefit payments made. Additional fluctuations can occur due to actual experience that differs from expected (as discussed in the previous subsection).

## Actuarial Assumptions

- There are no assumption changes reflected in this report.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit I*.

## Plan Provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit II*.

## Development of Unfunded Actuarial Accrued Liability

### DEVELOPMENT FOR YEAR ENDED JUNE 30, 2019

| | | | |
|---|---|---|---|
| 1 | Unfunded actuarial accrued liability at beginning of year | | $51,531,066 |
| 2 | Normal cost at beginning of year | | 2,907,427 |
| 3 | Total contributions | | -6,918,932 |
| 4 | Interest | | |
| | • For whole year on 1 + 2 | $3,810,695 | |
| | • For half year on 3 | -242,162 | |
| | Total interest | | 3,568,533 |
| 5 | Expected unfunded actuarial accrued liability | | $51,088,094 |
| 6 | Changes due to experience gains and losses: | | $3,043,328 |
| 7 | Unfunded actuarial accrued liability at end of year | | $54,131,422 |

## Recommended Contribution

The recommended contribution for the Plan is comprised of a normal cost payment and a payment on the unfunded actuarial accrued liability. As of July 1, 2019, the recommended contribution is $9,828,302. This total amount is then divided by the projected payroll for active members to determine the funding rate of 35.62% of payroll.

The City has adopted financing periods of 15 years for experience gains and losses, 30 years for assumption and method changes, 20 years for benefit improvements affecting active employees and 10 years for benefit improvements affecting inactive employees. The current average period for the bases in the determination of the recommended contribution is 10.8 years.

The total statutory contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 21.7 years. This is a reasonable amortization period under the funding requirements of Georgia state laws.

The contribution requirements as of July 1, 2019 are based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions and methods.

### RECOMMENDED CONTRIBUTION FOR YEAR BEGINNING JULY 1

| | | 2020 | | 2019 | |
|---|---|---|---|---|---|
| | | Amount | % of Projected Payroll | Amount | % of Projected Payroll |
| 1. | Total normal cost | $2,987,604 | 10.83% | $2,723,194 | 10.72% |
| 2. | Administrative expenses | 184,233 | 0.66% | 184,233 | 0.73% |
| 3. | Employer normal cost: (1) + (2) | $3,171,837 | 11.49% | $2,907,427 | 11.45% |
| 4. | Actuarial accrued liability | 158,645,462 | | 151,137,882 | |
| 5. | Actuarial value of assets | 104,514,040 | | 99,606,816 | |
| 6. | Unfunded actuarial accrued liability: (4) - (5) | 54,131,422 | | 51,531,066 | |
| 7. | Payment on projected unfunded actuarial accrued liability | 6,069,957 | 22.00% | 5,494,075 | 21.63% |
| 8. | Total recommended contribution: (3) + (7), adjusted for timing* | $9,828,302 | 35.62% | $8,934,682 | 35.17% |
| 9. | Valuation payroll projected to fiscal year | $27,593,711 | | $25,401,752 | |

*Fiscal year contributions are based on the valuation liabilities and assets determined one year prior.

## Reconciliation of Recommended Contribution

The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

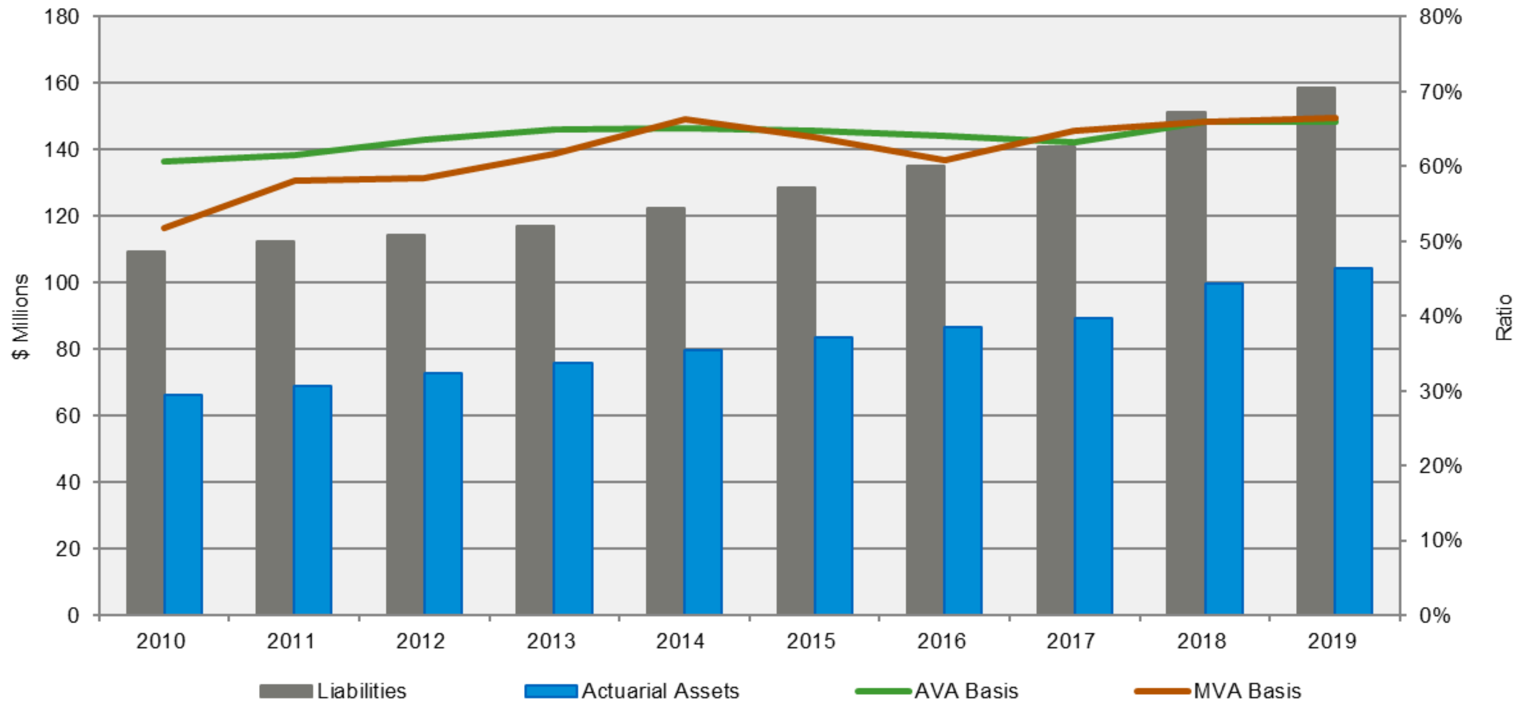
### RECONCILIATION OF RECOMMENDED CONTRIBUTION FROM JULY 1, 2019 TO JULY 1, 2020

| | Amount |
|---|---|
| Recommended Contribution as of July 1, 2019 | $8,934,682 |
| • Effect of expected change in amortization payment due to payroll growth | 160,675 |
| • Effect of investment gain | -24,880 |
| • Effect of gains and losses on accrued liability | 451,751 |
| • Net effect of other changes, including composition and number of participants | 306,074 |
| Total change | $893,620 |
| Recommended Contribution as of July 1, 2020 | $9,828,302 |

## Funded Ratio

A critical piece of information regarding the Retirement Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

The chart below depicts a history of the funded ratios for this plan. Funded ratios are shown on both an actuarial value (AVA) and a market value (MVA) basis.



# Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the Retirement Plan. Upon request, a more detailed assessment of the risks can be provided to enable a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.

- Investment Risk (the risk that returns will be different than expected)

  If the actual return on market value for the next plan year were 1% different from the assumed (either higher or lower), the projected unfunded actuarial liability would change by 0.4%, or about $200,000, with similar increases over the next four years due to recognition under the asset smoothing method.

  Since the Plan's assets are much larger than contributions, investment performance may create volatility in contribution requirements. For example, for each 1% difference in return from the assumed return, the recommended contribution would increase or decrease by $19,000 (0.07% of payroll), with similar increases over the next four years due to recognition under the asset smoothing method.

  The market value rate of return over the last 20 years has ranged from a low of -13.53% to a high of 16.18%.

- Longevity Risk (the risk that mortality experience will be different than expected)

  The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the recommended contribution.

- Contribution Risk (the risk that actual contributions will be different from recommended contribution)

  The Retirement Plan's funding policy establishes a fixed contribution rate of 26.40% which is compared against the recommended contribution developed in this report. As shown in Exhibit H, the funding policy has historically been adjusted in response to significant changes in the recommended contribution. In this context, contribution risk refers to the potential effects of current and future funding policy decisions on funding outcomes. The recommended contribution is used as a benchmark for funding progress based on using reasonable amortization periods for different sources in change in the unfunded liability.

  If contributions remain at current level and future experience matches the current assumptions, we project the unfunded actuarial accrued liability will be paid off in 21.7 years rather than the Board's recommended amortization policy of 10.8 years.

- Demographic Risk (the risk that participant experience will be different than assumed)

  Examples of this risk include:

  - Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
  - More or less active participant turnover than assumed.

- Actual Experience Over the Last Ten Years and Implications for the Future

  Past experience can help demonstrate the sensitivity of key results to the Retirement Plan's actual experience. Over the past ten years:

  The investment gain/(loss) for a year has ranged from a loss of $4,450,612 to a gain of $5,469,492. If all investment returns were equal to the assumed return over the last ten years, the market value of assets as of the current valuation date would be approximately $98,606,757 as opposed to the actual value of $105,587,299.

  The non-investment gain/(loss) for a year has ranged from a loss of $3,311,643 to a gain of $3,249,673.

  The funded percentage on the actuarial value of assets has ranged from a low of 60.7% to a high of 65.9% since 2010.

- Maturity Measures

  As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Retirement Plan's asset allocation is aligned to meet emerging pension liabilities.

  Currently the Retirement Plan has a non-active to active participant ratio of 0.64. For the prior year benefits and expenses paid were $2,254,655 more than contributions received. As the Retirement Plan matures, more cash will be needed from the investment portfolio to meet benefit payments.

## GFOA Solvency Test

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

### GFOA SOLVENCY TEST AS OF JUNE 30

| | 2019 | 2018 |
|---|---|---|
| Actuarial accrued liability (AAL) | | |
| • Active member contributions | $23,290,961 | $24,117,954 |
| • Retirees and beneficiaries | 86,782,127 | 83,865,944 |
| • Active and inactive members (employer-financed) | 48,572,374 | 43,153,984 |
| Total | $158,645,462 | $151,137,882 |
| Actuarial value of assets | $104,514,040 | $99,606,816 |
| Cumulative portion of AAL covered | | |
| • Active member contributions | 100.00% | 100.00% |
| • Retirees and beneficiaries | 93.59% | 90.01% |
| • Active and inactive members (employer-financed) | 0.00% | 0.00% |

## Volatility Ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 3.9. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 3.9% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be a 0.4% of payroll decrease/(increase) in the required contribution for each 1% asset gain or loss. The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 5.9. This is about 51% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

### VOLATILITY RATIOS FOR YEARS ENDED 2010 - 2019

| Year Ended June 30 | Asset Volatility Risk | Liability Volatility Risk |
|---|---|---|
| 2010 | 2.8 | 5.4 |
| 2011 | 3.2 | 5.4 |
| 2012 | 3.0 | 5.1 |
| 2013 | 3.4 | 5.4 |
| 2014 | 3.7 | 5.7 |
| 2015 | 3.6 | 5.6 |
| 2016 | 3.5 | 5.7 |
| 2017 | 3.8 | 5.9 |
| 2018 | 4.0 | 6.1 |
| 2019 | 3.9 | 5.9 |

## State Minimum Funding Requirements

The Retirement Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). This minimum contribution is determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The Retirement Board has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Retirement Plan will meet applicable state funding standards.

# Section 3: Supplemental Information

## EXHIBIT A – TABLE OF PLAN COVERAGE

| Category | Year Ended June 30 2019 | Year Ended June 30 2018 | Change From Prior Year |
|---|---|---|---|
| **Active participants in valuation:** | | | |
| • Number | 505 | 489 | 3.3% |
| • Average age | 42.1 | 41.6 | 0.5 |
| • Average years of eligibility service | 9.9 | 9.7 | 0.2 |
| • Average years of benefit service | 9.4 | 9.3 | 0.1 |
| • Projected total payroll | $26,855,193 | $24,721,900 | 8.6% |
| • Projected average payroll | 53,179 | 50,556 | 5.2% |
| • Account balances | 23,290,961 | 24,117,954 | -3.4% |
| • Total active vested participants | 231 | 234 | -1.3% |
| **Inactive vested participants** | 9 | 12 | -25.0% |
| Inactive nonvested participants due a refund | 33 | 34 | -2.9% |
| **Retired participants:** | | | |
| • Number in pay status | 254 | 250 | 1.6% |
| • Average age | 66.0 | 65.6 | 0.4 |
| • Average monthly benefit | $2,664 | $2,607 | 2.2% |
| **Disabled participants:** | | | |
| • Number in pay status | 3 | 3 | 0.0% |
| • Average age | 68.5 | 67.5 | 1.0 |
| • Average monthly benefit | $1,053 | $1,053 | 0.0% |
| **Beneficiaries:** | | | |
| • Number in pay status | 25 | 24 | 4.2% |
| • Average age | 74.6 | 74.2 | 0.4 |
| • Average monthly benefit | $1,573 | $1,571 | 0.1% |

# EXHIBIT B – PARTICIPANTS IN ACTIVE SERVICE AS OF JUNE 30, 2019
# BY AGE, YEARS OF SERVICE, AND AVERAGE PAYROLL

| | | Years of Service | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Age | Total | 0 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 |
| Under 25 | 26 | 26 | - - | - - | - - | - - | - - | - - |
| | $38,632 | $38,632 | - - | - - | - - | - - | - - | - - |
| 25 - 29 | 74 | 62 | 12 | - - | - - | - - | - - | - - |
| | 42,589 | 41,721 | $47,074 | - - | - - | - - | - - | - - |
| 30 - 34 | 66 | 37 | 21 | 8 | - - | - - | - - | - - |
| | 47,449 | 43,053 | 51,769 | $56,441 | - - | - - | - - | - - |
| 35 - 39 | 63 | 14 | 18 | 18 | 13 | - - | - - | - - |
| | 51,500 | 38,234 | 51,836 | 55,947 | $59,166 | - - | - - | - - |
| 40 - 44 | 68 | 17 | 9 | 13 | 25 | 4 | - - | - - |
| | 61,561 | 56,332 | 45,967 | 71,905 | 64,100 | $69,385 | - - | - - |
| 45 - 49 | 62 | 12 | 8 | 7 | 14 | 12 | 9 | - - |
| | 63,891 | 42,919 | 62,411 | 61,318 | 67,607 | 70,220 | $80,951 | - - |
| 50 - 54 | 60 | 14 | 11 | 11 | 16 | 5 | 3 | - - |
| | 54,783 | 43,074 | 50,253 | 51,139 | 62,385 | 67,638 | 77,438 | - - |
| 55 - 59 | 51 | 9 | 9 | 13 | 10 | 4 | 6 | - - |
| | 56,254 | 58,644 | 43,263 | 57,490 | 59,271 | 59,424 | 62,334 | - - |
| 60 - 64 | 27 | 6 | 6 | 5 | 6 | 1 | 1 | 2 |
| | 59,596 | 46,348 | 61,572 | 53,022 | 64,389 | 43,789 | 70,748 | $97,801 |
| 65 - 69 | 5 | - - | - - | 3 | 1 | 1 | - - | - - |
| | 56,516 | - - | - - | 55,976 | 76,112 | 38,540 | - - | - - |
| 70 & over | 3 | 1 | - - | 2 | - - | - - | - - | - - |
| | 42,679 | 50,378 | - - | 38,830 | - - | - - | - - | - - |
| Total | 505 | 198 | 94 | 80 | 85 | 27 | 19 | 2 |
| | $53,179 | $43,693 | $51,167 | $58,039 | $63,194 | $65,867 | $73,980 | $97,801 |

# EXHIBIT C – RECONCILIATION OF PARTICIPANT DATA

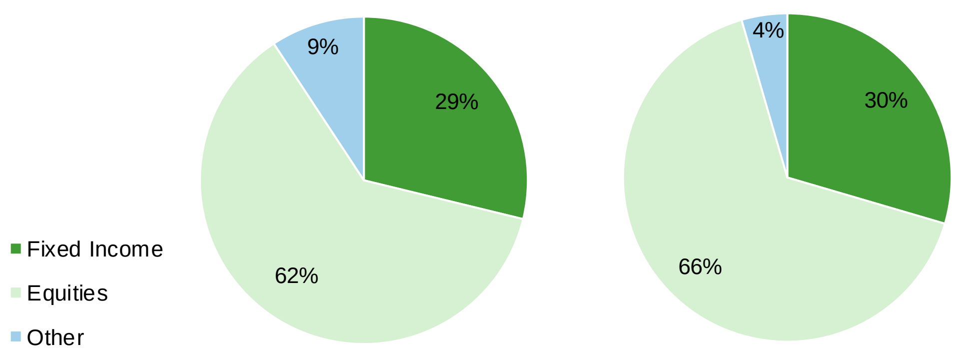
| | Active Participants | Inactive Vested Participants | Inactives Due Refund | Disableds | Retired Participants | Beneficiaries | Total |
|---|---|---|---|---|---|---|---|
| **Number as of July 1, 2018** | **489** | **12** | **34** | **3** | **250** | **24** | **812** |
| • New participants | 52 | N/A | 0 | N/A | N/A | N/A | 52 |
| • Terminations – with vested rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| • Terminations – without vested rights | -4 | N/A | 4 | N/A | N/A | N/A | 0 |
| • Retirements | -7 | -2 | 0 | N/A | 9 | N/A | 0 |
| • New disabilities | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| • Return to work | 1 | 0 | -1 | 0 | 0 | N/A | 0 |
| • Deceased | 0 | 0 | 0 | 0 | -5 | 0 | -5 |
| • New beneficiary | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| • Lump sum cash-outs | -26 | -1 | -4 | 0 | 0 | 0 | -31 |
| • Data adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Number as of July 1, 2019** | **505** | **9** | **33** | **3** | **254** | **25** | **829** |

# EXHIBIT D – SUMMARY STATEMENT OF INCOME AND EXPENSES ON A MARKET VALUE BASIS

| | Year Ended June 30, 2019 | | Year Ended June 30, 2018 | |
|---|---|---|---|---|
| Net assets at market value at the beginning of the year | | $99,606,816 | | $91,311,628 |
| **Contribution income:** | | | | |
| • City contributions | $3,459,466 | | $3,209,624 | |
| • Member contributions | 3,459,466 | | 3,209,624 | |
| • Less administrative expenses | -292,750 | | -219,595 | |
| *Net contribution income* | | *$6,626,182* | | *$6,199,653* |
| **Investment income:** | | | | |
| • Interest, dividends and other income | $1,950,530 | | $1,621,214 | |
| • Asset appreciation | 6,284,608 | | 9,135,951 | |
| *Net investment income* | | *$8,235,138* | | *$10,757,165* |
| **Total income available for benefits** | | **$14,861,320** | | **$16,956,818** |
| **Less benefit payments:** | | | | |
| • Benefit payments | -$8,484,302 | | -$8,022,423 | |
| • Refunds | -396,535 | | -639,207 | |
| *Net benefit payments* | | *-$8,880,837* | | *-$8,661,630* |
| **Change in reserve for future benefits** | | **$5,980,483** | | **$8,295,188** |
| **Net assets at market value at the end of the year** | | **$105,587,299** | | **$99,606,816** |

## EXHIBIT E – SUMMARY STATEMENT OF PLAN ASSETS

| | Year Ended June 30, 2019 | | Year Ended June 30, 2018 | |
|---|---|---|---|---|
| Cash equivalents | | $863,064 | | $2,821,498 |
| **Investments:** | | | | |
| • Equities | $64,906,927 | | $63,863,861 | |
| • Fixed Income | 30,192,195 | | 28,601,077 | |
| • Other | 9,708,790 | | 4,351,920 | |
| Total investments at market value | | $104,807,912 | | $96,816,858 |
| Total assets | | $105,670,976 | | $99,638,356 |
| Total accounts payable | | -83,677 | | -31,540 |
| **Net assets at market value** | | **$105,587,299** | | **$99,606,816** |
| **Net assets at actuarial value** | | **$104,514,040** | | **$99,606,816** |



# EXHIBIT F – DEVELOPMENT OF THE FUND THROUGH JUNE 30, 2019

| Year Ended June 30 | City Contributions | Employee Contributions | Net Investment Return[1] | Admin. Expenses | Benefit Payments | Market Value of Assets at Year-End | Actuarial Value of Assets at Year-End | Actuarial Value as a Percent of Market Value |
|---|---|---|---|---|---|---|---|---|
| 2010 | $2,599,539 | $2,599,539 | $6,509,428 | $0 | $5,419,654 | $56,489,070 | $66,265,931 | 117.3% |
| 2011 | 2,637,591 | 2,637,591 | 9,108,468 | 0 | 5,667,926 | 65,204,794 | 69,055,980 | 105.9% |
| 2012 | 2,829,095 | 2,829,095 | 1,779,127 | 0 | 5,969,131 | 66,672,980 | 72,623,425 | 108.9% |
| 2013 | 2,720,450 | 2,720,450 | 6,298,042 | 0 | 6,313,184 | 72,098,738 | 75,891,152 | 105.3% |
| 2014 | 2,766,404 | 2,766,404 | 10,066,981 | 0 | 6,715,366 | 80,983,161 | 79,605,608 | 98.3% |
| 2015 | 2,862,539 | 2,862,539 | 2,740,115 | 0 | 7,282,407 | 82,165,947 | 83,341,309 | 101.4% |
| 2016 | 3,021,182 | 3,021,182 | 1,651,839 | 0 | 7,642,229 | 82,217,921 | 86,628,934 | 105.4% |
| 2017 | 3,079,855 | 3,132,278 | 11,348,553 | 165,260 | 8,301,719 | 91,311,628 | 89,193,790 | 97.7% |
| 2018 | 3,209,624 | 3,209,624 | 10,757,165 | 219,595 | 8,661,630 | 99,606,816 | 99,606,816 | 100.0% |
| 2019 | 3,459,466 | 3,459,466 | 8,235,138 | 292,750 | 8,880,837 | 105,587,299 | 104,514,040 | 99.0% |

[1]On a market basis, net of investment fees. Years prior to 2017 are also net of administrative expenses.

# EXHIBIT G – TABLE OF AMORTIZATION BASES

| Type[1] | Date Established | Initial Period | Initial Amount | Annual Payment[2] | Years Remaining | Outstanding Balance |
|---|---|---|---|---|---|---|
| Method Change | 07/01/2005 | 30 | $32,986,302 | $2,934,317 | 16 | $35,250,553 |
| Experience Loss | 07/01/2006 | 15 | 1,026,061 | 136,002 | 2 | 266,602 |
| Experience Loss | 07/01/2007 | 15 | 2,683,283 | 344,053 | 3 | 991,704 |
| Experience Loss | 07/01/2008 | 15 | 1,981,229 | 245,738 | 4 | 925,923 |
| Plan Amendment | 07/01/2008 | 20 | 2,971,384 | 302,479 | 9 | 2,327,584 |
| Experience Loss | 07/01/2009 | 15 | 6,539,294 | 784,585 | 5 | 3,623,424 |
| Change in Asset Method | 07/01/2009 | 30 | -4,257,814 | -331,329 | 20 | -4,633,051 |
| Experience Loss | 07/01/2010 | 15 | 649,697 | 75,402 | 6 | 409,799 |
| Experience Loss | 07/01/2011 | 15 | 1,822,083 | 204,550 | 7 | 1,272,086 |
| Change in Assumptions | 07/01/2011 | 30 | -1,863,464 | -135,613 | 22 | -2,014,504 |
| Experience Gain | 07/01/2012 | 15 | -1,960,521 | -212,888 | 8 | -1,484,246 |
| Plan Amendment | 07/01/2012 | 20 | 455,797 | 40,607 | 13 | 418,716 |
| Experience Gain | 07/01/2013 | 15 | -764,499 | -80,297 | 9 | -617,889 |
| Experience Loss | 07/01/2014 | 15 | 1,624,012 | 164,986 | 10 | 1,384,131 |
| Experience Loss | 07/01/2015 | 15 | 2,710,071 | 266,297 | 11 | 2,411,629 |
| Experience Loss | 07/01/2016 | 15 | 2,150,436 | 204,378 | 12 | 1,981,737 |
| Change in Assumptions | 07/01/2016 | 30 | 1,077,026 | 66,277 | 27 | 1,110,014 |
| Experience Loss | 07/01/2017 | 15 | 4,409,885 | 406,924 | 13 | 4,195,925 |
| Experience Loss | 07/01/2018 | 15 | 4,361,401 | 390,744 | 14 | 4,259,793 |
| Change in Assumptions | 07/01/2018 | 30 | 3,511,941 | 203,721 | 29 | 3,545,630 |
| Change in Asset Method | 07/01/2018 | 30 | -6,305,493 | -365,769 | 29 | -6,365,980 |
| Experience Loss | 07/01/2019 | 15 | 4,871,842 | 424,793 | 15 | 4,871,842 |
| **Total** | | | | **$6,069,957** | | **$54,131,422** |

[1]Experience gain/loss bases established on or after July 1, 2017 include the impact of resetting the credit balance to $0 and subsequent losses due to contributions lower than the recommended contribution.

[2]Level percentage of payroll.

## EXHIBIT H – HISTORY OF CONTRIBUTION RATES

| Fiscal Year Ended June 30 | Member Percentage of Pay | City Percentage of Pay | Total Policy Percentage | Recommended Contribution Percentage |
|---|---|---|---|---|
| 1998 | 9.50% | 9.50% | 19.00% | 18.90% |
| 1999 | 9.50% | 9.50% | 19.00% | 19.60% |
| 2000 | 9.50% | 9.50% | 19.00% | 19.20% |
| 2001 | 9.50% | 9.50% | 19.00% | 19.30% |
| 2002 | 9.50% | 9.50% | 19.00% | 19.50% |
| 2003 | 9.50% | 9.50% | 19.00% | 19.80% |
| 2004 | 10.50% | 10.50% | 21.00% | 21.10% |
| 2005 | 10.50% | 10.50% | 21.00% | 22.10% |
| 2006 | 10.50% | 10.50% | 21.00% | 22.10% |
| 2007 | 13.20% | 13.20% | 26.40% | 26.40% |
| 2008 | 13.20% | 13.20% | 26.40% | 26.80% |
| 2009 | 13.20% | 13.20% | 26.40% | 26.24% |
| 2010 | 13.20% | 13.20% | 26.40% | 25.07% |
| 2011 | 13.20% | 13.20% | 26.40% | 27.26% |
| 2012 | 13.20% | 13.20% | 26.40% | 28.98% |
| 2013 | 13.20% | 13.20% | 26.40% | 29.32% |
| 2014 | 13.20% | 13.20% | 26.40% | 28.12% |
| 2015 | 13.20% | 13.20% | 26.40% | 28.97% |
| 2016 | 13.20% | 13.20% | 26.40% | 30.22% |
| 2017 | 13.20% | 13.20% | 26.40% | 30.88% |
| 2018 | 13.20% | 13.20% | 26.40% | 31.80% |
| 2019 | 13.20% | 13.20% | 26.40% | 33.96% |
| 2020 | 13.20% | 13.20% | 26.40% | 35.17% |
| 2021 | 13.20% | 13.20% | 26.40% | 35.62% |

## EXHIBIT I – DEFINITION OF PENSION TERMS

The following list defines certain technical terms for the convenience of the reader:

| | |
|---|---|
| **Actuarial Accrued Liability for Actives:** | The equivalent of the accumulated normal costs allocated to the years before the valuation date. |
| **Actuarial Accrued Liability for Pensioners and Beneficiaries:** | The single-sum value of lifetime benefits to existing pensioners and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits. |
| **Actuarial Cost Method:** | A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the recommended contribution. |
| **Actuarial Gain or Loss:** | A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period. |
| **Actuarially Equivalent:** | Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions. |
| **Actuarial Present Value (APV):** | The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is:<br>Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.)<br>Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and<br>Discounted according to an assumed rate (or rates) of return to reflect the time value of money. |

| | |
|---|---|
| **Actuarial Present Value of Future Plan Benefits:** | The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due. |
| **Actuarial Valuation:** | The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Actuarially Determined Contribution (ADC) and the Net Pension Liability (NPL). |
| **Actuarial Value of Assets (AVA):** | The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ADC. |
| **Actuarially Determined:** | Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law. |
| **Actuarially Determined Contribution (ADC):** | The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment. |
| **Amortization Method:** | A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase. |
| **Amortization Payment:** | The portion of the pension plan contribution, or ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability. |

| | |
|---|---|
| **Assumptions or Actuarial Assumptions:** | The estimates upon which the cost of the Fund is calculated, including:<br>Investment return - the rate of investment yield that the Fund will earn over the long-term future;<br>Mortality rates - the death rates of employees and pensioners; life expectancy is based on these rates;<br>Retirement rates - the rate or probability of retirement at a given age or service;<br>Disability rates – the probability of disability retirement at a given age;<br>Withdrawal rates - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement;<br>Salary increase rates - the rates of salary increase due to inflation and productivity growth. |
| **Closed Amortization Period:** | A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Open Amortization Period. |
| **Decrements:** | Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal. |
| **Defined Benefit Plan:** | A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service. |
| **Defined Contribution Plan:** | A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance. |
| **Employer Normal Cost:** | The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions. |
| **Experience Study:** | A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary. |
| **Funded Ratio:** | The ratio of the actuarial value of assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the market value of assets (MVA), rather than the AVA. |

| | |
|---|---|
| **GASB 67 and GASB 68:** | Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves. |
| **Investment Return:** | The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next. |
| **Net Pension Liability (NPL):** | The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position. |
| **Normal Cost:** | That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated. |
| **Open Amortization Period:** | An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the actuarial assumptions are realized. |
| **Plan Fiduciary Net Position:** | Market value of assets. |
| **Total Pension Liability (TPL):** | The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68. |
| **Unfunded Actuarial Accrued Liability:** | The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus. |
| **Valuation Date or Actuarial Valuation Date:** | The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date. |

## EXHIBIT I – ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

**Rationale for Assumptions:** The investment return, inflation, and administrative expense assumptions used in the July 1, 2019 valuation were approved by the Board in October, 2018, based on the results of an actuarial study conducted by Segal. The mortality and other actuarial assumptions used in the July 1, 2019 valuation were approved by the Board in August, 2016, based on the results of an actuarial experience study for the five-year period ended June 30, 2015. Current data is reviewed in conjunction with each annual valuation.

**Net Investment Return:** 7.00%, net of investment expenses

The net investment return assumption was chosen by the Retirement Plan's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and input from Plan professionals. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Retirement Plan's target asset allocation.

**Administrative Expenses:** $190,000 payable mid-year, equivalent to $184,233 at the beginning of the year.

**Salary Increases:**

| Service | Rate (%) |
|---|---|
| 0-1 | 13.75 |
| 1-2 | 5.75 |
| 2-5 | 4.75 |
| 5-14 | 3.75 |
| 15-24 | 3.25 |
| 25+ | 2.75 |

*Above rates reflect a 2.75% inflation assumption.*

The salary increase assumptions are based on the City's pay plan, along with analysis completed in conjunction with an actuarial experience study for the five-year period ended June 30, 2015.

| | |
|---|---|
| **Inflation Rate:** | 2.75% |
| **Payroll Growth:** | 2.75% |
| **Cost-of-Living Adjustments:** | 0.00% |
| **Mortality Rates:** | |
| *Pre-retirement:* | RP-2014 Employee Mortality Table |
| *Healthy annuitants:* | RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates multiplied by 120%, set forward two years for males only |
| *Disabled annuitants*: | RP-2014 Disabled Retiree Mortality Table |
| | The tables above, with adjustments shown, reasonably reflect the mortality experience of the Retirement Plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection under Scale MP-2015 from 2014 to reflect future mortality improvement. |

**Annuitant Mortality Rates:**

| Age | Rate (%) | | | |
|---|---|---|---|---|
| | Healthy[1] | | Disabled[1] | |
| | Male | Female | Male | Female |
| 55 | 0.83 | 0.48 | 2.34 | 1.45 |
| 60 | 1.18 | 0.69 | 2.66 | 1.70 |
| 65 | 1.80 | 1.05 | 3.17 | 2.09 |
| 70 | 2.84 | 1.68 | 4.03 | 2.82 |
| 75 | 4.60 | 2.76 | 5.43 | 4.10 |
| 80 | 7.64 | 4.58 | 7.66 | 6.10 |
| 85 | 12.84 | 7.80 | 11.33 | 9.04 |
| 90 | 21.32 | 13.42 | 17.30 | 13.27 |

[1]*Rates shown do not include generational projection.*

**Mortality and Disability Rates before Retirement:**

| Age | Rate (%) | | |
|---|---|---|---|
| | Mortality[1] | | Disability |
| | Male | Female | Male and Female |
| 20 | 0.04 | 0.02 | 0.02 |
| 25 | 0.05 | 0.02 | 0.03 |
| 30 | 0.05 | 0.02 | 0.03 |
| 35 | 0.05 | 0.03 | 0.03 |
| 40 | 0.06 | 0.04 | 0.04 |
| 45 | 0.10 | 0.07 | 0.05 |
| 50 | 0.17 | 0.11 | 0.08 |
| 55 | 0.28 | 0.17 | 0.15 |
| 60 | 0.47 | 0.24 | 0.30 |

[1]*Rates shown do not include generational projection.*

**On the Job Disability:**

*Employees hired prior to July 1, 2008:* 100% of disabilities

*General Employees hired on or after July 1, 2008:* 30% of disabilities

*Public Safety Employees hired on or after July 1, 2008:* 80% of disabilities

**Termination Rates before Retirement:**

| Age | Employees hired prior to July 1, 2008 | General Employees hired on or after July 1, 2008 | Years of Service | Public Safety Employees hired on or after July 1, 2008 |
|---|---|---|---|---|
| 20 | 24.61 | 29.51 | 0-1 | 18.00% |
| 25 | 15.00 | 22.48 | 1-2 | 16.00 |
| 30 | 8.15 | 16.28 | 2-3 | 14.00 |
| 35 | 5.07 | 12.64 | 3-4 | 12.00 |
| 40 | 4.04 | 10.07 | 4-5 | 10.00 |
| 45 | 3.24 | 8.07 | 5-6 | 8.00 |
| 50 | 2.58 | 6.44 | 6-7 | 6.00 |
| 55 | 2.03 | 5.06 | 7-10 | 4.00 |
| 60 | 1.55 | 3.86 | 11-19 | 2.00 |
| 65 | 1.13 | 2.81 | 20+ | 0.00 |

**Retirement Rates:**

| Employees hired before July 1, 2008 | | General Employees hired on or after July 1, 2008 | | Public Safety Employees hired on or after after July 1, 2008 | |
|---|---|---|---|---|---|
| Age | Rate% | Age | Rate% | Age | Rate% |
| 40-49 | 15.0 | 55-59 | 5 | 50-54 | 5 |
| 50-59 | 12.5 | 60-64 | 30 | 55-59 | 10 |
| 60 | 15.0 | 65 | 100 | 60-64 | 30 |
| 61 | 20.0 | | | 65 | 100 |
| 62 | 40.0 | | | | |
| 63 | 35.0 | | | | |
| 64 | 20.0 | | | | |
| 65-69 | 35.0 | | | | |
| 70 | 100.0 | | | | |

*Note: Rates are increased an additional 30% at age when participant first becomes eligible for unreduced benefits.*

| | |
|---|---|
| **Retirement Age for Inactive Vested Participants:** | Earliest eligibility for Normal Retirement, but not before age 60 |
| **Weighted Average Retirement Age:** | Age 58.7, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the July 1, 2019 actuarial valuation. |
| **Form of payment** | Life annuity |
| **Percent Married:** | 90% |
| **Age of Spouse:** | Females two years younger than males |
| **Unknown Data for Participants:** | Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male. |
| **Actuarial Value of Assets:** | Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value. Set to market value on July 1, 2018. |
| **Actuarial Cost Method:** | Entry Age Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined as if the current benefit accrual rate had always been in effect. |
| **Changes in Actuarial Assumptions:** | There have been no changes in actuarial assumptions since the last valuation. |

# EXHIBIT II – SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

| | |
|---|---|
| **Plan Year:** | July 1 through June 30 |
| **Normal Retirement:** | |
| Employees hired prior to July 1, 2008 | |
| *Eligibility Requirement* | The later of age 60 and the completion of 10 years of service, or any age and the completion of 25 years of service, if earlier. (If hired on or after age 55, participant is eligible for Normal Retirement after 5 years of participation.) |
| *Amount* | 3% of Average Monthly Compensation times years of service (maximum 99%) |
| *Average Monthly Compensation* | Based on total compensation for the 60 consecutive completed service months that yield the highest average |
| Employees hired on or after July 1, 2008 | |
| *Eligibility Requirement* | |
| General Employees | The later of age 65 and the completion of 10 years of service, or age 60 and the completion of 25 years of service, if earlier |
| Public Safety Employees | The later of age 65 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier |
| *Amount* | 2.5% of Average Monthly Compensation times years of service (maximum 82.5%) |
| *Average Monthly Compensation* | Based on total compensation for the 60 consecutive completed service months that yield the highest average. |

| | |
|---|---|
| **Early Retirement:** | |
| Employees hired before July 1, 2008 | |
| *Eligibility Requirement* | Any age and the completion of 20 years of service |
| *Amount* | Normal pension accrued reduced by 2% for each year by which the benefit commencement date precedes the normal retirement date |
| Employees hired on or after July 1, 2008 | |
| *Eligibility Requirement* | Any age and the completion of 20 years of service |
| *Amount* | Normal pension accrued reduced by 5% for each year by which the benefit commencement date precedes the normal retirement date |
| **Disability:** | |
| Employees hired before July 1, 2008 | |
| *Eligibility Requirement* | Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board. |
| *Amount* | 50% of average monthly compensation, but not less than the unreduced normal pension accrued |
| Employees hired on or after July 1, 2008 | |
| On-the-job | |
| *Eligibility Requirement* | Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board |
| *Amount* | 50% of average monthly compensation, but not less than the unreduced normal pension accrued |
| Not-on-the-job | |
| *Eligibility Requirement* | Any age and 10 years of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board. |
| *Amount* | The unreduced normal pension accrued |

| | |
|---|---|
| **Termination Benefits:** | |
| *Within the first ten years of eligibility service (five years if hired on or after age 55)* | The participant's contributions will be returned without interest. |
| *After ten years of eligibility service* | The participant who terminates employment prior to their Normal Retirement Date and elects to leave contributions in the fund shall receive a monthly benefit to commence at age 60. The benefit payable is based on credited service and average monthly compensation as of the date of termination. |
| **Pre-Retirement Death Benefit:** | |
| A. Less than 25 years of Eligibility Service | |
| *Requirement* | Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligibility service. |
| *Amount* | 50% of accrued Normal Retirement benefit payable. |
| B. At least 25 years of Eligibility Service | |
| *Requirement* | Death prior to termination of employment and after completion of at least 25 years of eligibility service. |
| *Amount* | The amount of pension computed as if the decedent had retired under the normal retirement provision and elected a 100% Joint and Survivor option.<br><br>Note: For all participants, the minimum death benefit is equal to the participant's contributions converted to an actuarially equivalent life time pension. |
| **Post-Retirement Death Benefits:** | If married, pension benefits are paid in the form of a joint and survivor annuity (One hundred, seventy-five, or fifty percent) unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases the employee, the employee's benefit amount will subsequently be increased to the unreduced amount payable had the joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amount. |

| | |
|---|---|
| **Participation:** | Any person who performs a service for the City of Gainesville, Georgia who is not covered by Social Security is eligible to participate. Independent contractors, “leased employees” and temporary, casual or part-time employees are not eligible to participate in this plan. |
| **Contributions:** | Each participant contributes 13.2% of pay. The City contributes 13.2% as well, for a total of 26.4%. |
| **Changes in Plan Provisions:** | There have been no changes in plan provisions since the last valuation. |

9017211v1/10417.001

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Jeff Swanson, SEAS

**Item of Business**: Third Quarter 2019 Investment Report

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to allow Southeastern Advisory Services to present the quarterly report for the period ending September 30, 2019.

**History/Background**:
The Plan's investment consultant is Southeastern Advisory Services (SEAS). The quarterly report summarizes the activities of the Plan's portfolio.

**Facts & Issues for Consideration**:

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| Description | Type |
|---|---|
| 2019 3rd Quarter SEAS Report | Report |

# CITY OF GAINESVILLE
# EMPLOYEES' RETIREMENT SYSTEM PLAN A

INVESTMENT PERFORMANCE ANALYSIS

## THIRD QUARTER 2019

Note: For a copy of Southeastern Advisory Services, Inc.'s most recent Form ADV Brochure Part 2A, please write: Southeastern Advisory Services, Inc., 12 Piedmont Center, Suite 202, Atlanta, GA 30305, or e-mail your request to ben@seadvisory.com. Form ADV Brochure Part 2A will be mailed within seven (7) days upon receipt of the request.

Only the executive summary portion of our reporting is provided herein. If you would like an electronic copy of the back-up pages to this executive summary, send your request to jeff@seadvisory.com.

**Jeffrey Swanson, Senior Consultant**

Southeastern Advisory Services, Inc.
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# CITY OF GAINESVILLE
# EMPLOYEES' RETIREMENT SYSTEM PLAN A

## INVESTMENT PERFORMANCE ANALYSIS

## SEPTEMBER 30, 2019

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Executive Summary

# CITY OF GAINESVILLE EMPLOYEES' RETIREMENT SYSTEM PLAN A

Quarter Ending September 30, 2019

**PORTFOLIO SUMMARY**

- For the quarter ending September 30, 2019, total plan assets (including R&D) were $105,986,639.
- As of September 30, 2019, the investment portfolio consisted of 61.6% equity, 29.1% fixed income and absolute return strategies, 9.3% real estate, and 0.0% in cash equivalents.
- For the quarter, the total plan (including the R&D account) earned a rate of return of 0.7%.
- For the trailing one-year and three-year periods, the plan earned 4.5% and 10.5%, respectively (including the R&D account).

## I. MARKET ENVIRONMENT

| Index | Third Quarter | 1 Year | 3 Year |
|---|---|---|---|
| Standard & Poor's 500 Index | 1.7% | 4.3% | 13.4% |
| Russell 2000 Index | -2.4% | -8.9% | 8.2% |
| MSCI EAFE Index (Net) | -1.1% | -1.3% | 6.5% |
| NCREIF Property Index | 1.4% | 6.2% | 6.8% |
| CS Hedge Index | 0.3% | 2.1% | 3.8% |
| BbgBarc U.S. Aggregate | 2.3% | 10.3% | 2.9% |
| 91 Day Treasury Bills | 0.6% | 2.4% | 1.5% |
| Consumer Price Index (NSA) | 0.2% | 1.7% | 2.1% |

Despite two rate cuts by the Federal Reserve, as well as continued trade and political issues, market volatility settled in for the third quarter of 2019, extending the strongest year for U.S. equity market since 2013. The one-year return of only 4.3% for the Standard & Poor's 500 Index, highlights the sizeable selloff during Q4 2018. Trade talks with China continue to be an important unknown while the Federal Reserve's possible continued monetary easing has maintained uncertainty surrounding markets. The U.S. economy remains sound, especially compared to global economic conditions. Real GDP growth slowed during the second quarter of 2019, at 2.0% annualized. The contributions to growth were meaningfully different among the components of GDP. Consumer spending was up more than it has been in 18 months with a very strong labor market that includes rising wages. Private spending, however, was down sharply as business investment contracted as did spending on home building and improvements. Many economists believe that 2% growth is what is likely for the remainder of the year. Consumer prices have increased during the past three months but have been modest for the year. The Consumer Price Index was up 0.2% for the three months ending August and 1.7% for the one-year period ending September.

**Equities:** The U.S. stock market, represented by the Standard & Poor's 500 Index, was up 1.7% for the third quarter of 2019 and up 20.5% for the first nine months of 2019. Large capitalization stocks outperformed small caps for the quarter as the Wilshire Large-Cap Index was up 1.5% versus a loss of -1.8% for the Wilshire US Small-Cap Index. Growth stocks trailed value during the third quarter and have underperformed in the large cap space during the past twelve months. Eight of the eleven major sectors were in positive territory during the third quarter. The strongest performing sectors were Utilities (8.1%), Real Estate (7.6%) and Consumer Staples (5.9%). The worst performing sectors were Energy (-7.5%) and Health Care (-3.7%).

**Fixed Income:** The U.S. Treasury yield curve fell across all maturities during the quarter while its inversion worsened. The curve is now inverted out to the 10-year mark by approximately .2%. The 10-year Treasury yield ended the quarter at 1.7%, down .3% from June. The Federal Open Market Committee decreased its overnight rate by 0.25% at both the July and September meetings. While the official position after the latest meeting is for no more changes this year, individual members are almost perfectly split among another cut, no change and an increase by year-end. Credit spreads were little changed by quarter-end within both the investment grade and high yield markets.

**Alternatives:** Hedge funds gained 4.9% for the first three quarters of 2019 according to a report by Hedge Fund Research. While this performance is the best since 2013, it is far below the +20.5% return of the S&P 500 index. Commercial real estate posted mixed results year-to-date; as many managers with retail and mall-related exposure began to mark down those properties. *Wall Street Journal / Bloomberg*

## II. Live Universe Comparisons and Reporting

| **Wilshire Public Plan Sponsor Universe** | WILSHIRE |
|---|---|
| Number of Plans | 252 |
| Median Size | $316.9 Million |
| Total Assets | $2.6 Trillion |
| Total Plans over $1 Billion | 93 |
| Total Plans between $100 - $1,000 Million | 88 |
| Total Plans between $20 Million - $100 Million | 42 |
| Total Plans under $20 Million | 29 |

### About Wilshire Associates

The Wilshire Cooperative is collaboration between Wilshire Associates and more than 60 independent investment consulting firms. Wilshire provides advanced performance measurement and attribution reporting systems to participating firms while Cooperative members provide asset and performance data for their sponsor clients. These are then pooled into peer groups for comparative purposes. Today, the Wilshire Cooperative is the standard utilized by over 1300 plan sponsors with assets over $743 billion dollars.

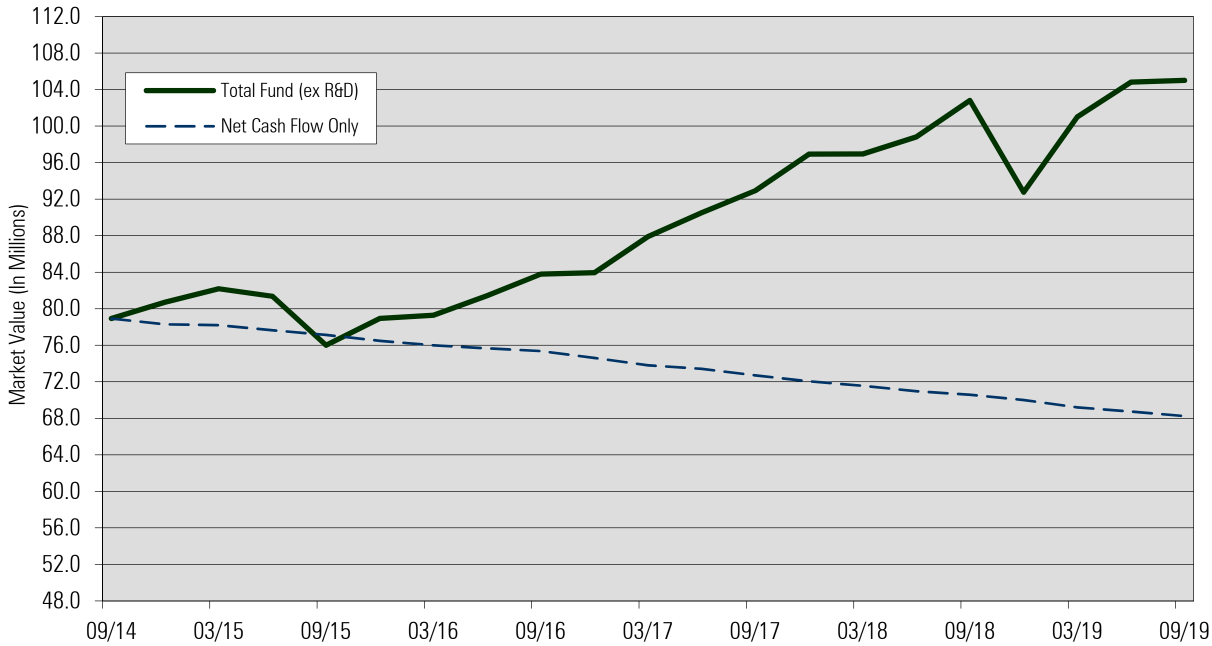
### Our Universe Comparisons

As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 250 public pension systems across the country. These are real public funds who face similar investment restrictions and guidelines to your own. These peer-to-peer performance comparisons are critical to the evaluation process.

### Our Reporting

Unique to Southeastern Advisory Services is our customized reporting platform. We have the ability to accurately calculate performance against virtually any benchmark, comparison or metric. These industry-leading tools include sophisticated attribution analyses and holdings-based style and characteristic analysis. Our goal is to deliver a clear, easily-understood picture of performance that fairly assesses the effectiveness of your investment policy, strategy and managers. Each performance report is fully-customized based on your input. We welcome your requests and suggestions.

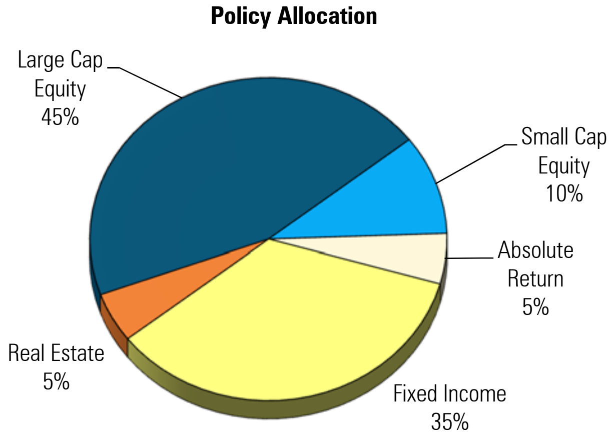
## III. PORTFOLIO GROWTH- PERIOD ENDED SEPTEMBER 30, 2019

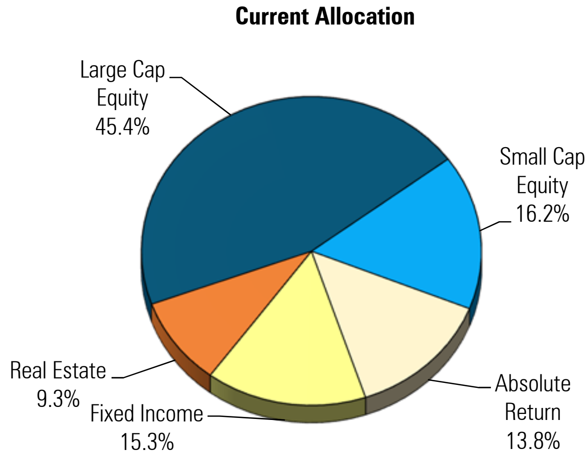



| Period Ending | Beginning Value $(000) | Net Cash Flow | Net Gain/Loss | Ending Value $(000) | Quarterly Return | Fiscal Yr Return |
|---|---|---|---|---|---|---|
| Dec-14 | 78,933 | -635 | 2,411 | 80,710 | 3.1% | |
| Mar-15 | 80,710 | -99 | 1,580 | 82,190 | 2.0% | |
| Jun-15 | 82,190 | -547 | -284 | 81,359 | -0.4% | 3.7% |
| Sep-15 | 81,359 | -509 | -4,848 | 76,002 | -6.0% | |
| Dec-15 | 76,002 | -657 | 3,579 | 78,924 | 4.4% | |
| Mar-16 | 78,924 | -486 | 838 | 79,276 | 1.0% | |
| Jun-16 | 79,276 | -330 | 2,473 | 81,419 | 3.1% | 2.2% |
| Sep-16 | 81,419 | -301 | 2,660 | 83,778 | 3.3% | |
| Dec-16 | 83,778 | -757 | 912 | 83,933 | 1.1% | |
| Mar-17 | 83,933 | -806 | 4,770 | 87,898 | 5.7% | |
| Jun-17 | 87,898 | -392 | 3,003 | 90,509 | 3.5% | 14.2% |
| Sep-17 | 90,509 | -717 | 3,134 | 92,926 | 3.5% | |
| Dec-17 | 92,926 | -635 | 4,637 | 96,928 | 5.0% | |
| Mar-18 | 96,928 | -496 | 509 | 96,941 | 0.5% | |
| Jun-18 | 96,941 | -595 | 2,472 | 98,817 | 2.6% | 12.0% |
| Sep-18 | 98,817 | -392 | 4,393 | 102,818 | 4.4% | |
| Dec-18 | 102,818 | -568 | -9,499 | 92,751 | -9.3% | |
| Mar-19 | 92,751 | -808 | 9,059 | 101,002 | 9.7% | |
| Jun-19 | 101,002 | -463 | 4,269 | 104,808 | 4.2% | 8.4% |
| Sep-19 | 104,808 | -493 | 700 | 105,015 | 0.7% | 0.7% |
| **Total** | **78,933** | **-10,685** | **36,767** | **105,015** | **49.3%** | |
| **Absolute Return Objective*:** | | | | | | **7.0%** |

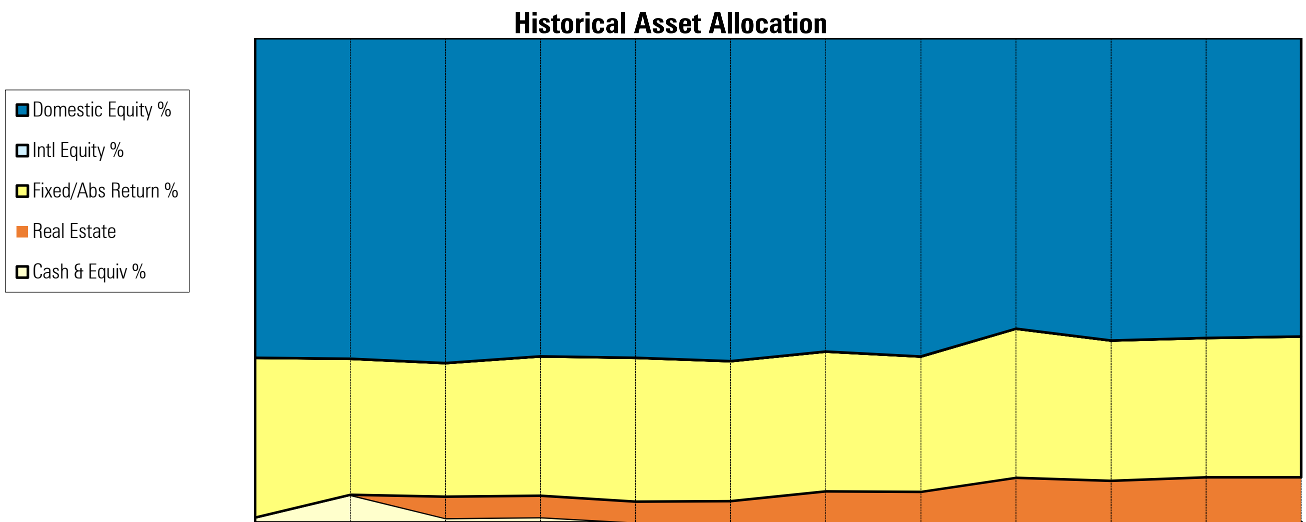
*Table above excludes R&D account

## IV. ALLOCATION OF ASSETS: Total Fund (ex R&D)




| Asset Class | Target Allocation | Quarter End Allocation | Median Public Plan |
|---|---|---|---|
| Domestic Equity | 55% | 61.6% | 49.0% |
| International Equity | 0% | 0.0% | 11.6% |
| Fixed Income/Absolute Return | 40% | 29.1% | 23.6% |
| Real Estate | 5% | 9.3% | 13.5% |
| Cash Equivalents | 0% | 0.0% | 2.3% |



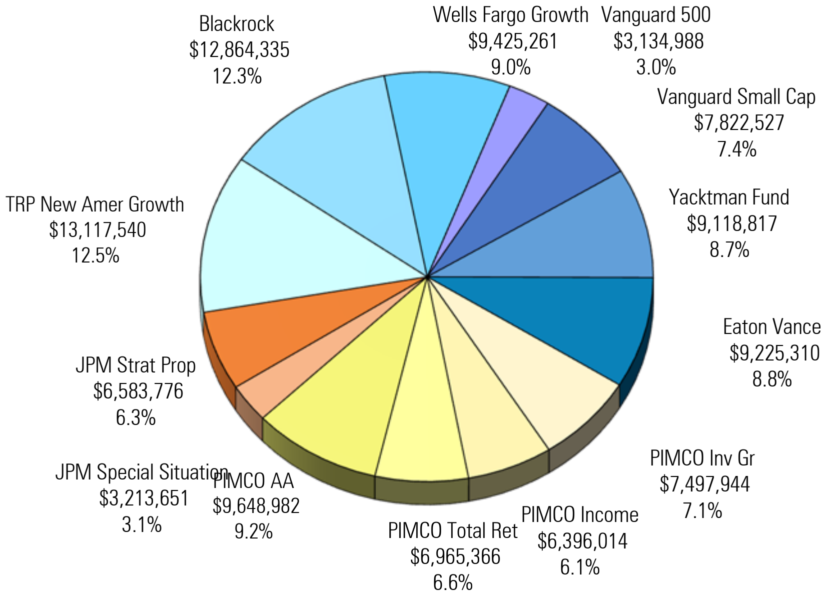

| | 12/16 | 03/17 | 06/17 | 09/17 | 12/17 | 03/18 | 06/18 | 09/18 | 12/18 | 03/19 | 06/19 | 09/19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Domestic Equity % | 66.0 | 66.2 | 67.1 | 65.7 | 66.0 | 66.7 | 64.7 | 65.8 | 60.0 | 62.5 | 61.9 | 61.6 |
| Intl Equity % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fixed/Abs Return % | 33.0 | 28.1 | 27.6 | 28.8 | 29.7 | 28.9 | 28.9 | 28.0 | 30.8 | 29.0 | 28.8 | 29.1 |
| Real Estate | 0.0 | 0.0 | 4.4 | 4.4 | 4.3 | 4.4 | 6.4 | 6.3 | 9.2 | 8.6 | 9.3 | 9.3 |
| Cash & Equiv % | 1.0 | 5.7 | 0.9 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Manager | Dom Equity | Intl Equity | Fixed Income | Real Estate | Cash |
|---|---|---|---|---|---|
| Blackrock Equity Dividend | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Eaton Vance | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Yacktman Fund | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Vanguard Small Cap | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| TRP New America Growth | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Wells Fargo Growth Fund | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| PIMCO All Asset | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| PIMCO Income | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| PIMCO Total Return | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| PIMCO Inv Grade Corp | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| JP Morgan Strategic Prop | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| JP Morgan Special Situation | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% |
| **Total Fund** | **61.6%** | **0.0%** | **29.1%** | **9.3%** | **0.0%** |

| O.C.G.A. Section 47-20-82(c) Compliance | | | | |
|---|---|---|---|---|
| **Equity Value, As of** | **3Q19** | **2Q19** | **1Q19** | **4Q18** |
| Yacktman Fund | $ 8,827,149 | $ 8,827,149 | $ 8,827,149 | $ 8,827,149 |
| Blackrock Equity Dividend | $ 11,358,572 | $ 10,174,224 | $ 10,286,659 | $ 10,422,917 |
| Eaton Vance AC SMID | $ 4,414,060 | $ 4,529,304 | $ 5,057,740 | $ 5,057,740 |
| TRP New America Growth | $ 9,590,717 | $ 9,590,717 | $ 9,757,848 | $ 9,886,769 |
| Vanguard 500 | $ 2,203,729 | $ 2,188,930 | $ 2,173,230 | $ 2,156,867 |
| Vanguard Small Cap | $ 5,784,287 | $ 5,938,032 | $ 5,912,620 | $ 5,887,840 |
| Wells Fargo Growth Fund | $ 8,792,381 | $ 8,792,381 | $ 8,792,381 | $ 8,792,381 |
| **Total Cost Value** | $ 50,970,894 | $ 50,040,737 | $ 50,807,627 | $ 51,031,663 |
| Total Market Value, All Assets | $ 105,986,638 | $ 105,670,976 | $ 102,096,667 | $ 93,471,114 |
| *Cost Value vs Market Total* | *48.1%* | *47.4%* | *49.8%* | *54.6%* |

* Domestic mutual funds may hold foreign securities. Compliance with O.C.G.A. Section 47-20-82(c) requires that those Ga funds that are not classified as "Large Retirement Systems" (over 75% funded ratio if assets are less than $50MM and over 70% funded ratio if total assets exceed $50MM) maintain less than 55% in equity securities based on historical cost basis. The PIMCO All Asset Fund holds predominantly fixed income assets and is classified as such for compliance purposes. The PIMCO All Asset fund may hold underlying equity securities /and or equity fund funds. The PIMCO All Asset Fund is an absolute return strategy but is included as part of the fixed income allocation in the table above."

## V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending September 30, 2019

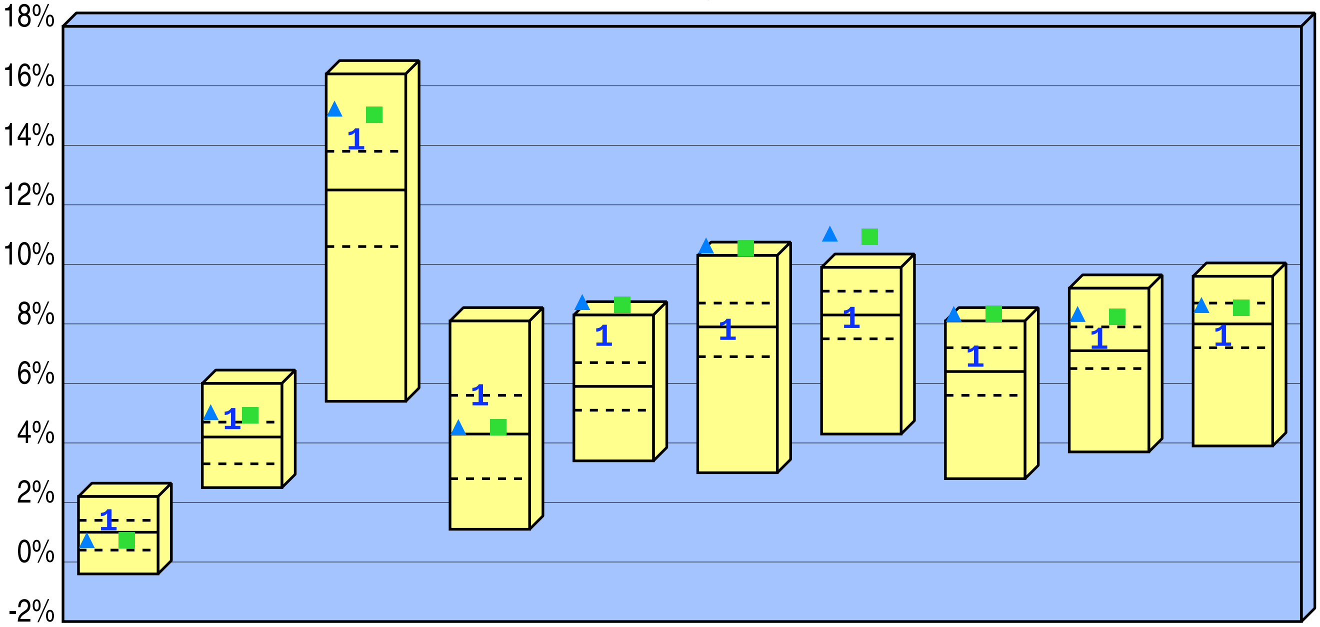



| Manager | Beginning Value | % Alloc | Cash In | Cash Out | Gain/Loss | Ending Value | % Alloc |
|---|---|---|---|---|---|---|---|
| Blackrock Equity Dividend (LCV) | $12,612,540 | 12.0% | $0 | $0 | $251,795 | $12,864,335 | 12.3% |
| TRP New America Growth (LCG) | $13,107,649 | 12.5% | $0 | $0 | $9,891 | $13,117,540 | 12.5% |
| Wells Fargo Growth Fund (LCG) | $9,563,836 | 9.1% | $0 | $0 | ($138,575) | $9,425,261 | 9.0% |
| Vanguard 500 (Passive) | $3,082,854 | 2.9% | $0 | $0 | $52,134 | $3,134,988 | 3.0% |
| Yacktman Fund (Contrarian/ARE) | $9,144,809 | 8.7% | $0 | $0 | ($25,992) | $9,118,817 | 8.7% |
| **Total Large Cap Equity** | **$47,511,688** | **45.3%** | **$0** | **$0** | **$149,253** | **$47,660,941** | **45.4%** |
| Eaton Vance (SMID Growth) | $9,214,293 | 8.8% | $0 | ($234,310) | $245,327 | $9,225,310 | 8.8% |
| Vanguard Small Cap (Passive) | $8,180,945 | 7.8% | $0 | ($234,310) | ($124,108) | $7,822,527 | 7.4% |
| **Total Small/Mid Cap Equity** | **$17,395,238** | **16.6%** | **$0** | **($468,620)** | **$121,219** | **$17,047,837** | **16.2%** |
| PIMCO All Asset | $9,706,972 | 9.3% | $0 | $0 | ($57,990) | $9,648,982 | 9.2% |
| **Total Real Return/Real Asset** | **$9,706,972** | **9.3%** | **$0** | **$0** | **($57,990)** | **$9,648,982** | **9.2%** |
| PIMCO Income | $6,403,493 | 6.1% | $0 | $0 | ($7,479) | $6,396,014 | 6.1% |
| PIMCO Inv Grade Corp | $7,280,296 | 6.9% | $0 | $0 | $217,648 | $7,497,944 | 7.1% |
| PIMCO Total Return | $6,801,434 | 6.5% | $0 | $0 | $163,932 | $6,965,366 | 6.6% |
| **Total Fixed Income** | **$20,485,223** | **19.5%** | **$0** | **$0** | **$374,101** | **$20,859,324** | **19.9%** |
| JP Morgan Strategic Property | $6,570,659 | 6.3% | $0 | ($16,277) | $29,394 | $6,583,776 | 6.3% |
| JP Morgan Special Situation | $3,138,131 | 3.0% | $0 | ($8,543) | $84,063 | $3,213,651 | 3.1% |
| **Total Real Estate** | **$9,708,790** | **9.3%** | **$0** | **($24,820)** | **$113,457** | **$9,797,427** | **9.3%** |
| *Cash in Mutual Fund Ledger* | *$0* | *0%* | *$0* | *$0* | $0 | *$0* | *0.0%* |
| **Total Fund** | **$104,807,911** | **100%** | **$0** | **($493,440)** | **$700,040** | **$105,014,511** | **100%** |
| *Receipts & Disbursements Acct.* | *$863,064* | | *$0* | *($8,543)* | *$117,607* | *$972,128* | |
| **Total Fund + R&D Acct.** | **$105,670,975** | | **$0** | **($501,983)** | **$817,647** | **$105,986,639** | |

For this report, all performance and asset allocation information for the Total Fund does not include the Receipts & Disbursements Account.

* Wells Fargo is to maintain an R&D balance between $600K and $750K and is directed to rebalance on a monthly basis on the 15th of each month. Balances above $750K are to be applied towards the PIMCO Total Return Bond Fund. Cash needs are to be met through redemptions 50/50 from the Eaton Vance SMID/Vanguard SCI.

# Gainesville Employees' Retirement System A
## Cumulative Performance Comparison
### Total Returns of Total Fund Public Sponsors
### Periods Ending 9/19




| | Last Qtr | Last 2 Qtrs | Last 3 Qtrs | Last Year | Last 2 Years | Last 3 Years | Last 4 Years | Last 5 Years | Last 6 Years | Last 7 Years |
|---|---|---|---|---|---|---|---|---|---|---|
| High | 2.2 | 6.0 | 16.4 | 8.1 | 8.3 | 10.3 | 9.9 | 8.1 | 9.2 | 9.6 |
| 1st Qt | 1.4 | 4.7 | 13.8 | 5.6 | 6.7 | 8.7 | 9.1 | 7.2 | 7.9 | 8.7 |
| Median | 1.0 | 4.2 | 12.5 | 4.3 | 5.9 | 7.9 | 8.3 | 6.4 | 7.1 | 8.0 |
| 3rd Qt | 0.4 | 3.3 | 10.6 | 2.8 | 5.1 | 6.9 | 7.5 | 5.6 | 6.5 | 7.2 |
| Low | -0.4 | 2.5 | 5.4 | 1.1 | 3.4 | 3.0 | 4.3 | 2.8 | 3.7 | 3.9 |
| ▲ Total Fund (ex R&D) | | | | | | | | | | |
| Return | 0.7 | 5.0 | 15.2 | 4.5 | 8.7 | 10.6 | 11.0 | 8.3 | 8.3 | 8.6 |
| Rank | 65 | 19 | 10 | 42 | 1 | 1 | 1 | 1 | 13 | 31 |
| 1 Policy Index | | | | | | | | | | |
| Return | 1.3 | 4.7 | 14.1 | 5.5 | 7.5 | 7.7 | 8.1 | 6.8 | 7.4 | 7.5 |
| Rank | 31 | 23 | 17 | 27 | 16 | 59 | 57 | 44 | 42 | 60 |
| ■ Total Fund (incl R&D) | | | | | | | | | | |
| Return | 0.7 | 4.9 | 15.0 | 4.5 | 8.6 | 10.5 | 10.9 | 8.3 | 8.2 | 8.5 |
| Rank | 65 | 19 | 11 | 44 | 1 | 1 | 1 | 1 | 13 | 32 |

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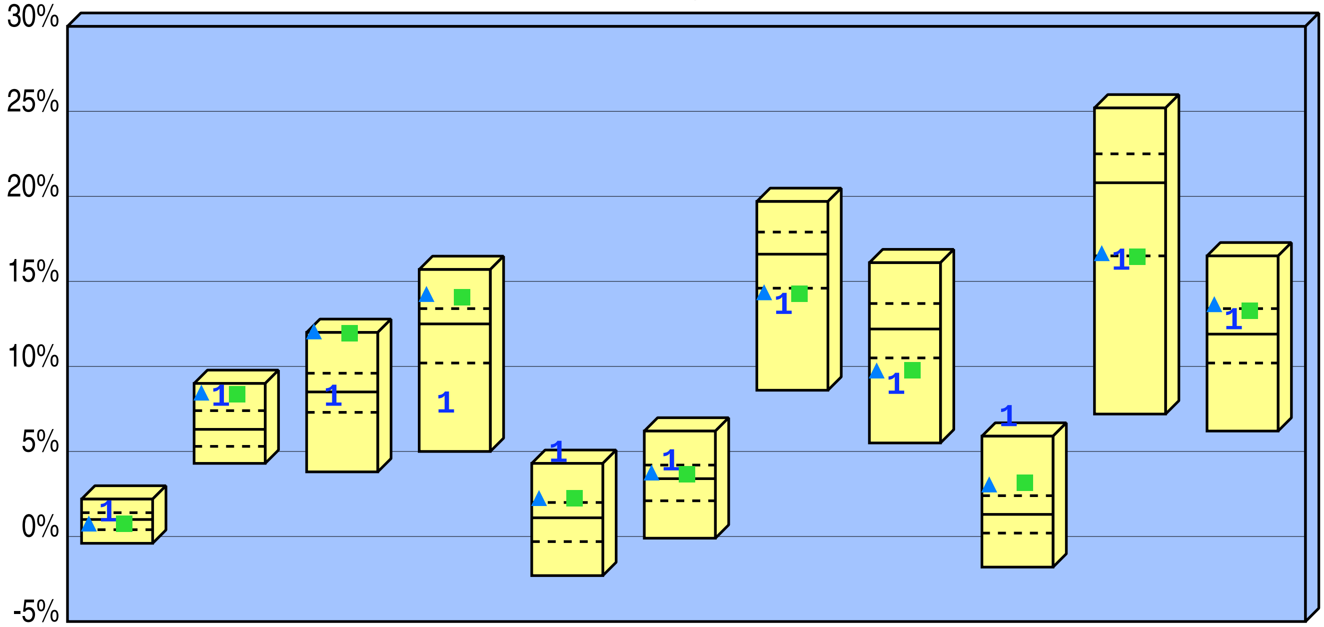
# Gainesville Employees' Retirement System A
## Fiscal Year Performance Comparison
### Total Returns of Total Fund Public Sponsors
### Years Ending June




| | 9/30/19 FYTD | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| High | 2.2 | 9.0 | 12.0 | 15.7 | 4.3 | 6.2 | 19.7 | 16.1 | 5.9 | 25.2 | 16.5 |
| 1st Qt | 1.4 | 7.4 | 9.6 | 13.4 | 2.0 | 4.2 | 17.9 | 13.7 | 2.4 | 22.5 | 13.4 |
| Median | 1.0 | 6.3 | 8.5 | 12.5 | 1.1 | 3.4 | 16.6 | 12.2 | 1.3 | 20.8 | 11.9 |
| 3rd Qt | 0.4 | 5.3 | 7.3 | 10.2 | -0.3 | 2.1 | 14.6 | 10.5 | 0.2 | 16.5 | 10.2 |
| Low | -0.4 | 4.3 | 3.8 | 5.0 | -2.3 | -0.1 | 8.6 | 5.5 | -1.8 | 7.2 | 6.2 |
| ▲ Total Fund (ex R&D) | | | | | | | | | | | |
| Return | 0.7 | 8.4 | 12.0 | 14.2 | 2.2 | 3.7 | 14.3 | 9.7 | 3.0 | 16.6 | 13.6 |
| Rank | 65 | 9 | 5 | 14 | 21 | 40 | 77 | 81 | 18 | 74 | 21 |
| 1 Policy Index | | | | | | | | | | | |
| Return | 1.3 | 8.1 | 8.1 | 7.7 | 4.8 | 4.3 | 13.5 | 8.8 | 6.9 | 16.1 | 12.6 |
| Rank | 31 | 12 | 62 | 88 | 3 | 22 | 82 | 86 | 2 | 76 | 38 |
| ■ Total Fund (incl R&D) | | | | | | | | | | | |
| Return | 0.7 | 8.3 | 11.9 | 14.0 | 2.2 | 3.6 | 14.2 | 9.7 | 3.1 | 16.4 | 13.2 |
| Rank | 65 | 10 | 6 | 17 | 22 | 41 | 78 | 82 | 18 | 75 | 29 |

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## VI. TOTAL FUND PERFORMANCE COMPARISONS

| Fiscal Year Returns -v- Objectives | Last Qtr | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|
| **Total Fund (inc R&D)-Gross of Fees** | **0.7%** | **4.5%** | **10.5%** | **8.3%** |
| **Total Fund (inc R&D)-Net of Fees** | **0.7%** | **4.5%** | **10.5%** | **8.3%** |
| **Total Fund (ex R&D)-Gross of Fees** | **0.7%** | **4.5%** | **10.6%** | **8.3%** |
| **Total Fund (ex R&D)-Net of Fees** | **0.7%** | **4.5%** | **10.6%** | **8.3%** |
| Target Index | 1.3% | 5.5% | 7.7% | 6.8% |
| Absolute Return Objective (7.0%) | 1.8% | 7.0% | 7.0% | 7.0% |
| Wilshire Public Fund Ranking | 65 | 44 | 1 | 1 |
| **Total Domestic Equities** | **0.4%** | **3.5%** | **14.0%** | **10.9%** |
| Russell 3000 | 1.2% | 2.9% | 12.8% | 10.4% |
| Russell 1000 | 1.4% | 3.9% | 13.2% | 10.6% |
| Russell 2000 | -2.4% | -8.9% | 8.2% | 8.2% |
| vs. Equity Returns of Public Funds | 65 | 32 | 17 | 13 |
| **Total Real Estate** | **1.2%** | **5.0%** | **n/a** | **n/a** |
| NCREIF Property Index | 1.4% | 6.2% | n/a | n/a |
| vs. Real Estate Returns of Public Funds | 60 | 68 | n/a | n/a |
| **Total Fixed Income/Absolute Return** | **1.1%** | **7.9%** | **4.3%** | **3.8%** |
| Barclays US Aggregate | 2.3% | 10.3% | 2.9% | 3.4% |
| vs. Fixed Income Returns of Public Funds | 97 | 65 | 15 | 25 |

Current Target Index: 45% Russell 1000/10% R2000/5% CPI +3%/5% NCREIF/35% Bloomberg Barclays US Aggregate. Prior to June 2017: 45% Russell 1000/55% Bloomberg Barclays US Aggregate. Prior to July 2009, the Target Index: 35% Russell 1000 /10% Russell 2000/40% Bloomberg Barclays US Aggregate/15% MSCI EAFE (Net). Each Fiscal Year ends 6/30.

## VII. EQUITY MANAGER COMPARISON

| Manager/Index/Universe | Quarter | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|
| **Blackrock Equity Dividend (LCV)** | **2.0%** | **3.3%** | **11.5%** | **9.0%** |
| Russell 1000 Value | 1.4% | 4.0% | 9.4% | 7.8% |
| Russell 1000 | 1.4% | 3.9% | 13.2% | 10.6% |
| vs. Large Value Mutual Funds | 29 | 38 | 8 | 7 |
| **Vanguard 500 (Passive)** | **1.7%** | **4.2%** | **13.4%** | **n/a** |
| Russell 1000 | 1.4% | 3.9% | 13.2% | n/a |
| vs. Large Core Mutual Funds | 41 | 41 | 25 | n/a |
| **TRP New American Growth (LCG)** | **0.1%** | **4.5%** | **18.4%** | **13.8%** |
| Russell 1000 Growth | 1.5% | 3.7% | 16.9% | 13.4% |
| Russell 1000 | 1.4% | 3.9% | 13.2% | 10.6% |
| vs. Large Growth Mutual Funds | 48 | 28 | 9 | 13 |
| **Wells Fargo Growth Fund (LCG)** | **-1.4%** | **4.6%** | **18.2%** | **13.1%** |
| Russell 1000 Growth | 1.5% | 3.7% | 16.9% | 13.4% |
| Russell 1000 | 1.4% | 3.9% | 13.2% | 10.6% |
| vs. Large Growth Mutual Funds | 75 | 27 | 10 | 29 |
| **Eaton Vance (SMID Growth)** | **2.7%** | **8.3%** | **16.2%** | **15.0%** |
| Russell 2000 Growth | -4.2% | -9.6% | 9.8% | 9.1% |
| Russell 2000 | -2.4% | -8.9% | 8.2% | 8.2% |
| vs. MidCap Growth Equity Portfolios | 3 | 12 | 24 | 3 |
| **Vanguard Small Cap (Passive)** | **-1.5%** | **-3.9%** | **9.6%** | **n/a** |
| Russell 2000 | -2.4% | -8.9% | 8.2% | n/a |
| vs. Small Cap Core Mutual Funds | 62 | 18 | 11 | n/a |
| **Yacktman Fund (Contrarian/ARE)** | **2.8%** | **10.6%** | **12.0%** | **8.5%** |
| Russell 1000 | 1.4% | 3.9% | 13.2% | 10.6% |

## XIII. ABSOLUTE RETURN PERFORMANCE COMPARISONS

| Manager/Index/Universe | Quarter | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|
| **PIMCO All Asset** | **-0.6%** | **4.1%** | **5.1%** | **3.2%** |
| CPI + 4% | 1.2% | 5.8% | 6.2% | 5.5% |
| MSCI ACWI | 0.0% | 1.4% | 9.7% | 6.7% |

The inception date of the PIMCO All Asset Fund was May 17, 2011. Absolute Return is considered part of the fixed income allocation for compliance calculations. Mutual Funds for Absolute Return may include underlying equity securities/funds.

## IX. FIXED INCOME PERFORMANCE COMPARISONS

| Manager/Index/Universe | Quarter | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|
| **PIMCO Total Return** | **2.4%** | **10.0%** | **3.5%** | **3.6%** |
| BbgBarc US Aggregate | 2.3% | 10.3% | 2.9% | 3.4% |
| vs. Intermediate Fixed Income Funds | 14 | 38 | 7 | 15 |
| **PIMCO Investment Grade Corp** | **3.0%** | **13.0%** | **5.2%** | **5.5%** |
| BbgBarc Credit | 3.0% | 12.6% | 4.3% | 4.5% |
| vs. Intermediate Fixed Income Funds | 1 | 1 | 1 | 1 |
| **PIMCO Income** | **-0.1%** | **6.1%** | **n/a** | **n/a** |
| BbgBarc US Aggregate | 2.3% | 10.3% | n/a | n/a |
| vs. Multi-Sector Income Mutual Funds | 99 | 93 | n/a | n/a |

PIMCO Investment Grade Corp has dividends that lag behind one month. Performance shown in this report is based off of market values listed by the custodian.

## X. REAL ESTATE PERFORMANCE COMPARISONS

| Manager/Index/Universe | Quarter | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|
| **JP Morgan Strategic Property (Gross)** | **0.4%** | **3.9%** | **n/a** | **n/a** |
| **JP Morgan Strategic Property (Net)** | **0.2%** | **3.1%** | **n/a** | **n/a** |
| NCREIF Property Index | 1.4% | 6.2% | n/a | n/a |
| NCREIF ODCE Index | 1.3% | 5.6% | n/a | n/a |
| vs. Real Estate Funds | 75 | 72 | n/a | n/a |
| **JP Morgan Special Situation (Gross)** | **2.7%** | **7.6%** | **n/a** | **n/a** |
| **JP Morgan Special Situation (Net)** | **2.4%** | **6.6%** | **n/a** | **n/a** |
| NCREIF Property Index | 1.4% | 6.2% | n/a | n/a |
| NCREIF ODCE Index | 1.3% | 5.6% | n/a | n/a |
| vs. Real Estate Funds | 42 | 51 | n/a | n/a |

JPM real estate is managed through commingled fund structures and performance is reported GROSS-of-fees. All other investments of Gainesville ERS A are held through mutual fund structure with performances reported NET-of-fees. SEAS is showing / calculating the JPM NET-of-fee return for illustrative purposes only and these returns may differ slightly from manager-reported data/statements.

# BlackRock Equity Dividend Instl (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Bronze 04-09-2019 | ★★★★ 1,090 US Fund Large Value | S&P 500 TR USD | Russell 1000 Value TR USD | US Fund Large Value |

## Performance 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 3.15 | 3.15 | 4.11 | 5.41 | 16.76 |
| 2018 | -2.64 | 2.30 | 6.18 | -12.23 | -7.17 |
| 2019 | 10.27 | 4.67 | 2.00 | — | 17.72 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 3.33 | 11.54 | 9.08 | 11.24 | 9.90 |
| Std 09-30-2019 | 3.33 | 11.54 | 9.08 | 11.24 | 9.90 |
| Total Return | 3.33 | 11.54 | 9.08 | 11.24 | 9.90 |
| +/- Std Index | -0.93 | -1.85 | -1.76 | -2.00 | — |
| +/- Cat Index | -0.67 | 2.11 | 1.29 | -0.22 | — |
| % Rank Cat | 41 | 12 | 16 | 36 | |
| No. in Cat | 1217 | 1090 | 944 | 693 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 09-30-19 | 2.01 | 2.09 |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-441-7762 or visit www.blackrock.com.*

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.55 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.73** |

## Risk and Return Profile

| | 3 Yr 1090 funds | 5 Yr 944 funds | 10 Yr 693 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 4★ | 4★ |
| Morningstar Risk | -Avg | -Avg | -Avg |
| Morningstar Return | +Avg | +Avg | Avg |

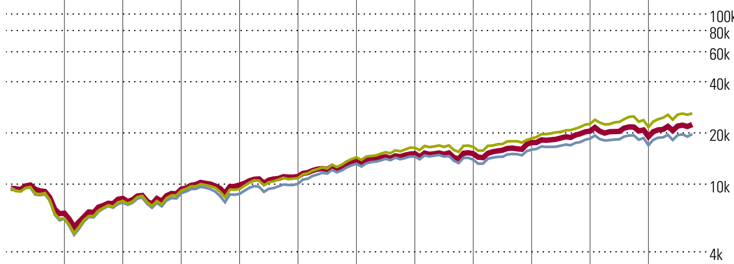
| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 11.78 | 11.45 | 11.60 |
| Mean | 11.54 | 9.08 | 11.24 |
| Sharpe Ratio | 0.85 | 0.73 | 0.93 |

| MPT Statistics | Standard Index | Best Fit Index Russell 1000 Value TR USD |
|---|---|---|
| Alpha | -0.77 | 2.39 |
| Beta | 0.92 | 0.94 |
| R-Squared | 90.17 | 95.67 |

| | |
|---|---|
| 12-Month Yield | 2.02% |
| Potential Cap Gains Exp | 35.86% |

**Investment Style**
Equity
Stocks %

| 89 | 88 | 93 | 94 | 96 | 99 | 97 | 96 | 96 | 95 | 92 | 92 |
|---|---|---|---|---|---|---|---|---|---|---|---|




**Growth of $10,000**
BlackRock Equity Dividend Instl 22,389
Category Average 19,699
Standard Index 26,054

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | History |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13.25 | 15.84 | 17.55 | 18.19 | 19.93 | 24.33 | 24.95 | 21.00 | 22.55 | 22.77 | 18.70 | 19.86 | NAV/Price |
| -32.57 | 22.18 | 13.26 | 5.92 | 12.18 | 24.67 | 9.35 | -0.10 | 16.21 | 16.76 | -7.17 | 17.72 | Total Return % |
| 4.43 | -4.29 | -1.80 | 3.81 | -3.83 | -7.72 | -4.34 | -1.48 | 4.25 | -5.07 | -2.79 | -2.83 | +/- Standard Index |
| 4.28 | 2.49 | -2.24 | 5.53 | -5.33 | -7.86 | -4.11 | 3.73 | -1.13 | 3.09 | 1.10 | -0.09 | +/- Category Index |
| 16 | 55 | 52 | 13 | 79 | 92 | 70 | 9 | 31 | 42 | 32 | — | % Rank Cat |
| 1433 | 1272 | 1240 | 1258 | 1208 | 1213 | 1290 | 1378 | 1268 | 1260 | 1244 | 1221 | No. of Funds in Cat |

## Portfolio Analysis 09-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 7.80 | 7.80 | 0.00 |
| US Stocks | 73.02 | 73.02 | 0.00 |
| Non-US Stocks | 19.18 | 19.18 | 0.00 |
| Bonds | 0.00 | 0.00 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style** (Value Blend Growth; Large Mid Small)

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 15.2 | 0.75 | 0.94 |
| P/C Ratio TTM | 10.1 | 0.76 | 0.97 |
| P/B Ratio TTM | 1.9 | 0.58 | 0.84 |
| Geo Avg Mkt Cap $mil | 77200 | 0.69 | 0.72 |

**Fixed-Income Style** (Ltd Mod Ext; High Med Low)

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 79.9 | 0.81 |
| Greater Europe | 15.8 | 16.84 |
| Greater Asia | 4.3 | 83.33 |

| Share Chg since 08-2019 | Share Amount | Holdings : 91 Total Stocks , 42 Total Fixed-Income, 43% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊖ | 13 mil | Verizon Communications Inc | 4.20 |
| ⊖ | 6 mil | JPMorgan Chase & Co | 3.71 |
| ⊖ | 14 mil | Wells Fargo & Co | 3.59 |
| ⊖ | 9 mil | Citigroup Inc | 3.25 |
| ⊖ | 18 mil | Bank of America Corporation | 2.67 |
| ⊖ | 4 mil | Medtronic PLC | 2.53 |
| ⊖ | 64 mil | BP PLC | 2.10 |
| ⊖ | 7 mil | American International Group Inc | 2.06 |
| ⊕ | 8 mil | Comcast Corp Class A | 1.88 |
| ⊖ | 8 mil | Royal Philips NV | 1.88 |
| ⊖ | 6 mil | Cognizant Technology Solutions Cor | 1.73 |
| ⊖ | 7 mil | MetLife Inc | 1.71 |
| ⊖ | 5 mil | Marathon Petroleum Corp | 1.69 |
| ⊖ | 2 mil | Dollar General Corp | 1.67 |
| ⊖ | 1 mil | Anthem Inc | 1.67 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **32.1** | **0.97** |
| Basic Materials | 2.4 | 0.98 |
| Consumer Cyclical | 2.5 | 0.22 |
| Financial Services | 27.2 | 1.74 |
| Real Estate | 0.0 | 0.00 |
| **Sensitive** | **37.1** | **0.89** |
| Communication Services | 6.7 | 1.97 |
| Energy | 10.4 | 2.31 |
| Industrials | 8.6 | 0.83 |
| Technology | 11.4 | 0.49 |
| **Defensive** | **30.7** | **1.22** |
| Consumer Defensive | 10.2 | 1.26 |
| Healthcare | 17.7 | 1.31 |
| Utilities | 2.8 | 0.78 |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | BlackRock | Base Currency: | USD | Purchase Constraints: | A |
| Manager: | Multiple | Ticker: | MADVX | Incept: | 11-29-1988 |
| Tenure: | 5.3 Years | ISIN: | US09251M5040 | Type: | MF |
| Objective: | Equity-Income | Minimum Initial Purchase: | $2 mil | Total Assets: | $19,578.23 mil |

# AMG Yacktman I (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Gold 09-13-2019 | ★★★★ 1,090 US Fund Large Value | S&P 500 TR USD | Russell 1000 Value TR USD | US Fund Large Value |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 6.92 | 1.09 | 1.77 | 7.48 | 18.23 |
| 2018 | -0.96 | 3.89 | 3.74 | -3.80 | 2.69 |
| 2019 | 7.77 | 2.83 | -0.28 | — | 10.50 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 6.31 | 11.32 | 8.23 | 11.25 | 10.28 |
| Std 09-30-2019 | 6.31 | 11.32 | 8.23 | 11.25 | 10.28 |
| Total Return | 6.31 | 11.32 | 8.23 | 11.25 | 10.28 |
| +/- Std Index | 2.05 | -2.07 | -2.60 | -1.99 | — |
| +/- Cat Index | 2.30 | 1.89 | 0.44 | -0.22 | — |
| % Rank Cat | 18 | 15 | 31 | 36 | |
| No. in Cat | 1217 | 1090 | 944 | 693 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield 11-05-19 | 0.00 | — |
| 30-day SEC Yield | — | — |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-835-3879 or visit www.amgfunds.com.*

**Fees and Expenses**

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.43 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.75** |

**Risk and Return Profile**

| | 3 Yr 1090 funds | 5 Yr 944 funds | 10 Yr 693 funds |
|---|---|---|---|
| Morningstar Rating™ | 5★ | 4★ | 4★ |
| Morningstar Risk | Low | Low | Low |
| Morningstar Return | +Avg | +Avg | Avg |

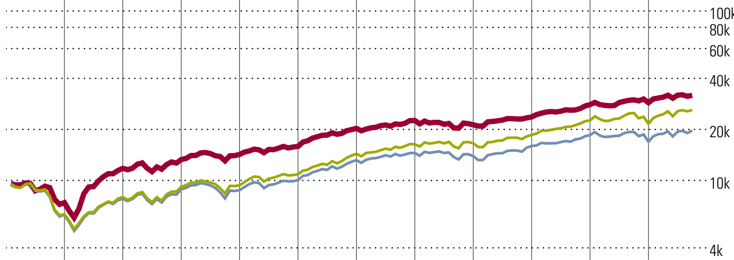
| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 7.58 | 8.68 | 9.52 |
| Mean | 11.32 | 8.23 | 11.25 |
| Sharpe Ratio | 1.24 | 0.84 | 1.11 |

| MPT Statistics | Standard Index | Best Fit Index S&P 500 TR USD |
|---|---|---|
| Alpha | 3.12 | 3.12 |
| Beta | 0.54 | 0.54 |
| R-Squared | 74.52 | 74.52 |

| | |
|---|---|
| 12-Month Yield | — |
| Potential Cap Gains Exp | 34.66% |

**Investment Style**
Equity
Stocks %

| 90 | 86 | 89 | 90 | 84 | 79 | 81 | 83 | 78 | 73 | 69 | 70 |
|---|---|---|---|---|---|---|---|---|---|---|---|




**Growth of $10,000**
AMG Yacktman I 31,777
Category Average 19,699
Standard Index 26,054

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | **History** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.68 | 15.22 | 16.54 | 17.51 | 19.12 | 23.54 | 25.12 | 20.87 | 21.39 | 22.85 | 19.05 | 21.05 | NAV/Price |
| -26.05 | 59.31 | 12.64 | 7.30 | 11.47 | 27.74 | 11.33 | -5.63 | 11.20 | 18.23 | 2.69 | 10.50 | Total Return % |
| 10.94 | 32.85 | -2.42 | 5.19 | -4.53 | -4.65 | -2.36 | -7.02 | -0.76 | -3.60 | 7.07 | -10.05 | +/- Standard Index |
| 10.79 | 39.62 | -2.86 | 6.91 | -6.03 | -4.79 | -2.12 | -1.81 | -6.14 | 4.57 | 10.96 | -7.31 | +/- Category Index |
| 2 | 1 | 61 | 7 | — | — | — | — | — | — | 1 | — | % Rank Cat |
| 1433 | 1272 | 1240 | 1258 | — | — | — | — | — | — | 1244 | 1221 | No. of Funds in Cat |

**Portfolio Analysis** 09-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 27.27 | 27.27 | 0.00 |
| US Stocks | 52.46 | 52.46 | 0.00 |
| Non-US Stocks | 18.04 | 18.04 | 0.00 |
| Bonds | 2.23 | 2.23 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**
Value Blend Growth
Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 15.3 | 0.75 | 0.94 |
| P/C Ratio TTM | 9.9 | 0.74 | 0.95 |
| P/B Ratio TTM | 2.1 | 0.67 | 0.96 |
| Geo Avg Mkt Cap $mil | 80644 | 0.73 | 0.75 |

**Fixed-Income Style**
Ltd Mod Ext
High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 74.4 | 0.75 |
| Greater Europe | 11.2 | 11.99 |
| Greater Asia | 14.3 | 275.79 |

| Share Chg since 06-2019 | Share Amount | Holdings : 36 Total Stocks , 11 Total Fixed-Income, 12% Turnover Ratio | Net Assets % |
|---|---|---|---|
| | 22 mil | Samsung Electronics Co Ltd Partici | 8.88 |
| ⊕ | 97 mil | Bollore SA | 4.85 |
| ⊖ | 3 mil | PepsiCo Inc | 4.82 |
| ⊖ | 3 mil | Procter & Gamble Co | 4.67 |
| | 3 mil | Johnson & Johnson | 3.92 |
| ⊖ | 5 mil | Coca-Cola Co | 3.56 |
| | 2 mil | The Walt Disney Co | 3.22 |
| ⊖ | 4 mil | Oracle Corp | 2.87 |
| | 2 mil | Microsoft Corp | 2.80 |
| | 117,500 | Booking Holdings Inc | 2.80 |
| ⊕ | 13 mil | Macy's Inc | 2.52 |
| | 3 mil | U.S. Bancorp | 2.01 |
| | 2 mil | Sysco Corp | 1.93 |
| | 600,000 | Anthem Inc | 1.75 |
| ⊕ | 2 mil | State Street Corporation | 1.72 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **34.5** | **1.04** |
| Basic Materials | 2.0 | 0.81 |
| Consumer Cyclical | 23.3 | 1.98 |
| Financial Services | 9.2 | 0.59 |
| Real Estate | 0.0 | 0.00 |
| **Sensitive** | **32.3** | **0.78** |
| Communication Services | 1.2 | 0.34 |
| Energy | 2.8 | 0.61 |
| Industrials | 0.8 | 0.08 |
| Technology | 27.5 | 1.18 |
| **Defensive** | **33.2** | **1.31** |
| Consumer Defensive | 25.2 | 3.10 |
| Healthcare | 8.0 | 0.59 |
| Utilities | 0.0 | 0.00 |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | AMG Funds | Ticker: | YACKX | Incept: | 07-06-1992 |
| Manager: | Multiple | ISIN: | US00170K5882 | Type: | MF |
| Tenure: | 16.9 Years | Minimum Initial Purchase: | $100,000 | Total Assets: | $8,387.03 mil |
| Objective: | Growth and Income | Minimum IRA Purchase: | $25,000 | | |
| Base Currency: | USD | Purchase Constraints: | — | | |

13

# Vanguard 500 Index Admiral (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Gold 03-01-2019 | ★★★★★ 1,222 US Fund Large Blend | S&P 500 TR USD | Russell 1000 TR USD | US Fund Large Blend |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 6.05 | 3.07 | 4.48 | 6.64 | 21.79 |
| 2018 | -0.77 | 3.42 | 7.70 | -13.53 | -4.43 |
| 2019 | 13.65 | 4.30 | 1.69 | — | 20.54 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 4.22 | 13.36 | 10.80 | 13.21 | 6.33 |
| Std 09-30-2019 | 4.22 | 13.36 | 10.80 | 13.21 | 6.33 |
| Total Return | 4.22 | 13.36 | 10.80 | 13.21 | 6.33 |
| +/- Std Index | -0.03 | -0.04 | -0.03 | -0.03 | — |
| +/- Cat Index | 0.35 | 0.17 | 0.18 | -0.02 | — |
| % Rank Cat | 34 | 19 | 14 | 9 | |
| No. in Cat | 1423 | 1222 | 1086 | 825 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 11-05-19 | 1.92 | 1.96 |

***Performance Disclosure***

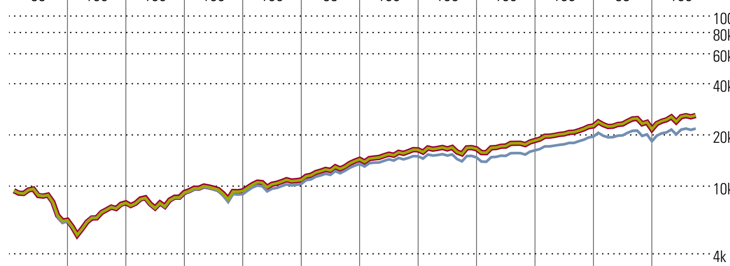
*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.*

**Investment Style**
Equity
Stocks %

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 99 | 100 | 100 | 100 | 100 | 99 | 100 | 100 | 100 | 100 | 99 | 100 |




**Growth of $10,000**
- Vanguard 500 Index Admiral 26,019
- Category Average 21,800
- Standard Index 26,054

**Performance Quartile** (within category)

**History**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAV/Price | 83.09 | 102.67 | 115.83 | 115.80 | 131.37 | 170.36 | 189.89 | 188.48 | 206.57 | 246.82 | 231.44 | 274.69 |
| Total Return % | -36.97 | 26.62 | 15.05 | 2.08 | 15.96 | 32.33 | 13.64 | 1.36 | 11.93 | 21.79 | -4.43 | 20.54 |
| +/- Standard Index | 0.03 | 0.16 | -0.01 | -0.03 | -0.04 | -0.06 | -0.05 | -0.02 | -0.03 | -0.05 | -0.04 | -0.02 |
| +/- Category Index | 0.63 | -1.81 | -1.05 | 0.58 | -0.46 | -0.78 | 0.40 | 0.45 | -0.13 | 0.10 | 0.36 | 0.00 |
| % Rank Cat | 37 | 52 | 29 | 17 | 35 | 42 | 18 | 20 | 27 | 29 | 27 | — |
| No. of Funds in Cat | 2086 | 2027 | 2010 | 1786 | 1686 | 1559 | 1568 | 1606 | 1409 | 1396 | 1402 | 1440 |

**Portfolio Analysis** 09-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 0.27 | 0.27 | 0.00 |
| US Stocks | 98.74 | 98.74 | 0.00 |
| Non-US Stocks | 0.99 | 0.99 | 0.00 |
| Bonds | 0.00 | 0.00 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**

Value Blend Growth / Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 20.3 | 1.00 | 0.97 |
| P/C Ratio TTM | 13.4 | 1.00 | 0.95 |
| P/B Ratio TTM | 3.2 | 1.00 | 0.92 |
| Geo Avg Mkt Cap $mil | 111215 | 1.00 | 0.62 |

**Fixed-Income Style**

Ltd Mod Ext / High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 99.0 | 1.00 |
| Greater Europe | 0.9 | 1.00 |
| Greater Asia | 0.1 | 1.00 |

| Share Chg since 08-2019 | Share Amount | Holdings : 508 Total Stocks , 1 Total Fixed-Income, 4% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊖ | 152 mil | Microsoft Corp | 4.29 |
| ⊖ | 85 mil | Apple Inc | 3.84 |
| ⊕ | 8 mil | Amazon.com Inc | 2.91 |
| ⊕ | 48 mil | Facebook Inc A | 1.73 |
| ⊕ | 38 mil | Berkshire Hathaway Inc B | 1.60 |
| ⊖ | 64 mil | JPMorgan Chase & Co | 1.52 |
| ⊖ | 6 mil | Alphabet Inc Class C | 1.49 |
| ⊖ | 6 mil | Alphabet Inc A | 1.47 |
| ⊖ | 53 mil | Johnson & Johnson | 1.38 |
| ⊕ | 50 mil | Procter & Gamble Co | 1.26 |
| ⊕ | 84 mil | Exxon Mobil Corp | 1.21 |
| ⊖ | 34 mil | Visa Inc Class A | 1.20 |
| ⊕ | 146 mil | AT&T Inc | 1.12 |
| ⊖ | 22 mil | The Home Depot Inc | 1.03 |
| ⊕ | 83 mil | Verizon Communications Inc | 1.01 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **33.1** | **1.00** |
| Basic Materials | 2.4 | 1.00 |
| Consumer Cyclical | 11.8 | 1.00 |
| Financial Services | 15.7 | 1.00 |
| Real Estate | 3.2 | 1.00 |
| **Sensitive** | **41.7** | **1.00** |
| Communication Services | 3.4 | 1.00 |
| Energy | 4.5 | 1.00 |
| Industrials | 10.4 | 1.00 |
| Technology | 23.3 | 1.00 |
| **Defensive** | **25.3** | **1.00** |
| Consumer Defensive | 8.1 | 1.00 |
| Healthcare | 13.5 | 1.00 |
| Utilities | 3.6 | 1.00 |

**Fees and Expenses**

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.03 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.04** |

**Risk and Return Profile**

| | 3 Yr 1222 funds | 5 Yr 1086 funds | 10 Yr 825 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 4★ | 5★ |
| Morningstar Risk | Avg | Avg | Avg |
| Morningstar Return | +Avg | +Avg | High |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 12.18 | 11.93 | 12.55 |
| Mean | 13.36 | 10.80 | 13.21 |
| Sharpe Ratio | 0.96 | 0.84 | 1.01 |

| MPT Statistics | Standard Index | Best Fit Index S&P 500 TR USD |
|---|---|---|
| Alpha | -0.03 | -0.03 |
| Beta | 1.00 | 1.00 |
| R-Squared | 100.00 | 100.00 |

| | |
|---|---|
| 12-Month Yield | 1.98% |
| Potential Cap Gains Exp | 38.38% |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | Vanguard | Base Currency: | USD | Purchase Constraints: | — |
| Manager: | Multiple | Ticker: | VFIAX | Incept: | 11-13-2000 |
| Tenure: | 3.6 Years | ISIN: | US9229087104 | Type: | MF |
| Objective: | Growth | Minimum Initial Purchase: | $3,000 | Total Assets: | $500,638.55 mil |

# T. Rowe Price New America Growth (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Silver<br>09-10-2019 | ★★★★<br>1,243 US Fund Large Growth | S&P 500 TR USD | Russell 1000 Growth TR USD | US Fund Large Growth |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 11.95 | 7.26 | 4.63 | 7.10 | 34.57 |
| 2018 | 4.41 | 5.70 | 7.21 | -14.40 | 1.28 |
| 2019 | 15.76 | 5.35 | 0.08 | — | 22.04 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 4.46 | 18.39 | 13.88 | 14.75 | 11.05 |
| Std 09-30-2019 | 4.46 | 18.39 | 13.88 | 14.75 | 11.05 |
| Total Return | 4.46 | 18.39 | 13.88 | 14.75 | 11.05 |
| +/- Std Index | 0.20 | 4.99 | 3.04 | 1.51 | — |
| +/- Cat Index | 0.75 | 1.50 | 0.48 | -0.18 | — |
| % Rank Cat | 26 | 8 | 11 | 16 | |
| No. in Cat | 1388 | 1243 | 1110 | 822 | |

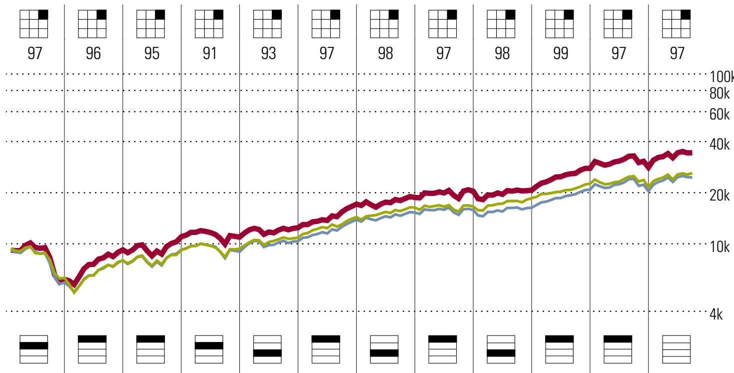
| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield 11-05-19 | 0.00 | — |
| 30-day SEC Yield | — | — |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-638-5660 or visit www.troweprice.com.*




**Investment Style**
Equity
Stocks %

**Growth of $10,000**
T. Rowe Price New America Growth 34,385
Category Average 24,567
Standard Index 26,054

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | **History** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 18.77 | 28.03 | 32.99 | 31.81 | 35.92 | 44.17 | 42.01 | 41.96 | 40.09 | 48.03 | 43.47 | 53.05 | NAV/Price |
| -38.31 | 49.33 | 19.34 | -0.41 | 13.56 | 37.73 | 9.44 | 8.80 | 1.40 | 34.57 | 1.28 | 22.04 | Total Return % |
| -1.31 | 22.87 | 4.27 | -2.52 | -2.45 | 5.34 | -4.25 | 7.42 | -10.56 | 12.73 | 5.66 | 1.49 | +/- Standard Index |
| 0.12 | 12.13 | 2.63 | -3.05 | -1.70 | 4.24 | -3.61 | 3.13 | -5.67 | 4.35 | 2.79 | -1.26 | +/- Category Index |
| 33 | 8 | 18 | 32 | 67 | 16 | 58 | 12 | 66 | 11 | 18 | — | % Rank Cat |
| 1809 | 1796 | 1718 | 1683 | 1681 | 1712 | 1710 | 1681 | 1463 | 1363 | 1405 | 1394 | No. of Funds in Cat |

**Portfolio Analysis** 09-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 3.35 | 3.35 | 0.00 |
| US Stocks | 90.37 | 90.37 | 0.00 |
| Non-US Stocks | 6.28 | 6.28 | 0.00 |
| Bonds | 0.00 | 0.00 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**

| | Value | Blend | Growth |
|---|---|---|---|
| Large | | | ■ |
| Mid | | | |
| Small | | | |

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 27.5 | 1.35 | 1.04 |
| P/C Ratio TTM | 16.6 | 1.24 | 0.92 |
| P/B Ratio TTM | 5.5 | 1.73 | 0.91 |
| Geo Avg Mkt Cap $mil | 100122 | 0.90 | 0.59 |

**Fixed-Income Style**

| | Ltd | Mod | Ext |
|---|---|---|---|
| High | | | |
| Med | | | |
| Low | | | |

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 94.2 | 0.95 |
| Greater Europe | 3.5 | 3.70 |
| Greater Asia | 2.3 | 45.08 |

| Share Chg since 06-2019 | Share Amount | Holdings : 81 Total Stocks , 0 Total Fixed-Income, 78% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊕ | 3 mil | Microsoft Corp | 6.84 |
| ⊖ | 275,252 | Alphabet Inc Class C | 6.51 |
| ⊖ | 192,621 | Amazon.com Inc | 6.49 |
| ⊕ | 882,008 | Apple Inc | 3.83 |
| ⊕ | 1 mil | Facebook Inc A | 3.50 |
| ⊕ | 960,103 | Visa Inc Class A | 3.21 |
| ⊕ | 496,300 | Fleetcor Technologies Inc | 2.76 |
| ⊖ | 484,090 | Mastercard Inc A | 2.55 |
| ⊕ | 341,007 | Boeing Co | 2.52 |
| ⊖ | 979,412 | Texas Instruments Inc | 2.46 |
| | 486,992 | Becton, Dickinson and Co | 2.39 |
| | 931,896 | HCA Healthcare Inc | 2.18 |
| ⊕ | 1 mil | AbbVie Inc | 2.08 |
| ⊕ | 459,616 | NextEra Energy Inc | 2.08 |
| ⊕ | 2 mil | Comcast Corp Class A | 1.96 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **26.4** | **0.80** |
| Basic Materials | 2.2 | 0.90 |
| Consumer Cyclical | 13.7 | 1.16 |
| Financial Services | 8.6 | 0.55 |
| Real Estate | 1.9 | 0.61 |
| **Sensitive** | **56.6** | **1.36** |
| Communication Services | 3.0 | 0.89 |
| Energy | 0.0 | 0.00 |
| Industrials | 10.8 | 1.04 |
| Technology | 42.8 | 1.83 |
| **Defensive** | **17.0** | **0.67** |
| Consumer Defensive | 1.1 | 0.14 |
| Healthcare | 11.6 | 0.85 |
| Utilities | 4.3 | 1.19 |

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.64 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.79** |

## Risk and Return Profile

| | 3 Yr 1243 funds | 5 Yr 1110 funds | 10 Yr 822 funds |
|---|---|---|---|
| Morningstar Rating™ | 5★ | 4★ | 4★ |
| Morningstar Risk | Avg | +Avg | Avg |
| Morningstar Return | High | +Avg | +Avg |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 13.60 | 14.16 | 14.32 |
| Mean | 18.39 | 13.88 | 14.75 |
| Sharpe Ratio | 1.20 | 0.92 | 1.00 |

| MPT Statistics | Standard Index | Best Fit Index Morningstar US Large Growth TR USD |
|---|---|---|
| Alpha | 4.11 | 0.47 |
| Beta | 1.04 | 1.00 |
| R-Squared | 85.97 | 96.29 |

| | |
|---|---|
| 12-Month Yield | — |
| Potential Cap Gains Exp | 32.93% |

**Operations**

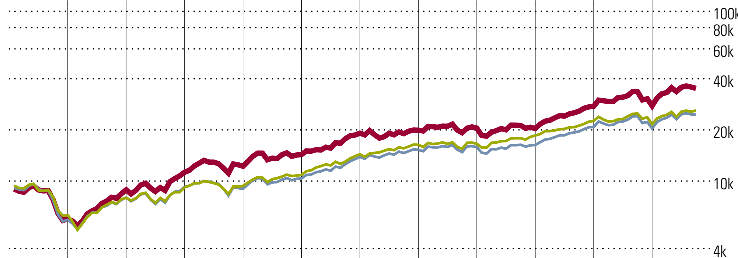
| | | | | | |
|---|---|---|---|---|---|
| Family: | T. Rowe Price | Ticker: | PRWAX | Incept: | 09-30-1985 |
| Manager: | Justin White | ISIN: | US7795571071 | Type: | MF |
| Tenure: | 3.6 Years | Minimum Initial Purchase: | $2,500 | Total Assets: | $5,342.19 mil |
| Objective: | Growth | Minimum IRA Purchase: | $1,000 | | |
| Base Currency: | USD | Purchase Constraints: | — | | |

# Wells Fargo Growth Inst (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Neutral 11-12-2018 | ★★★★★ 1,243 US Fund Large Growth | S&P 500 TR USD | Russell 1000 Growth TR USD | US Fund Large Growth |

**Investment Style**
Equity
Stocks %

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 98 | 99 | 99 | 94 | 100 | 99 | 99 | 99 | 97 | 95 | 93 | 98 |




**Growth of $10,000**
- Wells Fargo Growth Inst 35,129
- Category Average 24,567
- Standard Index 26,054

**Performance Quartile** (within category)

## History

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | History |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 18.25 | 27.06 | 34.32 | 36.76 | 43.06 | 55.75 | 50.66 | 46.00 | 38.63 | 41.03 | 34.87 | 44.21 | NAV/Price |
| -40.11 | 48.27 | 26.83 | 8.44 | 17.14 | 33.72 | 4.12 | 2.94 | -0.56 | 35.14 | 0.55 | 26.79 | Total Return % |
| -3.11 | 21.81 | 11.77 | 6.32 | 1.13 | 1.33 | -9.57 | 1.56 | -12.52 | 13.31 | 4.94 | 6.23 | +/- Standard Index |
| -1.67 | 11.07 | 10.12 | 5.79 | 1.88 | 0.23 | -8.93 | -2.73 | -7.63 | 4.93 | 2.07 | 3.49 | +/- Category Index |
| 47 | 9 | 2 | 1 | 28 | 50 | 95 | 56 | 82 | 9 | 22 | — | % Rank Cat |
| 1809 | 1796 | 1718 | 1683 | 1681 | 1712 | 1710 | 1681 | 1463 | 1363 | 1405 | 1394 | No. of Funds in Cat |

## Performance 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 11.80 | 5.77 | 6.96 | 6.84 | 35.14 |
| 2018 | 6.68 | 6.05 | 7.73 | -17.50 | 0.55 |
| 2019 | 19.82 | 7.37 | -1.45 | — | 26.79 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 4.60 | 18.24 | 13.07 | 15.92 | 5.65 |
| Std 09-30-2019 | 4.60 | 18.24 | 13.07 | 15.92 | 5.65 |
| Total Return | 4.60 | 18.24 | 13.07 | 15.92 | 5.65 |
| +/- Std Index | 0.34 | 4.84 | 2.24 | 2.68 | — |
| +/- Cat Index | 0.89 | 1.34 | -0.32 | 0.98 | — |
| % Rank Cat | 25 | 9 | 22 | 5 | |
| No. in Cat | 1388 | 1243 | 1110 | 822 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield | — | — |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-222-8222 or visit https://www.wellsfargofunds.com/.*

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.70 |
| 12b1 Expense % | 0.00 |
| **Gross Expense Ratio %** | **0.85** |

## Risk and Return Profile

| | 3 Yr 1243 funds | 5 Yr 1110 funds | 10 Yr 822 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 4★ | 5★ |
| Morningstar Risk | +Avg | +Avg | High |
| Morningstar Return | High | +Avg | High |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 15.20 | 14.59 | 15.36 |
| Mean | 18.24 | 13.07 | 15.92 |
| Sharpe Ratio | 1.08 | 0.85 | 1.01 |

| MPT Statistics | Standard Index | Best Fit Index Russell 3000 Growth TR USD |
|---|---|---|
| Alpha | 3.37 | 0.64 |
| Beta | 1.11 | 1.08 |
| R-Squared | 78.97 | 92.13 |
| 12-Month Yield | | — |
| Potential Cap Gains Exp | | 62.77% |

## Portfolio Analysis 09-30-2019

| Asset Allocation % 08-31-2019 | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 0.85 | 0.85 | 0.00 |
| US Stocks | 95.57 | 95.57 | 0.00 |
| Non-US Stocks | 3.36 | 3.36 | 0.00 |
| Bonds | 0.00 | 0.00 | 0.00 |
| Other/Not Clsfd | 0.21 | 0.21 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**

Value Blend Growth; Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 31.0 | 1.53 | 1.18 |
| P/C Ratio TTM | 19.8 | 1.48 | 1.10 |
| P/B Ratio TTM | 6.8 | 2.13 | 1.11 |
| Geo Avg Mkt Cap $mil | 51039 | 0.46 | 0.30 |

**Fixed-Income Style**

Ltd Mod Ext; High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 98.3 | 0.99 |
| Greater Europe | 1.7 | 1.77 |
| Greater Asia | 0.0 | 0.00 |

| Share Chg since 08-2019 | Share Amount | Holdings : 95 Total Stocks , 185 Total Fixed-Income, 39% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊖ | 180,370 | Amazon.com Inc | 6.94 |
| | 190,535 | Alphabet Inc A | 5.16 |
| | 2 mil | Microsoft Corp | 4.92 |
| ⊖ | 2 mil | Microchip Technology Inc | 3.39 |
| ⊖ | 544,470 | Mastercard Inc A | 3.28 |
| ⊖ | 796,710 | Visa Inc Class A | 3.04 |
| ⊖ | 705,570 | Monolithic Power Systems Inc | 2.43 |
| | 457,840 | Apple Inc | 2.27 |
| ⊖ | 504,050 | Burlington Stores Inc | 2.23 |
| ⊕ | 2 mil | Envestnet Inc | 2.06 |
| ⊕ | 1 mil | CSX Corp | 1.89 |
| ⊕ | 461,800 | Facebook Inc A | 1.82 |
| | 491,870 | Global Payments Inc | 1.73 |
| | 830,805 | Waste Connections Inc | 1.69 |
| | 582,580 | Texas Instruments Inc | 1.67 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **29.9** | **0.90** |
| Basic Materials | 1.7 | 0.70 |
| Consumer Cyclical | 15.5 | 1.32 |
| Financial Services | 11.9 | 0.76 |
| Real Estate | 0.8 | 0.24 |
| **Sensitive** | **54.5** | **1.31** |
| Communication Services | 1.0 | 0.28 |
| Energy | 0.0 | 0.00 |
| Industrials | 12.3 | 1.19 |
| Technology | 41.2 | 1.77 |
| **Defensive** | **15.7** | **0.62** |
| Consumer Defensive | 6.2 | 0.77 |
| Healthcare | 9.4 | 0.69 |
| Utilities | 0.0 | 0.00 |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | Wells Fargo Funds | Base Currency: | USD | Purchase Constraints: | — |
| Manager: | Multiple | Ticker: | SGRNX | Incept: | 02-24-2000 |
| Tenure: | 17.5 Years | ISIN: | US9499157140 | Type: | MF |
| Objective: | Growth | Minimum Initial Purchase: | $1 mil | Total Assets: | $4,526.16 mil |

# Eaton Vance Atlanta Capital SMID-Cap I (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Bronze 12-24-2018 | ★★★★★ 544 US Fund Mid-Cap Growth | S&P 500 TR USD | Russell Mid Cap Growth TR USD | US Fund Mid-Cap Growth |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 5.28 | 5.05 | 3.51 | 8.96 | 24.73 |
| 2018 | 1.10 | 3.71 | 7.92 | -16.35 | -5.35 |
| 2019 | 15.89 | 9.00 | 2.73 | — | 29.77 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 8.55 | 16.24 | 15.07 | 15.36 | 11.63 |
| Std 09-30-2019 | 8.55 | 16.24 | 15.07 | 15.36 | 11.63 |
| Total Return | 8.55 | 16.24 | 15.07 | 15.36 | 11.63 |
| +/- Std Index | 4.29 | 2.84 | 4.24 | 2.12 | — |
| +/- Cat Index | 3.34 | 1.74 | 3.96 | 1.28 | — |
| % Rank Cat | 11 | 18 | 3 | 6 | |
| No. in Cat | 603 | 544 | 487 | 375 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield | — | — |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-262-1122 or visit www.eatonvance.com.*

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.79 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.91** |

**Risk and Return Profile**

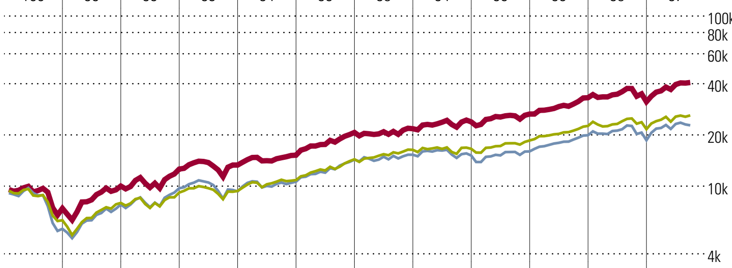
| | 3 Yr 544 funds | 5 Yr 487 funds | 10 Yr 375 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 5★ | 5★ |
| Morningstar Risk | -Avg | -Avg | -Avg |
| Morningstar Return | +Avg | High | High |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 13.67 | 12.91 | 14.04 |
| Mean | 16.24 | 15.07 | 15.36 |
| Sharpe Ratio | 1.06 | 1.08 | 1.05 |

| MPT Statistics | Standard Index | Best Fit Index Morningstar US Mid Cap TR USD |
|---|---|---|
| Alpha | 2.19 | 4.61 |
| Beta | 1.04 | 0.95 |
| R-Squared | 86.73 | 89.66 |
| 12-Month Yield | | — |
| Potential Cap Gains Exp | | 36.00% |

**Investment Style**
Equity
Stocks %

| 100 | 96 | 96 | 93 | 94 | 95 | 98 | 94 | 95 | 95 | 98 | 97 |
|---|---|---|---|---|---|---|---|---|---|---|---|




**Growth of $10,000**
- Eaton Vance Atlanta Capital SMID-Cap I 40,660
- Category Average 22,773
- Standard Index 26,054

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | **History** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.02 | 12.20 | 15.26 | 16.03 | 18.26 | 24.69 | 25.20 | 25.92 | 27.85 | 33.61 | 29.83 | 38.71 | NAV/Price |
| -25.99 | 35.25 | 25.80 | 5.62 | 14.26 | 36.06 | 5.17 | 9.74 | 11.21 | 24.73 | -5.35 | 29.77 | Total Return % |
| 11.00 | 8.79 | 10.74 | 3.51 | -1.74 | 3.67 | -8.52 | 8.36 | -0.75 | 2.90 | -0.97 | 9.22 | +/- Standard Index |
| 18.33 | -11.04 | -0.58 | 7.27 | -1.54 | 0.31 | -6.73 | 9.94 | 3.89 | -0.54 | -0.60 | 4.53 | +/- Category Index |
| — | 66 | 44 | 3 | 49 | 41 | 69 | 1 | 17 | 43 | 42 | — | % Rank Cat |
| — | 812 | 759 | 751 | 737 | 703 | 749 | 733 | 644 | 617 | 605 | 607 | No. of Funds in Cat |

**Portfolio Analysis** 08-31-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 2.72 | 2.72 | 0.00 |
| US Stocks | 97.28 | 97.28 | 0.00 |
| Non-US Stocks | 0.00 | 0.00 | 0.00 |
| Bonds | 0.00 | 0.00 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**

Value Blend Growth; Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 25.5 | 1.26 | 0.83 |
| P/C Ratio TTM | 19.1 | 1.43 | 0.96 |
| P/B Ratio TTM | 3.7 | 1.17 | 0.76 |
| Geo Avg Mkt Cap $mil | 8640 | 0.08 | 0.65 |

**Fixed-Income Style**

Ltd Mod Ext; High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 100.0 | 1.01 |
| Greater Europe | 0.0 | 0.00 |
| Greater Asia | 0.0 | 0.00 |

| Share Chg since 07-2019 | Share Amount | Holdings : 53 Total Stocks , 0 Total Fixed-Income, 5% Turnover Ratio | Net Assets % |
|---|---|---|---|
| | 7 mil | TransUnion | 4.69 |
| ⊖ | 9 mil | WR Berkley Corp | 4.69 |
| | 14 mil | Aramark | 4.50 |
| ⊖ | 2 mil | Teleflex Inc | 4.44 |
| | 10 mil | ServiceMaster Global Holdings Inc | 4.17 |
| | 5 mil | Manhattan Associates Inc | 3.19 |
| ⊖ | 3 mil | CDW Corp | 3.04 |
| | 3 mil | AptarGroup Inc | 2.97 |
| | 4 mil | JB Hunt Transport Services Inc | 2.94 |
| | 2 mil | WEX Inc | 2.94 |
| ⊕ | 6 mil | Henry Schein Inc | 2.70 |
| | 1 mil | Lennox International Inc | 2.61 |
| | 2 mil | Carlisle Companies Inc | 2.48 |
| | 3 mil | Blackbaud Inc | 2.29 |
| | 5 mil | SEI Investments Co | 2.10 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **40.0** | **1.21** |
| Basic Materials | 2.7 | 1.12 |
| Consumer Cyclical | 22.0 | 1.87 |
| Financial Services | 14.0 | 0.90 |
| Real Estate | 1.3 | 0.39 |
| **Sensitive** | **47.1** | **1.13** |
| Communication Services | 0.0 | 0.00 |
| Energy | 0.0 | 0.00 |
| Industrials | 26.4 | 2.54 |
| Technology | 20.7 | 0.89 |
| **Defensive** | **12.9** | **0.51** |
| Consumer Defensive | 0.0 | 0.00 |
| Healthcare | 12.9 | 0.95 |
| Utilities | 0.0 | 0.00 |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | Eaton Vance | Ticker: | EISMX | Incept: | 04-30-2002 |
| Manager: | Multiple | ISIN: | US2779026986 | Type: | MF |
| Tenure: | 17.6 Years | Minimum Initial Purchase: | $250,000 | Total Assets: | $12,902.59 mil |
| Objective: | Growth | Min Auto Investment Plan: | $250,000 | | |
| Base Currency: | USD | Purchase Constraints: | C | | |

# Vanguard Small Cap Index I (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Gold 07-10-2019 | ★★★★★ 640 US Fund Small Blend | S&P 500 TR USD | Russell 2000 TR USD | US Fund Small Blend |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 3.74 | 1.94 | 4.59 | 5.10 | 16.25 |
| 2018 | -0.21 | 6.21 | 4.78 | -18.34 | -9.32 |
| 2019 | 16.20 | 2.87 | -1.45 | — | 17.81 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | -3.80 | 9.64 | 8.63 | 12.40 | 8.74 |
| Std 09-30-2019 | -3.80 | 9.64 | 8.63 | 12.40 | 8.74 |
| Total Return | -3.80 | 9.64 | 8.63 | 12.40 | 8.74 |
| +/- Std Index | -8.06 | -3.75 | -2.21 | -0.84 | — |
| +/- Cat Index | 5.09 | 1.41 | 0.44 | 1.20 | — |
| % Rank Cat | 20 | 13 | 22 | 9 | |
| No. in Cat | 723 | 640 | 508 | 371 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 11-05-19 | 1.61 | 1.61 |

***Performance Disclosure***

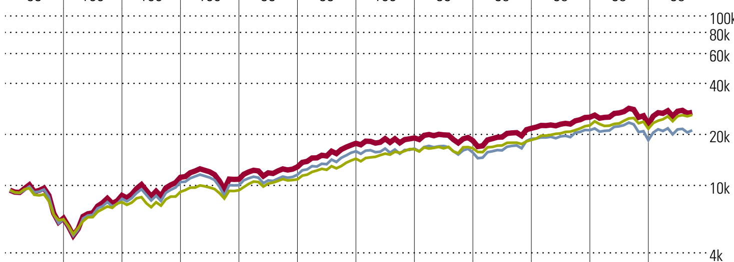
*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-809-8102 or visit www.vanguard.com.*

**Investment Style**
Equity
Stocks %

| 99 | 100 | 100 | 100 | 99 | 99 | 100 | 99 | 98 | 98 | 98 | 98 |
|---|---|---|---|---|---|---|---|---|---|---|---|




**Growth of $10,000**
- Vanguard Small Cap Index I 26,990
- Category Average 21,141
- Standard Index 26,054

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | History |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 20.40 | 27.50 | 34.77 | 33.39 | 38.76 | 52.71 | 55.87 | 53.05 | 61.77 | 70.78 | 63.22 | 73.79 | NAV/Price |
| -35.98 | 36.40 | 27.95 | -2.65 | 18.26 | 37.80 | 7.53 | -3.63 | 18.32 | 16.25 | -9.32 | 17.81 | Total Return % |
| 1.02 | 9.94 | 12.88 | -4.76 | 2.26 | 5.41 | -6.16 | -5.02 | 6.36 | -5.58 | -4.93 | -2.75 | +/- Standard Index |
| -2.19 | 9.23 | 1.09 | 1.53 | 1.91 | -1.02 | 2.64 | 0.78 | -2.99 | 1.60 | 1.70 | 3.63 | +/- Category Index |
| 51 | 24 | 23 | 41 | 20 | 46 | 13 | 34 | 70 | 13 | 20 | — | % Rank Cat |
| 670 | 649 | 649 | 650 | 662 | 681 | 737 | 780 | 750 | 802 | 769 | 729 | No. of Funds in Cat |

**Portfolio Analysis** 09-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 2.11 | 2.11 | 0.00 |
| US Stocks | 97.00 | 97.00 | 0.00 |
| Non-US Stocks | 0.85 | 0.85 | 0.00 |
| Bonds | 0.04 | 0.04 | 0.00 |
| Other/Not Clsfd | 0.00 | 0.00 | 0.00 |
| Total | 100.00 | 100.00 | 0.00 |

**Equity Style**

Value Blend Growth / Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | 17.8 | 0.88 | 0.98 |
| P/C Ratio TTM | 10.8 | 0.81 | 0.90 |
| P/B Ratio TTM | 2.1 | 0.67 | 1.03 |
| Geo Avg Mkt Cap $mil | 4063 | 0.04 | 1.34 |

**Fixed-Income Style**

Ltd Mod Ext / High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | — |
| Avg Wtd Coupon | — |
| Avg Wtd Price | — |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 99.4 | 1.00 |
| Greater Europe | 0.2 | 0.23 |
| Greater Asia | 0.3 | 6.65 |

| Share Chg since 08-2019 | Share Amount | Holdings : 1,379 Total Stocks , 1 Total Fixed-Income, 15% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊖ | 3 mil | Atmos Energy Corp | 0.37 |
| ⊖ | 2 mil | Burlington Stores Inc | 0.36 |
| ⊖ | 2 mil | IDEX Corp | 0.34 |
| ⊖ | 4 mil | Leidos Holdings Inc | 0.34 |
| ⊖ | 2 mil | Steris PLC | 0.34 |
| ⊖ | 910,808 | Teledyne Technologies Inc | 0.32 |
| ⊖ | 1 mil | Zebra Technologies Corp | 0.31 |
| ⊖ | 2 mil | Equity Lifestyle Properties Inc | 0.30 |
| ⊕ | 5 mil | UGI Corp | 0.29 |
| ⊖ | 2 mil | West Pharmaceutical Services Inc | 0.29 |
| ⊕ | 966,115 | Tyler Technologies Inc | 0.28 |
| ⊕ | 4 mil | Booz Allen Hamilton Holding Corp C | 0.27 |
| ⊖ | 2 mil | Insulet Corp | 0.27 |
| ⊖ | 4 mil | Teradyne Inc | 0.27 |
| ⊖ | 2 mil | Allegion PLC | 0.27 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **45.4** | **1.37** |
| Basic Materials | 5.4 | 2.26 |
| Consumer Cyclical | 13.4 | 1.14 |
| Financial Services | 14.2 | 0.91 |
| Real Estate | 12.3 | 3.82 |
| **Sensitive** | **36.6** | **0.88** |
| Communication Services | 0.8 | 0.24 |
| Energy | 2.7 | 0.59 |
| Industrials | 14.8 | 1.42 |
| Technology | 18.3 | 0.78 |
| **Defensive** | **18.1** | **0.72** |
| Consumer Defensive | 3.8 | 0.47 |
| Healthcare | 10.9 | 0.80 |
| Utilities | 3.4 | 0.96 |

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.04 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.04** |

## Risk and Return Profile

| | 3 Yr 640 funds | 5 Yr 508 funds | 10 Yr 371 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 4★ | 5★ |
| Morningstar Risk | -Avg | -Avg | -Avg |
| Morningstar Return | +Avg | +Avg | High |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 15.76 | 14.65 | 16.27 |
| Mean | 9.64 | 8.63 | 12.40 |
| Sharpe Ratio | 0.56 | 0.57 | 0.77 |

| MPT Statistics | Standard Index | Best Fit Index Morningstar US Small Cap TR USD |
|---|---|---|
| Alpha | -5.04 | 1.97 |
| Beta | 1.18 | 0.94 |
| R-Squared | 83.45 | 99.54 |
| 12-Month Yield | | 1.39% |
| Potential Cap Gains Exp | | 24.09% |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | Vanguard | Base Currency: | USD | Purchase Constraints: | — |
| Manager: | Multiple | Ticker: | VSCIX | Incept: | 07-07-1997 |
| Tenure: | 3.6 Years | ISIN: | US9229088763 | Type: | MF |
| Objective: | Small Company | Minimum Initial Purchase: | $5 mil | Total Assets: | $91,512.90 mil |

# PIMCO All Asset Instl (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Silver 05-03-2019 | ★★★ 229 US Fund Tactical Allocation | Morningstar Mod Tgt Risk TR USD | Morningstar Mod Agg Tgt Risk TR USD | US Fund Tactical Allocation |

## Performance 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 5.08 | 1.86 | 3.25 | 3.13 | 13.98 |
| 2018 | 0.27 | -2.37 | 0.35 | -3.28 | -4.98 |
| 2019 | 5.39 | 2.68 | -0.60 | — | 7.56 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 4.04 | 5.11 | 3.19 | 5.34 | 6.66 |
| Std 09-30-2019 | 4.04 | 5.11 | 3.19 | 5.34 | 6.66 |
| Total Return | 4.04 | 5.11 | 3.19 | 5.34 | 6.66 |
| +/- Std Index | -1.37 | -2.32 | -2.71 | -2.17 | — |
| +/- Cat Index | 0.13 | -3.84 | -3.59 | -3.46 | — |
| % Rank Cat | 17 | 50 | 59 | 58 | |
| No. in Cat | 265 | 229 | 184 | 56 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 09-30-19 | 3.80 [1] | 3.66 |

*1. Contractual waiver; Expires 07-31-2020*

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.*

## Fees and Expenses

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.23 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **1.25** |

## Risk and Return Profile

| | 3 Yr 229 funds | 5 Yr 184 funds | 10 Yr 56 funds |
|---|---|---|---|
| Morningstar Rating™ | 3★ | 3★ | 3★ |
| Morningstar Risk | Low | -Avg | -Avg |
| Morningstar Return | Avg | Avg | Avg |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 5.49 | 7.03 | 7.11 |
| Mean | 5.11 | 3.19 | 5.34 |
| Sharpe Ratio | 0.64 | 0.34 | 0.69 |

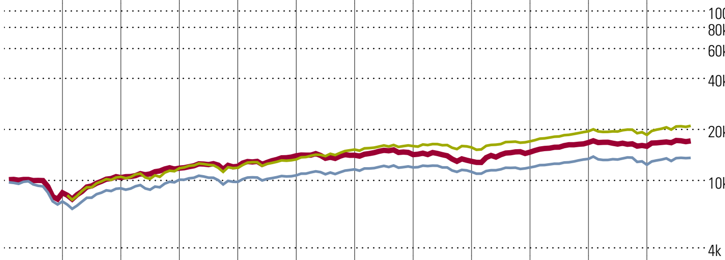
| MPT Statistics | Standard Index | Best Fit Index Morningstar EM GR USD |
|---|---|---|
| Alpha | -0.25 | 1.44 |
| Beta | 0.65 | 0.38 |
| R-Squared | 64.80 | 86.19 |

| | |
|---|---|
| 12-Month Yield | 4.86% |
| Potential Cap Gains Exp | -8.79% |

**Investment Style**
Fixed-Income
Bond %

| 56 | 60 | 53 | 59 | 64 | 59 | 58 | 44 | 46 | 45 | 57 | 50 |
|---|---|---|---|---|---|---|---|---|---|---|---|

**Growth of $10,000**
- PIMCO All Asset Instl 17,110
- Category Average 13,586
- Standard Index 21,008




**Performance Quartile** (within category)

## History

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | History |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10.09 | 11.49 | 12.05 | 11.54 | 12.58 | 12.08 | 11.60 | 10.20 | 11.15 | 12.15 | 10.95 | 11.55 | NAV/Price |
| -15.48 | 22.99 | 13.68 | 2.44 | 15.44 | 0.77 | 0.80 | -8.72 | 13.34 | 13.98 | -4.98 | 7.56 | Total Return % |
| 6.72 | 1.22 | 1.35 | 1.85 | 3.40 | -13.54 | -4.09 | -6.93 | 4.77 | -0.68 | -0.22 | -5.55 | +/- Standard Index |
| 15.17 | -4.56 | -1.24 | 4.38 | 1.11 | -19.41 | -4.17 | -6.32 | 3.12 | -4.91 | 1.76 | -7.48 | +/- Category Index |
| — | — | — | — | — | — | 71 | 78 | 7 | 42 | 22 | — | % Rank Cat |
| — | — | — | — | — | — | 304 | 327 | 309 | 312 | 272 | 272 | No. of Funds in Cat |

## Portfolio Analysis 06-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | 16.21 | 137.64 | 121.43 |
| US Stocks | 30.13 | 35.05 | 4.91 |
| Non-US Stocks | 10.28 | 10.42 | 0.14 |
| Bonds | 33.39 | 203.37 | 169.98 |
| Other/Not Clsfd | 9.98 | 17.55 | 7.57 |
| Total | 100.00 | 404.03 | 304.04 |

**Equity Style**

Value Blend Growth / Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | — | — | — |
| P/C Ratio TTM | — | — | — |
| P/B Ratio TTM | — | — | — |
| Geo Avg Mkt Cap $mil | — | — | — |

**Fixed-Income Style**

Ltd Mod Ext / High Med Low

| | |
|---|---|
| Avg Eff Maturity | — |
| Avg Eff Duration | 4.10 |
| Avg Wtd Coupon | 3.26 |
| Avg Wtd Price | 108.07 |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | — | — |
| Greater Europe | — | — |
| Greater Asia | — | — |

| Share Chg since 03-2019 | Share Amount | Holdings : 980 Total Stocks , 11,776 Total Fixed-Income, 42% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊖ | 211 mil | PIMCO RAE PLUS EMG Instl | 12.08 |
| ⊕ | 254 mil | PIMCO Em Mkts Ccy and S/T Invsmt I | 11.54 |
| ⊕ | 158 mil | PIMCO RAE Emerging Markets Instl | 8.70 |
| ⊕ | 138 mil | PIMCO RAE Fundamental AdvantagePLU | 7.48 |
| ⊖ | 114 mil | PIMCO RAE Worldwide Long/Short PLU | 6.40 |
| ⊖ | 119 mil | PIMCO Long-Term Real Return Instl | 5.67 |
| ⊖ | 78 mil | PIMCO Income Instl | 5.25 |
| ⊖ | 101 mil | PIMCO Emerging Mkts Lcl Ccy and Bd | 3.93 |
| ⊕ | 126 mil | PIMCO CommoditiesPLUS® Strategy In | 3.70 |
| ⊕ | 75 mil | PIMCO Extended Duration Instl | 3.47 |
| ⊖ | 67 mil | PIMCO Real Estate Real Return Stra | 3.36 |
| ⊖ | 73 mil | PIMCO StocksPLUS® Intl (USD-Hedged | 3.22 |
| ⊖ | 55 mil | PIMCO Low Duration Instl | 3.01 |
| ⊖ | 60 mil | PIMCO RAE Low Volatility PLUS EMG | 2.84 |
| ⊖ | 38 mil | PIMCO Total Return Instl | 2.16 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | — | — |
| Basic Materials | — | — |
| Consumer Cyclical | — | — |
| Financial Services | — | — |
| Real Estate | — | — |
| **Sensitive** | — | — |
| Communication Services | — | — |
| Energy | — | — |
| Industrials | — | — |
| Technology | — | — |
| **Defensive** | — | — |
| Consumer Defensive | — | — |
| Healthcare | — | — |
| Utilities | — | — |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | PIMCO | Base Currency: | USD | Purchase Constraints: | A |
| Manager: | Multiple | Ticker: | PAAIX | Incept: | 07-31-2002 |
| Tenure: | 17.3 Years | ISIN: | US7220056268 | Type: | MF |
| Objective: | Asset Allocation | Minimum Initial Purchase: | $1 mil | Total Assets: | $17,572.97 mil |

# PIMCO Investment Grade Credit Bond Instl (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Silver 09-29-2019 | ★★★★★ 171 US Fund Corporate Bond | BBgBarc US Agg Bond TR USD | BBgBarc US Corp Bond TR USD | US Fund Corporate Bond |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 2.40 | 2.71 | 1.75 | 0.87 | 7.95 |
| 2018 | -1.46 | -1.28 | 0.89 | -0.17 | -2.02 |
| 2019 | 5.51 | 4.16 | 2.97 | — | 13.17 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 12.98 | 5.23 | 5.49 | 6.81 | 7.58 |
| Std 09-30-2019 | 12.98 | 5.23 | 5.49 | 6.81 | 7.58 |
| Total Return | 12.98 | 5.23 | 5.49 | 6.81 | 7.58 |
| +/- Std Index | 2.68 | 2.31 | 2.11 | 3.06 | — |
| +/- Cat Index | -0.02 | 0.73 | 0.77 | 1.25 | — |
| % Rank Cat | 26 | 3 | 3 | 2 | |
| No. in Cat | 218 | 171 | 132 | 83 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 09-30-19 | 2.92 | 2.92 |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.*

**Fees and Expenses**

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.50 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **0.77** |

**Risk and Return Profile**

| | 3 Yr 171 funds | 5 Yr 132 funds | 10 Yr 83 funds |
|---|---|---|---|
| Morningstar Rating™ | 5★ | 5★ | 5★ |
| Morningstar Risk | Avg | Avg | +Avg |
| Morningstar Return | High | High | High |

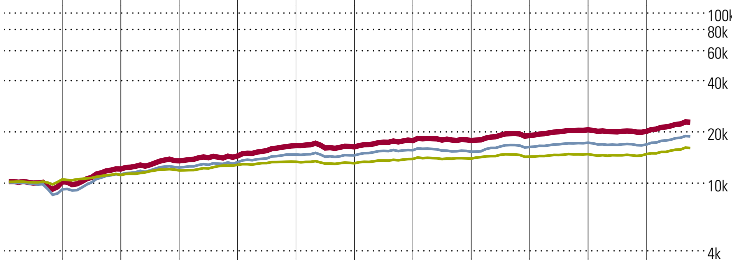
| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 3.90 | 4.00 | 4.38 |
| Mean | 5.23 | 5.49 | 6.81 |
| Sharpe Ratio | 0.93 | 1.11 | 1.40 |

| MPT Statistics | Standard Index | Best Fit Index BBgBarc US Credit TR USD |
|---|---|---|
| Alpha | 2.17 | 1.00 |
| Beta | 1.05 | 0.95 |
| R-Squared | 80.27 | 95.75 |

| | |
|---|---|
| 12-Month Yield | 3.90% |
| Potential Cap Gains Exp | -0.10% |

**Investment Style**
Fixed-Income
Bond %

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 52 | 79 | 71 | 68 | 92 | 92 | 85 | 92 | 80 | 83 | 87 | 83 |




**Growth of $10,000**
- PIMCO Investment Grade Credit Bond Instl 22,809
- Category Average 18,832
- Standard Index 16,074

**Performance Quartile** (within category)

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 | History |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10.08 | 10.93 | 10.48 | 10.35 | 11.12 | 10.24 | 10.55 | 9.92 | 10.21 | 10.54 | 9.91 | 10.88 | NAV/Price |
| 1.89 | 18.74 | 11.72 | 6.86 | 14.99 | -1.69 | 8.76 | 0.28 | 6.99 | 7.95 | -2.02 | 13.17 | Total Return % |
| -3.35 | 12.81 | 5.18 | -0.98 | 10.78 | 0.33 | 2.80 | -0.27 | 4.34 | 4.41 | -2.03 | 4.65 | +/- Standard Index |
| 6.83 | 0.06 | 2.72 | -1.28 | 5.18 | -0.16 | 1.30 | 0.96 | 0.88 | 1.53 | 0.49 | -0.03 | +/- Category Index |
| 7 | 71 | 11 | 45 | 8 | 74 | 10 | 13 | 39 | 14 | 37 | — | % Rank Cat |
| 91 | 97 | 104 | 127 | 134 | 145 | 169 | 177 | 199 | 227 | 250 | 220 | No. of Funds in Cat |

**Portfolio Analysis** 06-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | -55.85 | 29.23 | 85.08 |
| US Stocks | 0.04 | 0.04 | 0.00 |
| Non-US Stocks | 0.21 | 0.21 | 0.00 |
| Bonds | 150.04 | 169.40 | 19.36 |
| Other/Not Clsfd | 5.56 | 5.56 | 0.00 |
| Total | 100.00 | 204.44 | 104.44 |

**Equity Style**

Value Blend Growth; Large Mid Small

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | — | — | — |
| P/C Ratio TTM | — | — | — |
| P/B Ratio TTM | — | — | — |
| Geo Avg Mkt Cap $mil | 3448 | — | 3.57 |

**Fixed-Income Style**

Ltd Mod Ext; High Med Low

| | |
|---|---|
| Avg Eff Maturity | 11.29 |
| Avg Eff Duration | 6.68 |
| Avg Wtd Coupon | 3.49 |
| Avg Wtd Price | 105.07 |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 16.8 | — |
| Greater Europe | 83.2 | — |
| Greater Asia | 0.0 | — |

| Share Chg since 03-2019 | Share Amount | Holdings : 5 Total Stocks , 1,633 Total Fixed-Income, 149% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊕ | 4,022 mil | Cdx Ig32 5y Ice | 28.91 |
| ☼ | 681 mil | Federal National Mortgage Associat | 4.90 |
| ☼ | 449 mil | US 10 Year Note (CBT) Sept19 | 4.04 |
| ⊖ | 463 mil | United States Treasury Notes 3.12% | 3.58 |
| ⊕ | 448 mil | United States Treasury Bonds 3% | 3.47 |
| ☼ | 453 mil | United States Treasury Bonds 2.88% | 3.42 |
| ☼ | 318 mil | US 5 Year Note (CBT) Sept19 | 2.64 |
| ☼ | 339 mil | Federal National Mortgage Associat | 2.44 |
| | 276 mil | Cdx Itraxx Main28 5y Ice | -2.27 |
| | 273 mil | Iro Usd 2y C 2.94000 M 02/18/20 Boa | 1.92 |
| ⊖ | 255 mil | Cdx Ig31 5y Ice | 1.83 |
| | 188 mil | Irs Gbp 1.50000 09/18/19-10y Lch | -1.76 |
| ☼ | 254 mil | Cdx Em31 Ice | 1.73 |
| ☼ | 223 mil | Federal National Mortgage Associat | 1.62 |
| | 176 mil | United States Treasury Bonds 3.38% | 1.44 |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **100.0** | **—** |
| Basic Materials | 0.0 | — |
| Consumer Cyclical | 0.0 | — |
| Financial Services | 83.2 | — |
| Real Estate | 16.8 | — |
| **Sensitive** | **0.0** | **—** |
| Communication Services | 0.0 | — |
| Energy | 0.0 | — |
| Industrials | 0.0 | — |
| Technology | 0.0 | — |
| **Defensive** | **0.0** | **—** |
| Consumer Defensive | 0.0 | — |
| Healthcare | 0.0 | — |
| Utilities | 0.0 | — |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | PIMCO | Base Currency: | USD | Purchase Constraints: | A |
| Manager: | Multiple | Ticker: | PIGIX | Incept: | 04-28-2000 |
| Tenure: | 17.0 Years | ISIN: | US7220058165 | Type: | MF |
| Objective: | Corporate Bond - General | Minimum Initial Purchase: | $1 mil | Total Assets: | $15,224.55 mil |

# PIMCO Income Instl (USD)

| Morningstar Analyst Rating™ | Overall Morningstar Rating™ | Standard Index | Category Index | Morningstar Cat |
|---|---|---|---|---|
| Silver 05-22-2019 | ★★★★★ 290 US Fund Multisector Bond | BBgBarc US Agg Bond TR USD | BBgBarc US Universal TR USD | US Fund Multisector Bond |

**Performance** 09-30-2019

| Quarterly Returns | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Total % |
|---|---|---|---|---|---|
| 2017 | 2.89 | 2.27 | 2.09 | 1.10 | 8.60 |
| 2018 | -0.27 | -0.44 | 0.56 | 0.74 | 0.58 |
| 2019 | 3.03 | 2.40 | -0.11 | — | 5.39 |

| Trailing Returns | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Incept |
|---|---|---|---|---|---|
| Load-adj Mthly | 6.16 | 5.29 | 5.12 | 8.88 | 8.20 |
| Std 09-30-2019 | 6.16 | 5.29 | 5.12 | 8.88 | 8.20 |
| Total Return | 6.16 | 5.29 | 5.12 | 8.88 | 8.20 |
| +/- Std Index | -4.14 | 2.36 | 1.74 | 5.13 | — |
| +/- Cat Index | -3.91 | 2.05 | 1.50 | 4.74 | — |
| % Rank Cat | 58 | 15 | 9 | 1 | |
| No. in Cat | 326 | 290 | 235 | 122 | |

| | Subsidized | Unsubsidized |
|---|---|---|
| 7-day Yield | — | — |
| 30-day SEC Yield 09-30-19 | 3.42 | 3.42 |

***Performance Disclosure***

*The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.*

*The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.*

*Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.*

**Fees and Expenses**

**Sales Charges**

| | |
|---|---|
| **Front-End Load %** | **NA** |
| **Deferred Load %** | **NA** |

**Fund Expenses**

| | |
|---|---|
| Management Fees % | 0.50 |
| 12b1 Expense % | NA |
| **Gross Expense Ratio %** | **1.05** |

**Risk and Return Profile**

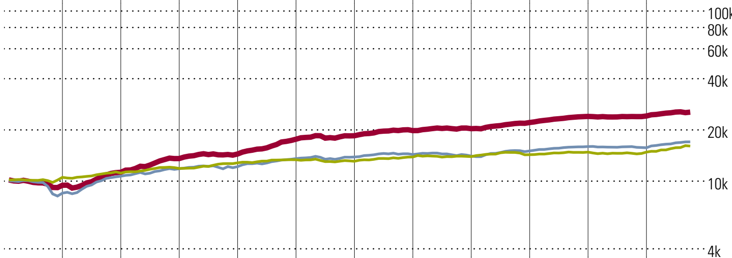
| | 3 Yr 290 funds | 5 Yr 235 funds | 10 Yr 122 funds |
|---|---|---|---|
| Morningstar Rating™ | 4★ | 5★ | 5★ |
| Morningstar Risk | -Avg | Low | -Avg |
| Morningstar Return | +Avg | High | High |

| | 3 Yr | 5 Yr | 10 Yr |
|---|---|---|---|
| Standard Deviation | 1.90 | 2.28 | 3.54 |
| Mean | 5.29 | 5.12 | 8.88 |
| Sharpe Ratio | 1.84 | 1.74 | 2.25 |

| MPT Statistics | Standard Index | Best Fit Index JPM EMBI Global Diversified TR USD |
|---|---|---|
| Alpha | 3.40 | 2.88 |
| Beta | 0.13 | 0.23 |
| R-Squared | 5.03 | 42.10 |

| | |
|---|---|
| 12-Month Yield | 5.58% |
| Potential Cap Gains Exp | -0.39% |

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment Style Fixed-Income Bond % | 87 | 91 | 84 | 94 | 88 | 87 | 72 | 69 | 73 | 68 | 72 | 66 |




**Growth of $10,000**
- PIMCO Income Instl 25,450
- Category Average 17,024
- Standard Index 16,074

Performance Quartile (within category)

| History | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 09-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAV/Price | 8.91 | 9.84 | 11.04 | 10.85 | 12.36 | 12.26 | 12.33 | 11.73 | 12.06 | 12.41 | 11.81 | 11.94 |
| Total Return % | -5.47 | 19.21 | 20.46 | 6.37 | 22.17 | 4.80 | 7.18 | 2.64 | 8.72 | 8.60 | 0.58 | 5.39 |
| +/- Standard Index | -10.71 | 13.28 | 13.92 | -1.47 | 17.95 | 6.83 | 1.22 | 2.09 | 6.07 | 5.06 | 0.57 | -3.14 |
| +/- Category Index | -7.85 | 10.60 | 13.29 | -1.03 | 16.64 | 6.15 | 1.62 | 2.21 | 4.81 | 4.51 | 0.84 | -3.41 |
| % Rank Cat | 5 | 82 | 1 | 6 | 1 | 18 | 6 | 3 | 31 | 10 | 18 | — |
| No. of Funds in Cat | 215 | 242 | 268 | 250 | 283 | 308 | 276 | 304 | 299 | 321 | 326 | 333 |

**Portfolio Analysis** 06-30-2019

| Asset Allocation % | Net % | Long % | Short % |
|---|---|---|---|
| Cash | -11.47 | 104.58 | 116.06 |
| US Stocks | 0.74 | 0.74 | 0.00 |
| Non-US Stocks | 0.11 | 0.11 | 0.00 |
| Bonds | 105.30 | 211.67 | 106.37 |
| Other/Not Clsfd | 5.33 | 5.33 | 0.00 |
| Total | 100.00 | 322.43 | 222.43 |

| Share Chg since 03-2019 | Share Amount | Holdings : 24 Total Stocks , 6,962 Total Fixed-Income, 472% Turnover Ratio | Net Assets % |
|---|---|---|---|
| ⊕ | 17,381 mil | Irs Usd 3.00000 06/19/19-5y Cme | -14.34 |
| | 1,890,323 mil | Irs Jpy 0.45000 03/20/19-10y Lch | -14.26 |
| | 14,653 mil | Irs Eur 0.00000 08/19/19-2y Lch | -13.10 |
| ☼ | 10,389 mil | US 5 Year Note (CBT) Sept19 | -9.56 |
| | 10,000 mil | Cirs Usd 4y Mat 3.85/2.00% M 7/202 | 7.92 |
| | 10,000 mil | Cirs Usd 4y Mat 3.82/2.00% M 7/202 | 7.92 |
| | 10,000 mil | Cirs Usd 4y Mat 3.82/2.00% M 6/202 | 7.91 |
| | 7,440 mil | Irs Eur 0.00000 09/09/19-2y Lch | -6.65 |
| ☼ | 4,711 mil | Long Gilt Future Sept19 | -6.09 |
| | 6,000 mil | Irs Eur 0.65000 03/04/19-10y Lch | 5.58 |
| | 5,832 mil | Irs Eur 0.65000 02/26/19-10y Lch | 5.43 |
| ☼ | 5,240 mil | Federal National Mortgage Associat | 4.22 |
| ☼ | 3,796 mil | US 10 Year Note (CBT) Sept19 | 3.78 |
| ⊕ | 4,344 mil | Irs Usd 3.00000 06/19/19-7y Cme | -3.64 |
| | 16 mil | Secretaria Tesouro Nacional 0% | 3.26 |

**Equity Style** (Value Blend Growth; Large Mid Small)

| Portfolio Statistics | Port Avg | Rel Index | Rel Cat |
|---|---|---|---|
| P/E Ratio TTM | — | — | — |
| P/C Ratio TTM | — | — | — |
| P/B Ratio TTM | — | — | — |
| Geo Avg Mkt Cap $mil | 4448 | — | 0.10 |

**Fixed-Income Style** (Ltd Mod Ext; High Med Low)

| | |
|---|---|
| Avg Eff Maturity | 3.30 |
| Avg Eff Duration | 0.44 |
| Avg Wtd Coupon | 3.44 |
| Avg Wtd Price | 103.43 |

| Credit Quality Breakdown — | Bond % |
|---|---|
| AAA | — |
| AA | — |
| A | — |
| BBB | — |
| BB | — |
| B | — |
| Below B | — |
| NR | — |

| Regional Exposure | Stocks % | Rel Std Index |
|---|---|---|
| Americas | 88.2 | — |
| Greater Europe | 11.8 | — |
| Greater Asia | 0.0 | — |

| Sector Weightings | Stocks % | Rel Std Index |
|---|---|---|
| **Cyclical** | **98.5** | **—** |
| Basic Materials | 0.0 | — |
| Consumer Cyclical | 41.7 | — |
| Financial Services | 19.1 | — |
| Real Estate | 37.7 | — |
| **Sensitive** | **1.4** | **—** |
| Communication Services | 0.0 | — |
| Energy | 1.4 | — |
| Industrials | 0.0 | — |
| Technology | 0.0 | — |
| **Defensive** | **0.1** | **—** |
| Consumer Defensive | 0.0 | — |
| Healthcare | 0.0 | — |
| Utilities | 0.1 | — |

**Operations**

| | | | | | |
|---|---|---|---|---|---|
| Family: | PIMCO | Base Currency: | USD | Purchase Constraints: | A |
| Manager: | Multiple | Ticker: | PIMIX | Incept: | 03-30-2007 |
| Tenure: | 12.7 Years | ISIN: | US72201F4900 | Type: | MF |
| Objective: | Multisector Bond | Minimum Initial Purchase: | $1 mil | Total Assets: | $131,225.67 mil |

## XI. POLICY COMPLIANCE - For Discussion Only

### A. Investment Guidelines: Total Fund (FYE is 6/30)

| Goal | FYE 2019 | FYE 2018 | FYE 2017 | FYE 2016 |
|---|---|---|---|---|
| Meet or Exceed Target Index | ✓ | ✓ | ✓ | |
| Earn Absolute Return Objective of 7.0% | ✓ | ✓ | ✓ | |
| Rank Above 50th Percentile in Public Fund Universe | ✓ | ✓ | ✓ | ✓ |

| Board-Imposed Rebalancing Guideline | Total Fund |
|---|---|
| Equity Securities Limited to Less Than 70% at Total Fund at Market Valuation | 61.6% ✓ |

| O.C.G.A 47-20-82 Compliance | 3Q19 | 2Q19 | 1Q19 | 4Q18 |
|---|---|---|---|---|
| Less Than 55% in Equity Securities Based on Historial Cost | 48.1% ✓ | 47.4% ✓ | 49.8% ✓ | 54.6% ✓ |

## B. Fund Performance Objective

| Manager | Exceed Benchmark 3-Year | Exceed Benchmark 4-Year | Exceed Benchmark 5-Year | Risk vs. Benchmark 5-Year |
|---|---|---|---|---|
| Blackrock Equity Dividend | ✓ | ✓ | ✓ | < |
| Eaton Vance AC SMID | ✓ | ✓ | ✓ | < |
| Vanguard 500 | ✓ | n/a | n/a | n/a |
| Vanguard Small Cap | ✓ | n/a | n/a | n/a |
| TRP New America Growth | ✓ | ✓ | ✓ | > |
| Wells Fargo Growth | ✓ | ✓ | ✗ | > |
| Yacktman Fund | ✗ | ✗ | ✗ | < |
| PIMCO Total Return | ✓ | ✓ | ✓ | < |
| PIMCO Income | n/a | n/a | n/a | n/a |
| PIMCO Investment Grade Corp | ✓ | ✓ | ✓ | > |
| PIMCO All Asset | ✗ | ✗ | ✗ | < |
| JP Morgan Strategic Property | n/a | n/a | n/a | n/a |
| JP Morgan Special Situation | n/a | n/a | n/a | n/a |

| Manager | Rank Above $50^{th}$ Percentile 3-Year | Rank Above $50^{th}$ Percentile 4-Year | Rank Above $50^{th}$ Percentile 5-Year |
|---|---|---|---|
| Blackrock Equity Dividend | ✓ | ✓ | ✓ |
| Eaton Vance AC SMID | ✓ | ✓ | ✓ |
| Vanguard 500 | ✓ | n/a | n/a |
| Vanguard Small Cap | ✓ | n/a | n/a |
| TRP New America Growth | ✓ | ✓ | ✓ |
| Wells Fargo Growth | ✓ | ✓ | ✓ |
| Yacktman Fund | n/a | n/a | n/a |
| PIMCO Total Return | ✓ | ✓ | ✓ |
| PIMCO Income | n/a | n/a | n/a |
| PIMCO Investment Grade Corp | ✓ | ✓ | ✓ |
| PIMCO All Asset | n/a | n/a | n/a |
| JP Morgan Strategic Property | n/a | n/a | n/a |
| JP Morgan Special Situation | n/a | n/a | n/a |

### C. Manager Status

| Manager | MS Analyst Rating | Status | Effective Date |
|---|---|---|---|
| Blackrock Equity Dividend | Bronze | Good Standing | |
| Eaton Vance AC SMID | Bronze | Good Standing | |
| TRP New America Growth | Silver | Good Standing | |
| Vanguard 500 | Gold | Good Standing | |
| Vanguard Small Cap | Gold | Good Standing | |
| Wells Fargo Growth | Neutral | Good Standing | |
| Yacktman Fund | Gold | Good Standing | |
| PIMCO Total Return | Gold | Good Standing | |
| PIMCO Income | Silver | Good Standing | |
| PIMCO Investment Grade Corp | Silver | Good Standing | |
| PIMCO All Asset | Silver | Good Standing | |
| JPM Strategic Property | NA | Good Standing | |
| JPM Special Situation | NA | Good Standing | |

## XII. NOTES/HISTORY

1) JPM real estate is managed through commingled fund structures and performance is reported GROSS-of-fees. All other investments of Gainesville ERS A are held through mutual fund structure with performances reported NET-of-fees. SEAS is showing / calculating the JPM NET-of-fee return for illustrative purposes only and these returns may differ slightly from manager-reported data/statements.
2) Mutual fund investments representing foreign securities were deleted in 2Q09 to become compliant with Investment Policy Guidelines. Domestic mutual funds may hold some foreign securities.
3) The inception date for the O'Shaughnessy account was July 3, 2008.
4) The inception date for the Tradewinds Value Opps Fund and Blackrock Equity Dividend Fund was May 5, 2009.
5) The EuroPacific Growth Fund was liquidated on May 4, 2009.
6) PIMCO Diversified Income was liquidated on May 11, 2009.
7) The inception date for the PIMCO Real Return Fund and PIMCO Investment Grade Corp Fund was October 2, 2009.
8) The inception date for the PIMCO All Asset Fund and PIMCO Unconstrained Bond Fund was May 17, 2011.
9) The inception date for the Eaton Vance Fund and Pennsylvania Fund was September 1, 2011.
10) Buckhead Capital and O'Shaughnessy were liquidated in 3Q11.
11) Growth Fund of America was liquidated on March 5, 2012.
12) The inception date for the TRP New America Growth and Wells Fargo Growth Funds was March 6, 2012.
13) Tradewinds Value Opportunities was liquidated on August 1, 2012.
14) The inception date for the Yacktman Fund was August 2, 2012.
15) PIMCO Real Return was liquidated on August 28, 2013.
16) PIMCO UCB Fund was liquidated on November 24, 2014.
17) The Pennsylvania Fund was liquidated on September 21, 2015.
18) The inception date of the Vanguard Small Cap Fund was September 21, 2015.
19) The inception date of the Vanguard 500 Fund was November 16, 2015.
20) The inception date of the JP Morgan Strategic Property fund was April 1, 2017.
21) The inception date of the PIMCO Income fund was February 15, 2018.
22) The inception date of the JP Morgan Special Situation Property fund was July 3, 2018

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Marsha Petzel, Wells Fargo

**Item of Business**: Wells Fargo Quarterly Executive Summary

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to receive a periodic update from Wells Fargo.

**History/Background**:

**Facts & Issues for Consideration**:

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| | Description | Type |
|---|---|---|
| 🗋 | Wells Fargo 3 Quarter 2019 Executive Summary | Report |
| 🗋 | Trust and Custody | Report |

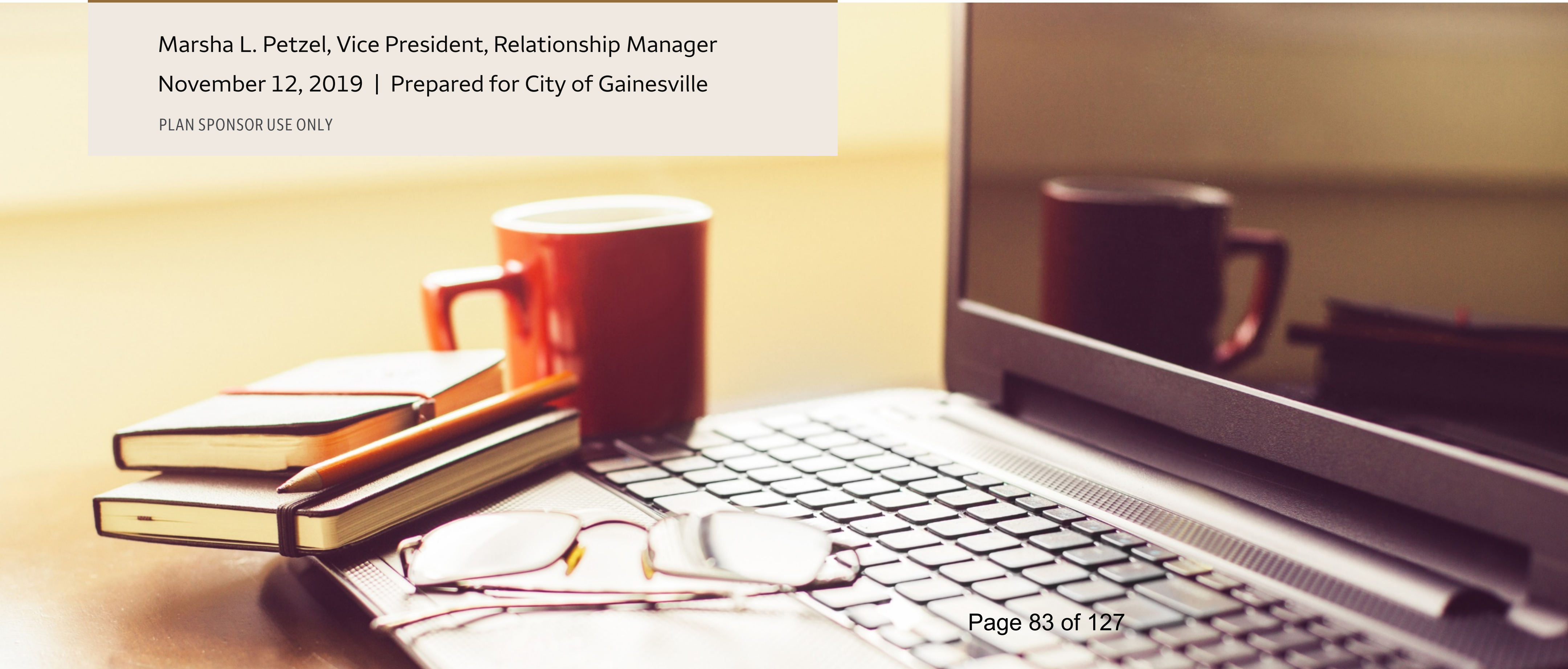
WELLS FARGO Institutional Retirement & Trust

# Relationship review

Marsha L. Petzel, Vice President, Relationship Manager

November 12, 2019 | Prepared for City of Gainesville

PLAN SPONSOR USE ONLY



# Your service team's contact information

| NAME AND TITLE | ROLE ON TEAM | |
|---|---|---|
| **Marsha Petzel**<br>Relationship Manager | Product and service consultation, design and delivery coordination – your IRT relationship contact | Phone: 404-895-0072<br>E-mail: marsha.petzel@wellsfargo.com |
| **Jack Wiltshire**<br>Regional Director | Manages team of Relationship Managers | Phone: 704-427-8361<br>E-mail: jack.wiltshire@wellsfargo.com |
| **Rhonda Wilson**<br>Relationship Associate | Relationship Manager backup and administrative support | Phone: 678-589-4336<br>Email: Rhonda.Wilson@wellsfargo.com |
| **Landri Campbell**<br>Client Service Consultant<br><br>**Kylie Meyer**<br>Client Service Consultant – Backup | Assigned day-to-day contact for all operational needs, accounting, audit requests, CEO and RPP support and reporting details | Phone: 254-761-6971<br><br>Phone: 254-761-6921<br><br>Email: **texascsc@wellsfargo.com**<br>Fax: 888-848-5011 |
| Online Support for Commercial Electronic Office® (CEO®) | Technical support for users CEO products (Trust Portfolio Reporting, Trust Information Delivery, Retirement Plan Payments, Securities Lending Reporting and Treasury Management online tools). | Phone: 1-800-289-3557, Option 5, Option 1 |

# Relationship & Fee review

# Summary of services

*City of Gainesville Retirement Plan A*

**PRODUCTS**

- Benefit payment processing, including:
  - Monthly decedent search (back of payment report)
  - Quarterly outstanding check report (redeposited to Trust after 13+mths)
  - Lump-sum, periodic (monthly), payments
  - Tax reporting – 1099R
- Commercial Electronic Office® (CEO®)
  - Trust Information Delivery
  - Trust Portfolio Reporting
  - Retirement Plan Payments
- Domestic and global custody
- ONESOURCE (tax forms)
- Commission Recapture
- Financial Analysis Reports
- GASB Reporting
- Transition Management Services

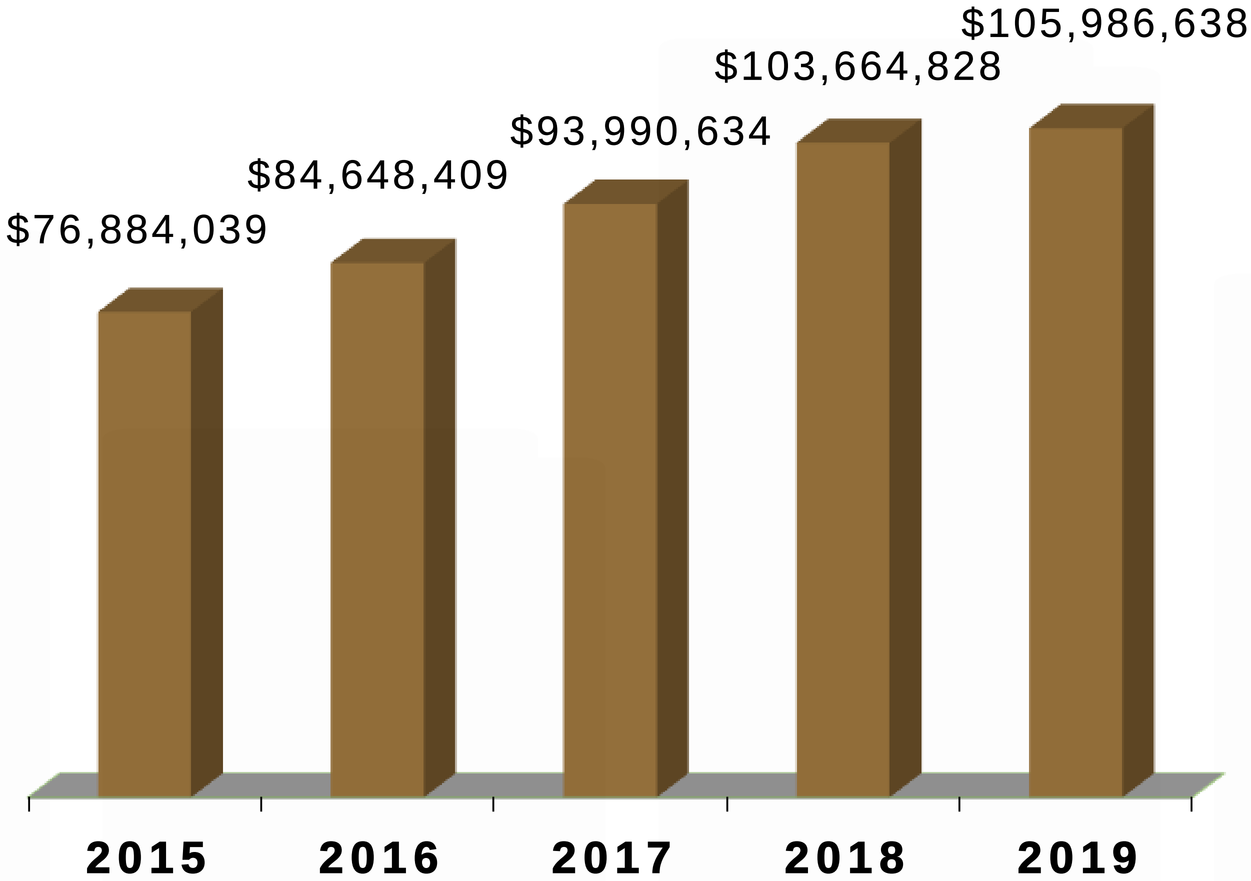
**INFORMATION**

- Financial reporting
  - SEI Reporting
- Electronic statements
- On-line transactions and holdings
- ASC Topic 820 (originally FAS 157)
- Provide detailed reports
- Work with internal and external auditor
- Provide annual recap of closely held market values priced after year-end statement

**INVESTMENTS**

- Wells Fargo and third party investment company mutual funds
- Investment Manager Relations (IMR)
- Provide dedicated investment manager relations support services
- Wells Fargo Bank Deposit Accounts
- Settle security transactions
- Transition management and portfolio liquidation
- Delivery versus payment trades
- Securities pricing
- Post maturities and full calls on assets
- Corporate Action/Class Action Processing
- Proxy processing
- Foreign Tax Reclaims
- Domestic and global trading

# DB plan asset history – Fiscal year ending 09/30/19



# Cash Flow - Quarter End 09/30/2019

| | |
|---|---|
| **Beginning Market Value – 6/30/2019** | **$105,670,976** |
| **Contributions** | **$1,978,729** |
| **Income** | **$413,929** |
| **Realized gain/loss** | **$1,291,697** |
| **Unrealized gain/loss** | **($1,003,093)** |
| **Other cash receipts (class actions)** | **$989** |
| **Benefits payments** | **($2,268,573)** |
| **Expenses** | **($98,015)** |
| **Ending Market Value – 9/30/2019** | **$105,986,639** |

# Key statistics & success metrics – Quarter End 09/30/2019

| | | | |
|---|---|---|---|
| **Market value 6/30/19** | **$105,670,976** | **Pension Payments – QE 9/30/19 – (848)** | **($2,169,348)** |
| **Market value 9/30/19** | **$105,986,639** | **Non-Periodic Payments – QE 9/30/19 – (5)** | **($99,753)** |
| **Contributions – Total – QE 9/30/19** | **$1,978,729** | **Periodic Payments – ACH Monthly** | **240** |
| **Contributions – Employer – QE 9/30/19** | **$960,797** | **Periodic Payments – Check Monthly** | **0** |
| **Contributions – Employee – QE 9/30/19** | **$960,797** | | |
| **Contributions – Employee –repayment of retirement contributions (J. Morrow)** | **$57,134** | | |

# Expenses – Quarter End 09/30/2019

| Paid to | Service | Amount |
|---|---|---|
| GAPPT | Reimbursement for Trustee | $1,906.66 |
| Hulsey, Oliver & Mahar | Audit | $175.00 |
| JPMCB Strategic Property Fund | Investment Management Fee | $16,267.99 |
| JPMCB Special Situation Fund | Investment Management Fee | $8,537.98 |
| Morris, Manning & Martin | Legal fees | $1,485.00 |
| Retirement Manager | Salary Refund FY 2019 | $22,195.90 |
| Segal Consulting | Actuary | $9,825.00 |
| Southeastern Advisory Services | Investment manager | $24,446.00 |
| The Times | Ad | $40.00 |
| Wells Fargo | Custodian fees | $13,135.47 |
| **Total Fees** | | **$98,015.00** |

# CEO User access

| CEO<br>Product<br><br>Name | Financial Statements<br>Frequency: M, Q & A<br>General = unaudited /<br>Verified = audited<br>City of Gainesville Retirement Plan A | Trust Information Delivery (TID)<br><br>Trust Portfolio Reporting (TPR)<br><br>Retirement Plan Payments (RPP) |
|---|---|---|
| Janeann Allison | RPP, TID, TPR | Audited |
| Jeremy Perry | RPP, TID, TPR | Audited |
| Karen Rojas | RPP, TID, TPR | Audited |
| Jennifer Chamblee | TID, TPR | Audited |
| Suzanne Beckum – SE Advisory Services | TID, TPR | Audited |

Thank you

# Disclosures – Money Market Fund

Mutual funds are sold by prospectus. Please consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus, and if available, the summary prospectus which contains this and other information, can be obtained by calling 1-888-877-9275 or visiting wellsfargofunds.com, or by calling your plan administrator. Read the prospectus and, if available, the summary prospectus carefully before you invest.

You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not a deposit of the bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Yields represent past performance, which is no guarantee of future results. Yields will fluctuate. The current seven-day yield is as of 06/30/19. Current performance may be lower or higher than the performance data quoted.

An investment in any of the money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at one dollar per share, it is possible to lose money by investing in the Fund.

# Disclosures

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WELLS FARGO

# Trust and Custody


**Brian Jirak**
SVP Director of Trust
Custody and Pension Services
Wells Fargo Institutional Retirement & Trust

Mike Gaul
CEO Principal Trust Company
Principal Financial Group


November 5, 2019

For institutional use only

CAR 1119-00523

# Day one announcement

## The transaction

- Institutional trust and custody, retirement plan administrative services (401(k) and pension), executive deferred compensation (non-qualified plans), and institutional asset advisory businesses
- Proprietary systems exclusively used to support the Institutional Retirement and Trust (IRT) business (e.g. trust payment system)

## Goals for transaction

- Retention of clients
- Expanded capabilities
- Value/retain talent

## Commitment to service excellence

- A thoughtful deliberate approach over the next 18 months of transition planning with the client at the center of every decision
- Continuity of current relationship and client service teams

# The value to our clients

- **A significant Trust and Custody service provider with scale to service all our clients' needs.**
  - The combined organization will have over $1.0 trillion in assets under custody[1]
- **Material part of Principal**
  - We are part of Retirement and Income Solutions (RIS) which is the largest of four business segments in Principal
    - RIS accounts for half of all Principal revenue
  - Funding for services and enhancements
- **#1 Pension, ESOP and Non-Qualified recordkeeper**
- **Strong link to Wells Fargo & Company**

1 Pro-Forma calculations based upon AUA and participant data as of December 31, 2017 provided by PLANSPONSOR 2018 Recordkeeping Survey and inclusive of shock lapses and new sales assumptions.

----------------

#1 Pension – Based on number of plans, PLANSPONSOR Defined Benefit Administration Survey, May 2019
#1 ESOP – Based on number of plans, PLANSPONSOR Recordkeeping Survey, July 2018
#1 NQ – Based on total number of Section 409A plans, PLANSPONSOR 2018 NQDC Recordkeeping Survey, June 2017

# The value of the combined organization

- **Trust and custody is a core business strategy**
- **Significant growth opportunity**
  - The ability to offer additional services to 150,000 existing institutional clients
  - Offer cash investment options to clients (e.g. deposit sweep product)
- **Experience of IRT service team**
- **Locations offer expanded ability to service clients and attract talent**
  - Expands center of excellence operation hubs beyond Iowa
  - IRT regional model connects us to clients

# Depth and breadth of markets served and services provided

## FOCUSED MARKET SEGMENTS

- Corporations
- Financial Institutions
- Endowments/Foundations
- Government and public funds
- Healthcare organizations
- Insurance organizations
- Nonprofit organizations
- Taft-Hartley Plans

## COMBINED CAPABILITIES

### Capacity/services

- Trustee/Custodial/Paying Agent
- Fiduciary support
- Global/Domestic custodial service
- Cash sweep
- Timely, accurate disbursements for benefit payment systems

### Reporting

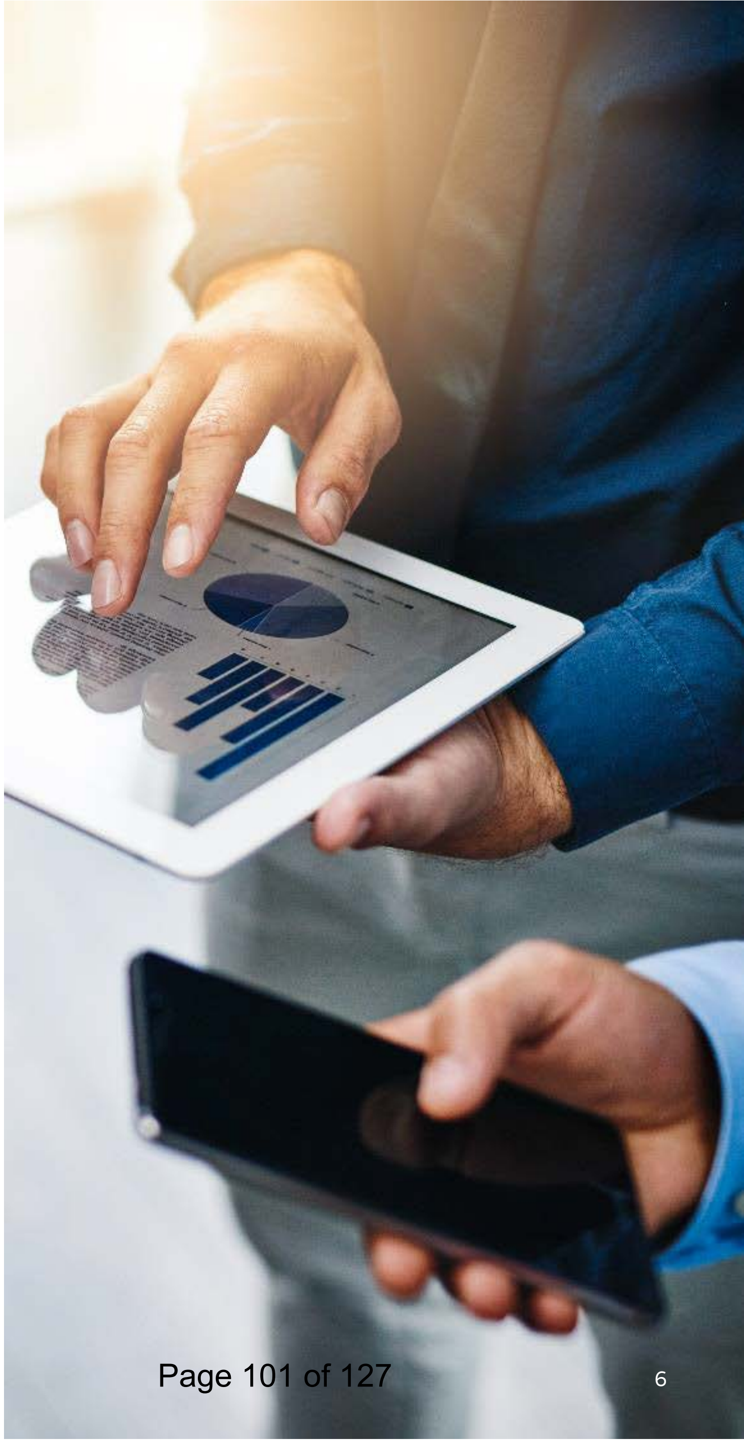
- Real-time, Multi-currency processing and reporting – including foreign exchange
- Comprehensive daily and monthly reporting
- Customizable data delivery
- Flexible performance measurement
- Tax Reporting

### Institutional portal

- Online tool for transactions, benefit payments, performance reports and statements

# Pension Services

- **Additive to the payment service provided today**
  - Principal service based on benefit recordkeeper role
  - IRT based on custodian role
- **Over 10 million payments processed each year [1]**
- **Continued third-party access and interface capabilities**
- **Institutional portal for benefit payment processing and reporting**
- **Call center support services**



1 as of year-end 2018.

# Trust & Custody platform

**SEI Trust Accounting System**

- Trust system used by Wells Fargo and many other leading financial institutions
- SEI is a strong and reliable application service provider
- SEI is the largest provider of trust accounting technology services with over 1.5 million accounts
- The trust system is the foundation for all trust and custody services
- Robust reporting
  - Multiple level reporting options – simple to more complex

**Benefits to clients – minimal change**

"Copy and paste" seamless data transfer

No change to account numbers

Retention of client history

**Benefits to IRT Team Members**

Already know the SEI system and surround systems (minimal change)

Makes it easier to deliver high quality service to clients before, during and after migration

# Integration milestones
## Trust and Custody only – subject to change

Announcement of acquisition of Wells Fargo IRT by Principal
**April 9, 2019**

Blended leader team announced
**June 2019**

Trust and Custody platform announcement
**October 2019**

Service continuity and consent letters
**December 2019 – January 2020**

Apr May June July Aug Sept Oct Nov Dec Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec Jan Feb Mar Apr May

2019 2020 2021

Combined integration teams established
**May 7, 2019**

Close of acquisition
**July 2019**

Locations announced
**October 2019**

Systems integration & site set-up, individual client meetings
**January – December 2020**

Trust and Custody integration complete
**February 2021**

# Service Continuity Agreement

- **Principal is accepting existing agreements and related documents as is**
- **Includes fee schedule**
- **Utilizing “eSign” system**
- **Principal Bank**
  - Inception 1998
  - Expanded powers to provide national fiduciary services
- **Principal Trust Company**
  - Inception 1899
  - Delaware Trust Company with Delaware trust powers

# What clients can expect

**What's not changing**

- Service team
- Products and services
- Contract and fee schedule
- Regular client communications

**Next steps**

- Service continuity documentation
- Migration with minimal disruption

# Questions

# Thank you

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# CITY OF GAINESVILLE

## AGENDAREQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Tommy Hunt

**Item of Business**: New RPA Policies

**Meeting Date**: 11/12/2019

---

**Purpose of Request**:
To review and approve the proposed policies.

**History/Background**:
Board Chairman Tommy Hunt suggested the creation of a policies to assist in clarifying recently addressed topics. The presented policies have been reviewed by Plan Attorney Ed Emerson.

**Facts & Issues for Consideration**:

**Department Recommendation**:

**Department Director**:
Tommy Hunt

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**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

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**Administrative Comments:**

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ATTACHMENTS:

| Description | Type |
|---|---|

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Tommy Hunt

**Item of Business**: Retirement Pop-Up Benefit - Retroactive

**Meeting Date**: 11/12/2019

**Purpose of Request**:
To discuss the possibility of making the Pop-Up provision retroactive to benefit employees who retired before January 1, 2012. Segal has provided an estimated cost of $2,500 to perform this study.

**History/Background**:
Mr. Roy Burtz retired in 1993 and Mr. William Owen in 2007. Both of their spouses passed away recently and Retirement Manager Karen Rojas must inform participants if they are eligible for the "pop-up" benefit. An opinion was obtained from Plan Attorney Ed Emerson on June 26, 2019 and it will be reviewed at the August 13th meeting. Item was originally set to be discussed at the August 13, 2019 RPA meeting but tabled until 10/08/2019.
This item was discussed at the October 8, 2019 meeting; Board Member Hooper would like to explore the possibility to make this provision retroactive to benefit employees who retired before January 1, 2012.

**Facts & Issues for Consideration**:
The Pop-Up provision went into effect January 1, 2012.

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| Description | Type |
|---|---|
| Retirement Pop-Up Provision - Emerson's Review | Backup Material |

## Karen Rojas

**From:** Edmund Emerson <eemerson@mmmlaw.com>
**Sent:** Wednesday, June 26, 2019 10:02 AM
**To:** Karen Rojas
**Cc:** Tommy Hunt
**Subject:** FW: Plan A "Pop Up" Provision
**Attachments:** BR-2011-27.pdf



Karen and Tommy,

In the case of Mr. Burtz, I think it is clear that the "Pop Up" provision does not apply to Mr. Burtz. First, Article I of Retirement Plan A provides the "Except as otherwise specifically provided in this Plan, the provisions of this Plan shall apply only to an Employee who terminates employment on or after the Effective Date," which is January 1, 1994. Mr. Burtz terminated employment and retire in 1993. So the Charter of the City of Gainesville, prior to its amendment on July 1, 1994, apply to him. Second, the "Pop Up" provision was not added to the Plan until the attached resolution on 10/18/2011. The resolution to amend the Plan for such provision was not effective until 2012.

In the case of Mr. Owen, it is a little less clear, but I think that the "Pop Up" provision does not apply to Mr. Burtz either. Mr. Owen retired in 2007, so Retirement Plan A does apply to him. However, the "Pop Up" provision was not effective until January 1, 2012 and Mr. Own retired before that date. Mr. Owen's benefit was determined with pre-"Pop Up" mortality tables (Segal can confirm). In addition, at the time he retired, Section 6.01 provided that "[a]fter Pension payments have commenced, no future elections or revocations of this optional form shall be permitted."

When amending the Plan for the same-sex married participants, David and I discussed that the "Pop-Up" provision should not apply to anyone who retired prior to October 18, 2011. This is reflected in Section 6.01 of the Plan: "Any retroactive election of the Joint and Survivor Option will be determined with the Joint and Survivor Option that was in place at the time of the Participant's retirement, such that same-sex married Participants who retired prior to October 18, 2011 will not be covered by the "Pop Up" provision and will instead receive a benefit awarded using the pre-"Pop Up" mortality tables." Therefore, I do not think in operation the Plan has applied the "Pop Up" provision to anyone who retired prior to October 18, 2011. Accordingly, Mr. Owens would not be eligible for the "Pop Up" benefit using this same rationale.

Please let me know if you to discuss.

Thanks,
Ed

MORRIS, MANNING & MARTIN, LLP

**Edmund Emerson III**
Partner

Direct: 404-504-7677
eemerson@mmmlaw.com
1600 Atlanta Financial Center

mmmlaw.com 3343 Peachtree Road, NE
Atlanta, GA 30326



---

**From:** Karen Rojas <krojas@gainesville.org>
**Sent:** Wednesday, June 26, 2019 8:24 AM
**To:** Edmund Emerson <eemerson@mmmlaw.com>
**Subject:** RE: Plan A "Pop Up" Provision

**CAUTION:** External Email.

Good morning Ed,

Please see the attached.

Thank you,

Karen M. Rojas

---

**From:** Edmund Emerson <eemerson@mmmlaw.com>
**Sent:** Tuesday, June 25, 2019 6:36 PM
**To:** Karen Rojas <krojas@gainesville.org>
**Subject:** RE: Plan A "Pop Up" Provision

**CAUTION:***This email is from an external source. Only open links and attachments from a verified trusted sender.*****

Karen,

Can you please send me City Council Resolution BR 2011-27 adopted on 10-18-2011?

Thanks
Ed

**Edmund Emerson III**
Partner

Direct: 404-504-7677
eemerson@mmmlaw.com
1600 Atlanta Financial Center
3343 Peachtree Road, NE
Atlanta, GA 30326

Morris, Manning & Martin, LLP
mmmlaw.com

recipient of this message, please do not read, copy, use or disclose this message or its attachments, notify the sender by replying to this message and delete or destroy all copies of this message and attachments in all media. Thank you.

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**From:** Karen Rojas <krojas@gainesville.org>
**Sent:** Tuesday, June 25, 2019 4:08 PM
**To:** Edmund Emerson <eemerson@mmmlaw.com>
**Subject:** FW: Plan A "Pop Up" Provision

**CAUTION:** External Email.

Good afternoon Ed,

We are trying to figure out if two of our retirees qualify for the pop-up option outlined in section 6.01 of the Plan document. These two participants retired before the pop-up option was added. We believe this provision applies to all retirees, regardless of when they retired but we want to make sure this is the case. Can you please provide your professional opinion on this matter? Below you will find additional information.

Thank you,

Karen M. Rojas

---

**From:** Tommy Hunt
**Sent:** Friday, June 21, 2019 9:22 AM
**To:** Danny Ingram <dingram@gainesville.org>; Denise Jordan <djordan@gainesville.org>; Gary Clark <gclark@gainesville.org>; Gary Clark (Personal) (gclarkbcfd@gmail.com) <gclarkbcfd@gmail.com>; Margaret Johnson <majohnson@gainesville.org>; Jason Justice <jjustice@gainesville.org>; 'rfh57dawg@live.com' <rfh57dawg@live.com>; Karen Rojas <krojas@gainesville.org>
**Cc:** Bryan Lackey <blackey@gainesville.org>; Janeann Allison <jallison@gainesville.org>; Jeremy Perry <jeremy.perry@gainesville.org>
**Subject:** Plan A "Pop Up" Provision

The "Pop Up" provision was added to section 6.01 of the plan document in the July 2017 revision. For everyone new to the Board here is a summary for this provision:

If a retiree elects a spousal benefit they would take a reduced pension payment to cover the potential longer term liability to the plan. For Example (Totally made up whole numbers for simplicity)

- Normal Pension Payment= $1000 Monthly
- Benefit After Joint and Survivor Option = $700 Monthly

The "Pop Up" provision allows that if the retiree at the time of retirement selected the "Joint and Survivor Option" and their spouse dies they would be Popped-Up to their Normal Pension Payment. So using the fictional example above the retiree's pension payment would return to $1000 for the remainder of their life.

There is a process that the Retiree must follow, the process is outlined in section 6.01 of the Plan Document and includes notifying the City that their spouse has passed away and providing a death certificate. To my knowledge we have not had anyone exercise this provision of the document. Karen has had 2 Retirees contact her for life insurance purposes and in both cases she has been provided with Death Certificates for that purpose, but not expressly for the "Pop Up" provision. These 2 men are:

Roy Burtz – Retired in 1993

- Roy's wife passed away last August.

William Owen – Retired in 2007

- William's wife passed away a few weeks ago

Each of these men elected to take a reduced monthly pension opting for a Joint and Survivor Option. I spoke with Danny yesterday and we think that if a person has elected for the "Joint and Survivor Option" and then provides a death notice and certificate, they would be eligible for the "Pop Up" provision. We also in an effort to exercise prudence have asked Karen to send an e-mail to the Plan Attorney outlining the circumstances. The purpose is to make sure we are interpreting this section of the plan properly. If Ed agrees with our interpretation, Karen will provide Mr. Owen's and Mr. Burtz's newly adjusted pension payments in her "New Benefits Report" for board approval at the August meeting. If you have any questions please give me a call I will be glad to help however I can.

Thanks,
Tommy Hunt
Budget and Project Administrator
City of Gainesville
770-535-6882

**RESOLUTION BR-2011 - 27**

**RETIREMENT PLAN A PLAN DOCUMENT REVISION**
**AMENDING ARTICLE VI SECTION 6.01 (POP-UP OPTION)**

**WHEREAS,** general administration of Retirement Plan A is conducted by a Pension Board; and

**WHEREAS,** the procedures of the Pension Board are defined in Article VIII Section 8.05 of the Plan Document; and

**WHEREAS,** when the current Joint and Survivor Option is chosen and subsequently the survivor predeceases the participant, the participant amount is unchanged and remains at the reduced benefit level; and

**WHEREAS,** the Pension Board has worked with Benefits Law Group on wording to replace the current Joint and Survivor Option with a Joint and Survivor Option which includes a Pop-Up provision upon death of the survivor; and

**WHEREAS,** The Segal Company has reviewed the proposed changes, and have determined that by using current mortality tables, we can improve the Joint and Survivor Option for plan participants without increasing the City's or Participant's recommended contributions; and

**WHEREAS,** during the September 28, 2011 Retirement Plan A Board Meeting, the Pension Board voted to recommend amending Article VI Section 6.01 **Optional Form of Benefit Payments** by adding the following paragraph after paragraph 2:

At the time of his retirement, a Participant who chooses a Joint & Survivor Option will be covered by a "Pop Up" provision. This "Pop Up" provision, upon the death of a designated Spouse prior to the Participant's death, will cause the Participant's benefit to revert to the Normal, Delayed, or Early retirement benefit chosen at the time of retirement, with no reduction for the Joint & Survivor Option. The cost of this "Pop Up" provision is included in Joint & Survivor Option and will not result in any increase in the reduction of the Participant and Spouse's benefits. It shall be the responsibility of the Participant to notify the Plan in writing, through the City Clerk, of the death of a designated Spouse. Notification shall include a death certificate. Effective as of the first day of the month following the death of the designated Spouse, the pension benefit will revert from the amount the Participant was receiving under the Joint & Survivor Option to the amount he would have been entitled to on a Single Life Income basis. However, if the Participant fails to furnish the Plan with proper proof of the designated Spouse's death within a one (1) year period of such death, then said increase shall not become effective until the first day of the month following the date such proof is submitted. The pension payment will be recalculated and adjusted during the next regular payment cycle after notification requirements have been met. If the designated Spouse predeceases the Participant, all payments will cease upon the death of the Participant and no further benefits will accrue to his estate or beneficiaries.

**NOW, THEREFORE, BE IT RESOLVED,** that the Gainesville City Council hereby authorizes adoption of this resolution to amend the Plan document by amending Article VI Section 6.01 as stated herein effective January 1, 2012.

**BE IT FURTHER RESOLVED,** that the revised Plan Document shall be on file in the City Clerk's Office.

**RESOLUTION BR-2011 - 27**

**RETIREMENT PLAN A PLAN DOCUMENT REVISION**
**AMENDING ARTICLE VI SECTION 6.01 (POP-UP OPTION)**

**Adopted this 18th day of October, 2011.**

Ruth H. Bruner
**Mayor Ruth H. Bruner**

**Mayor Pro Tem C. Danny Dunagan, Jr.**

George Wangemann
**Council Member George Wangemann**

Robert L. Hamrick
**Council Member Robert L. Hamrick**

Myrtle W. Figueras
**Council Member Myrtle W. Figueras**

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

**ATTEST:**

Denise O. Jordan
**Denise O. Jordan, City Clerk**

CITY OF GAINESVILLE
GEORGIA
CHARTERED 1821

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: Personnel Matters

**Meeting Date**: 11/12/2019

---

**Purpose of Request**:

**History/Background**:

**Facts & Issues for Consideration**:

**Department Recommendation**:

**Department Director**:
Tommy Hunt

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**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

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**Administrative Comments:**

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# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: Executive Session Minutes: October 8, 2019 Meeting

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to allow the Board to approve the Executive Session minutes from the referenced meeting.

**History/Background**:

**Facts & Issues for Consideration**:
Minutes of each Executive Session shall be maintained by the Secretary in accordance with the Open Meetings Act.

**Department Recommendation**:
Approve the minutes with edits as presented.

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: Minutes: October 8, 2019 Meeting

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to allow the Board to adopt the minutes from the referenced meeting.

**History/Background**:

**Facts & Issues for Consideration**:
Draft minutes were distributed via email to the Board and Ex-Officio Members for comments/corrections.

**Department Recommendation**:
Adopt the minutes accepting edits as presented.

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| Description | Type |
|---|---|

# CITY OF GAINESVILLE

## AGENDA REQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: New Disbursements Report

**Meeting Date**: 11/12/2019

**Purpose of Request**:
To provide a report of all disbursements since the last RPA Board Meeting and to seek the Board's approval of the disbursements as presented.

**History/Background**:

**Facts & Issues for Consideration**:
Disbursements processed as of 10/30/2019.

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| | Description | Type |
|---|---|---|
| 🗋 | November 12, 2019 New Disbursements Report | Report |

## RETIREMENT PLAN A
## DISBURSEMENT REPORT
## November 12, 2019

| | EMPLOYEE NAME | DEPARTMENT | DATE OF HIRE | TERMINATION DATE | DISTRIBUTION INFORMATION | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | DATE PROCESSED | CONT AMT | VESTED | DEATH BENEFIT | LUMP SUM ROLLOVER LUMP SUM/ROLLOVER |
| 1 | Ball, Alexander G. | GPD | 06/05/2017 | 9/19/2019 | 9/25/2019 | | No | No | Lump Sum |
| 2 | Hill, Richard P. | DWR | 08/20/2018 | 9/4/2019 | 9/25/2019 | | No | No | Lump Sum |
| 3 | Torres, Jose Alfredo | DWR | 10/22/2018 | 10/8/2019 | 9/25/2019 | | No | No | Lump Sum |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| | **TOTAL** | | | | | **$24,766.10** | | | |

## SPECIAL REPORTS

| | RETIREE BENEFICIARY | DEPARTMENT | EFFECTIVE DATE | BENEFIT INFORMATION | | | | SERVICE | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | TYPE | Amount | START DATE | SPOUSAL OPTION | TOTAL | CREDITED |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |

# CITY OF GAINESVILLE

## AGENDAREQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: New Benefits Report

**Meeting Date**: 11/12/2019

**Purpose of Request**:
To provide a report of new retirement benefits processed as of 10/30/2019.

**History/Background**:

**Facts & Issues for Consideration**:
New benefit payments processed as of 10/30/2019.

**Department Recommendation**:
To approve payments as presented.

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**:

**Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| | Description | Type |
|---|---|---|
| 🗋 | November 12, 2019 New Benefits Report | Report |

# RETIREMENT PLAN A
# NEW BENEFITS PAYMENT REPORT
# November 12, 2019

| | RETIREE BENEFICIARY | DEPARTMENT | EFFECTIVE DATE | BENEFIT INFORMATION | | | | SERVICE | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | TYPE | AMOUNT | START DATE | SPOUSAL OPTION | Years of Service | TOTAL - CREDITED (Includes Conv Sick) |
| 1 | Stowers, Scott R. | GFD | 10/18/2019 | Normal | | 11/1/2019 | N/A | 26.63 | 26.76 |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| | TOTAL | | | | $ - | | | | |

## SPECIAL REPORTS

| | RETIREE BENEFICIARY | DEPARTMENT | EFFECTIVE DATE | BENEFIT INFORMATION | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | TYPE | Amount | START DATE | SPOUSAL OPTION | |
| 1 | Beasley, Florence | Retiree | 10/2/2019 | Deceased | | 6/1/2010 | No | |
| 2 | | | | | | | | |
| | TOTAL | | | | $0.00 | | | |

# CITY OF GAINESVILLE

## AGENDAREQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: Rehire of Retirees Report

**Meeting Date**: 11/12/2019

**Purpose of Request**:
To provide a verbal report of recent rehire of retirees.

**History/Background**:

**Facts & Issues for Consideration**:

**Department Recommendation**:

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| | Description | Type |
|---|---|---|
| 🗋 | Rehired Retiree MOU | Backup Material |
| 🗋 | Amended MOU Rehiring of Plan A Retirees | Contract/Agreement/MOU |

**Memo of Understanding**
**Retirement Plan A Retiree Rehires**

**Intent:** The Board's intent with this Memo of Understanding is to prohibit the rehire of a Plan A Retiree who would replace a Plan A Participant and therefore Plan A contributions to the Plan. The secondary intent to is to discourage early retirement (which is costly to the Plan) by prohibiting immediate rehire as a non-Participant.

A Plan A Retiree shall not be required to cease payment of their pension if rehired under the following circumstances:

1. A retiree may be rehired in a part-time non-plan A position if pension payments have been received for at least six months.

2. The City Manager may approve the rehire of a Retiree, with less than 6 months of receiving a Pension, for a part-time temporary position with work hours of 29 or under per week to fill a short-term Plan A or Plan B vacancy (up to 12 weeks) and/or to train a new Plan A or Plan B employee.

**Required Notification to the Board:** Prior to a Plan A retiree rehire, the Human Resources Office shall notify the Board Chairman and the City Clerk (the Board's Secretary). The Board's Chairman, within 3 business days, shall respond to the Human Resources Office with any questions or concerns. Such email notifications shall be retained in the employee and retiree file.

**Such part-time employment by a rehired Retiree shall not be counted as Eligibility Service under the Plan and such Participant shall accrue no further benefits under the Plan during such part-time employment.**

**By: Janeanne Allison, Director of Administrative Services**

Janeanne Allison ____________________ **Date:** 1/23/17

**By: David Frazier, RPA Board Chairman**

____________________ **Date:** 1-17-17

**Memo of Understanding**
**Retirement Plan A Retiree Rehires**

**<u>Intent:</u>** The Board's intent with this Memo of Understanding is to prohibit the rehire of a Plan A Retiree who would replace a Plan A Participant and therefore Plan A contributions to the Plan. The secondary intent to is to discourage early retirement (which is costly to the Plan) by prohibiting immediate rehire as a non-Participant.

A Plan A Retiree shall not be required to cease payment of their pension if rehired under the following circumstances:

1. A retiree may be rehired in a part-time non-plan A position if pension payments have been received for at least six months.

2. The City Manager may approve the rehire of a Retiree, with less than 6 months of receiving a Pension, for a part-time temporary position with work hours of 29 or under per week to fill a short-term Plan A or Plan B vacancy (up to 12 weeks) and/or to train a new Plan A or Plan B employee.

**<u>Required Notification to the Board:</u>** Prior to a Plan A retiree rehire, the Human Resources Office shall notify the Board Chairman and the Retirement Manager (the Board's Secretary). The Board's Chairman, within 3 business days, shall respond to the Human Resources Office with any questions or concerns. Such email notifications shall be retained in the employee and retiree file.

**Such part-time employment by a rehired Retiree shall <u>not</u> be counted as Eligibility Service under the Plan and such Participant shall accrue <u>no</u> further benefits under the Plan during such part-time employment.**

**By: Janeann Allison, Director of Administrative Services**

**________________________________________ Date: __________________**

**By: David Frazier, RPA Board Chairman**

**________________________________________ Date: __________________**

# CITY OF GAINESVILLE

## AGENDAREQUEST

**Date Submitted**: 11/7/2019

**Presenter**: Karen Rojas

**Item of Business**: 2020 Election Calendar

**Meeting Date**: 11/12/2019

**Purpose of Request**:
The purpose of this request is to present an election calendar to address positions for Police and Fire representatives expiring on February 22, 2020.

**History/Background**:

**Facts & Issues for Consideration**:
An election will be needed to address the following positions:

- Police Department Representative
- Fire Department Representative

**Department Recommendation**:
Accept the recommended calendar.

**Department Director**:
Tommy Hunt

**If funding is involved, are funds approved within the current budget?**
No

**Amount Requested**: **Source of Funds**:

**Finance Comments**:

**Administrative Comments:**

ATTACHMENTS:

| Description | Type |
|---|---|
| Proposed 2020 Election Calendar | Backup Material |

**DRAFT**

# Retirement Plan A - 2020 Election Calendar

**Terms Expire on 2/22/20**

Margaret Johnson, Police Department Representative

Gary Clark, Fire Department Representative

| TASK | OPTION 1 | OPTION 2 | OPTION 3 | OPTION 4 |
|---|---|---|---|---|
| Eligible voters list | 11/14/2019 | 11/15/2019 | | |
| Post election schedule | 11/21/2019 | 11/20/2019 | | |
| First day for nominations | 11/27/2019 | 11/25/2019 | | |
| Last day for nominations | 12/18/2019 | 12/16/2019 | | |
| Letters identifying candidates | 12/23/2019 | 12/18/2019 | | |
| Prepare ballots | | | | |
| Prepare sign in registers | | | | |
| Absentee Voting Period | 12/30/2019 | 12/26/2019 | | |
| Advance Voting (*TBD)<br>1:30 PM to 3:30 PM | 01/06/2020 | 01/02/2020 | | |
| Election – (*TBD)<br>10:00 AM to 3:00 PM | 01/08/2020 | 01/09/2020 | | |
| **Run-off election** | | | | |
| Post Notice | 01/14/2020 | 01/14/2020 | | |
| Absentee Voting | 01/21/2020 | 01/22/2020 | | |
| Advance Voting – (*TBD)<br>1:30 PM to 3:30 PM | 01/27/2020 | 01/29/2020 | | |
| Run-off Election – (*TBD)<br>10:00 AM to 2:00 PM | 01/30/2020 | 02/05/2020 | | |

*Location To Be Determined

**Dates to Consider:**

- Meetings/training/conferences/PTO
- Thanksgiving – November 28-29, 2019
- Christmas – Dec. 24 – 25, 2019
- New Years – Jan. 1, 2020
- Martin Luther King Day – Jan. 20, 2020
- RPA Meeting – February 11, 2020

*"Qualified participants shall be defined as those participants enrolled in Retirement Plan A prior to the first day of Absentee Voting. No one entering the Plan on or after the first day of Absentee Voting will be eligible to vote."*