



County of Fresno

Deferred Compensation Management Council

May 23, 2019 Agenda

**THE MEETING WILL BE HELD AT 1:30 P.M. IN ROOM 301 OF THE HALL OF RECORDS,
2281 TULARE STREET, FRESNO, CA 93721**

1. Call to Order.
2. Public Comment – At this time, members of the public may comment on any item, within the jurisdiction of the Deferred Compensation Management Council, not appearing on the agenda. Please limit comments to 3 minutes or less.
3. Approve the May 23, 2019 Agenda.
4. Approve the Action Summary Minutes from the March 21, 2019 meeting.
5. Receive and File the 2018-19 Fiscal Year Third Quarter Deferred Compensation Plan Budget Report, prepared by County staff.
6. Approve Actions related to the Fiscal Year 2019-20 Deferred Compensation Plan Budget.
 - a. Approve the FY 2019-20 discretionary administrative fee of 0.09%.
 - b. Approve the FY 2019-20 budget, either as submitted or with amendments.
 - c. Select up to three (3) members of the Deferred Compensation Management Council and/or County staff to represent the Deferred Compensation Plan at the 2019 National Association of Governmental Defined Contribution Administrators conference, in New Orleans, LA, September 8-11.
7. Receive and File a Plan Outreach Report, prepared by County staff and Nationwide Retirement Solutions.
8. Receive and File the Deferred Compensation Plan Review as of March 31, 2019 prepared by Nationwide Retirement Solutions.

9. Receive and File the Deferred Compensation Plan Investment Review as of March 31, 2019, prepared by Northwest Capital Management.
10. Approve and Authorize the Chair to execute the Second Amendment to the Investment Guidelines for the County of Fresno Deferred Compensation Plan Stable Asset Fund.



ITEM 4

Deferred Compensation Management Council March 21, 2019 Action Summary Minutes

Meeting was held at 2:00 p.m. in the Hall of Records, Room 301
2281 Tulare Street, Fresno, CA 93721

Members Present: Jean Rousseau, Robert Bash, Oscar Garcia, Kari Gilbert, Donald Kendig, Paul Nerland, Lawrence Seymour

Members Absent: None

1. Call to Order

ACTION: The meeting was called to order at 2:01 p.m.

2. Public Comment Period

There were no comments from the public.

3. Approve the March 21, 2019 Agenda

ACTION: The Agenda was unanimously approved as recommended.

Ayes: Rousseau, Bash, Gilbert, Kendig, Nerland, Seymour

Noes: None

Abstentions: None

Not Present: Garcia

4. Elect the 2019 Chair and Vice-Chair of the Deferred Compensation Management Council.

ACTION: Jean Rousseau was elected Chair and Robert Bash was elected Vice-Chair.

Ayes: Rousseau, Bash, Gilbert, Kendig, Nerland, Seymour

Noes: None

Abstentions: None

Not Present: Garcia

5. Approve the Action Summary Minutes from the December 13, 2018 meeting.

ACTION: The Minutes were unanimously approved as recommended.

Ayes: Rousseau, Bash, Gilbert, Kendig, Nerland

Noes: None

Abstentions: Seymour

Not Present: Garcia

6. Receive and File the 2018-19 Fiscal Year Second Quarter Deferred Compensation Plan Budget Report, prepared by County staff.

ACTION: The Report was received and filed.

7. Appoint up to three (3) members of the Deferred Compensation Management Council to a Request for Proposals (RFP) Subcommittee for the 2019 Deferred Compensation Plan Record-Keeper RFP process.

ACTION: Members Bash, Garcia, and Kendig were appointed to the Plan Record-Keeper RFP Subcommittee.

8. Receive a presentation from Jack Brown of Great-West Financial, regarding the County of Fresno Stable Value Fund and the Great-West Lifetime Trust Funds.

ACTION: The Presentation was received. The Council directed staff to present the Council with a “redline” version of the proposed Stable Value Fund Investment Policy Statement at the May 23, 2019 meeting.

9. Receive and File and Approve Actions related to Deferred Compensation Plan Investments.

- a. Receive and File the Deferred Compensation Plan Investment Review as of December 31, 2018, prepared by Northwest Capital Management;
- b. Add the T. Rowe Price Mid Cap Growth I Fund and the Metropolitan West Total Return Bond Fund to the Plan Investment Lineup;
- c. Remove the Hennessy Focus Institutional Fund and map all assets to the T. Rowe Price Mid Cap Growth I Fund;
- d. Remove the Virtus Seix Total Return Bond R6 Fund and map all assets to the Metropolitan West Total Return Bond Fund;
- e. Remove the Oakmark Equity and Income Fund and map all assets to the age appropriate Great-West Lifetime target-date fund;
- f. Remove the Great-West Lifetime Trust Funds from the Watch List.

ACTION: The Plan Investment Review was received and filed. Actions b through f were unanimously approved as recommended.

Ayes: Bash, Garcia, Gilbert, Kendig, Nerland, Seymour

Noes: None

Abstentions: None

Not Present: Rousseau

10. Receive and File the Deferred Compensation Plan Review as of December 31, 2018 prepared by Nationwide Retirement Solutions.

ACTION: The Report was received and filed.

11. Discuss and Approve Actions related to Plan outreach opportunities.

- a. Discuss active employee and retired participant outreach opportunities prepared by Nationwide Retirement Solutions, Northwest Capital Management, and County staff.

ACTION: The Council directed staff to include the cost of retiree luncheons in the fiscal year 2019-20 Plan budget.

- b. Authorize County staff to execute a written authorization allowing Nationwide Retirement Solutions to disclose Plan and participant information to Merkle, the firm used by Nationwide Retirement Solutions for promotion of deferred compensation plans, pursuant to Section 18 of Agreement #14-170 and contingent upon review and approval of said written authorization by County Counsel.

ACTION: The Council authorized staff to execute a written authorization allowing Nationwide Retirement Solutions to disclose Plan and participant information to Merkle, pending review of the agreement between Nationwide and Merkle.

The meeting was adjourned at 3:36 p.m.



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 5

DATE: May 23, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: Fiscal Year 2018-19 3rd Quarter Budget Report

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan, such as third-party administration, consulting, legal and County staff costs shall be charged to Plan participants. In order to offset the costs of these Plan-related expenses, and pursuant to Section 4.C of Agreement #14-710 with Nationwide Retirement Solutions (Nationwide), your Council directs Nationwide to charge an administrative fee to each participant. For Fiscal Year 2018-19, the administrative fee is 0.19%.

Issue

Staff has prepared a Fiscal Year 2018-19 budget report for the nine-month period that ended March 31, 2019 (Attachment A). The Fiscal Year 2018-19 Deferred Compensation Plan budget was approved by your Council on June 14, 2018 and is attached to this item (Attachment B) for reference.

Attachment A has three (3) columns for Revenue, Discretionary Expenses, and Mandatory Expenses:

1. "Approved" provides the dollar amounts that were originally approved by your Council at the June 14, 2018 meeting.
2. "Year to Date" provides the revenue and expenses received/incurred between July 1, 2018 and March 31, 2019.
3. "Projected" provides the dollar amounts that staff projects will be the year-end totals.

In addition, staff has provided the surplus or deficit numbers, both year to date and projected for the full year. Please note that the projections are estimates based primarily on the following:

- The trends for this fiscal year, such as increasing/decreasing Plan assets leading to increasing/decreasing revenues and record-keeping fees; and
- Expenses that will be incurred prior to the end of the fiscal year, such as the fiduciary liability insurance policy.

Recommended Action

There are no recommended actions associated with this item.

Item 5 - Attachment A

County of Fresno Deferred Compensation Plan

Fiscal Year 2018-19 Revenue & Expenses as of March 31, 2019

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 202,000	\$ 172,021	\$ 229,000
Totals:	\$ 202,000	\$ 172,021	\$ 229,000

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 107,000	\$ 46,698	\$ 81,000
Consultant	\$ 40,000	\$ 30,000	\$ 40,000
Fiduciary Liability Insurance	\$ 11,000	\$ -	\$ 11,000
Off-Site Training	\$ 9,000	\$ 4,198	\$ 4,800
Contingencies	\$ 35,000	\$ -	\$ -
Totals:	\$ 202,000	\$ 80,896	\$ 136,800

	Year to Date	Projected
Surplus (Deficit):	\$ 91,125	\$ 92,200

Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 240,000	\$ 188,818	\$ 252,000

Item 5 - Attachment B

Approved FY 2018-19 Deferred Compensation Plan Budget

Discretionary Items

Revenue Source	2018-19 Budget	% of Revenue	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Administrative Fee	\$202,000	100%	\$192,000	\$10,000	5%
Total Revenue:	\$202,000	100%	\$192,000	\$10,000	5%
Expense	2018-19 Budget	% of Expenses	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
County Staff	\$107,000	53%	\$102,000	\$5,000	5%
Consultant	\$40,000	20%	\$40,000	\$0	0%
Fiduciary Liability Insurance	\$11,000	5%	\$11,000	\$0	0%
Off-Site Training	\$9,000	4%	\$7,000	\$2,000	29%
Contingencies	\$35,000	17%	\$20,000	\$15,000	75%
Total Expenses:	\$202,000	100%	\$192,000	\$10,000	5%

Mandatory Items

Revenue Source	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Nationwide Fee	\$240,000	\$230,000	\$10,000	4%
Expense	2018-19 Budget	2017-18 Budget	\$ Change from 2017-18	% Change from 2017-18
Record-keeping	\$240,000	\$230,000	\$10,000	4%



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: May 23, 2019
TO: Deferred Compensation Management Council
FROM: Hollis Magill, Human Resources Manager *Hollis Magill*
SUBJECT: Proposed Fiscal Year 2019-20 Deferred Compensation Plan Budget

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan (Plan), such as third-party administration, consulting, legal and County staff costs, shall be charged to Plan participants. In order to offset the costs of these Plan-related expenses, the County directs the Plan Record-keeper to charge an administrative fee to each participant. For Fiscal Year 2018-19, that fee was 0.19%.

Issue

Attachment A includes a proposed budget anticipating revenue and expenses for FY 2019-20. In addition, Attachment B includes the approved FY 2018-19 budget for reference. Staff has provided additional information below regarding the budget items.

1. Administrative and Record-keeping fees

Pursuant to Agreement #14-710, the record-keeping fees are 0.10% of Plan assets per year; the prorated portion of this fee is deducted monthly from participant accounts. Your Council has set the discretionary participant fee at 0.09% of Plan assets per year, which is also deducted monthly from participant accounts on a prorated basis. Staff recommends that the discretionary portion of the annual fee remain at 0.09%.

Regarding participant fee revenue in FY 2019-20, staff is anticipating an increase from \$202,000 budgeted in FY 2018-19 to \$245,000 in FY 2019-20. This represents a \$43,000 or 21% increase from FY 2018-19 and includes \$15,000 budgeted as contingency funds in FY 2018-19, in anticipation of expenses related to the Plan Record-Keeper RFP process; the RFP process is under way and will be completed in FY 2019-20.

The remainder of the increase in fee revenue is due to higher anticipated total Plan assets of approximately \$257 million in FY 2019-20; in FY 2018-19 staff anticipated Plan assets of approximately \$240 million.

Regarding record-keeping fees, staff is anticipating approximately \$260,000 in record-keeping expenses, which represents a \$20,000 or 8% increase from FY 2018-19 due to the increase in total Plan assets mentioned above.

2. County Staff

The proposed budget of \$121,000 represents a \$14,000 or 13% increase from FY 2018-19, due to increases in hourly pay rates. This budget item includes costs related to Human Resources and County Counsel staff, outside legal counsel and participant communication.

3. Consultant

The proposed budget of \$70,000 represents a \$30,000 or 75% increase from FY 2018-19. The increase is due solely to a one-time fee that staff anticipates will be charged by Northwest Capital Management related to the County's Plan Record-keeper RFP process. Pursuant to Agreement #15-597, the fee for said RFP process is \$30,000.

4. Fiduciary Liability Insurance Policy

The proposed budget of \$11,000 is unchanged from FY 2018-19. Staff has included the anticipated cost of a \$5 million fiduciary liability insurance policy which covers both the Plan and your Council. The current policy expires July 1, 2019.

5. Off-Site Training

The proposed budget of \$10,000 represents a \$1,000 or 11% increase from FY 2018-19 and includes the cost of sending three (3) members of your Council and/or staff to the 2019 National Association of Governmental Defined Contribution Administrators (NAGDCA) conference in New Orleans, Louisiana.

6. Retiree Outreach

This is a new budget category and includes the cost of providing a catered lunch to approximately 150 retirees and a guest, at approximately \$25.00 per person. Staff anticipates hosting 2-4 luncheons where staff and Nationwide may discuss the advantages of staying in the Plan with retirees.

7. Contingencies

The proposed budget of \$25,000 represents a \$10,000 or 29% decrease from FY 2018-19, as the FY 2018-19 budget included a one-time cost of \$15,000 to pre-fund one half of the ongoing Plan Record-keeper RFP costs mentioned in "Consultant" paragraph, above.

Recommended Actions

1. Approve the FY 2019-20 discretionary administrative fee of 0.09%.

The fee does not include the 0.10% record-keeping fee which Nationwide deducts directly from participant accounts. Approval of the recommended action will set the total participant fees at 0.19%, which is unchanged from FY 2018-19.

2. Approve the FY 2019-20 budget (Attachment A), either as submitted or with amendments.

3. Select up to three (3) individuals to represent the Plan at the 2019 NAGDCA conference.

Item 6 - Attachment A

Discretionary Items

Revenue Source	2019-20 Budget	% of Revenue	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Administrative Fee	\$230,000	94%	\$202,000	\$28,000	14%
FY 2018-19 Carryover	\$15,000	6%	n/a	n/a	n/a
Total Revenue:	\$245,000	100%	\$202,000	\$43,000	21%
Expense	2019-20 Budget	% of Expenses	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
County Staff	\$121,000	49%	\$107,000	\$14,000	13%
Consultant	\$70,000	29%	\$40,000	\$30,000	75%
Fiduciary Liability Insurance	\$11,000	4%	\$11,000	\$0	0%
Off-Site Training	\$10,000	4%	\$9,000	\$1,000	11%
Retiree Outreach	\$8,000	3%	n/a	n/a	n/a
Contingencies	\$25,000	10%	\$35,000	-\$10,000	-29%
Total Expenses:	\$245,000	100%	\$202,000	\$43,000	21%

Mandatory Items

Revenue Source	2019-20 Budget	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Nationwide Fee	\$260,000	\$240,000	\$20,000	8%
Expense	2019-20 Budget	2018-19 Budget	\$ Change from 2018-19	% Change from 2018-19
Record-keeping	\$260,000	\$240,000	\$20,000	8%



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: May 23, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager *Hollis Magill*

SUBJECT: Deferred Compensation Plan Outreach Report

Background

Your Council has made it a priority to reach out to active participants, non-participating employees and retired participants. The purpose of this item is to report on the state of Plan participation, outreach efforts in the previous quarter, and to present staff and Nationwide's planned efforts. As of April 30, 2019, the participation rate is 54.3%, based on 3,882 contributions and 7,151 eligible employees. In addition, as of May 10, 2019, there are 6,453 total Plan participants, which includes both active and retired/separated employees.

Issue

Staff has prepared a summary of activity for both staff and Nationwide, as well as planned activity of staff and Nationwide. In addition, Attachment A provides detailed Plan participation statistics by age band, department, retirement tier, and employee group.

Prior Activity

Save Today!

- Nationwide and County staff organized the Fourth Annual Save Today! campaign, which encourages employees to save more for retirement by enrolling in the Plan or increasing their contributions.
- In total, there were 334 participants, with 64 new enrollments and 156 participants choosing to increase their contributions.
- Five (5) Nationwide Retirement Specialists visited 29 work sites in 2019, logging approximately 124 hours on site. In addition, Nationwide mailed a communication to all County employees with campaign dates as well as contribution increase and enrollment forms to all eligible employees two weeks before Save Today.
- County staff sent daily emails to support Save Today, which included the daily schedule, as well as links to forms and other information to encourage participation.

County Staff

- Staff assisted 39 retirees to set up contributions of their annual leave payouts to their Plan accounts totaling approximately \$475,000.

- Staff sent emails encouraging saving their pending cost of living adjustments to all employees in the Deputy County Counsel, Correctional Sergeant and Correctional Officer classification series, as well as to all employees in Bargaining Units 25 and 31. In total, emails were sent to 663 employees.

Nationwide/Phillip Edwards

- 56 County work locations visited, 6 New Employee Orientation sessions attended – resulting in 125 enrollments out of possible 218 (57% “Close Rate”) – and approximately 1000 emails and/or phone calls to individuals
- Total Activity: 313 individual interactions; 7 group presentations; 149 enrollments, and 58 contribution increases.

Planned Activity

County Staff

- Staff will send emails to Bargaining Units 1, 14, 35, 38 as well as 3, 4, 12, 22, 36 regarding their cost of living adjustments and encouraging them to enroll or increase their contributions.
- Staff will begin sending emails to all employees who haven’t changed their contribution for 12 or more months.
- Staff and Nationwide, contingent upon approval of funding contained in Item #6 on today’s agenda, will begin planning retiree outreach luncheons.
- Staff and Nationwide will utilize the participation data in Attachment A to develop targeted marketing campaigns to employees in groups with below average participation rates and/or contribution amounts.

Nationwide/Phillip Edwards

- 53 confirmed site visits as of 4/22/19. This includes scheduled visits to multiple new buildings for the Department of Behavioral Health due to the assistance of Member Seymour and County staff.
- There are 6 NEO’s scheduled for Q2 2019.
- Nationwide is working on a custom mailer to be sent to participants who retire or separate from service, and will contain general information about the advantages of staying in the Plan.

Recommended Actions

There are no recommended actions associated with this item.

Item 7 – Attachment A

Plan Participation by Retirement Tier (as of 4/30/2019)

Tier	Total Employees	Enrollment	Participation %	Avg. Contribution
Gen Tier I	2408	1284	53.3%	\$138.55
Gen Tier II	97	64	66.0%	\$154.52
Gen Tier III	593	278	46.9%	\$92.29
Gen Tier IV	259	134	51.7%	\$103.86
Gen Tier V	2793	1457	52.2%	\$65.44
Safety Tier I	443	293	66.1%	\$185.65
Safety Tier II	55	35	63.6%	\$263.39
Safety Tier IV	65	42	64.6%	\$196.38
Safety Tier V	438	295	67.4%	\$132.22
Totals:	7151	3882	54.3%	\$111.69

Plan Participation by Department (as of 4/30/2019)

Department	Total Employees	Enrollment	Participation %	Avg. Contribution
Administrative Office	30	15	50.0%	\$118.90
Agriculture Department	89	59	66.3%	\$99.80
Assessor-Recorder	119	60	50.4%	\$182.42
A-C/T-TC	91	46	50.5%	\$109.73
Behavioral Health	490	231	47.1%	\$106.62
Child Support Services	208	103	49.5%	\$86.54
County Clerk - Elections	25	16	64.0%	\$101.34
County Counsel	30	17	56.7%	\$196.31
District Attorney	228	113	49.6%	\$248.12
Human Resources	61	48	78.7%	\$136.18
Internal Services	380	187	49.2%	\$91.17
Library	303	108	35.6%	\$60.39
Probation	601	375	62.4%	\$94.03
Public Defender	126	60	47.6%	\$152.80
Public Health	358	214	59.8%	\$168.10
Public Works	373	187	50.1%	\$122.31
Retirement Association	31	26	83.9%	\$122.86
Sheriff - Coroner	1151	744	64.6%	\$160.82
Social Services	2457	1273	51.8%	\$68.46
Totals:	7151	3882	54.3%	\$111.69

Item 7 – Attachment A

Plan Participation by Age Band (as of 4/30/2019)

Age Band	Total Employees	Enrollment	Participation %	Avg. Contribution
18-29	1059	576	54.4%	\$68.58
30-39	2048	1137	55.5%	\$86.61
40-49	2004	1115	55.6%	\$114.79
50-59	1508	821	54.4%	\$154.54
60+	532	233	43.8%	\$174.86
Totals:	7151	3882	54.3%	\$111.69

Plan Participation by Employee Group (as of 4/30/2019)

Employee Group	Total Employees	Enrollment	Participation %	Avg. Contribution
Management	545	350	64.2%	\$210.20
Unrepresented	341	192	56.3%	\$98.69
Unit 01	418	284	67.9%	\$193.38
Unit 02	1056	612	58.0%	\$100.21
Unit 03	545	263	48.3%	\$84.71
Unit 04	1076	590	54.8%	\$54.20
Unit 07	62	37	59.7%	\$247.16
Unit 10	43	28	65.1%	\$228.68
Unit 11	181	133	73.5%	\$88.86
Unit 12	1342	556	41.4%	\$45.22
Unit 13	126	68	54.0%	\$62.30
Unit 14	44	28	63.6%	\$216.25
Unit 19	159	99	62.3%	\$158.99
Unit 22	245	99	40.4%	\$71.10
Unit 25	51	20	39.2%	\$123.71
Unit 30	102	56	54.9%	\$303.29
Unit 31	63	34	54.0%	\$154.84
Unit 35	27	20	74.1%	\$238.49
Unit 36	439	245	55.8%	\$132.02
Unit 37	38	32	84.2%	\$174.38
Unit 38	5	5	100.0%	\$238.00
Unit 39	66	32	48.5%	\$67.23
Unit 40	22	17	77.3%	\$127.22
Unit 42	24	10	41.7%	\$178.94
Unit 43	131	72	55.0%	\$142.52
Totals:	7151	3882	54.3%	\$111.69

ITEM 8



Fresno County

457 Deferred Compensation Plan

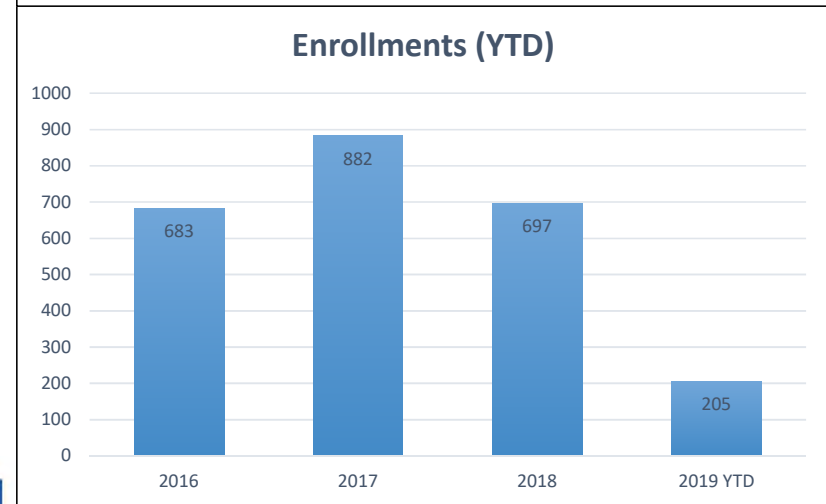
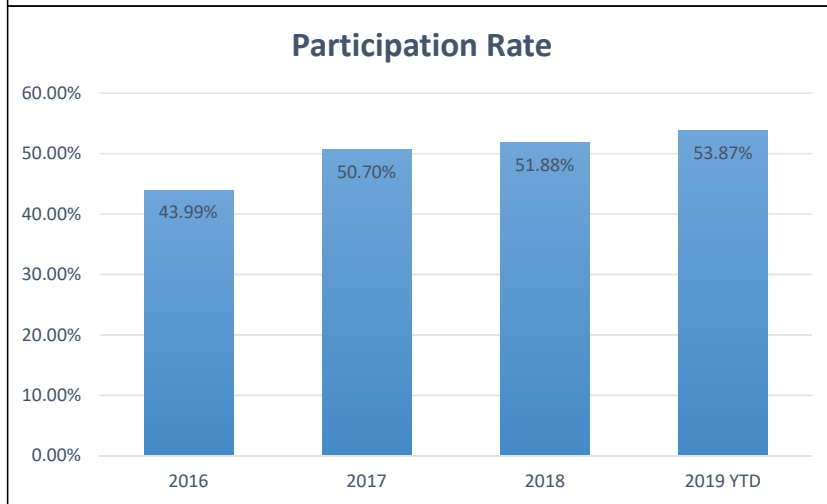
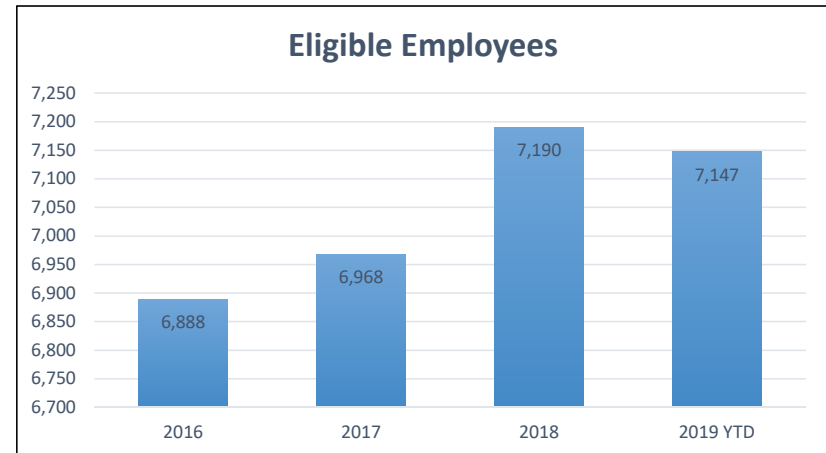
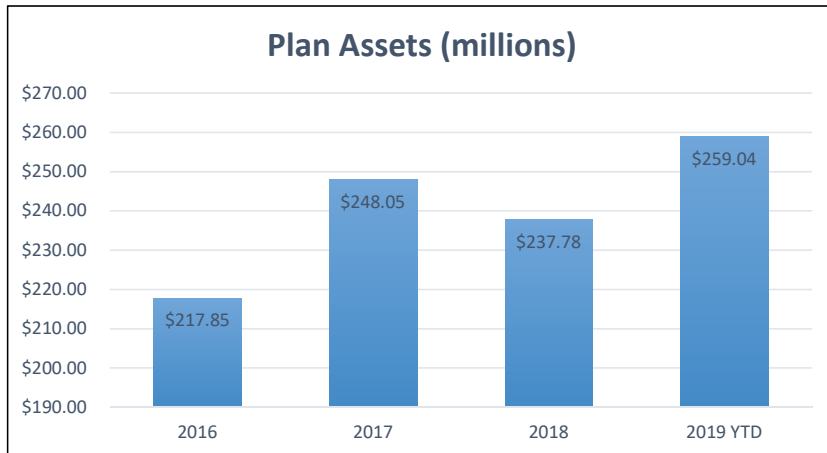
Quarterly Dashboard – March 31, 2019



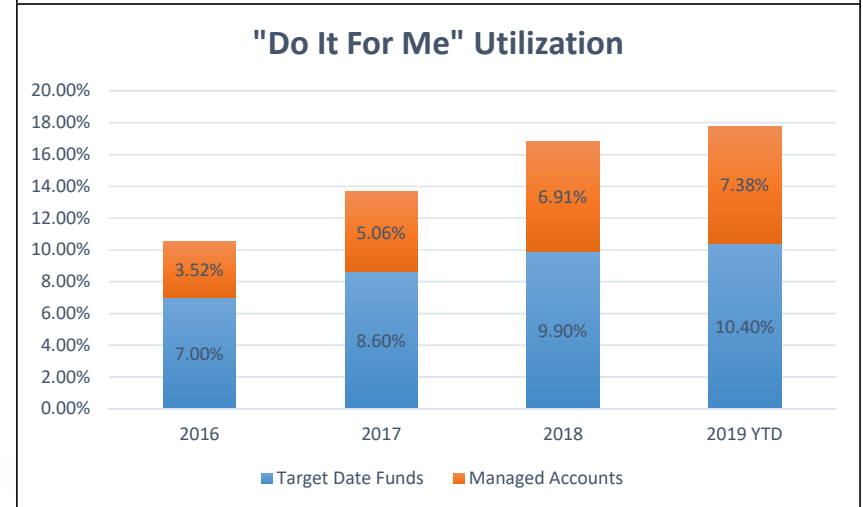
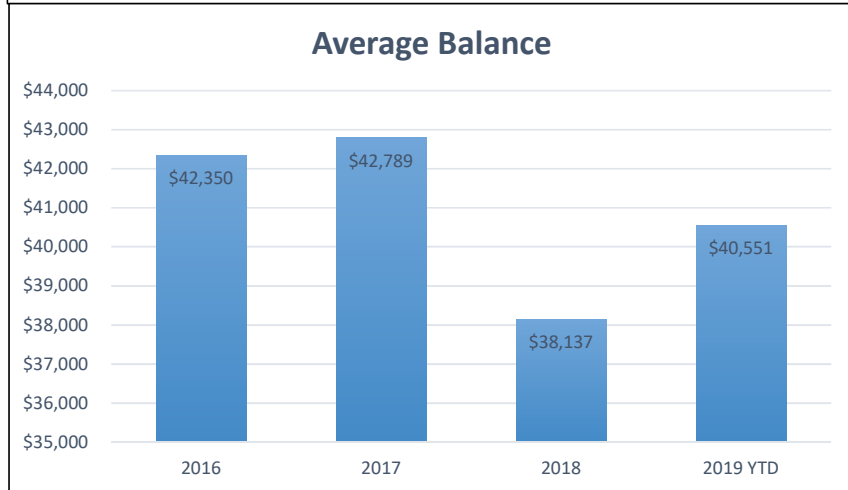
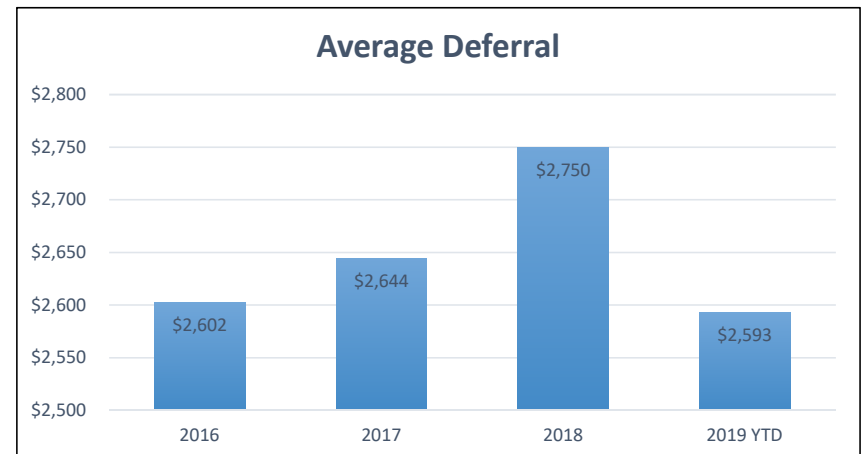
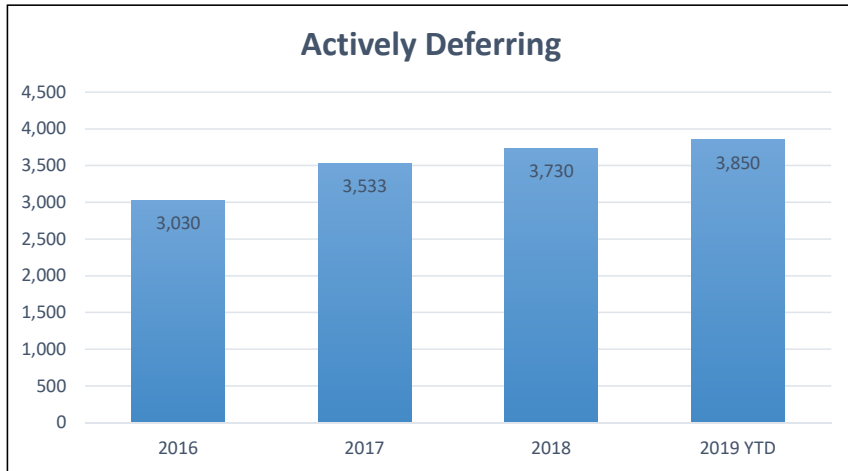
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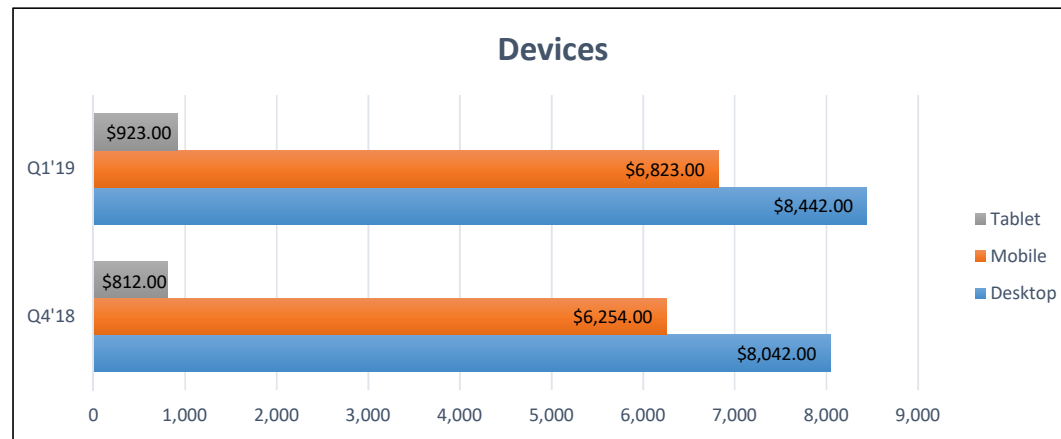
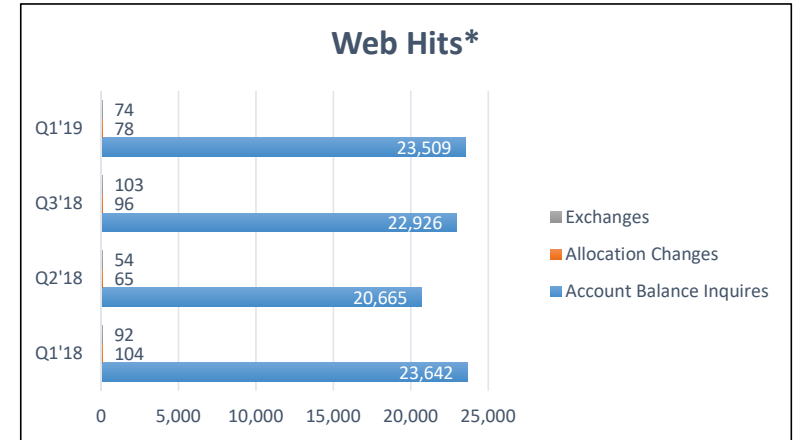
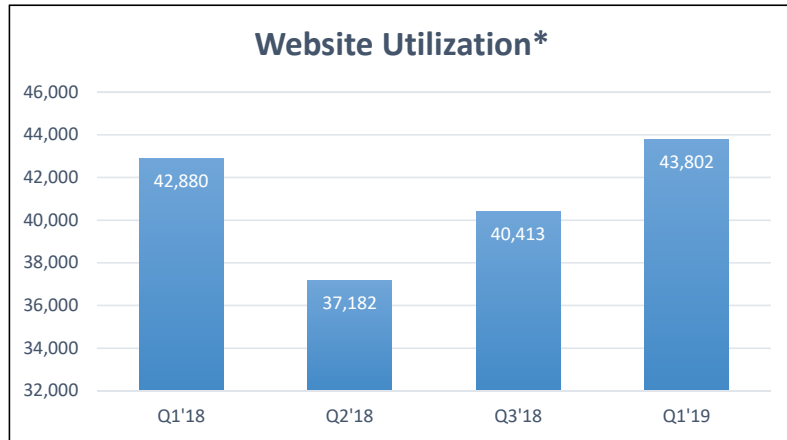
Section 1 Executive Summary



Section 1 Executive Summary



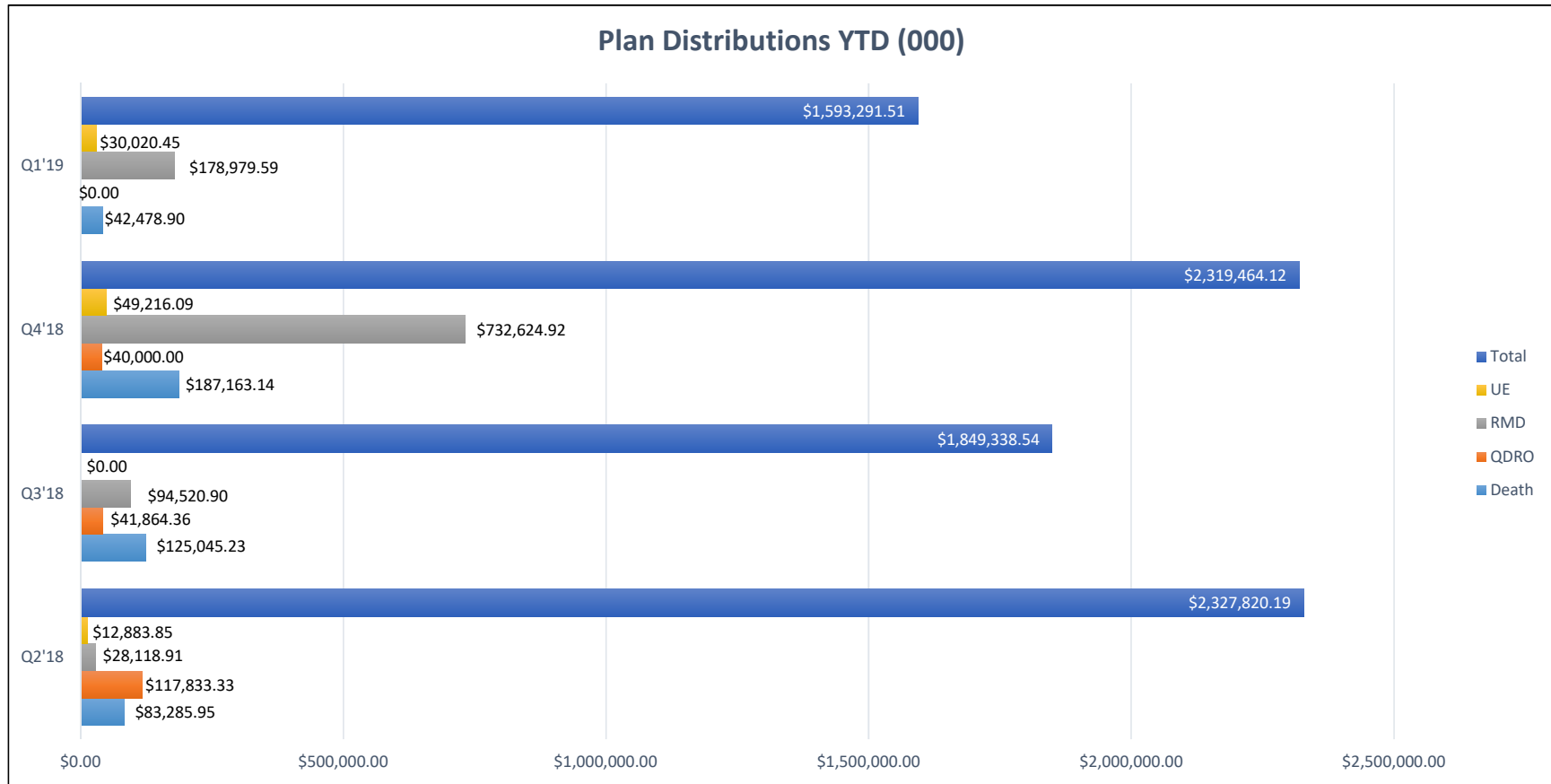
Section 1 Executive Summary



*Web Utilization represents total web hits for the quarter. Web Hits represents total hits for the listed categories.



Section 1 Executive Summary



Section 1 Executive Summary

External Transfer Out 1/1/19 to 3/31/19	Payee
\$ (51,216.27)	CHARLES SCHWAB & CO INC
\$ (51,376.23)	CHARLES SCHWAB & CO INC
\$ 51,216.27	CHARLES SCHWAB & CO INC
\$ (63,667.86)	FIDELITY MANAGEMENT TRUST COMPANY
\$ (40,117.94)	FTIOS
\$ (789.29)	LA COUNTY PLANS - GREAT WEST
\$ (43,589.82)	LPL FINANCIAL LLC
\$ (75,641.47)	LPL FINANCIAL LLC
\$ (513,914.25)	MORGAN STANLEY
\$ (49,141.12)	NATIONAL FINANCIAL SERVICES
\$ (10,000.00)	TD AMERITRADE
\$ (104,702.88)	TD AMERITRADE
\$ (20,756.47)	UNKNOWN
\$ (5,210.08)	UNKNOWN
\$ (9,316.25)	VANGUARD FIDUCIARY TRUST COMPANY
\$ (9,695.16)	VANTAGEPOINT TRANSFER AGENTS / 457



Section 2 Retirement Readiness



Fresno County, CA Nationwide® Retirement Readiness Report

Plan-level summary of all participants' retirement readiness
Q1 2019

The Fresno County Retirement Readiness Report helps you understand how prepared your participants are to reach their retirement goals. Nationwide has provided your participants with a personalized retirement readiness report, which includes their balance, pension, and Social Security benefits.

This plan-level report summarizes the progress your participants are making towards meeting their retirement goal. For more detailed plan information, access the Gauging Success report on your plan website.

Plan Participants

What is the status of all 6,388 participants enrolled in your plan?



Retirement Readiness

How engaged are your participants?
Are they ready to retire?⁴

6,388
total participants

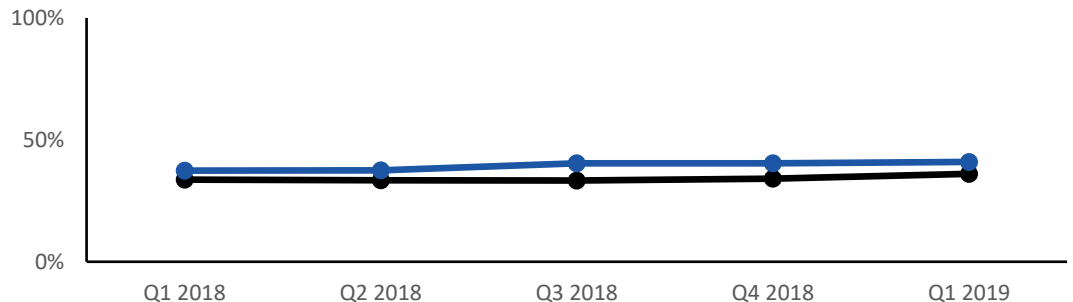
3,145
have an online account

1,580
engaged with their retirement readiness online



Participants that have engaged with their retirement outlook are **4 times more likely** to take action and save more for retirement

How does your plan's retirement readiness compare to a group of similar-sized Nationwide provided plans?⁴



¹ Participant with a balance, "employed" status, and contributed in the last 3 months

² Participant with a balance but no contribution in previous 3 months and no "payout" or "employed" status

³ Participant with a balance and "payout" status

⁴ These calculations are based on an 85% replacement ratio of pre-retirement income

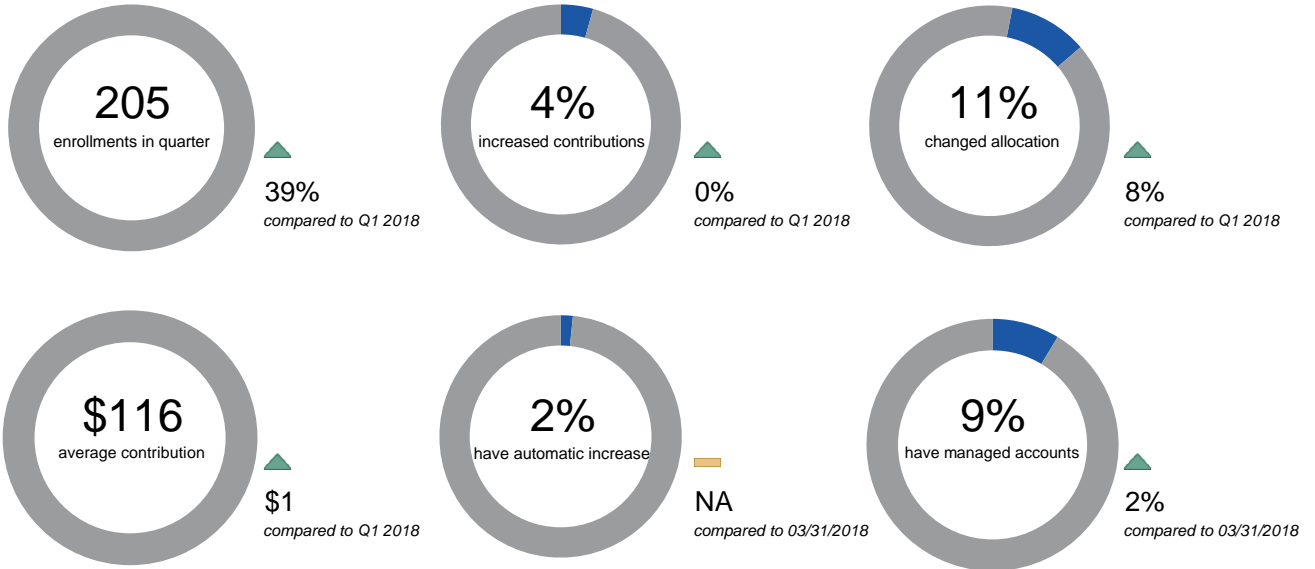


Fresno County, CA Retirement Readiness Report

Plan-level summary of all participants' retirement readiness
Q1 2019

Account Activity

What key activities are the 6,388 participants taking to educate themselves and increase their retirement readiness?



Top Opportunities

Encourage online account usage
49% of participants have set up an online account. By establishing an online account, participants can access their personalized Retirement Readiness Report and take action to improve their readiness.

Encourage increased contributions
Small increases can really add up. By encouraging participants to increase their contribution, time and compounding may build momentum for their retirement readiness.

Encourage enrollment
One step towards improving an employee's financial well-being is ensuring all of your eligible employees are enrolled in a deferred compensation plan. Take this opportunity to promote the benefits of enrolling.

Encourage ProAccount enrollment
With Nationwide ProAccount, participants get the peace of mind that comes from professional investment management, periodic adjustments based on market conditions, and personalized asset allocation.

FOR PLAN SPONSOR AND CONSULTANT USE ONLY

Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors, LLC ("NIA"), an SEC-registered investment advisor. There is an additional fee for the Nationwide ProAccount managed account service.

Retirement specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA.

Not a deposit * Not FDIC or NCUSIF insured * Not guaranteed by the institution * Not insured by any federal government agency * May lose value

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NRM-15148AO.2 (03/17)



Nationwide

Section 3 Gauging Success Report



Gauging Success

PLAN REVIEW Fresno County, CA

As of March 31, 2019



WELCOME

Our goal is to help you objectively evaluate your plan's performance and how it performed against other plans like yours. Since Nationwide Retirement Solutions is one of the largest 457 providers in the industry we are in the unique position of being able to compare your plan to many others.

By comparing the current year information to previous years, you can see how your plan is performing, where your educational efforts are working, and what areas offer opportunities for additional improvement.

The "Peer Group" comparisons used in this report are based on NRS cases, within your state, with assets of:

\$100 million - \$1 billion

Table of Contents

3	Executive Summary
4	Plan Participation
5	Plan Assets
6	Plan Contributions
7-8	Summary
9-20	Appendix

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA. The information they provide is for educational purposes only and is not legal, tax or investment advice.

Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company.

Nationwide Retirement Solutions, Inc. and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters-Financial Corporation and the National Association of Police Organizations. More information about the endorsement relationships may be found online at www.nrsforu.com.

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EXECUTIVE SUMMARY

Plan Contribution Limits for 2019

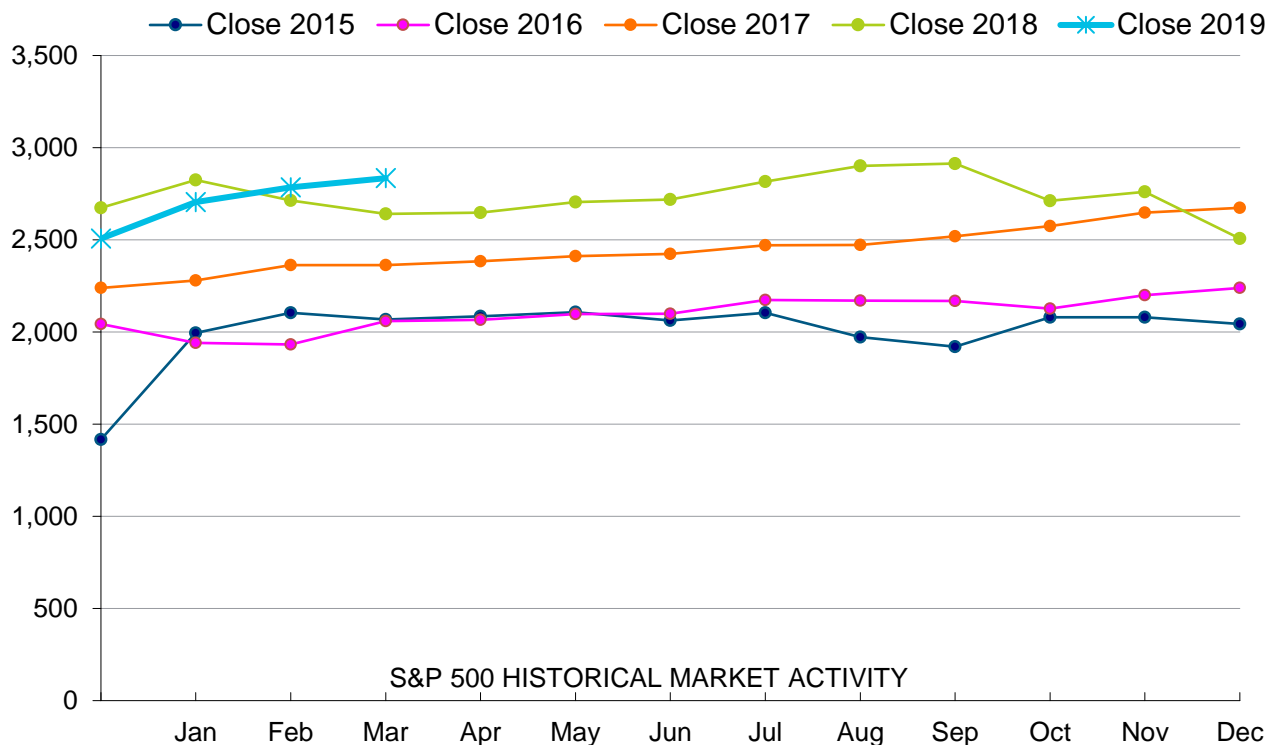
Regular Limit:	\$19,000
50+ Catch-Up:	\$25,000
3-Year Catch-Up:	\$38,000

Quick Plan Facts

	Actual as of 03/31/19	% Chng from 1 year ago
Total Participant Count	6,388	8.5%
Total New Enrollments YTD Count	205	39.5%
Total Plan Assets (millions)	\$259.04	5.1%
Total Deferrals YTD (millions)	\$2.82	6.3%
Total Rollovers-In YTD (thousands)	\$54.78	-22.7%
ProAccount Assets (thousands)	\$19,115.50	43.3%
ProAccount Participant Count	552	33.7%

Market Activity

S&P 500 CHANGE YTD: 13.1%



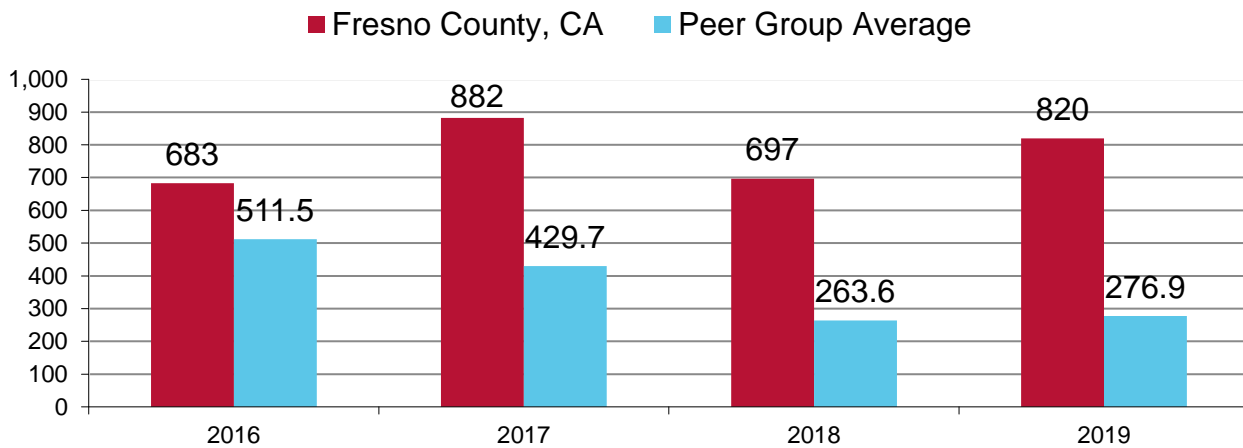
The 500 companies included in this index are selected by the S&P Index committee; a few of the mitigating factors are market size, industry representation and liquidity. This index is designed to be an overall indication of the United States stock market. The 500 securities represent approximately 75% of the total market value of all U.S. stocks.

PLAN PARTICIPATION

Participant Status	12/31/16	12/31/17	12/31/18	3/31/19	% Chng from 1 year ago
# of Participants Actively Deferring	3,030	3,533	3,730	3,850	7.6%
# of Inactive Participants*	1,843	1,955	2,152	2,186	9.5%
# of Participants in Payout	271	309	353	352	12.8%
Total Participants	5,144	5,797	6,235	6,388	8.5%

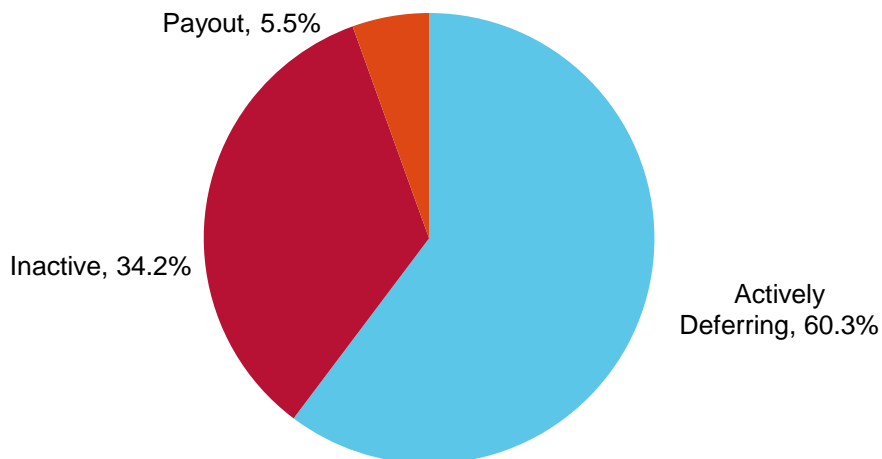
* Inactive participants are those with a balance, not deferring and not in payout

New Participant Count



2019 numbers are annualized

Total Participants as of 03/31/19

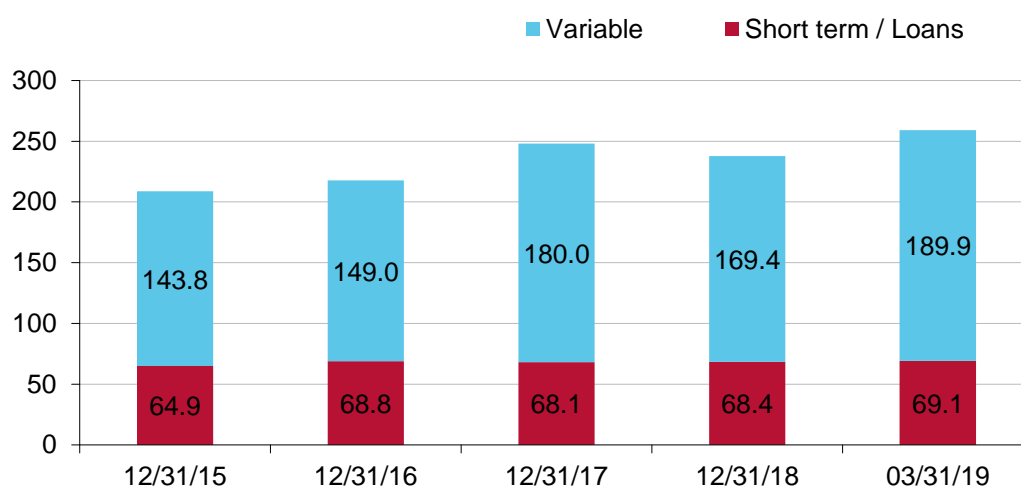


PLAN ASSETS

Total Plan Assets (Millions)

12/31/15	12/31/16	12/31/17	12/31/18	3/31/19	% Chng from 1 year ago
\$208.7	\$217.8	\$248.0	\$237.8	\$259.0	5.1%

Plan Assets Summary (Millions)



Plan Assets by Investment Class (Millions)

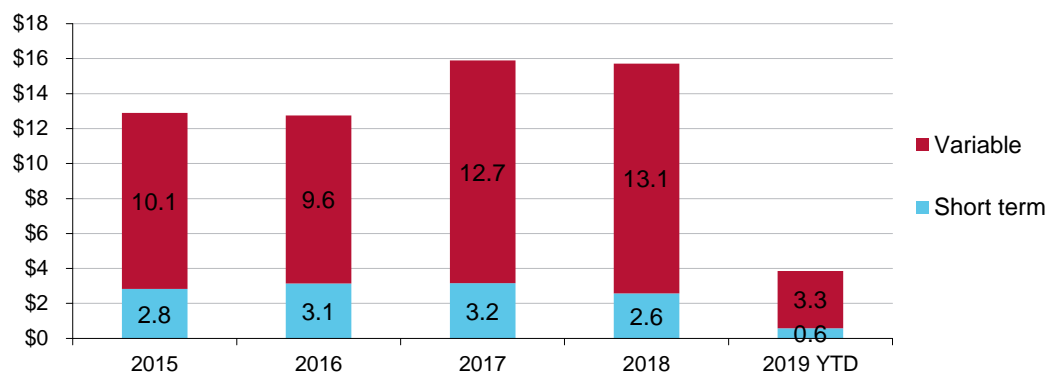
Investment Class	12/31/17	12/31/18	03/31/19	% of Total
Asset Allocation	\$21.28	\$23.44	\$26.99	10.4%
International	\$15.60	\$13.40	\$14.82	5.7%
Small Cap	\$10.42	\$10.46	\$11.30	4.4%
Mid Cap	\$14.11	\$12.52	\$14.10	5.4%
Large Cap	\$102.15	\$93.18	\$104.82	40.5%
Balanced	\$2.41	\$1.94	\$2.10	0.8%
Bonds	\$8.86	\$10.18	\$11.01	4.3%
Short term	\$63.22	\$63.31	\$63.85	24.7%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$5.17	\$4.24	\$4.79	1.8%
Loan	\$4.84	\$5.10	\$5.25	2.0%
Total	\$248.05	\$237.78	\$259.04	100.0%

PLAN CONTRIBUTIONS

Total Contributions by Year (Millions)

	2015	2016	2017	2018	2019 YTD	% Chng from 1 year ago
Deferrals	\$7.4	\$8.6	\$10.2	\$11.6	\$2.8	6.3%
Rollovers-In	\$1.1	\$0.7	\$1.5	\$0.7	\$0.1	-22.7%
Other	\$4.4	\$3.5	\$4.3	\$3.4	\$1.0	30.0%
Total	\$12.9	\$12.8	\$15.9	\$15.7	\$3.9	10.9%

Plan Contributions Summary (Millions)



Plan Contributions by Investment Class (Thousands)

Investment Class	2017	2018	2019 YTD	% Total
Asset Allocation	\$4,059.30	\$4,604.88	\$1,166.09	30.2%
International	\$1,107.23	\$1,365.30	\$332.40	8.6%
Small Cap	\$618.55	\$828.33	\$181.64	4.7%
Mid Cap	\$920.21	\$952.85	\$199.13	5.2%
Large Cap	\$4,790.41	\$4,166.15	\$1,138.85	29.5%
Balanced	\$70.47	\$99.86	\$18.44	0.5%
Bonds	\$808.52	\$758.54	\$180.00	4.7%
Short term	\$3,161.64	\$2,584.11	\$585.66	15.2%
SDO	\$0.00	\$0.00	\$0.00	0.0%
Specialty	\$359.24	\$351.11	\$58.48	1.5%
Loan	\$0.00	\$0.00	\$0.00	0.0%
Total	\$15,895.56	\$15,711.13	\$3,860.70	100.0%

IN SUMMARY

This report contains valuable information and insights about your plan. Now it is time to take action! Here are some suggestions to get you started:

1. Identify your top three areas of focus.
2. Consider which of the following suggestions would work best for your plan:

- Educational Workshops for your employees
- Additional 1-on-1 meetings with your Representative
- Benefit Fairs
- Open Enrollment
- Employer communication options
(e.g. emails, staff meetings...)
- Other _____

3. Discuss your plan with your Nationwide Representative.

We look forward to working with you to bring even greater value to your employees through deferred compensation.

YOUR PROVEN PARTNER

When you're one of the leaders in the industry, you're called to a higher standard. Nationwide's position as an industry leader stems from nearly 40 years in service to public sector retirement plan administrators like you.

Over the years, we have maintained our industry leadership position by being one of the top providers of record-keeping, sales and marketing services to public sector retirement plans in terms of number of clients served and range of assets under management. Here's why:

- Our average client tenure is 19 years
- We partner with more than 7,700 clients * and have a 99% plan retention rate
- We provide education and service to more than 1.7 million participants *
- We manage over \$98 billion in assets *
- We have been featured in the top 10 most trusted companies for privacy by TRUSTe and Ponemon Institute *for the past nine years.*
- We offer recordkeeping, administration and investment products for:
 - 457(b) Deferred compensation plans serving city, county, special district and state employees
 - 401(a) and grandfathered 401(k) Defined employer-contribution plans serving city, county, special district and state employees
 - PEHP® Tax-free investment plan for post-employment health care expenses

Most importantly, *we are proud to serve you and your plan* through our representatives in the field and in our home office.

What does all this mean to you? Our tenure, our legacy, our service and our people make us uniquely qualified to handle your retirement plan needs. This **Gauging Success** report is just one of the ways that we work with you to understand both your needs as an administrator and your employees' needs for planning for their retirement.

*As of 03/31/19

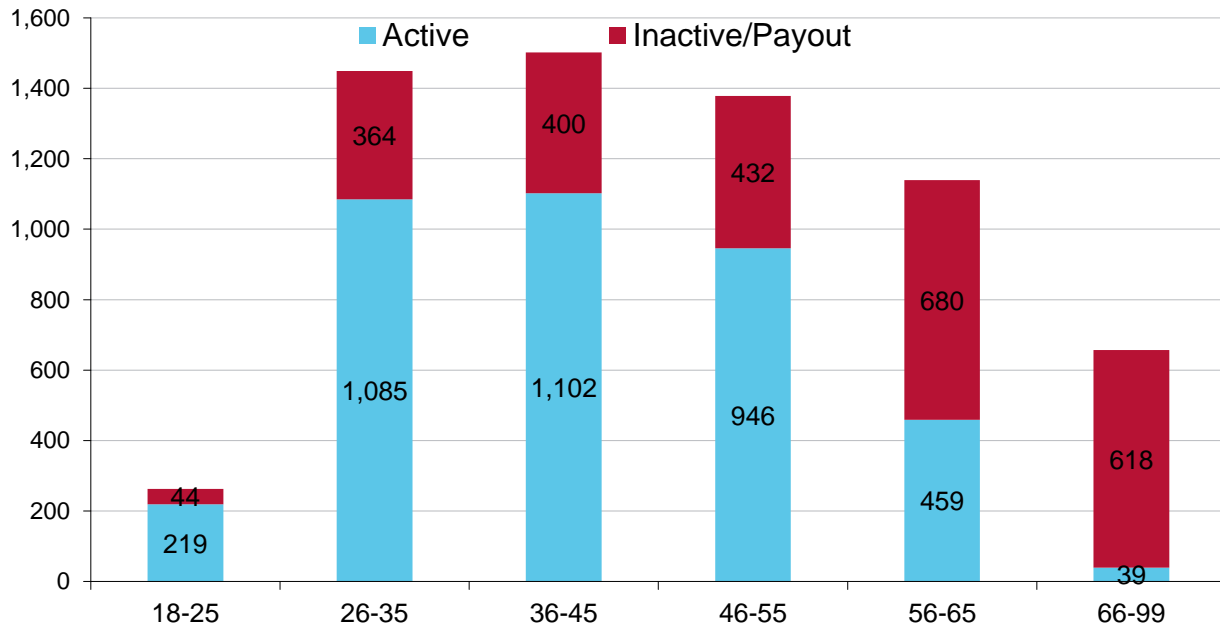
APPENDIX

PLAN PARTICIPATION

Participant Counts by Age as of 03/31/19

Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
18-25	263	124	139	219	44
26-35	1,449	616	833	1,085	364
36-45	1,502	670	832	1,102	400
46-55	1,378	607	771	946	432
56-65	1,139	469	670	459	680
66-99	657	353	304	39	618
Total	6,388	2,839	3,549	3,850	2,538

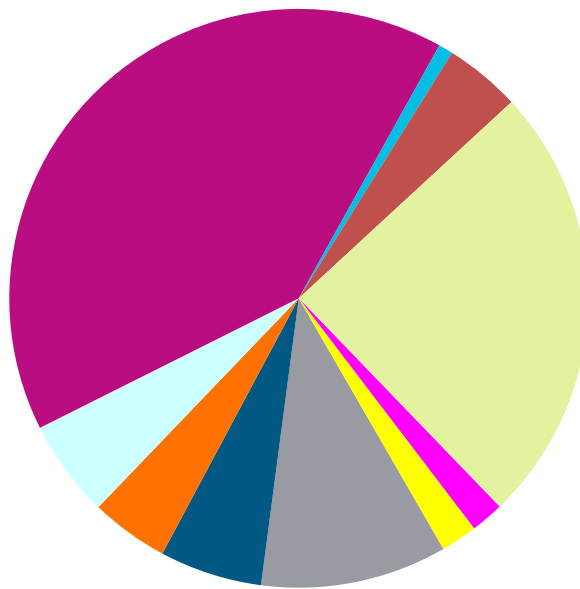
Participant Counts by Age as of 03/31/19



PLAN ASSETS

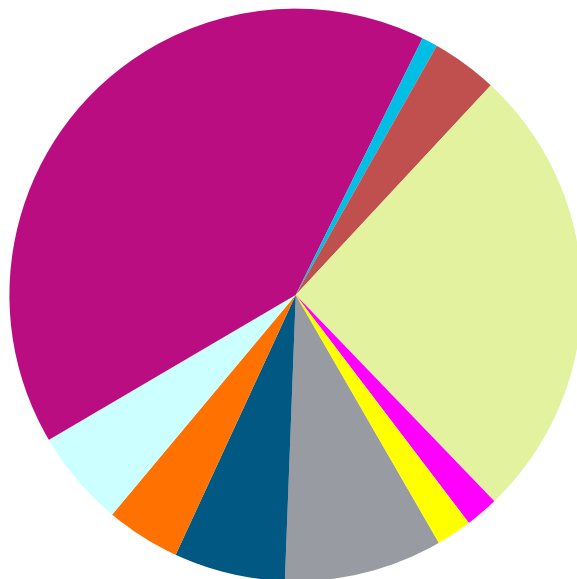
The use of asset allocation does not guarantee returns or insulate you from potential losses.

Fresno County, CA Asset Allocation as of 03/31/19



Asset Allocation	10.4%
International	5.7%
Small Cap	4.4%
Mid Cap	5.4%
Large Cap	40.5%
Balanced	0.8%
Bonds	4.3%
Short term	24.7%
SDO	0.0%
Specialty	1.8%
Loan	2.0%

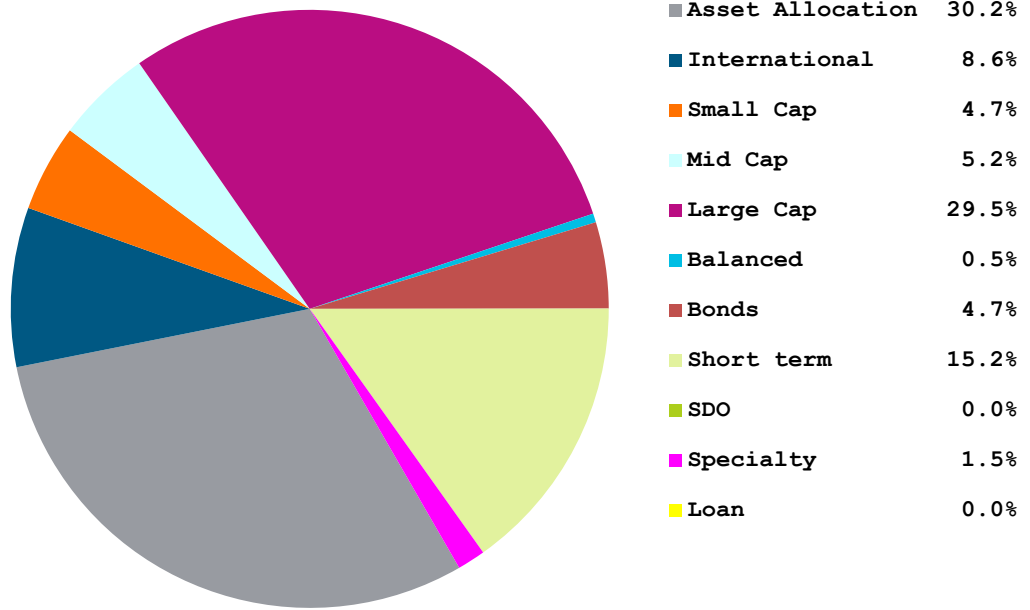
Fresno County, CA Asset Allocation as of 03/31/18



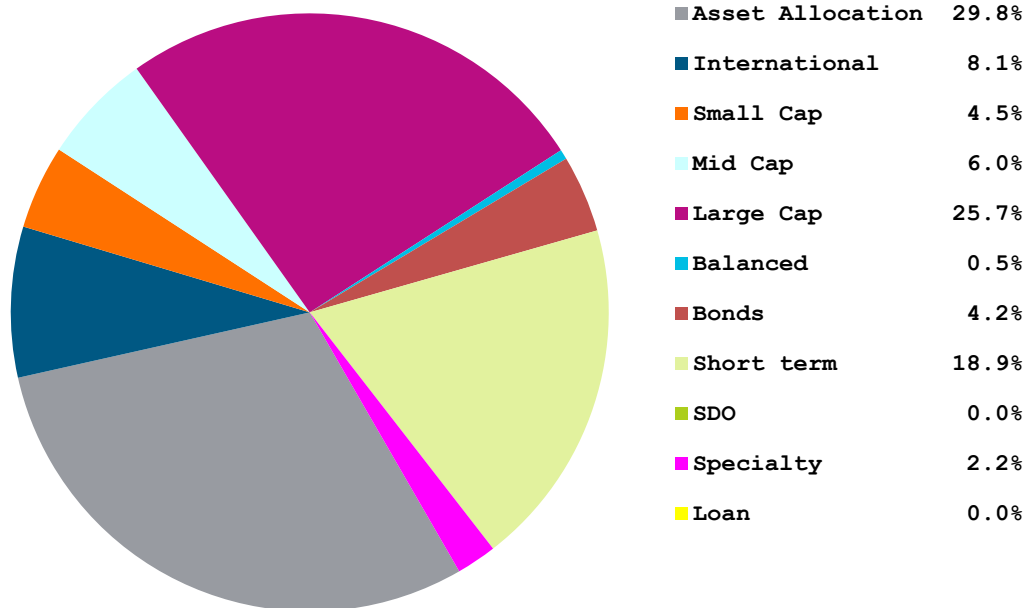
Asset Allocation	8.9%
International	6.3%
Small Cap	4.2%
Mid Cap	5.5%
Large Cap	40.8%
Balanced	0.9%
Bonds	3.7%
Short term	25.9%
SDO	0.0%
Specialty	1.9%
Loan	2.0%

PLAN CONTRIBUTIONS

Fresno County, CA Contribution Allocation 2019 YTD



Fresno County, CA Contribution Allocation 2018 YTD



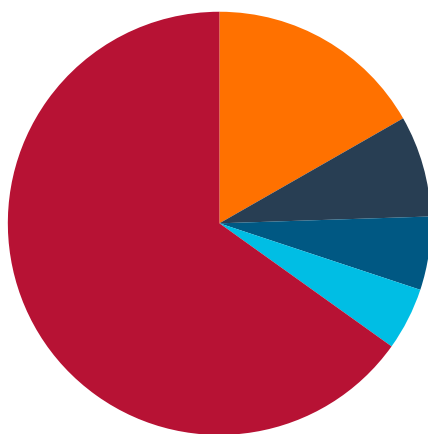
PEER COMPARISONS

Your Peer Group is NRS cases, within your state, with assets of \$100 million - \$1 billion. The peer group consists of 13 NRS cases.

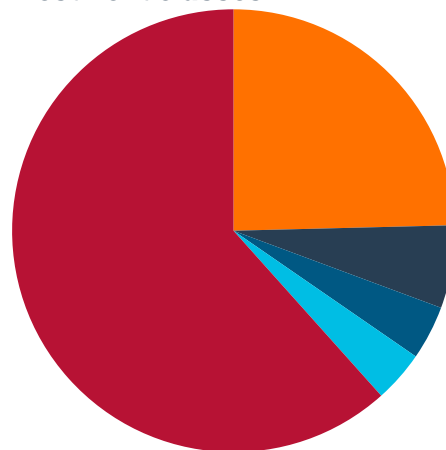
	Fresno County, CA	Peer Group	Recommended
Average # of asset classes	4.0	3.9	5.0
Average annualized deferrals	\$2,593	\$6,087	
Average assets	\$40,551	\$73,903	

Asset Allocation Summary as of 03/31/19

percentage of participants by number of investment classes



Fresno County, CA



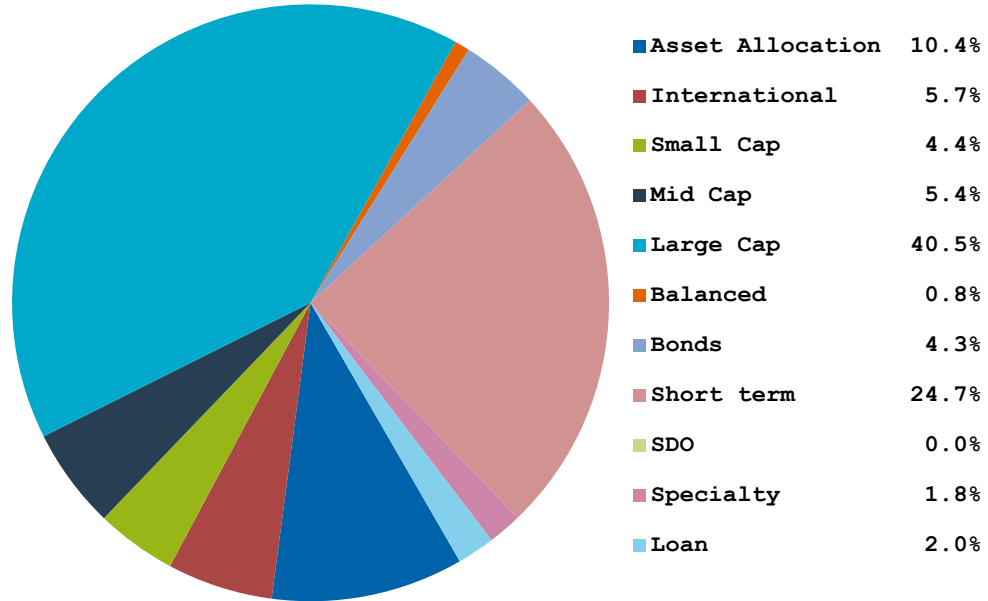
Peer Group

Average Account Balance and Annualized Deferrals by Age Group as of 03/31/19

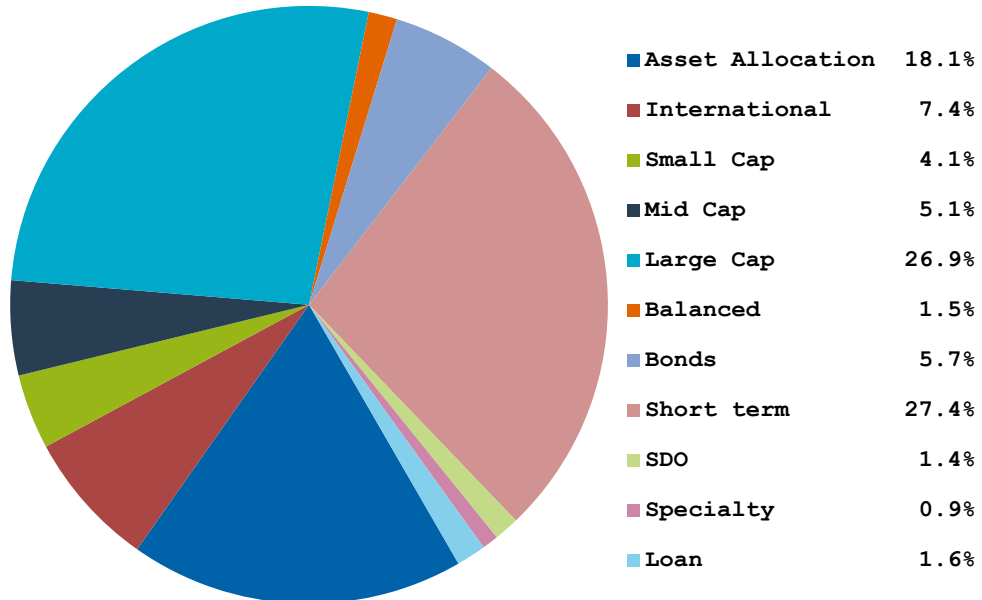
Age Group	Fresno County, CA		Peer Group	
	Account Balance	Annualized Deferrals	Account Balance	Annualized Deferrals
18-25	\$1,830	\$4,784	\$1,631	\$3,221
26-35	\$5,019	\$14,652	\$1,870	\$4,145
36-45	\$18,872	\$43,993	\$2,270	\$5,212
46-55	\$48,864	\$86,427	\$3,202	\$6,990
56-65	\$77,777	\$113,343	\$3,957	\$8,805
66-99	\$102,007	\$126,186	\$6,385	\$10,516

PEER COMPARISONS

Fresno County, CA Asset Allocation as of 03/31/19

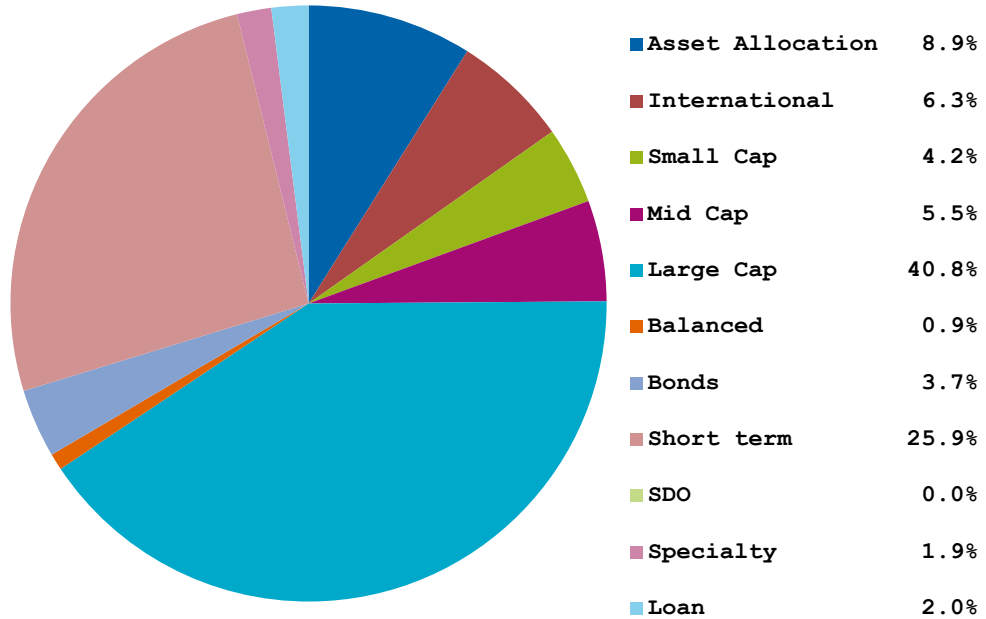


Peer Group Asset Allocation as of 03/31/19

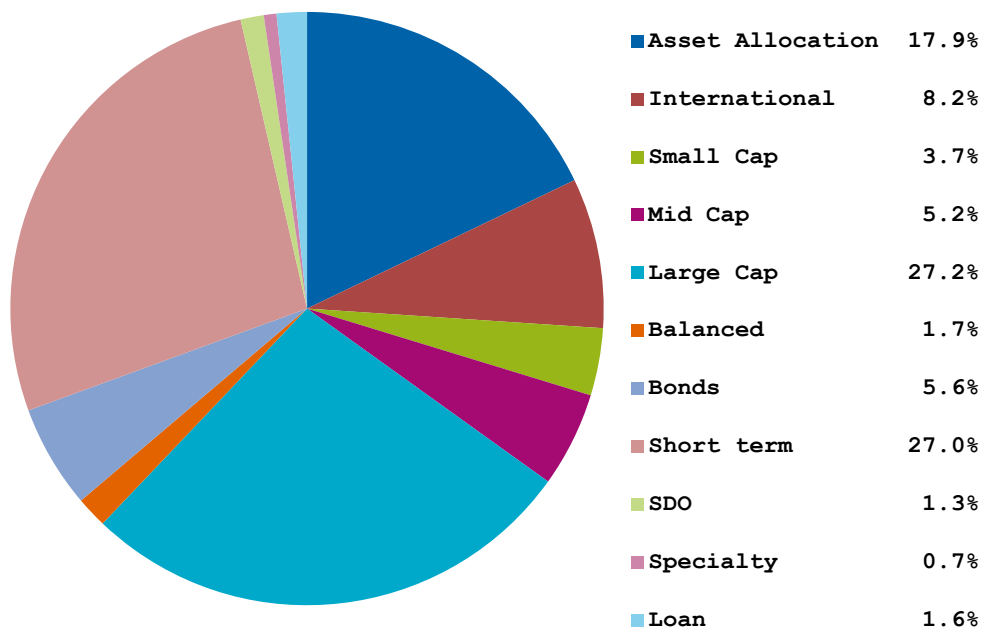


PEER COMPARISONS

Fresno County, CA Asset Allocation as of 03/31/18

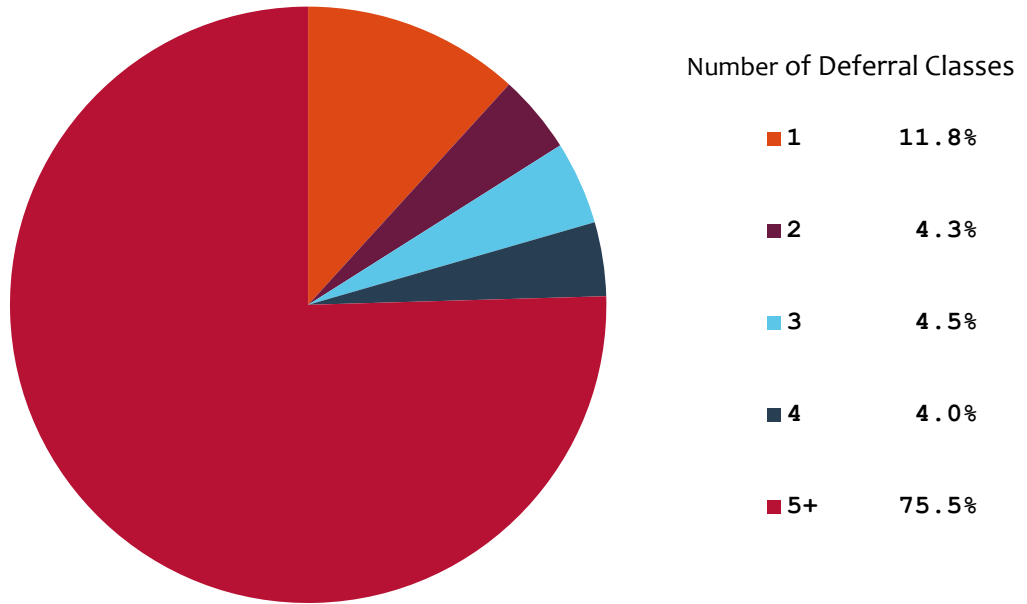


Peer Group Asset Allocation as of 03/31/18

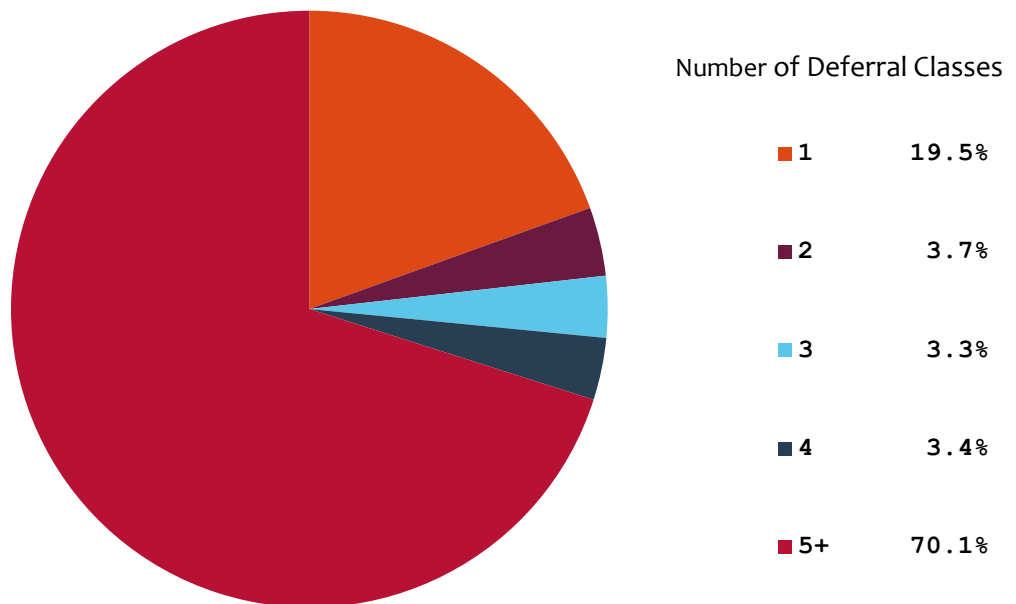


PEER COMPARISONS

Deferral allocation summary: percentage of participants by number of deferral investment classes
Fresno County, CA 2019 YTD

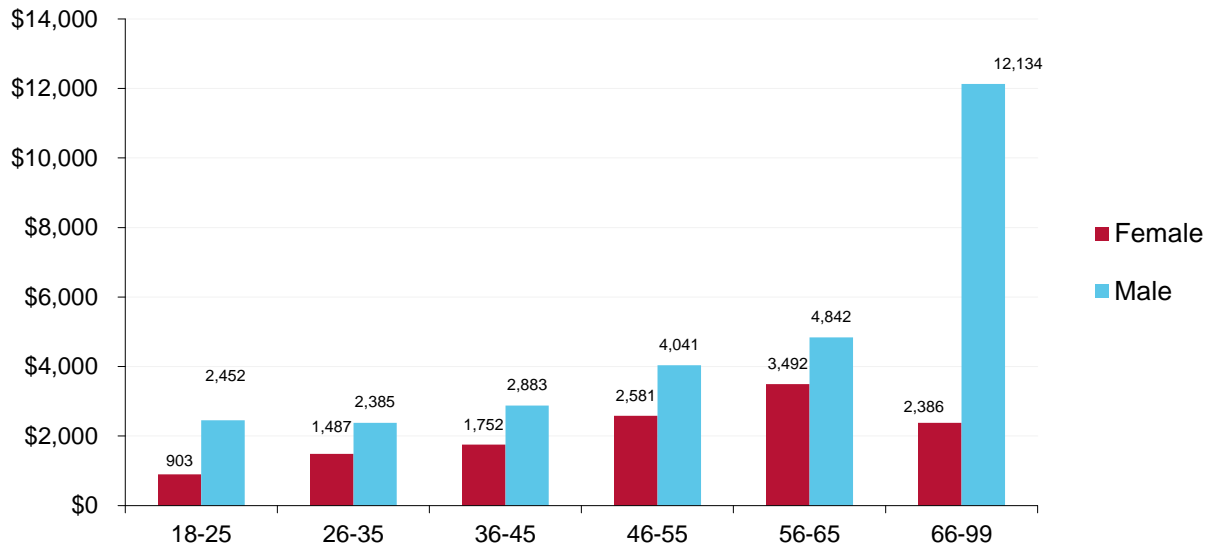


Peer Group 2019 YTD

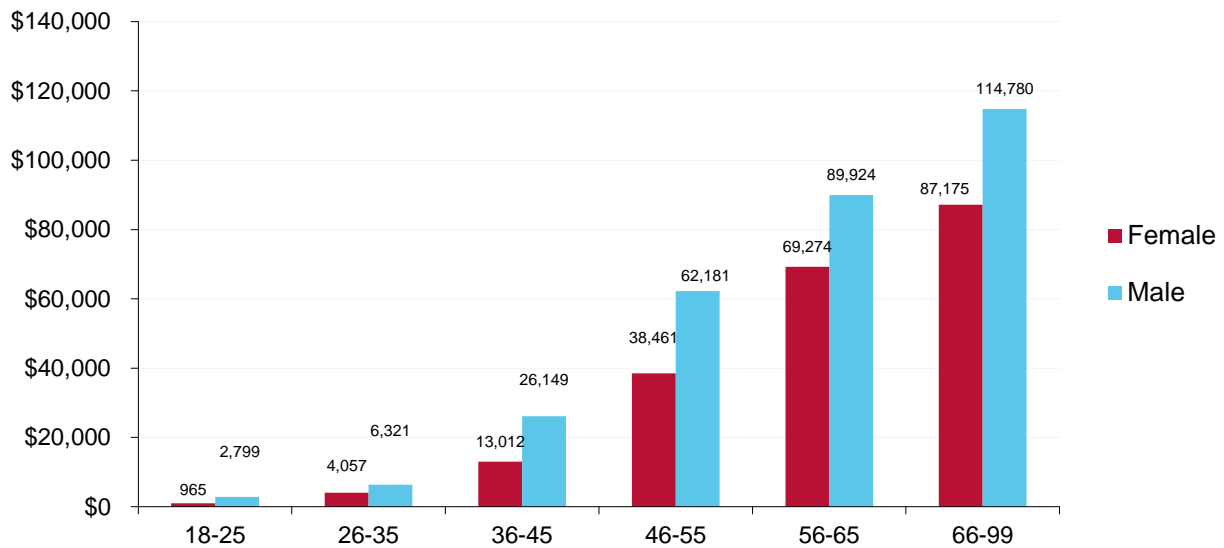


PARTICIPANT DEMOGRAPHICS

Male/Female Average Deferrals by Age

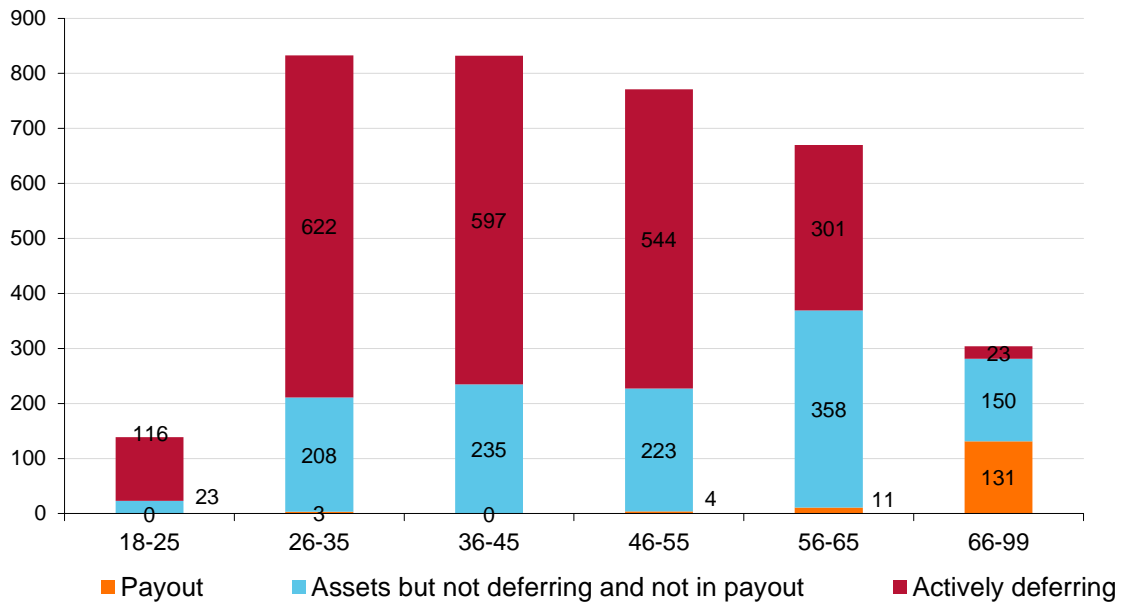


Male/Female Average Account Balance by Age as of 03/31/19

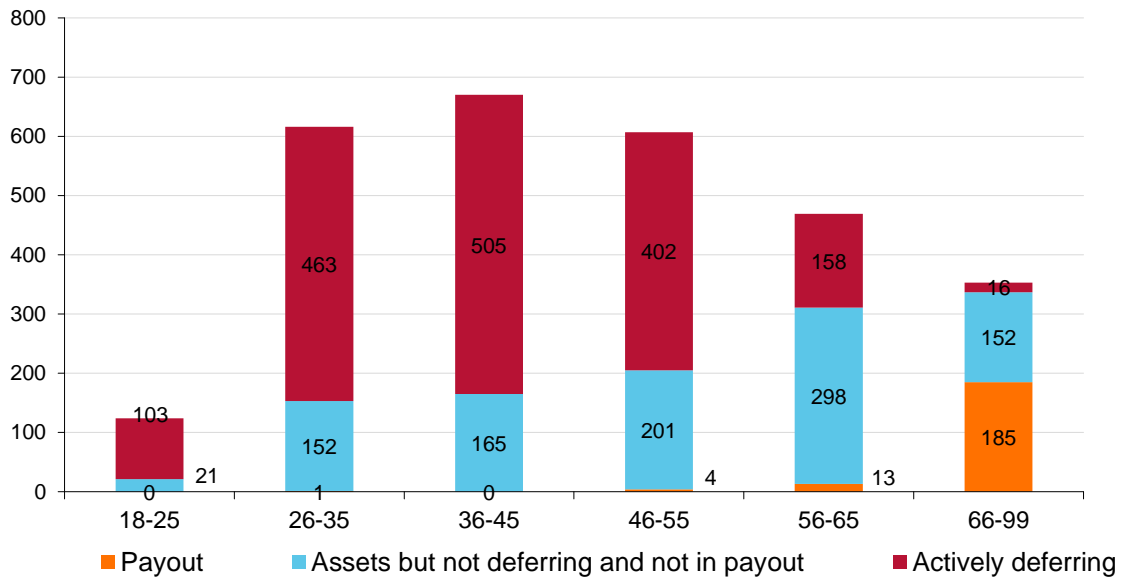


PARTICIPANT DEMOGRAPHICS

Female Participant Count by Age and Status as of 03/31/19



Male Participant Count by Age and Status as of 03/31/19



PLAN ASSETS

as of 03/31/19

Fund	Asset Value	% of Assets	Count / % of Participants	
Asset Allocation				
Great-West Lifetime 2015 Trust	3,370,492.48	1.3%	174	2.7%
Great-West Lifetime 2025 Trust	9,115,563.91	3.5%	409	6.4%
Great-West Lifetime 2035 Trust	6,092,324.15	2.4%	636	10.0%
Great-West Lifetime 2045 Trust	5,447,807.11	2.1%	924	14.5%
Great-West Lifetime 2055 Trust	2,963,545.01	1.1%	1,098	17.2%
<u>Sub-Total Asset Allocation</u>	26,989,732.66	10.4%		
Balanced				
Oakmark Equity and Income Fund (The) - Class I	2,101,731.62	0.8%	214	3.4%
<u>Sub-Total Balanced</u>	2,101,731.62	0.8%		
Bonds				
BlackRock US Debt Index Fund W	5,251,074.50	2.0%	821	12.9%
Templeton Global Bond Fund - Class R6	1,680,603.07	0.6%	724	11.3%
Virtus Seix Total Return Bond Fund - Class R6	4,081,694.62	1.6%	974	15.2%
<u>Sub-Total Bonds</u>	11,013,372.19	4.3%		
International				
BlackRock EAFE Equity Index Fund T	3,492,131.76	1.3%	844	13.2%
Ivy International Core Equity Fund - Class N	9,183,161.10	3.5%	1,517	23.7%
Oppenheimer Developing Markets I	2,145,522.75	0.8%	980	15.3%
<u>Sub-Total International</u>	14,820,815.61	5.7%		
Large Cap				
Alger Spectra Fund - Class Z	43,806,425.34	16.9%	2,325	36.4%
BlackRock Equity Index Fund M	47,269,662.91	18.2%	2,119	33.2%
Columbia Dividend Income Fund - Class Y	13,743,095.83	5.3%	1,497	23.4%
<u>Sub-Total Large Cap</u>	104,819,184.08	40.5%		
Loan				
Loan Outstanding Principal Balance	5,252,316.87	2.0%	831	13.0%

Please consider the funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Read the prospectus carefully before investing. Prospectuses may be obtained from your plan's website or by calling your plan's toll-free customer service phone number.

The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit or protect against loss in a declining market.

Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the asset allocation fund itself, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

PLAN ASSETS

as of 03/31/19

Fund	Asset Value	% of Assets	Count / % of Participants	
<u>Sub-Total Loan</u>	5,252,316.87	2.0%		
Mid Cap				
BlackRock Mid Capitalization Equity Index Fund M	8,705,530.96	3.4%	997	15.6%
Hennessy Focus Fund Institutional Class	5,398,381.00	2.1%	981	15.4%
<u>Sub-Total Mid Cap</u>	14,103,911.96	5.4%		
Short Term Investments				
Fresno County Stable Value Fund	63,854,363.93	24.7%	1,884	29.5%
<u>Sub-Total Short Term Investments</u>	63,854,363.93	24.7%		
Small Cap				
BlackRock Russell 2000 Index Fund M	4,058,912.25	1.6%	1,090	17.1%
Janus Henderson Small Cap Value Fund - Class N	1,327,428.89	0.5%	923	14.4%
Nicholas Limited Edition Fund - Institutional Class	5,913,414.97	2.3%	492	7.7%
<u>Sub-Total Small Cap</u>	11,299,756.11	4.4%		
Specialty				
Fidelity Advisor Real Estate Income Fund - Institutional Class	966,595.06	0.4%	147	2.3%
Franklin Utilities Fund - Class R6	3,819,071.83	1.5%	320	5.0%
<u>Sub-Total Specialty</u>	4,785,666.89	1.8%		
Total	259,040,851.92			

Please consider the funds' investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Read the prospectus carefully before investing. Prospectuses may be obtained from your plan's website or by calling your plan's toll-free customer service phone number.

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Asset allocation funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the asset allocation fund itself, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

Section 4 Explicit Asset Fee Summary

1079 - Explicit Asset Fee Report

Accounting Group: 21
Plan Sponsor Name: COUNTY OF FRESNO CA
Plan Name: COUNTY OF FRESNO CA
Plan ID: 0051910 - 001
IRS Code: 457
Payee: Plan Sponsor/NRS

Process Date: 31-Mar-2019
Report Date: 1-Apr-2019
Report Period: 01 Jan-2019 to 31-Mar-2019
Page: 158

	Plan Sponsor Fee Amount	NRS Fee Amount
January	\$18,757.44	\$20,842.45
February	\$17,346.64	\$19,275.72
March	\$19,382.47	\$21,538.67
Q1 2019 Revenue Total	\$55,486.55	\$61,656.84

Section 5 Fee Normalization Calculation

Fee Normalization Calculation

Plan Sponsor Name: County of Fresno CA

Plan ID: 0051910001

IRS Code: 457

Report Period: 01-Jan-2019 to 31-Mar-2019

Fund Name	Fund	Ticker	01/31/2019 Account Value	02/28/2019 Account Value	03/31/2019 Account Value	Jan-2019 Annual Fund Srcv Fee Rate	Feb-2019 Annual Fund Srcv Fee Rate	Mar-2019 Annual Fund Srcv Fee Rate	1Q2019 Fund Service Fee Payment Amount
Alger Spectra Fund - Class Z	NTV263	ASPZX	\$42,388,988.00	\$43,343,125.00	\$43,806,425.00	0.000%	0.000%	0.000%	\$0.00
BlackRock EAFE Equity Index Fund T	NTV194	BLKAX	\$3,322,384.00	\$3,394,797.00	\$3,492,132.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Equity Index Fund M	NTV195	BLKBX	\$45,017,763.00	\$46,188,615.00	\$47,269,663.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Mid Capitalization Equity Index Fund M	NTV196	BLKCX	\$8,491,098.00	\$8,764,059.00	\$8,705,531.00	0.000%	0.000%	0.000%	\$0.00
BlackRock Russell 2000 Index Fund M	NTV197	BLKDX	\$3,991,640.00	\$4,171,015.00	\$4,058,912.00	0.000%	0.000%	0.000%	\$0.00
BlackRock US Debt Index Fund W	NTV198	BLKEX	\$4,900,990.00	\$4,937,986.00	\$5,251,075.00	0.000%	0.000%	0.000%	\$0.00
Columbia Dividend Income Fund - Class Y	NTV264	CDDYX	\$13,171,940.00	\$13,519,877.00	\$13,743,096.00	0.000%	0.000%	0.000%	\$0.00
Fidelity Advisor Real Estate Income Fund - Institutional Class	NTV265	FRIRX	\$995,141.00	\$997,541.00	\$966,595.00	0.250%	0.250%	0.250%	\$607.85
Franklin Utilities Fund - Class R6	NTV266	FUFRX	\$3,602,269.00	\$3,770,944.00	\$3,819,072.00	0.000%	0.000%	0.000%	\$0.00
Fresno County Stable Value Fund	NTG004		\$63,367,083.00	\$63,911,571.00	\$63,854,364.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2015 Trust	NTV354		\$3,282,902.00	\$3,342,614.00	\$3,370,492.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2025 Trust	NTV355		\$8,186,778.00	\$8,978,253.00	\$9,115,564.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2035 Trust	NTV356		\$5,725,452.00	\$5,891,393.00	\$6,092,324.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2045 Trust	NTV357		\$5,152,908.00	\$5,303,212.00	\$5,447,807.00	0.000%	0.000%	0.000%	\$0.00
Great-West Lifetime 2055 Trust	NTV358		\$2,672,546.00	\$2,818,533.00	\$2,963,545.00	0.000%	0.000%	0.000%	\$0.00
Hennessy Focus Fund Institutional Class	NTV162	HFCIX	\$5,207,740.00	\$5,453,687.00	\$5,398,381.00	0.100%	0.100%	0.100%	\$1,319.16
Ivy International Core Equity Fund - Class N	NTV267	IINCX	\$8,985,715.00	\$9,225,299.00	\$9,183,161.00	0.000%	0.000%	0.000%	\$0.00
Janus Henderson Small Cap Value Fund - Class N	NTV269	JDSNX	\$1,292,409.00	\$1,338,096.00	\$1,327,429.00	0.000%	0.000%	0.000%	\$0.00
Loan	LXM001		\$5,047,023.00	\$5,169,251.00	\$5,252,317.00	0.000%	0.000%	0.000%	\$0.00
Nicholas Limited Edition Fund - Institutional Class	NTV268	NCLEX	\$6,037,224.00	\$6,210,121.00	\$5,913,415.00	0.000%	0.000%	0.000%	\$0.00
Oakmark Equity and Income Fund (The) - Class I	NTV01F	OAKBX	\$2,076,950.00	\$2,101,513.00	\$2,101,732.00	0.300%	0.300%	0.300%	\$1,548.35
Oppenheimer Developing Markets I	NTV08X	ODVIX	\$2,077,534.00	\$2,086,529.00	\$2,145,523.00	0.000%	0.000%	0.000%	\$0.00
Templeton Global Bond Fund - Class R6	NTV262	FBNRX	\$1,775,381.00	\$1,818,417.00	\$1,680,603.00	0.000%	0.000%	0.000%	\$0.00
Virtus Seix Total Return Bond Fund - Class R6	NTV270	SAMZX	\$3,874,839.00	\$3,899,378.00	\$4,081,695.00	0.000%	0.000%	0.000%	\$0.00
Total			\$250,644,697.00	\$256,635,826.00	\$259,040,852.00				\$3,475.36



Item 9

DATE: May 23, 2019

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: First Quarter Investment Performance Report (Executive Summary)

Capital Markets

Name	YTD (04/30/2019)	Q1 2019	1-Year (04/30/2019)
S&P 500 TR USD	18.25	13.65	13.49
S&P MidCap 400 TR	19.09	14.49	6.99
S&P SmallCap 600 TR USD	15.93	11.61	4.42
MSCI EAFE NR USD	13.07	9.98	-3.22
MSCI EM NR USD	12.23	9.91	-5.04
BBgBarc US Agg Bond TR USD	2.97	2.94	5.29

	4/30/2019	3/29/2019	4/30/2018
10-Year Treasury Yield	2.51%	2.41%	2.95%

First Quarter (Complete Quarterly Investment Report is provided as **Exhibit A**)

- Markets rebounded as the Fed paused interest rate raises, trade talks progressed, and earnings came in better than expected.
- **U.S. equities** were positive across all market caps and styles, with growth outpacing value and small outpacing large-cap.
- **International equities** underperformed the U.S., but both emerging and developed markets posted positive returns with China leading the way.
- In **fixed income**, declining rates and tightening credit spreads drove fixed income higher, with the market focused on the inversion of the 10-year minus 3-month Treasury yield.

Economic Factors

- Fourth quarter GDP grew 2.2% and while Q1 GDP is expected to grow at 2.1%.
- A strong labor market continues with wages growing 3.4% year-over-year and unemployment stable at 3.8%.
- Overall inflation remains manageable as various headline CPI rose 1.5%
- Going forward, the Federal Reserve will be patient in determining future rate adjustments, with zero hikes predicted for the year.

Investments

Hennessy Focus Instl, Oakmark Equity and Income, and Virtus Seix Total Return Bond scored a five, three, and three respectively under our methodology, however all three funds remain on watch due to recent underperformance. All three funds are currently scheduled to be removed from the Plan on June 17, 2019. The remaining investment options are compliant with the County's investment policy performance criteria.

- An updated fund watch report has been included as **Exhibit B**.
- Great-West's Proposed Stable Value IPS has been included as **Exhibit C**.
- A Stable Value Scenario Analysis has been included as **Exhibit D**.

Recommended Actions

Summary of IPS Changes

Great-West Capital Management (GWCM) is proposing alterations to the Investment Policy Statement (IPS) to allow greater allocation flexibility within fixed income sectors and credit quality composition. As a result, GWCM believes the proposed portfolio's balance between interest rate risk and credit risk reaches appropriate harmony. GWCM believes the proposed IPS will give their management team proper flexibility to navigate both current and future market conditions over several rate cycles. Additionally, wider diversification guidelines permit flexibility to determine relative value amongst the various fixed income securities while maintaining prudent guardrails to deter unintended risks. A summary of important IPS proposed changes and our commentary can be found below.

Current	Proposed	Commentary
Average Credit Quality AA or Better	A- or Better	Proper interest rate and credit risk harmonization. Fresno SV RFP response averages ranged between AA- to A-.
A-Rated Securities Limit Limit of 25%	Does not include limit on A-rated securities	Allows relative value flexibility to purchase more A rated corporate bonds where yields are advantageous relative to securitized sectors. Additionally, A-rated corporate bonds are a larger investable universe (vs. AAA or AA), which helps facilitate liquidity.
Corporate Bond Issuer Limit No more than 5% in any one corporate bond issuer	No more than 2% in any one corporate bond issuer	Promotes greater single issuer diversification, which supports loosening overall credit quality
US Gov't Securities Minimum 50% must be invested in Gov't securities	Not included in proposed IPS, thus the minimum is 0%	With the maximum of corporate bonds and non-agency securitized assets at 50% and 20%, respectively, the theoretical Government security minimum becomes 30%. A government security minimum of 0% is consistent with peers, including the most conservative providers.

NWCM believes the proposed changes to the Investment Policy Statement by GWCM are prudent and will allow the management team greater flexibility for various market conditions going forward. **As such, NWCM recommends the DCMC adopts the new investment guidelines.**

Item 9 - Exhibit A

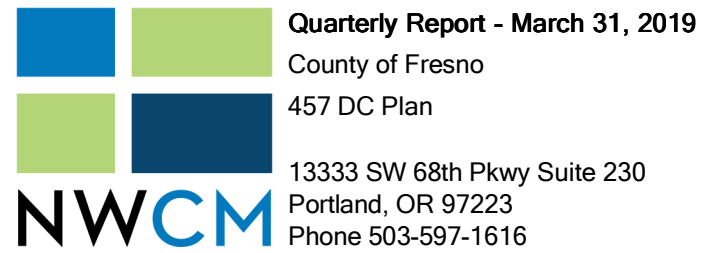


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Market Overview

Market Rebound

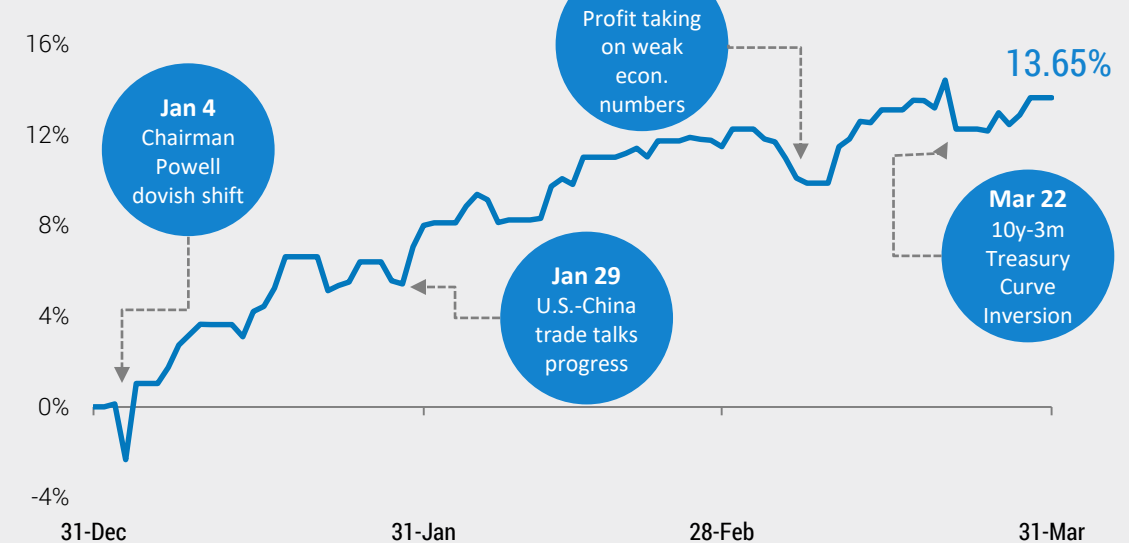
Markets bounced back strongly after many of the fourth quarter headwinds shifted to tailwinds to start the year, including:

1. The Federal Reserve paused raising interest rates for the year as depicted by the median Fed estimate.
2. Positive developments on the trade front, as a U.S.-China agreement appears likely.
3. Better-than-expected/feared corporate earnings season.
4. Optimism that the growth slowdown will bottom around mid-year as consumers respond to labor income gains, low inflation, a rebound of equity markets, the patient Fed, and decreased political risks.

After the worst December since 1931, the S&P 500 had its best first quarter since 1998. This kind of volatility is unusual and was precipitated by a Federal Reserve that appeared too aggressive in December, only to reverse course on its policy perhaps faster than ever witnessed.

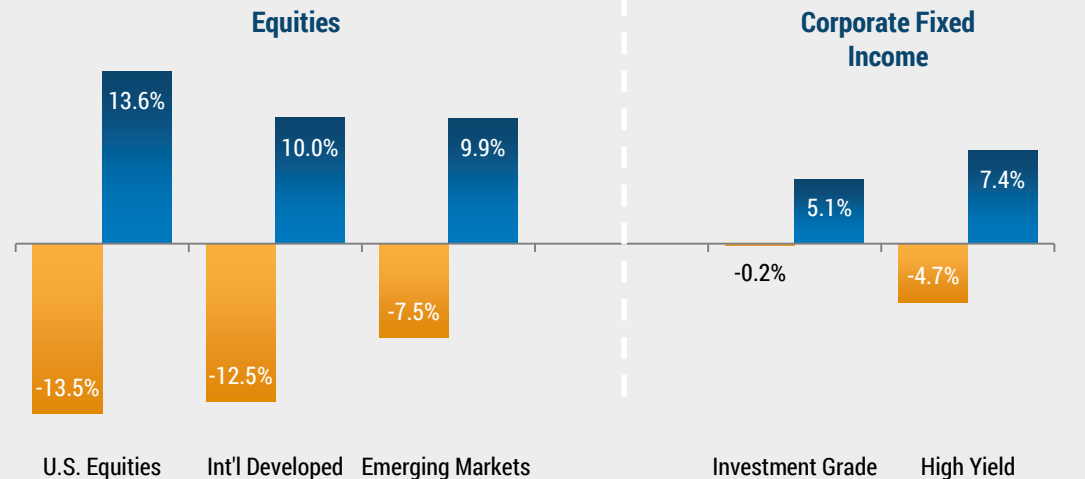
Source: Morningstar Direct as of 31 March 2019. Asset classes are represented by the following benchmarks: U.S. Equities (S&P 500 Index), International Developed (MSCI EAFE), Emerging Markets (MSCI EM), Investment Grade Corporate (BBgBarc US Corporate IG), High Yield (ICE BofAML US High Yield).

S&P 500 Index Cumulative Total Return



Markets Bounced Back After Sharp Decline

Total Return USD



Economy

GDP: Driven by the consumer and inventories, fourth quarter real GDP grew 2.2%. After the government shutdown-related backlog of data became unclogged, the underlying pace of Q1 growth is 2.1% according to the Atlanta Fed GDPNow model.

Labor Market: The labor market continues to be strong as the average job gains for the past 3 months stands at 186,000, wages grew 3.4% year-over-year, and unemployment remains at 3.8%.

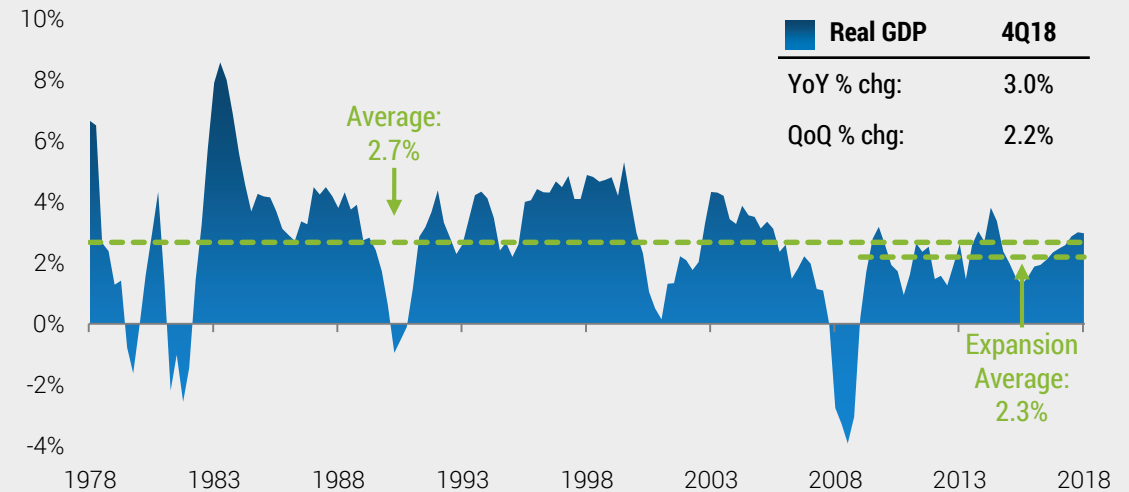
Inflation: Inflation remains manageable, as headline CPI rose 1.5% and core CPI (excluding food and energy) rose 2.1%. The Fed's closely monitored core PCE index rose 1.8% below the Fed's target of 2%.

Fed Speak: A large majority of Federal Reserve (FOMC) participants now expect zero hikes this year, down from a median projection of two hikes in December. The FOMC statement continues to indicate they will be "patient" in determining what future "adjustments" to policy may be needed. The median Committee participant continues to see one hike next year.

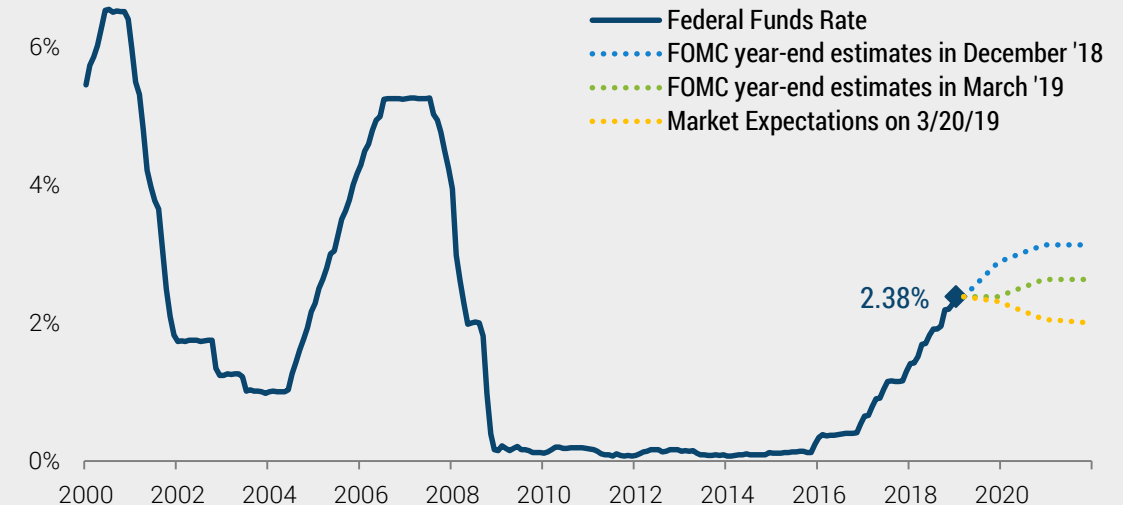
Source: Bloomberg, Federal Reserve. Market expectations are the federal funds rates priced into the fed futures market as of the date of the March 2019 FOMC meeting and are through December 2021. U.S. Data are as of March 31, 2019.

Real GDP

Year-over-year % change



Federal Funds Rate Expectations



Asset Class Performance

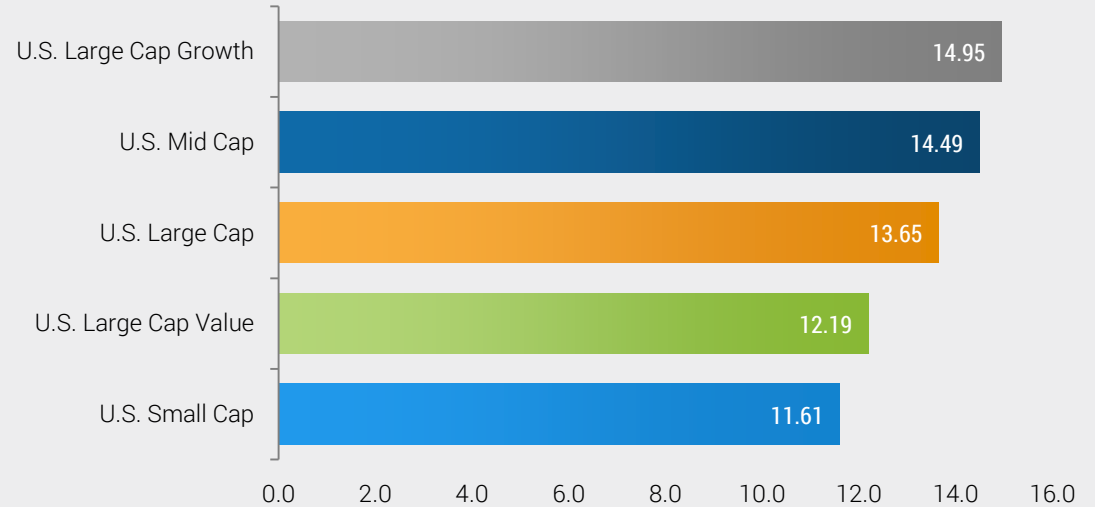
U.S. Equities: Domestic equity markets were positive across market capitalizations and styles in the first quarter. Growth resumed to dominate value this quarter, as the S&P 500 Growth Index rallied 14.95% thanks to Microsoft, Amazon, and Facebook. Small Cap stocks lead the charge through mid-February, after which the index largely treaded water.

International Equities: International equities underperformed the U.S. this quarter. Developed markets, rose 10% with Japan, Germany, and Spain being the laggards. The overhang of auto-tariffs, Brexit, slowing economic data contributed to the relative underperformance. The standout performer for the Emerging markets was China, which rallied 18% thanks to government stimulus, better economic data, and improved trade negotiations.

Fixed Income: The combination of declining interest rates and tightening credit spreads drove fixed income markets higher across the board in the first quarter. The decline in Federal funds rate expectations drove demand for U.S. Treasury bonds. The U.S. 10-Year Treasury rate ended the quarter 24bps lower. This directed the markets attention to the 10-Year minus 3-Month Treasury yield spread which inverted in March. Investors will keep a watchful eye on the inversion, which has been an accurate predictor of recessions.

Source: Morningstar Direct as of 31 March 2019. Asset classes are represented by the following benchmarks: U.S. Equities (S&P 1500 Index), Intl. Developed Equity (MSCI EAFE), Int'l Emerging Equity (MSCI EM), U.S. Large Cap (S&P 500), U.S. Large Cap Growth (S&P 500 Growth), U.S. Large Cap Value (S&P 500 Value), U.S. Mid Cap (S&P MidCap 400), U.S. Small Cap (S&P SmallCap 600), U.S. Fixed Income (BBgBarc US Agg Bond), Intl. Fixed Income (BBgBarc Gbl Agg Ex USD Hdg USD), Cash (ICE BofAML 0-3 M US Trsy Bill). Total Return in USD.

U.S. Equity Quarterly Performance



Trailing Returns



Legislative and Regulatory Update



Retirement Security and Savings Act of 2019

On May 14, Senators Rob Portman and Ben Cardin introduced the Retirement Security and Savings Act of 2019. The bill includes a number of provisions which are NAGDCA legislative priorities and are intended to make plans easier for state and local governments to administer. The main provisions are below:

- Eliminate the “first day of the month” rule for 457(b) plans.
- Allow non-spousal beneficiaries of inherited IRA assets to roll these assets into their employer-sponsored governmental defined contribution, deferred compensation plans.
- Enable use of collective investment trusts by 403(b) plans.
- Improve the functionality of Roth accounts in deferred contribution plans.
- Exempt designated Roth contributions in governmental deferred contribution plans from required minimum distribution (RMD) rules
- Permit 457(b), 401(a), 401(k), and 403(b) plan participants to make qualifying charitable distributions (QCDs).¹

* Updated as of 5/14/2019

2019 Q2 Compliance Calendar



April 1st - Initial age 70^{1/2} Required Minimum Distributions (RMDs) due to inactive participants who turned age 70^{1/2} during previous year.

April 15th - Deadline for processing corrective distributions for previous plan year 402(g) excess deferral amounts.

May - No key deadlines

June 30th - Deadline for processing corrective distributions for failed ADP/ACP test for plans with EACA (Eligible Automatic Contribution Arrangement) without 10% excise tax.



Did you know?

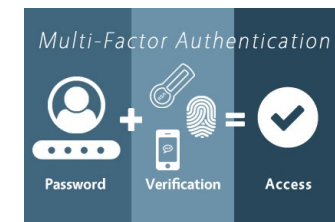
Security provided by a single password can be breached by modern technology. To protect plan data and to maintain compliance, many recordkeepers are enhancing security precautions on their websites through the addition of multi-factor authentication (MFA).

What is Multi-Factor Authentication (MFA)?

- MFA is a security mechanism in which individuals are authenticated through more than one required security & validation procedure

What does this mean for me?

- Make sure your contact information is up to date as you may be prompted to receive an email, text, or phone call with a verification code upon login.
- If you save your login information in your browser, make sure you are the only one with access to the computer or mobile device used to login to the secure site.



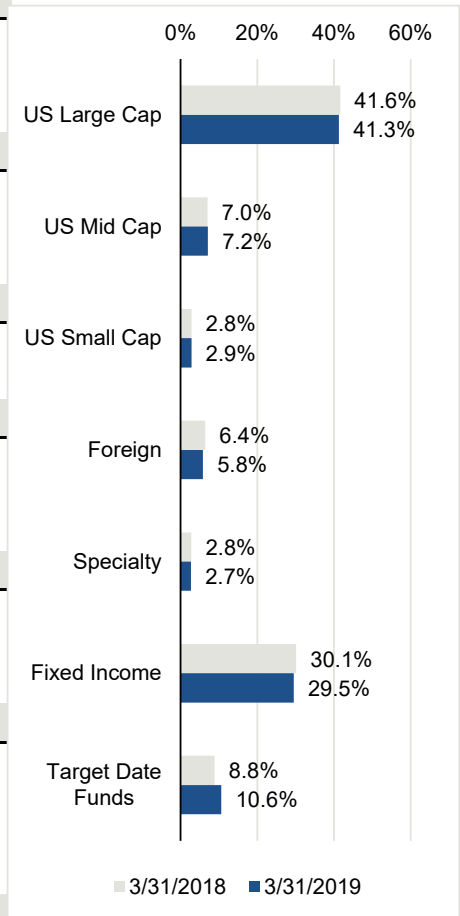
¹“Senators Portman and Cardin Reintroduce Retirement Legislation, Include NAGDCA Priorities.” NAGDCA, 14 May 2019

County of Fresno 457 DC Plan









Summary of Assets

As of 03/31/2019

Asset Class	Ticker	%	3/31/2018	Net Increases/Decreases	3/31/2019	%
US Large Cap		41.64%	\$100,472,744	\$4,346,440	\$104,819,184	41.30%
BlackRock Equity Index - Collective M	02cff1	18.55%	\$44,772,234	\$2,497,429	\$47,269,663	18.63%
Alger Spectra Z	aspzx	17.63%	\$42,555,221	\$1,251,204	\$43,806,425	17.26%
Columbia Dividend Income Inst3	cddyx	5.45%	\$13,145,289	\$597,807	\$13,743,096	5.42%
US Mid Cap		7.04%	\$16,977,123	\$1,185,662	\$18,162,785	7.16%
BlackRock Russell 2000 Index Coll M	03cff3	1.45%	\$3,489,944	\$568,929	\$4,058,873	1.60%
BlackRock MidCap Idx - Collective M	03cff2	3.50%	\$8,437,411	\$268,121	\$8,705,531	3.43%
Hennessy Focus Institutional	hfcix	2.09%	\$5,049,769	\$348,612	\$5,398,381	2.13%
US Small Cap		2.84%	\$6,847,630	\$393,213	\$7,240,844	2.85%
Nicholas Limited Edition I	nclex	2.31%	\$5,579,440	\$333,975	\$5,913,415	2.33%
Janus Henderson Small Cap Value N	jdsnx	0.53%	\$1,268,191	\$59,238	\$1,327,429	0.52%
Foreign		6.42%	\$15,488,874	-\$668,058	\$14,820,815	5.84%
BlackRock EAFE Equity Index Coll F	10cff5	1.35%	\$3,264,395	\$227,737	\$3,492,132	1.38%
Ivy International Core Equity N	iincx	4.27%	\$10,297,214	(\$1,114,053)	\$9,183,161	3.62%
Oppenheimer Developing Markets I	odvix	0.80%	\$1,927,264	\$218,258	\$2,145,523	0.85%
Specialty		2.82%	\$6,808,250	\$79,148	\$6,887,398	2.71%
Fidelity Advisor Real Estate Income I	frirx	0.42%	\$1,022,317	(\$55,722)	\$966,595	0.38%
Franklin Utilities R6	fufrx	1.48%	\$3,571,590	\$247,482	\$3,819,072	1.50%
Oakmark Equity And Income Investor	oakbx	0.92%	\$2,214,343	(\$112,611)	\$2,101,732	0.83%
Fixed Income		30.12%	\$72,678,384	\$2,189,352	\$74,867,736	29.50%
BlackRock US Debt Index Fund Coll W	04cff4	1.77%	\$4,266,284	\$984,790	\$5,251,075	2.07%
Virtus Seix Total Return Bond R6	samzx	1.42%	\$3,435,034	\$646,661	\$4,081,695	1.61%
Templeton Global Bond R6	fbnrx	0.62%	\$1,487,066	\$193,537	\$1,680,603	0.66%
Fresno County Stable Value	fressv	26.31%	\$63,490,000	\$364,364	\$63,854,364	25.16%
Target Date Funds		8.84%	\$22,040,092	\$4,949,640	\$26,989,733	10.63%
Great-West Lifetime 2015 Trust	grwl15	1.12%	\$3,409,073	(\$38,581)	\$3,370,492	1.33%
Great-West Lifetime 2025 Trust	grwl25	2.91%	\$7,013,248	\$2,102,316	\$9,115,564	3.59%
Great-West Lifetime 2035 Trust	grwl35	2.06%	\$4,982,414	\$1,109,911	\$6,092,324	2.40%
Great-West Lifetime 2045 Trust	grwl45	1.94%	\$4,680,070	\$767,737	\$5,447,807	2.15%
Great-West Lifetime 2055 Trust	grwl55	0.81%	\$1,955,287	\$1,008,258	\$2,963,545	1.17%
Total		100.0%	\$241,313,098	\$12,475,398	\$253,788,496	100.0%



CALCULATION METHODOLOGY OF OVERALL FUND 1 (Worst) — 10 (Best)

Factor	Weight	Explanation	Score Calculation		
<p>RETURNS</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>40% Overall</p>	<p>Absolute Returns</p> <p>Peer Group Percentile Rankings: 3.5, 10 Year Periods</p>	<p>Proportional Score Ranks in the top 75% of Peer Group</p>	<p>No Score Ranks in the bottom 25% of Peer Group</p>	
<p>RISK ADJUSTED RETURNS</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>20% Overall</p>	<p>Sharpe Ratio</p> <p>Peer Group Percentile Rankings: 3.5, 10 Year Periods</p>	<p>Proportional Score Ranks in top 75% of Peer Group</p>	<p>No Score Ranks in bottom 25% of Peer Group</p>	
<p>RISK</p> <p>Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)</p>	 <p>30% Overall</p>	 <p>10% Overall</p>	<p>Standard Deviation</p> <p>Peer Group Percentile Rankings: 3.5, 10 Year Periods</p>	<p>Proportional Score Ranks in top 75% of Peer Group</p>	<p>No Score Ranks in bottom 25% of Peer Group</p>
		 <p>20% Overall</p>	<p>Upside/Downside Capture</p> <p>Peer Group Percentile Rankings: 3.5, 10 Year Periods</p>	<p>Proportional Score Ranks in top 75% of Peer Group</p>	<p>No Score Ranks in bottom 25% of Peer Group</p>
<p>OTHER</p> <p>Fund expense quartile rank</p> <p>Manager tenure is greater than 3 years</p>	 <p>10% Overall</p>	 <p>5% Overall</p>	<p>Expense Ratio</p> <p>For current period</p>	<p>Proportional Score Ranks in top 75% of Peer Group</p>	<p>No Score Ranks in bottom 25% of Peer Group</p>
		 <p>5% Overall</p>	<p>Average Tenure</p> <p>Number of years</p>	<p>Full Score Manager Tenure more than 3 years</p>	<p>No Score Manager Tenure less than 3 years</p>

For peer group rankings, a rank of 1-50 indicates the manager performed favorably and ranked in the top half of its peer group for that metric. For example: when measuring risk, a rank of 1 would mean the manager had a very low standard deviation compared to its peer group, whereas when measuring return, a rank of 1 would mean the manager had a very high return compared to its peer group.

Summary of Fund Compliance

Passively-Managed and Cash Funds

Type	Assets %	Fund Name	Ticker
LC Index	18.63%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.43%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.60%	BlackRock Russell 2000 Index Coll M	03cff3
Global	1.38%	BlackRock EAFE Equity Index Coll F	10cff5
US Debt	2.07%	BlackRock US Debt Index Fund Coll W	04cff4

Actively-Managed Funds

Underperforming ◀ ● ○ ● ▶ Outperforming

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.42%	Columbia Dividend Income Inst3	CDDYX	●	●	●	●	●
Pass	17.26%	Alger Spectra Z	ASPZX	●	●	○	●	●
Pass	1.50%	Franklin Utilities R6	FUFRX	●	●	●	●	●
Watch	2.13%	Hennessy Focus Institutional	HFCIX	○	○	●	●	●
Watch	0.83%	Oakmark Equity And Income Investor	OAKBX	○	●	○	●	●
Pass	0.52%	Janus Henderson Small Cap Value N	JDSNX	●	●	●	●	●
Pass	2.33%	Nicholas Limited Edition I	NCLEX	○	●	●	●	●
Pass	3.62%	Ivy International Core Equity N	IINCX	●	●	○	●	●
Pass	0.85%	Oppenheimer Developing Markets I	ODVIX	●	●	●	●	●
Watch	1.61%	Virtus Seix Total Return Bond R6	SAMZX	●	●	○	●	●
Pass	0.66%	Templeton Global Bond R6	FBNRX	●	●	○	●	●
Pass	25.16%	Fresno County Stable Value	fressv	●	●	●	●	●
Pass	0.38%	Fidelity Advisor Real Estate Income I	FRIRX	○	●	●	●	●

Underperforming ◀ ● ○ ● ▶ Outperforming

Target-Date Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.33%	Great-West Lifetime 2015 Trust	GRWL15	●	●	●	●	●
Pass	3.59%	Great-West Lifetime 2025 Trust	GRWL25	●	●	●	●	●
Pass	2.40%	Great-West Lifetime 2035 Trust	GRWL35	●	●	●	●	●
Pass	2.15%	Great-West Lifetime 2045 Trust	GRWL45	●	●	●	●	●
Pass	1.17%	Great-West Lifetime 2055 Trust	GRWL55	●	●	●	●	●

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				LC Index	18.63%	02cff1	BlackRock Equity Index - Collective M	11	6	10	11	7	6	35	37	30	17	9	28	37
MC Index	3.43%	03cff2	BlackRock MidCap Idx - Collective M	27	16	15	34	23	20	64	64	64	9	7	10	77	69	63	1	5
SC Index	1.60%	03cff3	BlackRock Russell 2000 Index Coll M	9	22	29	16	26	41	62	84	68	9	4	11	49	78	83	2	5
Global	1.38%	10cff5	BlackRock EAFE Equity Index Coll F	18	28	23	17	29	24	30	52	51	29	36	24	33	42	51	4	5
US Debt	2.07%	04cff4	BlackRock US Debt Index Fund Coll W	1	1		8	22		89	85		5	8		47	49		1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				9	5.42%	CDDYX	Columbia Dividend Income Inst3	5	1	19	3	2	4	11	11	8	60	48	83	5
6	17.26%	ASPZX	Alger Spectra Z	37	29	7	48	38	10	71	68	70	23	19	7	90	70	71	45	9
7	1.50%	FUFRX	Franklin Utilities R6	38	16	27	49	12	20	78	73	22	7	10	42	74	62	25	13	15
5	2.13%	HFCIX	Hennessy Focus Institutional	94	61	48	88	31	30	4	8	29	98	88	94	27	12	3	48	10
3	0.83%	OAKBX	Oakmark Equity And Income Investor	34	63	68	80	79	79	93	93	80	13	20	53	95	93	71	29	12
8	0.52%	JDSNX	Janus Henderson Small Cap Value N	16	3	55	3	1	3	3	5	4	88	77	91	3	2	2	12	6
6	2.33%	NCLEX	Nicholas Limited Edition I	59	39	68	24	15	9	1	2	2	89	85	95	6	6	6	17	14
6	3.62%	IINCX	Ivy International Core Equity N	65	30	19	71	34	22	84	79	61	34	17	24	80	70	47	29	8
8	0.85%	ODVIX	Oppenheimer Developing Markets I	18	27	4	10	27	6	25	41	28	57	55	49	13	33	17	13	12
3	1.61%	SAMZX	Virtus Seix Total Return Bond R6	73	53	76	79	66	80	82	84	47	66	38	74	72	66	68	8	10
6	0.66%	FBNRX	Templeton Global Bond R6	9	31	29	36	41	45	69	74	82	97	92	88	2	2	3	13	9
9	25.16%	fressv	Fresno County Stable Value	1	1		1	1		1	1		1	1		n/a	1		43	6
6	0.38%	FRIRX	Fidelity Advisor Real Estate Income I	17	86	94	4	1	1	2	1	2	94	98	97	5	1	1	18	8

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				8	1.33%	GRWL15	Great-West Lifetime 2015 Trust	23	6		29	6		54	34		19	30		54
9	3.59%	GRWL25	Great-West Lifetime 2025 Trust	15	2		9	1		44	38		26	35		27	21		17	5
8	2.40%	GRWL35	Great-West Lifetime 2035 Trust	12	14		10	9		52	32		17	41		49	16		18	5
8	2.15%	GRWL45	Great-West Lifetime 2045 Trust	9	6		13	8		61	48		4	8		52	33		18	5
8	1.17%	GRWL55	Great-West Lifetime 2055 Trust	11	12		15	13		60	50		6	8		58	45		18	5

All data except for 'Tenure - Average Years' are listed as a peer rank percentage

All Funds remain in compliance with Investment Policy and no action need be taken other than indicated in the Fund Compliance Commentary section of this report.



Northwest Capital Management, Inc. 04/30/2019

This report, along with more detailed performance data on Plan Investment Options, was reviewed by the Plan's Trustee and/or Investment Committee.

Trustee / Committee Member Date

BlackRock Equity Index - Collective M (02cff1)

Fund Type: LC Index

US Large Cap

The fund seeks to replicate the performance of U.S. Large Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
02cff1	13.69%	9.60%	13.59%	10.98%	16.01%
S&P 500 TR USD	13.64%	9.48%	13.51%	10.91%	15.92%
Out/(Under) Performing	0.05%	0.12%	0.08%	0.07%	0.09%
Peer Group Ranking	26	17	11	6	10

BlackRock MidCap Idx - Collective M (03cff2)

Fund Type: MC Index

US Mid Cap

The fund seeks to replicate the performance of U.S. Mid Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff2	14.48%	2.66%	11.07%	8.14%	16.21%
S&P MidCap 400 TR	14.49%	2.57%	11.24%	8.28%	16.28%
Out/(Under) Performing	-0.01%	0.10%	-0.16%	-0.15%	-0.06%
Peer Group Ranking	49	46	27	16	15

BlackRock Russell 2000 Index Coll M (03cff3)

Fund Type: SC Index

US Small Cap

The fund seeks to replicate the performance of U.S. Small Cap Stocks

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff3	14.65%	2.18%	13.13%	7.29%	15.61%
Russell 2000 TR USD	14.59%	2.04%	12.92%	7.05%	15.36%
Out/(Under) Performing	0.06%	0.14%	0.21%	0.24%	0.25%
Peer Group Ranking	29	24	9	22	29

BlackRock EAFE Equity Index Coll F (10cff5)

Fund Type: Global

Frgn Developd Large Cap

The fund seeks to replicate performance of Foreign stock represented by the MSCI EAFE Index

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
10cff5	10.09%	-3.66%	7.66%	2.64%	9.26%
MSCI ACWI Ex USA NR USD	10.32%	-4.20%	8.09%	2.57%	8.85%
Out/(Under) Performing	-0.23%	0.54%	-0.43%	0.07%	0.41%
Peer Group Ranking	55	22	18	28	23

BlackRock US Debt Index Fund Coll W (04cff4)

Fund Type: US Debt

US Intermed Duration

The fund seeks to replicate the performance of the U.S. Bond Market

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
04cff4	2.97%	4.55%	2.10%	2.88%	
BBgBarc US Govt Interm TR USD	1.58%	3.78%	0.97%	1.65%	2.00%
Out/(Under) Performing	1.39%	0.77%	1.13%	1.23%	
Peer Group Ranking	1	5	1	1	

Columbia Dividend Income Inst3 (CDDYX)

Fund Score: 9 (Status: Pass)

US Large Cap

The investment seeks total return, consisting of current income and capital appreciation.

The fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in a diversified portfolio of income-producing (dividend-paying) equity securities, which will consist primarily of common stocks but also may include preferred stocks and convertible securities. It invests principally in securities of companies believed to be undervalued but also may invest in securities of companies believed to have the potential for long-term growth. The fund may invest in companies that have market capitalizations of any size.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
CDDYX	12.03%	9.38%	12.56%	10.45%	14.59%
S&P 500 Value TR USD	12.19%	5.92%	10.62%	8.04%	14.49%
Out/(Under) Performing	-0.16%	3.46%	1.94%	2.41%	0.11%
Peer Group Ranking	27	8	5	1	19

Alger Spectra Z (ASPZX)

Fund Score: 6 (Status: Pass)

US Large Cap

The investment seeks long-term capital appreciation.

The fund invests primarily in the equity securities of companies of any size that the manager believes demonstrate promising growth potential. Equity securities include common or preferred stocks that are listed on U.S. or foreign exchanges. It may invest a significant portion of its assets in securities of companies conducting business within a single sector, including the information technology, consumer discretionary, and health care sectors.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPZX	15.41%	11.51%	16.18%	12.75%	18.45%
S&P 500 Growth TR USD	14.96%	12.78%	15.92%	13.37%	17.17%
Out/(Under) Performing	0.44%	-1.27%	0.26%	-0.62%	1.28%
Peer Group Ranking	59	44	37	29	7

Alger Spectra returned 15.4% in Q1 2019 compared to 15.0% for its benchmark (S&P 500 Growth). For the trailing 12 months, the fund returned 11.5% compared to 12.8% for the benchmark. An underweight to energy was the primary tailwind on Q1 performance relative to the benchmark, as this sector underperformed the broader market. Additionally, security selection in the technology sector boosted performance, with Salesforce and Amazon among the top contributors. A short position in AbbieVie also helped performance as the company's first earnings miss in five years caused its share price to decline. The fund currently scores a 6 under our methodology. Its returns rank in the top half relative to peers for the trailing three- and five-year periods, and in the top decile for the trailing ten-year period.

Franklin Utilities R6 (FUFRR)

Fund Score: 7 (Status: Pass)

US Large Cap

The investment seeks capital appreciation and current income.

The fund normally invests at least 80% of its net assets in the securities of public utilities companies. These are companies that provide electricity, natural gas, water, and communications services to the public and companies that provide services to public utilities companies. It concentrates (invests more than 25% of its total assets) in companies operating in the utilities industry. The fund invests primarily in equity securities, which consist mainly of common stocks.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FUFRR	12.61%	20.55%	9.73%	10.22%	13.22%
MSCI World/Utilities NR USD	10.01%	14.14%	7.56%	6.05%	7.48%
Out/(Under) Performing	2.60%	6.41%	2.17%	4.17%	5.74%
Peer Group Ranking	11	7	38	16	27

Hennessy Focus Institutional (HFCIX)

Fund Score: 5 (Status: Watch)

US Mid Cap

The investment seeks capital appreciation.

The fund invests primarily in domestic companies listed on U.S. national securities exchanges. It may also invest in (i) foreign companies listed on U.S. national securities exchanges, (ii) foreign companies through American Depositary Receipts or other types of depositary receipts, which are U.S. dollar-denominated securities of foreign issuers listed on U.S. national securities exchanges and, (iii) foreign companies traded on foreign exchanges. The fund is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
HFCIX	14.05%	4.91%	8.94%	8.94%	16.01%
S&P MidCap 400 Growth TR USD	14.95%	1.69%	11.90%	8.80%	16.64%
Out/(Under) Performing	-0.90%	3.22%	-2.96%	0.14%	-0.63%
Peer Group Ranking	92	79	94	61	48

Hennessy Focus returned 14.1% over the trailing quarter, compared to 15% from its benchmark (S&P Mid-Cap 400 Growth). Over the trailing year, the fund returned 4.9%, while the benchmark posted a 1.7% return. The highly concentrated portfolio exposes the fund to idiosyncratic risk and its relatively high fees leave it little margin for error. The fund has a large overweight in the financial services sector and positions in this sector, such as Metro Bank and Market Corp were the main detractors on performance for the quarter. Under our scoring methodology, the fund continues to score a 5 out of 10 but will remain on watch for recent underperformance. Based on risk-adjusted returns, the fund ranks in the bottom quartile over the trailing three-year period and the top half of its peer group over the trailing five- and ten-year periods.

Oakmark Equity And Income Investor (OAKBX)

Fund Score: 3 (Status: Watch)

Uncategorized

The investment seeks income and preservation and growth of capital.

The fund invests primarily in a diversified portfolio of U.S. equity and debt securities (although the fund may invest up to 35% of its total assets in equity and debt securities of non-U.S. issuers). It is intended to present a balanced investment program between growth and income by investing approximately 40-75% of its total assets in common stock, including securities convertible into common stock, and up to 60% of its total assets in debt securities issued by U.S. or non-U.S. governments and corporate entities rated at the time of purchase within the two highest grades.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
OAKBX	8.78%	1.35%	7.91%	4.88%	9.42%
DJ Moderate TR USD	8.78%	3.09%	7.67%	5.48%	9.84%

Out/(Under) Performing 0.00% -1.74% 0.24% -0.59% -0.42%

Peer Group Ranking 56 87 34 63 68

Oakmark Equity and Income Yield returned 8.8% for Q1 2019, underperforming its benchmark by 1 bp. For the year, the fund returned 1.4% compared to 3.1% for its benchmark. Underperformance in the quarter and underperformance YTD is primarily attributed to the fund's overweight of value, and underweight of growth. Growth has far outperformed value over the past several years. Additionally, less interest rate sensitivity (duration) detracted as longer-term yields fell on the back of the dovish Fed. The fund ended the quarter with 61% in equities and 39% in fixed income. Looking ahead, management increased their allocation to corporate credit and increased duration to slightly above two years. For our part, the fund continues to be unidirectional for rising rates by being overweight financials and underweight real estate, and on the fixed income side having a much shorter duration relative to peers. This has largely detracted from performance over the years. We continue to question managements inability to be evolutionary by evaluating processes and implementing enhancements. The fund scores a 3 under our scoring methodology and remains on watch. Trailing returns rank in the bottom half of peers over the trailing 5- and 10-year periods.

Janus Henderson Small Cap Value N (JDSNX)

Fund Score: 8 (Status: Pass)

US Small Cap

The investment seeks capital appreciation.

The fund pursues its investment objective by investing primarily in the common stocks of small companies whose stock prices are believed to be undervalued by the fund's portfolio managers. It invests, under normal circumstances, at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small companies whose market capitalization, at the time of initial purchase, is less than the 12-month average of the maximum market capitalization for companies included in the Russell 2000 Value Index. The fund may invest up to 20% of its net assets in cash or similar investments.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
JDSNX	12.22%	0.75%	10.36%	7.49%	13.87%
Russell 2000 Value TR USD	11.94%	0.18%	10.86%	5.60%	14.12%

Out/(Under) Performing 0.28% 0.57% -0.50% 1.90% -0.25%

Peer Group Ranking 48 15 16 3 55

Nicholas Limited Edition I (NCLEX)

Fund Score: 6 (Status: Pass)

US Small Cap

The investment seeks to increase the value of the investment over the long-term.

The fund primarily invests in common stocks of domestic corporations with small- and medium-sized market capitalizations believed to have growth potential. The advisor believes a company's annual sales volume and market capitalization are the factors most illustrative of a company's size. The advisor generally considers companies with market capitalizations up to \$3 billion as "small", between \$3 billion and \$25 billion as "medium," and greater than \$25 billion as "large."

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
NCLEX	13.49%	12.54%	14.90%	9.26%	15.66%
Russell 2000 Growth TR USD	17.15%	3.87%	14.88%	8.41%	16.52%
Out/(Under) Performing	-3.66%	8.67%	0.02%	0.84%	-0.86%
Peer Group Ranking	87	21	59	39	68

Nicholas Limited Edition returned 13.5% compared to 17.1% for its benchmark (Russell 2000 Growth) over the trailing quarter. For the trailing year, the fund returned 12.5% outperforming its benchmark which returned 3.9%. Stock selection in the technology and healthcare sectors were major headwinds, as positions in health technology stocks Evolent Health Inc, Vocera Comm. and Healthcare Services Group significantly detracted from overall performance. For our part, we are satisfied with the fund's effective conservative philosophy as it has continued to perform over the long-term. Under our scoring methodology, the fund scores a 6 and ranks in the top quartile of its peer group for the three-, five- and ten-year periods, based off risk-adjusted returns.

Ivy International Core Equity N (IINCX)

Fund Score: 6 (Status: Pass)

Frgn Developd Large Cap

The investment seeks to provide capital growth and appreciation.

The fund invests, under normal circumstances, at least 80% of its net assets in equity securities of companies primarily located in, or principally traded in, developed European and Asian/Pacific Basin markets. In seeking to enhance potential return, it also may invest in issuers located or doing business in emerging market countries. The fund may invest up to 100% of its total assets in foreign securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
IINCX	10.17%	-8.11%	5.98%	2.56%	9.44%
MSCI ACWI Ex USA NR USD	10.32%	-4.20%	8.09%	2.57%	8.85%
Out/(Under) Performing	-0.15%	-3.91%	-2.11%	-0.01%	0.59%
Peer Group Ranking	51	79	65	30	19

Oppenheimer Developing Markets I (ODVIX)

Fund Score: 8 (Status: Pass)

Frgn Emergng Markets

The investment seeks capital appreciation.

The fund mainly invests in common stocks of issuers in developing and emerging markets throughout the world and at times it may invest up to 100% of its total assets in foreign securities. Under normal market conditions, it will invest at least 80% of its net assets, plus borrowings for investment purposes, in equity securities of issuers whose principal activities are in a developing market, i.e. are in a developing market or are economically tied to a developing market country.

The fund will invest in at least three developing markets.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ODVIX	12.42%	-3.75%	11.81%	3.88%	11.54%
MSCI EM NR USD	9.92%	-7.40%	10.69%	3.68%	8.95%
Out/(Under) Performing	2.49%	3.66%	1.12%	0.20%	2.60%
Peer Group Ranking	26	9	18	27	4

Oppenheimer Developing Markets returned 12.4% in Q1 2019 compared to 9.9% for its benchmark (MSCI Emerging Markets). For the trailing 12 months, the fund returned -3.8% compared to -7.4% for the benchmark. An overweight position to France was the primary tailwind on Q1 performance relative to the benchmark, as the region outperformed the broader market. Additionally, stock selection in China and an underweight to South Korea enhanced performance relative to the benchmark. Alibaba, Jiangsu Hengrui, and Huazhu were the top performing stocks on an absolute basis. Management maintains a positive outlook on emerging market equities and seeks investment opportunities across the developing world. The fund currently scores an 8 under our methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing three- and ten-year periods, and in the top half for the trailing five-year period.

Virtus Seix Total Return Bond R6 (SAMZX)

Fund Score: 3 (Status: Watch)

US Intermed Duration

The investment seeks to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation.

The fund invests in various types of income-producing debt securities including mortgage- and asset-backed securities, government and agency obligations, corporate obligations and floating rate loans. It normally invests at least 80% of its net assets (plus any borrowings for investment purposes) in fixed income securities. The fund may invest up to 20% of its net assets in below investment grade, high yield debt obligations.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
SAMZX	2.50%	3.97%	1.86%	2.52%	3.89%
BBgBarc US Agg Bond TR USD	2.94%	4.48%	2.03%	2.74%	3.77%
Out/(Under) Performing	-0.44%	-0.51%	-0.17%	-0.23%	0.12%
Peer Group Ranking	84	53	73	53	76

The Virtus Seix Total Return Bond fund returned +2.5% in the quarter, underperforming the Bloomberg Barclays Aggregate Index return of +2.9%. The fund's corporate bond underweight was the primary detractor to relative performance for the quarter as spreads tightened during the risk market rally. This underweight funded a Treasury overweight, which further detracted from performance with spread sector carry prevailing. Looking forward, management maintains their safe income at a reasonable price theme, and are overweight high quality Commercial Mortgage Backed Securities (CMBS) and Asset Back Securities (ABS). Duration positioning remains neutral relative to bench with bias toward the back-end (30-year) portion of the curve. The fund scores a 3 under our scoring methodology and remains on watch. Trailing performance ranks in the bottom half of peers over the trailing three-, five-, and ten-year periods, respectively.

Templeton Global Bond R6 (FBNRX)

Fund Score: 6 (Status: Pass)

Global Hedged

The investment seeks current income with capital appreciation and growth of income.

Under normal market conditions, the fund invests at least 80% of its net assets in "bonds." Bonds include debt obligations of any maturity, such as bonds, notes, bills and debentures. It invests predominantly in bonds issued by governments, government-related entities and government agencies located around the world. The fund may invest up to 25% of its total assets in bonds that are rated below investment grade or, if unrated determined by the investment manager to be of comparable quality. It is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FBNRX	2.01%	2.19%	4.33%	2.03%	5.60%
BBgBarc Global Aggregate TR Hdg USD	2.99%	4.93%	2.81%	3.64%	4.08%
Out/(Under) Performing	-0.98%	-2.74%	1.52%	-1.61%	1.52%
Peer Group Ranking	77	36	9	31	29

Fresno County Stable Value (fressv)

Fund Score: 9 (Status: Pass)

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.55%	2.12%	2.06%	2.10%	
ICE BofAML 0-3 M US Trsy Bill TR USD	0.60%	2.09%	1.14%	0.70%	0.39%
Out/(Under) Performing	-0.05%	0.03%	0.91%	1.40%	
Peer Group Ranking	31	9	1	1	

Fidelity Advisor Real Estate Income I (FRIRX)

Fund Score: 6 (Status: Pass)

REIT

The investment seeks higher than average income; and capital growth is the secondary objective.

The fund normally invests primarily in preferred and common stocks of REITs; debt securities of real estate entities; and commercial and other mortgage-backed securities, with an emphasis on lower-quality debt securities (those of less than investment-grade quality, also referred to as high yield debt securities or junk bonds). It invests at least 80% of assets in securities of companies principally engaged in the real estate industry and other real estate related investments. The fund invests in domestic and foreign issuers.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FRIRX	8.35%	11.05%	7.32%	6.75%	12.71%
FTSE Nareit Equity REITs TR USD	16.34%	20.33%	5.97%	9.02%	18.23%
Out/(Under) Performing	-7.98%	-9.28%	1.35%	-2.28%	-5.52%
Peer Group Ranking	92	91	17	86	94

Fidelity Advisor Real Estate Income returned 8.4% for the quarter, while its benchmark (FTSE Nareit Equity REITs) posted a 16.3% return. For the trailing year, the fund posted an 11.1% return, while the benchmark returned 20.3%. However, the benchmark is 100% invested in equity REITS, while the fund contains both preferred and common stock of REITS, debt securities of real estate entities and various mortgage-backed securities to dampen volatility over the long-term. REITS excelled during the quarter, while the fund's debt positions and 7% cash allocation dragged on overall performance relative to the benchmark. On March 2019, William Maclay was promoted to comanager. He will assist current manager Mark Snyderman with the fixed-income portion of the portfolio. Overall the fund scores a 6 under our methodology and ranks in the top decile over the three-, five- and ten-year periods, based off risk-adjusted returns.

Great-West Lifetime 2015 Trust (GRWL15)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL15	7.27%	4.02%	6.89%	5.32%	
DJ Target 2015 TR USD	4.01%	2.53%	3.70%	3.20%	6.70%
Out/(Under) Performing	3.25%	1.48%	3.19%	2.12%	
Peer Group Ranking	34	25	23	6	

Great-West Lifetime 2045 Trust (GRWL45)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL45	12.03%	4.03%	10.95%	7.54%	
DJ Target 2045 TR USD	11.86%	3.24%	10.42%	6.85%	13.02%
Out/(Under) Performing	0.17%	0.79%	0.53%	0.70%	
Peer Group Ranking	24	17	9	6	

Great-West Lifetime 2025 Trust (GRWL25)

Fund Score: 9 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL25	8.80%	4.38%	8.40%	6.26%	
DJ Target 2025 TR USD	6.40%	2.86%	6.03%	4.59%	9.44%
Out/(Under) Performing	2.40%	1.52%	2.37%	1.68%	
Peer Group Ranking	27	11	15	2	

Great-West Lifetime 2055 Trust (GRWL55)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL55	12.07%	3.57%	10.94%	7.40%	
DJ Target 2055 TR USD	12.49%	3.20%	10.73%	7.00%	13.11%
Out/(Under) Performing	-0.42%	0.36%	0.22%	0.40%	
Peer Group Ranking	30	27	11	12	

Great-West Lifetime 2035 Trust (GRWL35)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL35	10.88%	4.43%	10.22%	6.89%	
DJ Target 2035 TR USD	9.53%	3.19%	8.72%	6.02%	11.89%
Out/(Under) Performing	1.35%	1.24%	1.51%	0.87%	
Peer Group Ranking	26	13	12	14	

County of Fresno 457 DC Plan

Expense Ratio Report

As of 3/31/2019

Passively-Managed and Cash Funds

Investment	Ticker	Expense Ratio▲	Peer Rank	Range of Peer Group Expense Ratios							
				0%	0.5%	1%	1.5%	2%	2.5%	3%	
47,269,663 BlackRock Equity Index - Collective M	02cff1	0.02%	2	▲							
8,705,531 BlackRock MidCap Idx - Collective M	03cff2	0.03%	1	▲							
4,058,873 BlackRock Russell 2000 Index Coll M	03cff3	0.03%	2	▲							
3,492,132 BlackRock EAFE Equity Index Coll F	10cff5	0.10%	4	▲							
5,251,075 BlackRock US Debt Index Fund Coll W	04cff4	0.04%	1	▲							

Actively-Managed Funds

13,743,096 Columbia Dividend Income Inst3	CDDYX	0.58%	16								
43,806,425 Alger Spectra Z	ASPZX	0.94%	45								
3,819,072 Franklin Utilities R6	FUFRX	0.50%	13								
5,398,381 Hennessy Focus Institutional	HFCIX	1.10%	48								
2,101,732 Oakmark Equity And Income Investor	OAKBX	0.78%	29								
1,327,429 Janus Henderson Small Cap Value N	JDSNX	0.81%	12								
5,913,415 Nicholas Limited Edition I	NCLEX	0.86%	17								
9,183,161 Ivy International Core Equity N	IINCX	0.79%	29								
2,145,523 Oppenheimer Developing Markets I	ODVIX	0.87%	13								
4,081,695 Virtus Seix Total Return Bond R6	SAMZX	0.31%	8								
1,680,603 Templeton Global Bond R6	FBNRX	0.56%	13								
63,854,364 Fresno County Stable Value	fressv	0.35%	43								
966,595 Fidelity Advisor Real Estate Income I	FRIRX	0.75%	18								

Target-Date Funds

3,370,492 Great-West Lifetime 2015 Trust	GRWL15	0.40%	22								
9,115,564 Great-West Lifetime 2025 Trust	GRWL25	0.40%	17								
6,092,324 Great-West Lifetime 2035 Trust	GRWL35	0.41%	18								
5,447,807 Great-West Lifetime 2045 Trust	GRWL45	0.41%	18								
2,963,545 Great-West Lifetime 2055 Trust	GRWL55	0.42%	18								

253,788,496	Expense Ratio Averages	0.50%	18	Weighted Average Gross Expense Ratio: 0.44%						
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Your Plan	Bal Weighted Avg	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Expense Ratio	0.44%	78.3%(18)	21.7%(5)	-	-

County of Fresno 457 DC Plan

As of: 3/31/2019

Target Date Review

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
2015							
	Great-West Lifetime 2015 Trust	7.27	4.02	5.88	6.89	5.32	0.40
	Morningstar Lifetime Mod 2015 TR USD	7.44	4.41	5.86	6.42	4.62	
	Benchmark +/-	-0.17	-0.39	0.02	0.47	0.70	
2025							
	Great-West Lifetime 2025 Trust	8.80	4.38	7.07	8.40	6.26	0.40
	Morningstar Lifetime Mod 2025 TR USD	8.96	4.52	6.89	7.95	5.47	
	Benchmark +/-	-0.16	-0.14	0.18	0.45	0.79	
2035							
	Great-West Lifetime 2035 Trust	10.88	4.43	8.52	10.22	6.89	0.41
	Morningstar Lifetime Mod 2035 TR USD	10.88	4.18	8.00	9.88	6.33	
	Benchmark +/-	0.00	0.25	0.52	0.34	0.56	
2045							
	Great-West Lifetime 2045 Trust	12.03	4.03	9.06	10.95	7.54	0.41
	Morningstar Lifetime Mod 2045 TR USD	11.92	3.59	8.35	10.65	6.53	
	Benchmark +/-	0.11	0.44	0.71	0.30	1.01	
2055							
	Great-West Lifetime 2055 Trust	12.07	3.57	8.94	10.94	7.40	0.42
	Morningstar Lifetime Mod 2055 TR USD	12.01	3.22	8.28	10.66	6.38	
	Benchmark +/-	0.06	0.35	0.66	0.28	1.02	

*Returns are annualized after 1 year

**Great West Lifetime Trust Series replaced Great West Lifetime Trust Series II in June 2016. Return data prior to June 2016 reflects Great West Lifetime Trust Series II

*** Great West Lifetime Trust Series expense ratios were reduced to 0.40%-0.42% in Q1 2019

Current Lineup Status

Asset Class		Current Status	Placed On Watch	Asset Class		Current Status	Placed On Watch
US Large Cap				Fixed Income			
02cff1	BlackRock Equity Index - Collective M	Pass	-	04cff4	BlackRock US Debt Index Fund Coll W	Pass	-
ASPZX	Alger Spectra Z	Pass	-	FBNRX	Templeton Global Bond R6	Pass	-
CDDYX	Columbia Dividend Income Inst3	Pass	-	SAMZX	Virtus Seix Total Return Bond R6	Watch	2018 - Q3
US Mid Cap				Target Date Funds			
03cff2	BlackRock MidCap Idx - Collective M	Pass	-	fressv	Fresno County Stable Value	Pass	-
03cff3	BlackRock Russell 2000 Index Coll M	Pass	-	GRWL15	Great-West Lifetime 2015 Trust	Pass	-
HFCIX	Hennessy Focus Institutional	Watch	2018 - Q3	GRWL25	Great-West Lifetime 2025 Trust	Pass	-
US Small Cap							
NCLEX	Nicholas Limited Edition I	Pass	-	GRWL35	Great-West Lifetime 2035 Trust	Pass	-
JDSNX	Janus Henderson Small Cap Value N	Pass	-	GRWL45	Great-West Lifetime 2045 Trust	Pass	-
Foreign							
10cff5	BlackRock EAFE Equity Index Coll F	Pass	-	GRWL55	Great-West Lifetime 2055 Trust	Pass	-
IINCX	Ivy International Core Equity N	Pass	-				
ODVIX	Oppenheimer Developing Markets I	Pass	-				
Specialty							
FRIRX	Fidelity Advisor Real Estate Income I	Pass	-				
FUFRX	Franklin Utilities R6	Pass	-				
OAKBX	Oakmark Equity And Income Investor	Watch	2018 - Q3				

Watch List History

		Status	Most Recent Time on Watch		Previous Time on Watch		Previous Time on Watch	
			Placed	Removed	Placed	Removed	Placed	Removed
HFCIX	Hennessy Focus Institutional	In Plan	2018 - Q3	-				
OAKBX	Oakmark Equity and Income Investor	In Plan	2018 - Q3	-	2012 - Q1	2012 - Q3		
SAMZX	Virtus Seix Total Return Bond R6	In Plan	2018 - Q3	-	2013 - Q4	2015 - Q2		
FRESSV	County Of Fresno Stable Value Fund	In Plan	2017 - Q1	2018 - Q1				
GRWL15	Great-West Lifetime 2015 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL25	Great-West Lifetime 2025 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL35	Great-West Lifetime 2035 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL45	Great-West Lifetime 2045 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL55	Great-West Lifetime 2055 Trust	In Plan	2017 - Q1	2018 - Q1				
FBNRX	Templeton Global Bond R6	In Plan	2016 - Q2	2017 - Q1				
NCLEX	Nicholas Limited Edition N	In Plan	2013 - Q4	2015 - Q2				
CDDYX	Columbia Dividend Income Z	In Plan	2013 - Q4	2014 - Q4				
SEGSX	Sentinel Government Securities A	Removed	2014 - Q2	2015 - Q2				
MSIIX	MainStay International Equity I	Removed	2012 - Q4	2015 - Q2				
PAXIX	Pax Balanced Institutional	Removed	2012 - Q4	2013 - Q2				
GTA VX	Invesco Mid Cap Core Equity R5	Removed	2012 - Q1	2013 - Q2				
NBGNX	Neuberger Berman Genesis Inv	Removed	2012 - Q1	2012 - Q3				
SDGTX	Deutsche Capital Growth I	Removed	2012 - Q1	2012 - Q3				
CHTVX	Invesco Charter Fund R5	Removed	2012 - Q1	2012 - Q3				

* Watch List History displays all funds that have been on watch in the plan since 2012

Item 9 - Exhibit C

Government/Corporate Securities Investment Guidelines (BBB Minimum Rating)

Investment Guidelines for the ~~County of Fresno~~ ~~Deferred Compensation Plan~~ County Stable Asset Fund (Separate Account)

Attachment A

Investment Objectives

Within the parameters as stated below, the objectives of the fund are to:

- ~~1. Earn a high level of return consistent with the other objectives of the fund~~
1. Preserve principal
2. Provide sufficient liquidity to pay plan benefits
3. Provide stable and predictable returns.
- ~~4. Preservation of principal~~

4. Earn a high level of return relative to other objectives of the fund

Credited Rate Benchmark Index

The ~~returns~~interest rates provided to participants after investment management fees will be compared to the ~~returns~~yield of three-year treasury notes, on a constant maturity basis.

Types of Investments

Subject to the Quality and Diversification Guidelines, Great-West may invest the assets of the Stable Asset Fund in any or all of the following:

- A. United States Treasury Securities including Treasury Bills, Notes, Bonds, and Strips.
- B. United States Agency ~~securities~~or Government Sponsored Enterprises (GSE's) Securities including ~~FDIC-guaranteed bank debt;~~
 - 1) U.S. Agency or GSE Asset-Backed Securities and Commercial Mortgage-Backed Securities; and
 - 2) Other U.S. Agency Securities.
- C. Mortgage-Backed securities issued by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other ~~government agencies~~United States Agency or GSE's.
- D. Collateralized Mortgage Obligations (CMO's) secured by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other ~~government agencies~~United States Agency or GSE's.
- E. Instruments of Commercial Banks ~~domiciled in, U.S. money market mutual funds, or repurchase agreements fully collateralized by~~ United States. ~~All money deposited into these Banks must be 100% guaranteed by the FDIC~~ Government, Agency, or GSE securities.
- F. Commercial Paper rated AA1, P1, or PF1, as rated by S&P, ~~Fitch, or~~ Moody's or Fitch.
- G. Corporate and Government Related Bonds rated "A-/A3BBB-/Baa3" or better as rated by S&P, ~~Fitch, or~~

Moody's, Fitch or other nationally recognized rating agency at time of purchase. All securities must be U.S. dollar denominated. Government Related Bonds include:

- 1) Foreign Sovereigns,
- 2) Supranationals,
- 3) U.S. and Foreign Local Governments, and
- 4) Foreign Agencies.

- H. Non-agency Securities: Asset-Backed Securities, Mortgage-Backed Securities, and Commercial Mortgage-Backed Securities rated "A-/A3" or better as rated by S&P, Fitch or Moody's, Fitch or other nationally recognized rating agency at time of purchase, including CMO's backed by non-agency collateral. No purchases of mezzanine or subordinated structured securities are allowed.
- I. Each investment must be in all respects denominated in U.S. Dollars.

Short-Term Investments

All money ~~received by Great West~~ for deposit to the Stable Asset Fund will be invested the same day it is received. Whenever possible these monies will be invested in the type of investments indicated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in an interest bearing account at a commercial bank. ~~The following business day the~~ money will ~~then~~ be invested according to the above guidelines on a timely basis, and in the best interest of the participants.

Quality & Diversification Guidelines

- A. A ~~minimum~~maximum of ~~50~~100% of the account assets ~~are to~~may be invested in U.S. Treasury debt, Agency Mortgage-Backed US Government Securities or Collateralized Mortgage Obligations secured by GNMA, FNMA, FHLMC, securities.
- B. A maximum of 50% of the account assets may be invested in Corporate Bonds or Asset-Backed Securities and Government Related Bonds as described in "G" of Types of Investments.
- B-C. A maximum of 20% of the account assets may be invested in non-agency Asset-Backed Securities, Mortgage-Backed Securities, and Commercial Mortgage-Backed Securities as described in "H" of Type Types of Securities Investments.
- ~~C-D.~~ Weighted average quality of AAA-/A3 or better.
- ~~D-E.~~ No more than 10% of the account may be invested in "A'BBB" (includes securities rated BBB+ and BBB-) rated securities or lower.
- F. ~~No~~For "G" of Types of Investments, no more than 2% of the portfolio may be invested in any one issuer.
- ~~E-G.~~ For "H" of Types of Investments, no more than 5% of the portfolio may be invested in any one corporate issuer (including asset-backed securities) issuer. For purposes of diversification, each non-agency Asset-Backed or non-agency mortgage-backed, Mortgage-Backed or Commercial-Mortgage-Backed trust will be treated as a separate issuer.

Split Ratings

Each security must be rated by at least one nationally recognized rating agency (including, but not limited to, S&P, Moody's or Fitch). In the event of split ratings, the highest rating shall be used to determine compliance with these investment guidelines.

Duration of Investments

The portfolio's average duration will not exceed ~~five~~four years.

Reporting

- A. On a quarterly basis, ~~the manager~~Investment Manager will provide a statement to the Plan showing the market value of each security, the sector diversification within the portfolio, and the duration, quality and yield of the portfolio.
- B. On a quarterly basis, ~~the manager~~Investment Manager will provide to the Plan a book value statement showing the book value of the total portfolio and ~~describingshowing~~ the methodology and assumptions used to reset the crediting rate of the Stable Asset Fund.
- C. On an annual basis, a senior representative of ~~Great West~~GWCM will be made available to the Plan to present to the Plan a verbal and written review of the investment decisions, and the rationale associated with these decisions for the previous 12-month's activity.

Trading Authority

Within the Investment Guidelines as stated in this Exhibit, ~~Great West~~GWCM has the authority to buy and sell any securities in this separate account that it judges to be in the best long-term interest of the separate account and the participants that utilize the account: provided, however, that it is understood that Investment Manager may raise cash by selling assets to provide liquidity to pay benefits and withdrawals.

Changes to Investment Guidelines

The ~~Plan may modify the investment~~ guidelines (including duration) for investment of assets of the fund may be modified at any time, with the consent of the Plan Sponsor, Great-West as the group annuity contract issuer and wrap provider and the Investment Manager, providing that these modifications will not affect the funds ability to provide benefits ~~at~~ book value.

Amortization of Trading Gains/Losses

The general policy of the fund will be a 'buy and hold" strategy. However, to the extent that realized gains or losses occur, these gains/losses will be amortized over the expected average duration of the portfolio.

Fresno County

May 13, 2019

Jack Brown, CFA

SVP, U.S. CIO & Lead Portfolio Manager



Portfolio Comparison & Scenario Analysis

Portfolio Comparison

4/30/19	Core			Duration		
	Fresno	Model	Difference	Fresno	Model	Difference
Sector Weightings:						
Treasury	0.4%	0.0%	-0.4%	4.9	0.0	-4.9
Agency	0.4%	0.0%	-0.4%	2.9	0.0	-2.9
MBS	45.2%	32.3%	-12.9%	3.4	3.7	0.3
30 year	8.0%	0.0%	-8.0%	3.8	0.0	-3.8
20 year	7.4%	0.0%	-7.4%	3.7	0.0	-3.7
15 year	25.0%	26.7%	1.7%	3.3	3.9	0.6
10 year	4.9%	5.6%	0.7%	2.6	2.7	0.1
CMO	6.0%	0.0%	-6.0%	3.4	0.0	-3.4
CMO Agency	3.5%	0.0%	-3.5%	3.1	0.0	-3.1
CMO Non-Agency	2.6%	0.0%	-2.6%	3.9	0.0	-3.9
Corporate Bonds	36.0%	45.6%	9.6%	3.0	3.1	0.0
Finance	13.6%	17.1%	3.5%	3.1	3.2	0.1
Banks	10.0%	10.6%	0.6%	3.3	3.3	0.1
REITs	0.0%	1.0%	1.0%	0.0	3.0	3.0
Other	3.6%	5.5%	2.0%	2.5	2.9	0.4
Industrial	20.8%	26.9%	6.1%	3.0	3.0	0.0
Communication	2.6%	2.0%	-0.5%	4.0	2.3	-1.7
Consumer Cyclical	1.3%	2.0%	0.7%	4.4	3.7	-0.7
Consumer Non Cyclical	8.1%	7.8%	-0.2%	2.9	2.7	-0.2
Energy	1.6%	4.0%	2.4%	2.3	3.6	1.2
Industrial	2.0%	3.5%	1.6%	2.5	2.8	0.3
Materials	2.8%	4.6%	1.7%	2.9	2.9	0.1
Technology	1.5%	2.0%	0.5%	2.3	3.7	1.3
Transportation	1.1%	1.0%	-0.1%	3.2	3.3	0.1
Utility	1.6%	1.5%	-0.1%	2.9	2.6	-0.3
CMBS	5.3%	5.2%	-0.2%	2.8	3.8	1.0
CMBS Agency	2.7%	2.5%	-0.1%	2.6	3.4	0.8
CMBS Non-Agency	2.7%	2.6%	0.0%	3.0	4.1	1.1
ABS	6.2%	16.9%	10.7%	1.9	1.4	-0.4
Autb	0.0%	5.2%	5.2%	0.0	1.4	1.4
CLO	1.6%	4.9%	3.3%	0.2	0.2	0.0
Other	4.5%	6.8%	2.3%	2.5	2.4	-0.1
Cash	0.4%	0.0%	-0.4%	0.0	0.0	0.0

	Fresno	Core Model	Difference
Credit Quality	AA	AA	
Weighted Average Life	3.8	4.1	0.3
Effective Duration	3.1	3.0	-0.1
Effective Convexity	-0.2	-0.2	0.0
Yield To Maturity	2.89	2.96	0.1
OAS	52	58	6.0
Total AUM	\$63,710,532		

- Current IPS restricts A rated Corporate bonds to a maximum of 25%
- Current IPS restricts Corporate Bonds or Asset Back Securities to a maximum of 50%
- Proposed IPS removes restriction on A rated investments and adds separate restrictions on Corporate Bonds and Asset Back Securities
- Rationale for removing restriction:
 - Improved flexibility for longer term asset allocation decisions
 - Credit risk can be managed through sector weightings and individual security selection
 - Credit risk tends to be negatively correlated with interest rate risk
 - AAA and AA rated Corporate bonds are a small investable universe and typically don't offer compelling yield versus ABS and CMBS. Therefore, it is mechanically difficult to maximize allocation to credit risk with current IPS restriction
- Implementation of change:
 - Near term focus on strategic reduction to 30/20 Year MBS while minimizing disruption to the Credited Rate
 - Pay downs from 30/20 Year MBS will be redeployed into shorter term MBS and/or other asset classes
 - Evaluate 30/20 Year MBS that have unrealized gains as potential swap candidates into other asset classes

Interest Rate Scenarios

	Current Fresno Portfolio								
	-100	-50	+0	+50	+100	Bear Steep	Bull Steep	Bear Flat	Bull Flat
Book Yield	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%
Market Yield	1.92%	2.41%	2.90%	3.38%	3.86%	3.06%	2.57%	3.22%	2.75%
Duration	2.8	3.0	3.1	3.2	3.3	3.3	3.1	3.1	3.0
Convexity	-0.2	-0.3	-0.2	-0.1	0.0	-0.1	-0.2	-0.1	-0.2
Market Value / Book Value	102.80%	101.32%	99.78%	98.19%	96.58%	99.17%	100.77%	98.79%	100.32%
Credited Rate	2.28%	2.29%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.29%
Credited Rate Change	-0.02%	-0.01%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	-0.01%
Market to Book Change	3.0	1.5	0.0	-1.6	-3.2	-0.6	1.0	-1.0	0.5

	Model Portfolio								
	-100	-50	+0	+50	+100	Bear Steep	Bull Steep	Bear Flat	Bull Flat
Book Yield	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%	2.96%
Market Yield	2.05%	2.52%	2.97%	3.42%	3.88%	3.10%	2.65%	3.28%	2.84%
Duration	2.6	2.8	3.0	3.1	3.2	3.3	3.1	3.1	3.0
Convexity	-0.3	-0.4	-0.2	-0.1	0.0	-0.1	-0.3	-0.2	-0.3
Market Value / Book Value	102.65%	101.26%	99.78%	98.25%	96.69%	99.24%	100.25%	99.24%	99.71%
Credited Rate	2.48%	2.48%	2.49%	2.49%	2.49%	2.48%	2.48%	2.49%	2.49%
Credited Rate Change	-0.01%	-0.01%	0.00%	0.00%	0.00%	-0.01%	-0.01%	0.00%	0.00%
Market to Book Change	2.9	1.5	0.0	-1.5	-3.1	-0.5	0.5	-0.5	-0.1

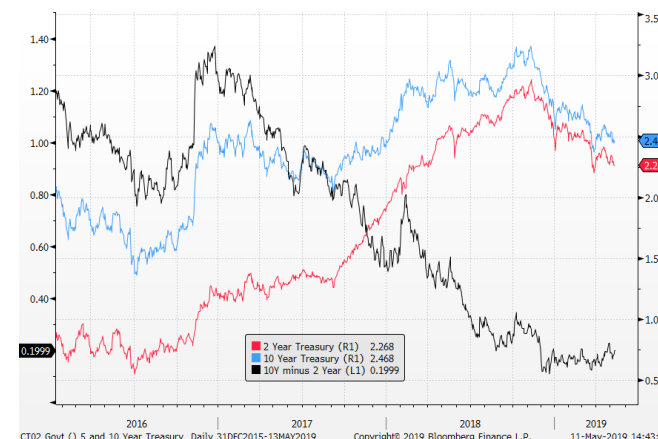
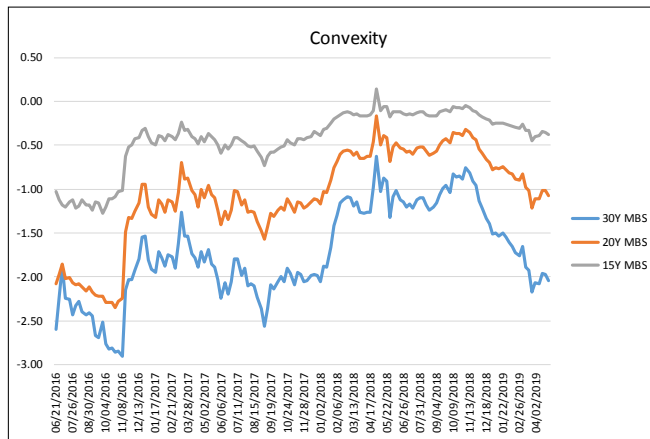
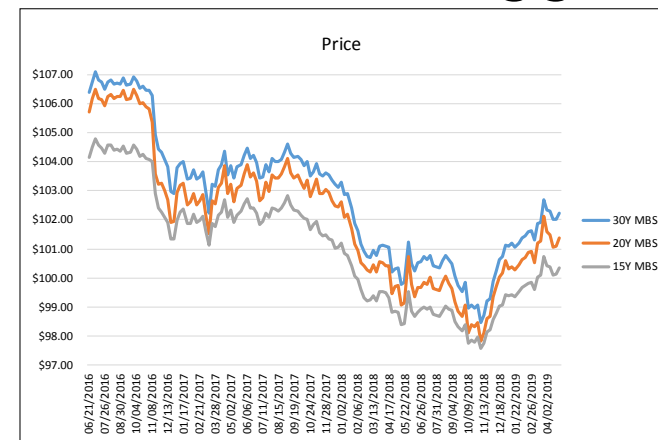
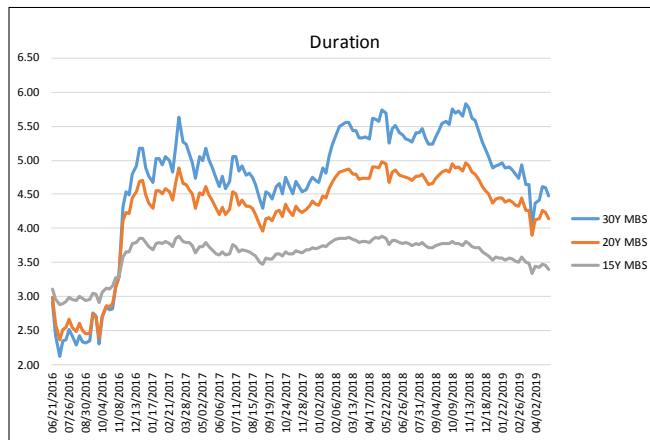
*Does not capture the impact of changes in spreads.

- Credited Rate Formula amortizes realized gains and losses over the duration of the portfolio. Therefore, changes in the market value of securities has minimal impact on the crediting rate. Market to book would reflect changes in unrealized gains and losses.

Interest Rate Scenario Assumptions

- Bear Steepener: Immediate +50 basis point shift upward in 10 Year Treasury. All other tenors constant.
- Bull Steepener: Immediate -50 basis point shift downward in 2 Year Treasury. All other tenors constant.
- Bear Flattener: Immediate +50 basis point shift upward in 2 Year Treasury. All other tenors constant.
- Bull Flattener: Immediate -50 basis point downward in 10 Year Treasury. All other tenors constant.
- All other scenarios are parallel shifts in rates by number of basis points.

Characteristics of MBS in Intermediate Agg Index



- Duration profile of 15 Year MBS is more stable than 20 and 30 Year MBS due to lower convexity.
- As a result, inclusion of 20/30 Year MBS in stable value portfolios increases the volatility of Market-to-Book ratios in periods of high interest rate volatility.

Disclosure

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Past performance, where discussed in this report, is not a guarantee of future results. As with any investment, there is a potential for profit as well as the possibility of loss. This material is not an endorsement of any index or sector and not a solicitation to offer investment advice or sell products or services offered by GWCM or its affiliates.

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GREAT-WEST

FINANCIAL™



Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 10

DATE: May 23, 2019

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager *Hollis Magill*

SUBJECT: Approve and Authorize the Chair to execute the Second Amendment to the Investment Guidelines for the County of Fresno Deferred Compensation Plan Stable Asset Fund.

Background

Your Council received a presentation from Great-West Financial regarding proposed changes to the Investment Guidelines for the County of Fresno Stable Value Fund and directed staff to bring back an amendment to incorporate the proposed changes. In addition, your Council directed staff to provide a redline version of the proposed changes, along with a sensitivity analysis for the proposed changes.

Issue

Staff, working with Northwest Capital Management, has prepared a Second Amendment to the Investment Guidelines, attached to this item as Attachment A. Northwest Capital Management, in Item 9 on today's agenda, provided the aforementioned redline language and sensitivity analysis and is recommending that your Council approve the attached Second Amendment. County Counsel has reviewed and approved the Second Amendment as to legal form.

Recommended Actions

Approve and authorize the Chair to execute the Second Amendment to the Investment Guidelines for the County of Fresno Deferred Compensation Plan Stable Asset Fund.

Item 10 – Attachment A

1 **SECOND AMENDMENT TO INVESTMENT GUIDELINES FOR THE COUNTY OF FRESNO**
2 **DEFERRED COMPENSATION PLAN STABLE ASSET FUND**

3 THIS SECOND AMENDMENT (hereinafter "Second Amendment") is made and entered into
4 this 23rd day of May, 2019, by and between the County of Fresno 457(b) Deferred Compensation Plan,
5 on behalf of the COUNTY OF FRESNO, a Political Subdivision of the State of California, Fresno,
6 California, hereinafter referred to as "COUNTY" or "PLAN", and Empower Retirement, a Colorado
7 corporation, hereinafter referred to as "CONTRACTOR" (collectively, the "parties").

8 **WITNESSETH:**

9 WHEREAS, the parties entered into Agreement number 09-530, dated November 19, 2009
10 (hereinafter "Agreement"); and

11 WHEREAS, the Investment Guidelines For The County Of Fresno Deferred Compensation
12 Plan Stable Asset Fund sets the investment parameters of the County Of Fresno Deferred
13 Compensation Plan Stable Asset Fund; and

14 WHEREAS, the parties desire to amend Attachment A to the Investment Guidelines For The
15 County Of Fresno Deferred Compensation Plan Stable Asset Fund by deleting it in its entirety and
16 replacing it with language in Exhibit A to this Second Amendment; and

17 NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which
18 is hereby acknowledged, COUNTY and CONTRACTOR agree as follows:

19 1. Attachment A to the Investment Guidelines For The County Of Fresno Deferred
20 Compensation Plan Stable Asset Fund is deleted its entirety and replace it with language in Exhibit A
21 of this Second Amendment.

22 2. COUNTY and CONTRACTOR agree that this Second Amendment is sufficient to
23 amend the Agreement and, that upon execution of this Second Amendment, the Agreement and this
24 Second Amendment together shall be considered the Agreement.

25 The Agreement, as hereby amended, is ratified and continued. All provisions, terms,
26 covenants, conditions and promises contained in the Agreement and not amended herein shall remain
27 in full force and effect.

28 ///

EXECUTED AND EFFECTIVE as of the date first above set forth.

CONTRACTOR

COUNTY OF FRESNO

(Authorized Signature)

Jean Rousseau, Chair
Deferred Compensation Management Council

Print Name

Title

Exhibit A

Government/Corporate Securities Investment Guidelines (BBB Minimum Rating)

Investment Guidelines for the Fresno County Stable Asset Fund (Separate Account)

Attachment A

Investment Objectives

Within the parameters as stated below, the objectives of the fund are to:

1. Preserve principal
2. Provide sufficient liquidity to pay plan benefits
3. Provide stable and predictable returns.
4. Earn a high level of return relative to other objectives of the fund

Credited Rate Benchmark

The interest rates provided to participants after investment management fees will be compared to the yield of three-year treasury notes, on a constant maturity basis.

Types of Investments

Subject to the Quality and Diversification Guidelines, Great-West may invest the assets of the Stable Asset Fund in any or all of the following:

- A. United States Treasury Securities including Treasury Bills, Notes, Bonds, and Strips.
- B. United States Agency or Government Sponsored Enterprises (GSE's) Securities including:
 - 1) U.S. Agency or GSE Asset-Backed Securities and Commercial Mortgage-Backed Securities; and
 - 2) Other U.S. Agency Securities.
- C. Mortgage-Backed securities issued by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other United States Agency or GSE's.
- D. Collateralized Mortgage Obligations (CMO's) secured by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other United States Agency or GSE's.
- E. Instruments of Commercial Banks, U.S. money market mutual funds, or repurchase agreements fully collateralized by United States Government, Agency, or GSE securities.
- F. Commercial Paper rated A1, P1, or F1, as rated by S&P, Moody's or Fitch.
- G. Corporate and Government Related Bonds rated "BBB-/Baa3" or better as rated by S&P, Moody's, Fitch or other nationally recognized rating agency at time of purchase. All securities must be U.S. dollar denominated. Government Related Bonds include:
 - 1) Foreign Sovereigns,
 - 2) Supranationals,
 - 3) U.S. and Foreign Local Governments, and
 - 4) Foreign Agencies.
- H. Non-agency Securities: Asset-Backed Securities, Mortgage-Backed Securities, and Commercial Mortgage-Backed Securities rated "A-/A3" or better as rated by S&P, Moody's, Fitch or other

nationally recognized rating agency at time of purchase. No purchases of mezzanine or subordinated structured securities are allowed.

- I. Each investment must be in all respects denominated in U.S. Dollars.

Short-Term Investments

All money for deposit to the Stable Asset Fund will be invested the same day it is received. Whenever possible these monies will be invested in the type of investments indicated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in an interest bearing account at a commercial bank. The money will be invested according to the above guidelines on a timely basis, and in the best interest of the participants.

Quality & Diversification Guidelines

- A. A maximum of 100% of the account assets may be invested in US Government Securities.
- B. A maximum of 50% of the account assets may be invested in Corporate Bonds and Government Related Bonds as described in "G" of **Types of Investments**.
- C. A maximum of 20% of the account assets may be invested in non-agency Asset-Backed Securities, Mortgage-Backed Securities, and Commercial Mortgage-Backed Securities as described in "H" of **Types of Investments**.
- D. Weighted average quality of A-/A3 or better.
- E. No more than 10% of the account may be invested in "BBB" (includes securities rated BBB+ and BBB-) rated securities or lower.
- F. For "G" of **Types of Investments**, no more than 2% of the portfolio may be invested in any one issuer.
- G. For "H" of **Types of Investments**, no more than 5% of the portfolio may be invested in any one issuer. For purposes of diversification, each non-agency Asset-Backed, Mortgage- Backed or Commercial-Mortgage-Backed trust will be treated as a separate issuer.

Split Ratings

Each security must be rated by at least one nationally recognized rating agency (including, but not limited to, S&P, Moody's or Fitch). In the event of split ratings, the highest rating shall be used to determine compliance with these investment guidelines.

Duration of Investments

The portfolio's average duration will not exceed four years.

Reporting

- A. On a quarterly basis, Investment Manager will provide a statement to the Plan showing the market value of each security, the sector diversification within the portfolio, and the duration, quality and yield of the portfolio.
- B. On a quarterly basis, Investment Manager will provide to the Plan a book value statement showing the book value of the total portfolio and showing the methodology and assumptions used to reset the crediting rate of the Stable Asset Fund.
- C. On an annual basis, a senior representative of GWCM will be made available to the Plan to present to the Plan a verbal and written review of the investment decisions, and the rationale

associated with these decisions for the previous 12-month's activity.

Trading Authority

Within the Investment Guidelines as stated in this Exhibit, GWCM has the authority to buy and sell any securities in this separate account that it judges to be in the best long-term interest of the separate account and the participants that utilize the account; provided, however, that it is understood that Investment Manager may raise cash by selling assets to provide liquidity to pay benefits and withdrawals.

Changes to Investment Guidelines

The investment guidelines (including duration) for investment of assets of the fund may be modified at any time, with the consent of the Plan Sponsor, Great-West as the group annuity contract issuer and wrap provider and the Investment Manager, providing that these modifications will not affect the funds ability to provide benefits at book value.

Amortization of Trading Gains/Losses

The general policy of the fund will be a 'buy and hold" strategy. However, to the extent that realized gains or losses occur, these gains/losses will be amortized over the expected average duration of the portfolio.