



# County of Fresno

## Deferred Compensation Management Council

### December 13, 2018 Agenda

---

**THE MEETING WILL BE HELD AT 3:00 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 December 13, 2018 Agenda.
4. Approve the Action Summary Minutes from the October 11, 2018 meeting.
5. Approve the 2019 Deferred Compensation Management Council meeting schedule:
  - a. Thursday, March 21 at 2:00 p.m.
  - b. Thursday, May 23 at 1:30 p.m.
  - c. Thursday, September 26 at 1:30 p.m.
  - d. Thursday, December 19 at 1:30 p.m.
6. Receive and File the 2018-19 Fiscal Year First Quarter Deferred Compensation Plan Budget Report, prepared by County staff.
7. Receive and File and Approve Actions related to Deferred Compensation Plan Investments.
  - a. Receive and File the Deferred Compensation Plan Investment Review as of September 30, 2018, prepared by Northwest Capital Management;
  - b. Approve placement of the Hennessy Focus, Oakmark Equity and Income, and Virtus Seix Total Return Bond investments on the Watch List.
8. Receive and File the Deferred Compensation Plan Review as of September 30, 2018 prepared by Nationwide Retirement Solutions.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Human Resources Department at (559) 600-1810.*



## ITEM 4

### Deferred Compensation Management Council October 11, 2018 Action Summary Minutes

The meeting was held in Room 301 of the Hall of Records  
2281 Tulare Street, Fresno, CA 93721

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

**Members Absent:** Jean Rousseau

1.  Call to Order

**ACTION:** The meeting was called to order at 2:58 p.m.

2.  Public Comment Period

**There were no comments from the public.**

3.  Approve Agenda

**ACTION:** The Council voted to move Items 9 and 7 up to Items 5 and 6, respectively.

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

**Noes:** None

**Abstentions:** None

**Not Present:** Kendig, Rousseau

4.  Approve the Action Summary Minutes from the June 14, 2018 meeting.

**ACTION:** The Minutes were approved.

**Ayes:** Bash, Gilbert, Garcia, Seymour

**Noes:** None

**Abstentions:** Nerland

**Not Present:** Kendig, Rousseau

5.  Receive and File Reports and Approve Actions related to the County of Fresno Stable Value Fund.

a.  Receive and File a Stable Value Fund Manager report by Northwest Capital Management;

**ACTION:** The report was received and filed.

- b.  Approve the incumbent manager, Great-West Financial, as the Stable Value Fund Manager.

**ACTION: Great-West Financial was approved as the Stable Value Fund Manager.**

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

**Noes: None**

**Abstentions: None**

**Not Present: Kendig, Rousseau**

6.  Approve the proposed Amended and Restated County of Fresno 457(b) Deferred Compensation Plan Document and direct staff to submit the Plan Document to the Board of Supervisors for approval.

**ACTION: The proposed Amended and Restated County of Fresno 457(b) Deferred Compensation Plan Document was approved as recommended. The Council directed staff to submit the Plan Document to the Board of Supervisors for approval.**

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

**Noes: None**

**Abstentions: None**

**Not Present: Rousseau**

7.  Receive a Verbal Report on the 2018 National Association of Government Defined Contribution Administrators conference by Member Nerland, County staff, and Northwest Capital Management.

**ACTION: The report was received and filed.**

8.  Receive and File and Approve Actions related to the County of Fresno Deferred Compensation Plan Budget.

- a.  Receive and File the 2017-18 Fiscal Year-End Deferred Compensation Plan Budget Report, prepared by County staff;

**ACTION: The report was received and filed.**

- b.  Approve a pro rata distribution of \$115,614 to current Deferred Compensation Plan participants based on each participant's percentage of Deferred Compensation Plan assets as of June 30, 2018.

**ACTION: The pro rata distribution of \$115,614 was approved as recommended.**

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

**Noes: None**

**Abstentions: None**

**Not Present: Rousseau**

9.  Receive and File the Deferred Compensation Plan Investment Review as of June 30, 2018, prepared by Northwest Capital Management.

**ACTION: The report was received and filed.**

10.  Receive and File the Deferred Compensation Plan Review as of June 30, 2018 prepared by Nationwide Retirement Solutions.

**ACTION: The report was received and filed.**

**The meeting was adjourned at 4:00 p.m.**



## Inter Office Memo

DEPARTMENT OF  
HUMAN RESOURCES

### ITEM 6

DATE: December 13, 2018

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager

SUBJECT: Fiscal Year 2018-19 1<sup>st</sup> 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, your Council directs the Plan Record-keeper 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 three-month period that ended September 30, 2018 (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 September 30, 2018.
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 6 - Attachment A

**County of Fresno Deferred Compensation Plan**

**Fiscal Year 2018-19 Revenue & Expenses as of September 30, 2018**

Revenue	Approved	Year to Date	Projected
Administrative Fees	\$ 202,000	\$ 58,981	\$ 227,000
<b>Totals:</b>	<b>\$ 202,000</b>	<b>\$ 58,981</b>	<b>\$ 227,000</b>

Discretionary Expenses	Approved	Year to Date	Projected
County Staff	\$ 107,000	\$ 17,641	\$ 100,000
Consultant	\$ 40,000	\$ 10,000	\$ 40,000
Fiduciary Liability Insurance	\$ 11,000	\$ -	\$ 11,000
Off-Site Training	\$ 9,000	\$ 1,100	\$ 4,800
Contingencies	\$ 35,000	\$ -	\$ -
<b>Totals:</b>	<b>\$ 202,000</b>	<b>\$ 28,741</b>	<b>\$ 155,800</b>

	Year to Date	Projected
<b>Surplus (Deficit):</b>	<b>\$ 30,239</b>	<b>\$ 71,200</b>



Mandatory Expenses	Approved	Year to Date	Projected
Record-keeping Fees	\$ 240,000	\$ 65,215	\$ 261,000

**Item 6 - Attachment B: Approved 2018-19 Fiscal Year Deferred  
Compensation Plan Budget**

**Discretionary Items**

<b>Revenue Source</b>	<b>2018-19 Budget</b>	<b>% of Revenue</b>	<b>2017-18 Budget</b>	<b>\$ Change from 2017-18</b>	<b>% Change from 2017-18</b>
Administrative Fee	\$202,000	100%	\$192,000	\$10,000	5%
<b>Total Revenue:</b>	<b>\$202,000</b>	<b>100%</b>	<b>\$192,000</b>	<b>\$10,000</b>	<b>5%</b>
<b>Expense</b>	<b>2018-19 Budget</b>	<b>% of Expenses</b>	<b>2017-18 Budget</b>	<b>\$ Change from 2017-18</b>	<b>% Change from 2017-18</b>
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%
<b>Total Expenses:</b>	<b>\$202,000</b>	<b>100%</b>	<b>\$192,000</b>	<b>\$10,000</b>	<b>5%</b>

**Mandatory Items**

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



## Item 7

DATE: December 13, 2018

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Third Quarter Investment Performance Report (Executive Summary)

### Capital Markets

Name	YTD (11/30/2018)	Q3 2018	1-Year (11/30/2018)
S&P 500 TR USD	5.11	7.71	6.27
S&P MidCap 400 TR	0.26	3.86	0.48
S&P SmallCap 600 TR USD	4.08	4.71	3.54
MSCI EAFE NR USD	-9.39	1.35	-7.94
MSCI EM NR USD	-12.24	-1.09	-9.09
BBgBarc US Agg Bond TR USD	-1.79	0.02	-1.34

	11/30/2018	6/29/2018	11/30/2017
10-Year Treasury Yield	3.01%	2.85%	2.42%

### Third Quarter (Complete Quarterly Investment Report is provided as Exhibit A)

Tax cuts, deregulation, and trade policies provided economic and market tailwinds in the U.S., whereas foreign indexes were hamstrung by the opposite side of similar issues. U.S. stocks enjoyed their strongest quarter for the year on the back of strong earnings growth, with large-cap companies outshining both mid and small-cap. Both developed and emerging international markets were hampered by the desynchronization of global growth, geopolitical risks, and lackluster economic data.

Investment grade and longer duration fixed income continued its decline over the quarter, while short duration, and high yield posted gains due to a positive fundamental backdrop.

### Economic Factors

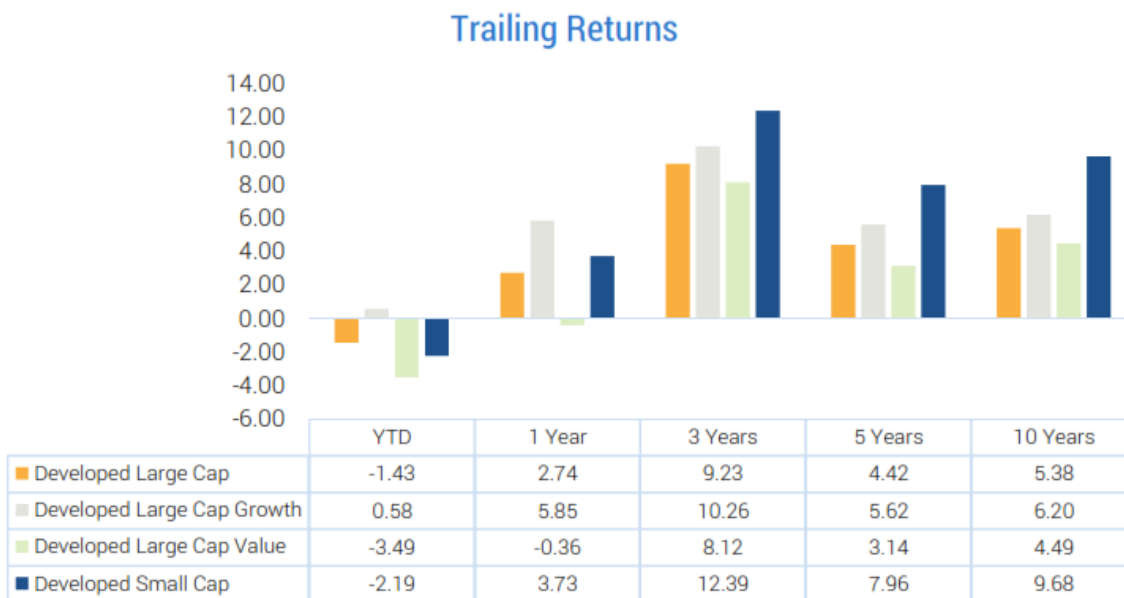
Core fundamentals look robust and data suggests this momentum will continue through year-end. Q2 Real GDP grew 2.9% yoy, exceeding expectations by 0.2%. Strong economic data allowed the Fed to raise its target Fed Funds rate by another 0.25% to 2.25%, making eight hikes in a row.



**US Equity**



**International Developed Equity**



## Fixed Income Insights



## Investments

Hennessy Focus Instl, Oakmark Equity and Income, and Virtus Seix Total Return Bond scored a 4 this quarter due to recent underperformance. An in-depth review is provided later in the report. All of the County's other investment options comply with investment policy performance criteria.

- Great-West's target date collective trusts series and stable value were removed from Watch in Q1 2018. They were on watch for the previous 4 quarters, due to the departure of manager Cathe Tocher and President of Investments David Musto.
- An updated fund watch report has been included as **Exhibit B**.
- An in-depth review on the following funds is included as **Exhibit C**:
  - Hennessey Focused (HFCIX), Oakmark Equity and Income (OAKBX), Janus Henderson Small Cap Value (JDSNX), Nicholas Limited Ed. (NCLEX), Virtus Seix Total Return (SAMZX), Templeton Global Bond (FBNRX), Fidelity Advisor Real Estate Inc. (FRIRX)

## Recommended Actions

1. Approve placement of Hennessy Focus, Oakmark Equity and Income, and Virtus Seix Total Return Bond onto the watch list.



## Item 7 - Exhibit A

---





# Table of Contents

---

## Market Overview

Quarterly Market Overview	1
---------------------------	---

## Retirement

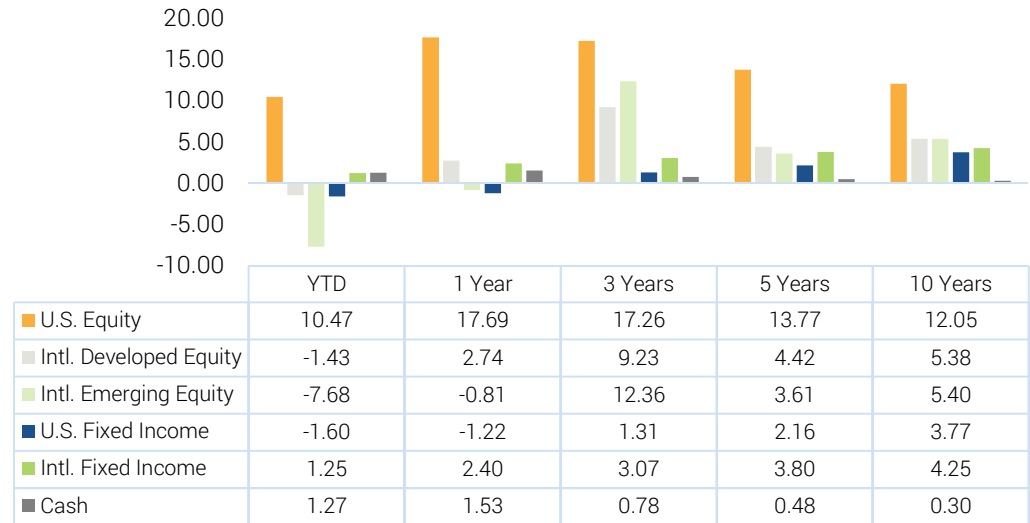
Summary Of Assets	13
Plan Investment Summary	14
Fund Policy Compliance	16
Fund Commentary	21
Expense Ratio Report	30
Target Date Review	31

# Market Performance Summary

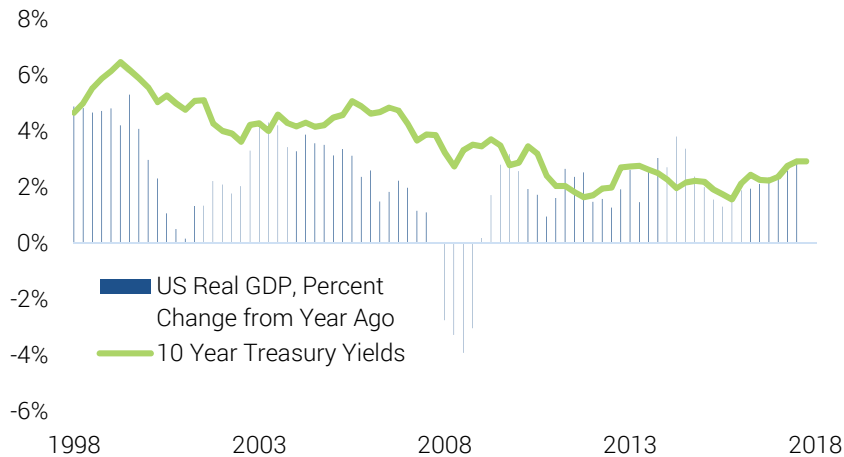
As of 09/30/2018

It has been a summer to forget for some—but not all. While certain countries and markets came under selling pressure in Q3, others emerged relatively unscathed. Tax cut, deregulation and trade policies provided economic and market tailwinds in the U.S., whereas foreign indexes were hamstrung by the opposite side of similar issues. Unhelpful were region-specific problems, such as political and fiscal disruptions in Europe, and growth and trade worries in China. Global consensus looks at the next two years and concludes that higher inflation, less central bank accommodation and trade policy risks necessarily mean slower economic growth and lower investment returns. One needs to balance those concerns with the reality that domestic fundamentals are indeed strong, and some key foreign economic indicators are again surprising to the upside. While we watch for the outcome of trade negotiations and renewed signs of global resynchronization, at this point strengths outweigh risks.

## Trailing Returns

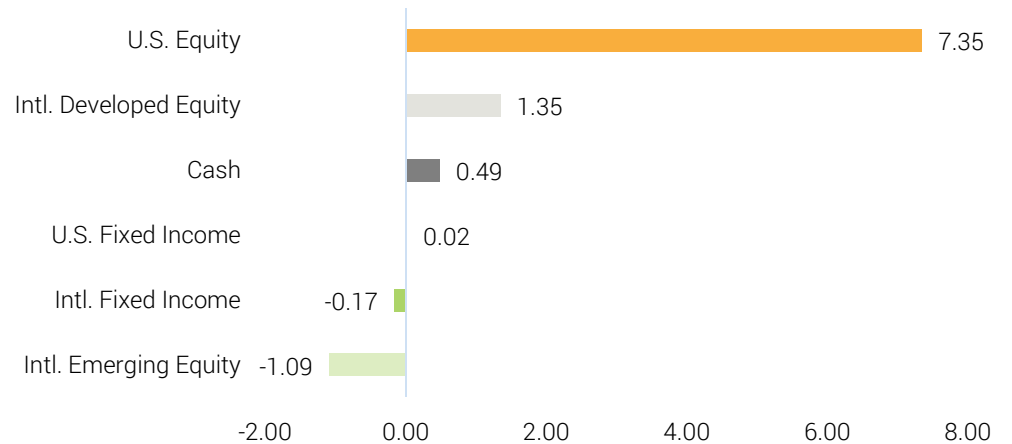


## GDP Growth vs 10-Year Treasury



Source: BEA, S&P, MSCI, Barclays

## Quarterly Performance



# Economic Factors

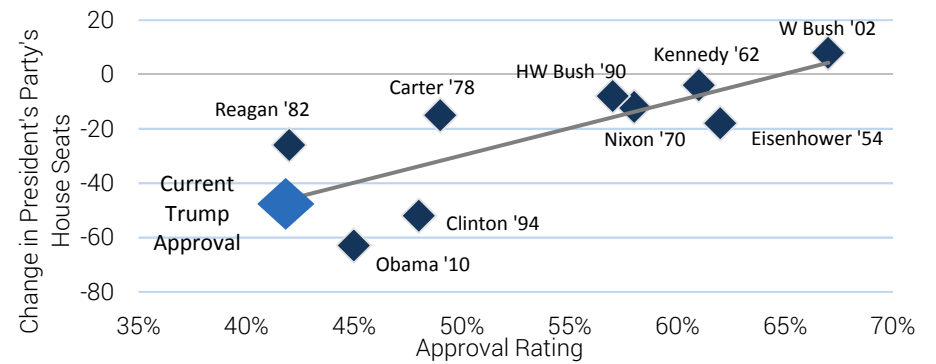
As of 09/30/2018

Core economic fundamentals continue to look robust and recent data suggests this momentum will continue through the end of the year. Second quarter U.S. Real GDP, released in August, grew at an impressive 4.2% vs. Q1. Compared to a year ago, Real GDP grew 2.9%. Both results exceeded market expectations by 0.2%. Momentum continued through September, with economic prints including business and consumer surveys, industrial production, housing starts, building permits, and jobless claims outpacing estimates. Economic growth, coupled with a tight labor market and firming inflation, allowed the Fed to raise its target Federal Funds rate by another 0.25% to 2.25%, making eight rate hikes in a row. Looking toward to Q4, there are also political factors to consider. Midterm elections tend to be challenging for first-term presidents, with the number of seats lost (or won) closely tied to the president's approval rating. Based on President Trump's current approval rating of 42% (top right chart), the 2018 midterms do not look promising for House Republicans, who can only afford to lose 23 seats to retain their majority.

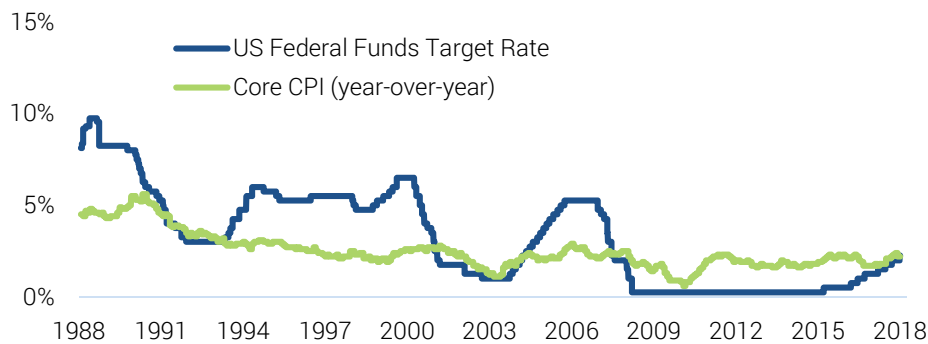
### Consumer Confidence Index



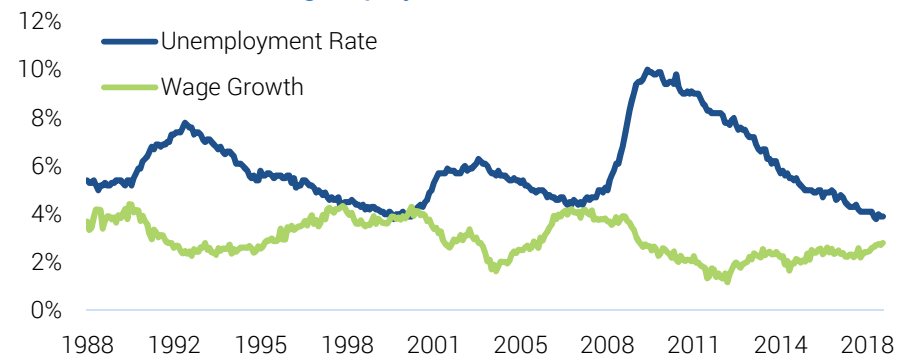
### Presidential Approval vs Party's Change in House Seats



### Rates Rising, Credit Still Cheap



### Strong Employment Trends Continue



Source: Factset, BEA, Department of Labor, The American Presidency Project

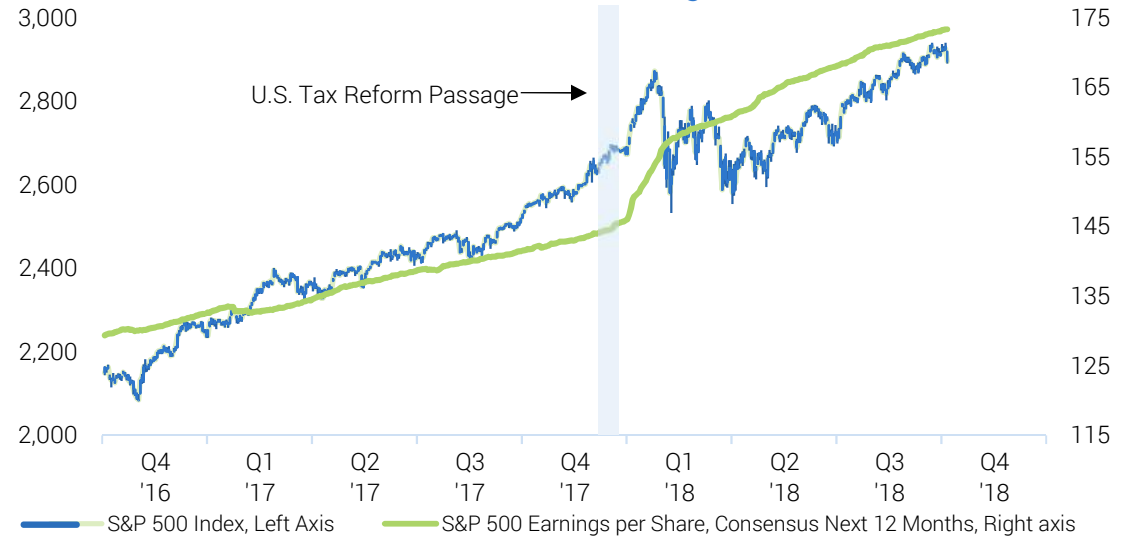


# U.S. Equity

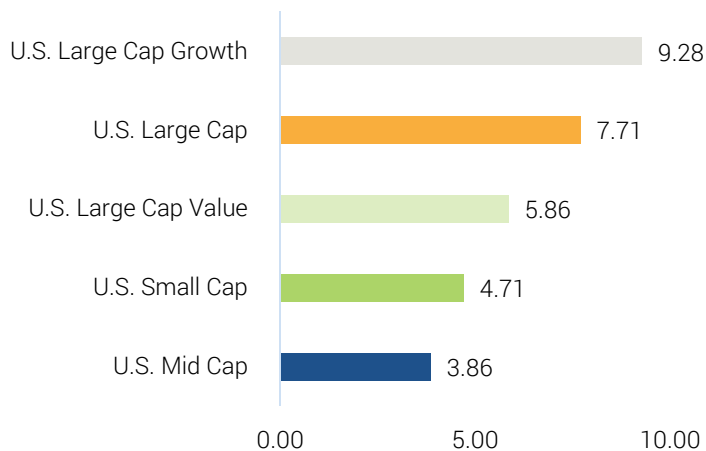
As of 09/30/2018

U.S. stocks enjoyed their strongest quarter for the year in Q3 on the back of strong earnings growth. Large companies outshined smaller complements in mid- and small-cap segments, led by this year's corporate tax rate reduction, full employment and robust consumer sentiment. Consensus earnings estimates for 2018 increased 10% (\$156 vs. \$142) since the start of the year and call for 20% year-over-year earnings growth in 2018, the fastest pace since 2010. It is estimated that between 7% to 8% of this growth has come from tax reform, with the rest coming from strong revenue growth and margin expansion. As for valuation, the market price-to-earnings (P/E) ratio has come down, given a faster rise in estimates than prices. With a multiple of 18x (down from 22x) for S&P 500 2018 earnings of \$156/share, valuations are now in line with the average over the past 70 years for this level of inflation.

## S&P 500 and Earnings



## Quarterly Performance



Source: Factset, S&P, Bloomberg

## Trailing Returns

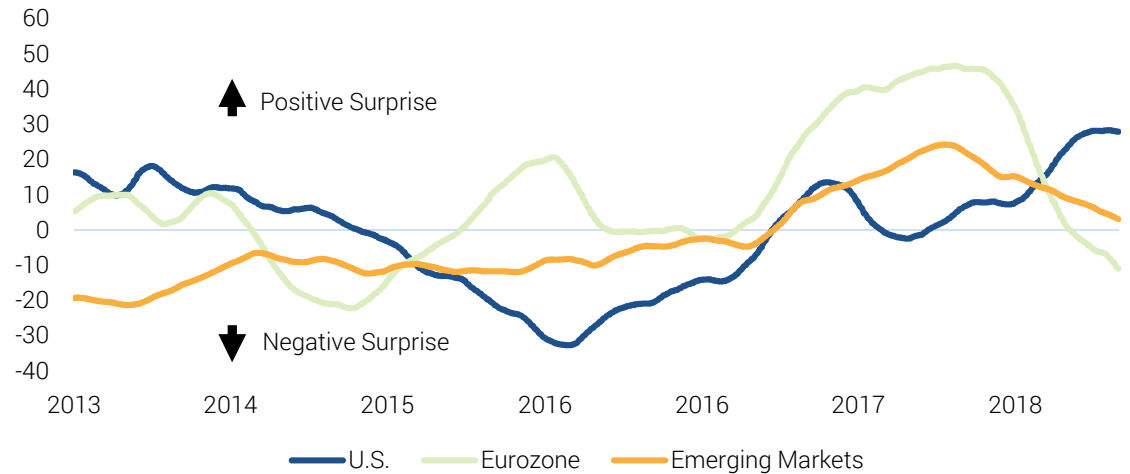


# International Developed Equity

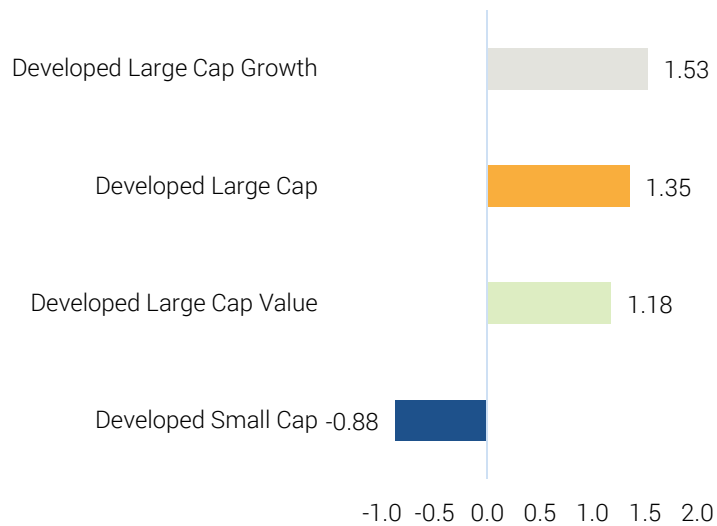
As of 09/30/2018

Developed markets' mediocre performance was largely driven by negative sentiment surrounding economic data and growing geopolitical risks. Large cap segments, whether value or growth, generated three-month returns between 1.2% and 1.5%, a far cry from 7.4% in the United States. Despite an accommodative European Central Bank, Europe remains a tale of haves and have-nots, with Germany and France in leadership, lagged significantly by the likes of Italy, Spain and Portugal. National deficit and political challenges remain sea anchors for a divided Europe. And Japan, despite a nice GDP growth surprise in Q2, is still running annual comps in the 1.5% range. Overall, positive economic surprises have not been the norm in developed markets other than the U.S., thus the large performance gap.

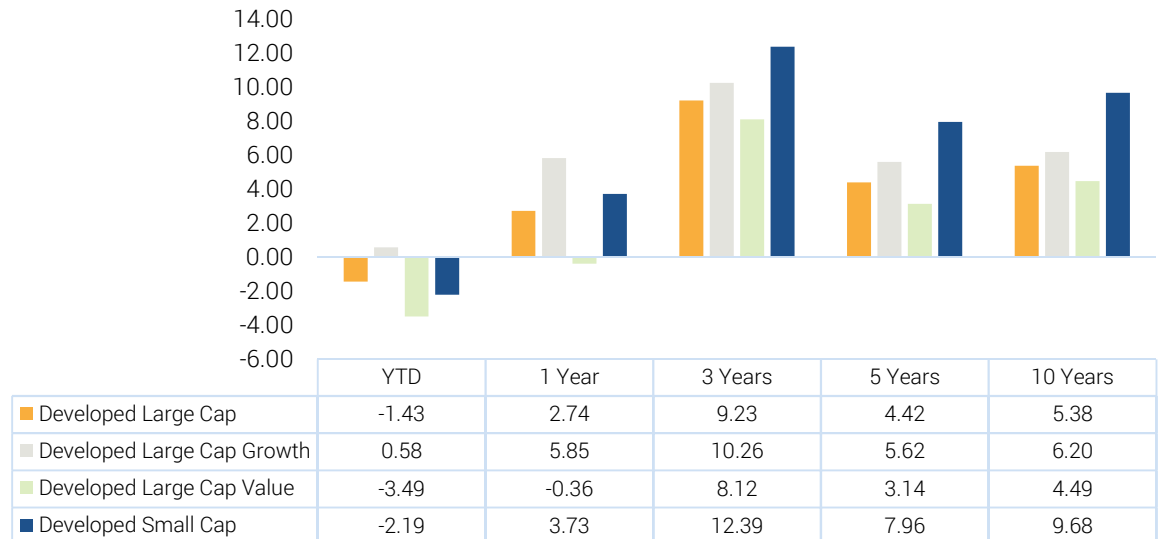
## Economic Surprise Indices (Rolling 12-month Averages)



## Quarterly Performance



## Trailing Returns



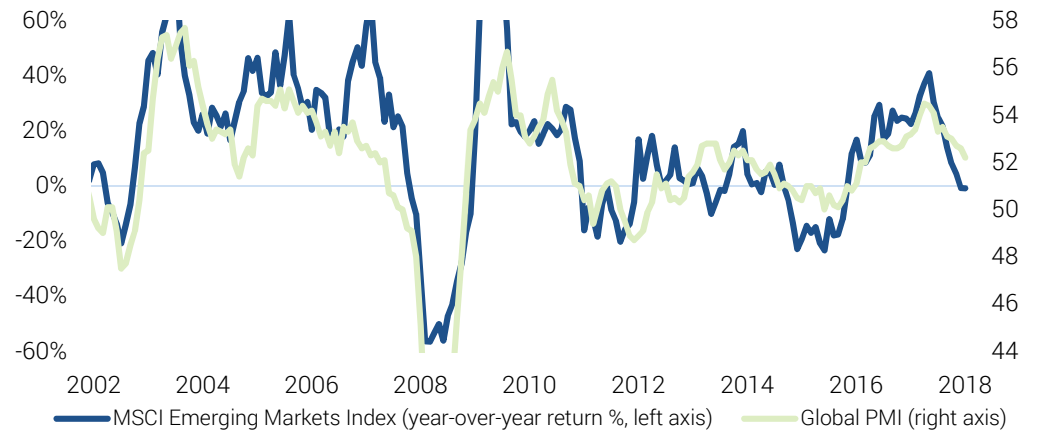
Source: Citi, MSCI

# Emerging Markets Equity

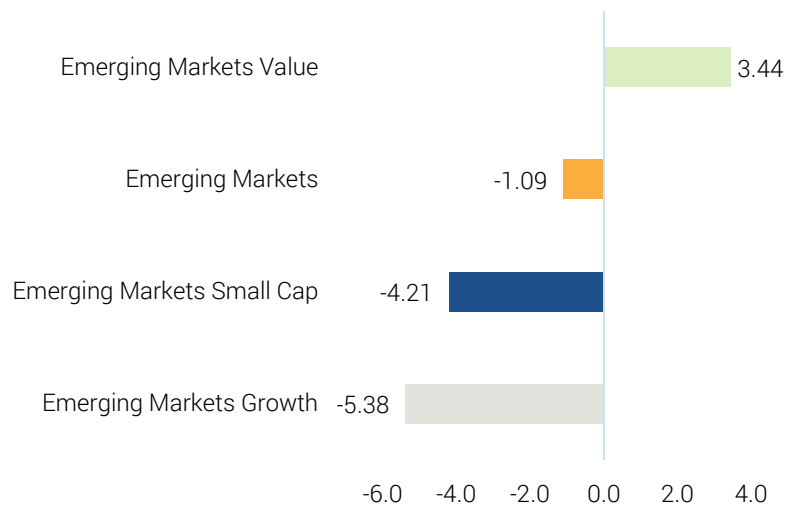
As of 09/30/2018

The desynchronization of global growth, with the U.S. decoupling from the rest of the world, has led to a stronger dollar, which tends to negatively impact emerging markets (EM) returns. That key issue, added to political and economic disruption in countries like Turkey, drew attention to weaknesses in other emerging markets, explaining declines in indexes tracking these regions. Additionally, EM has lagged coincident with the pick-up in trade tensions. Asian exporters (i.e. Korea) have suffered in particular, as they are heavily exposed to escalating trade conflicts between the U.S. and China. Recent weeks have brought some relief towards trade regarding Europe and NAFTA, but questions remain for China. There may be some additional opportunity here, as emerging market equities have priced in a more pessimistic global growth picture than business surveys and U.S. conditions indicate.

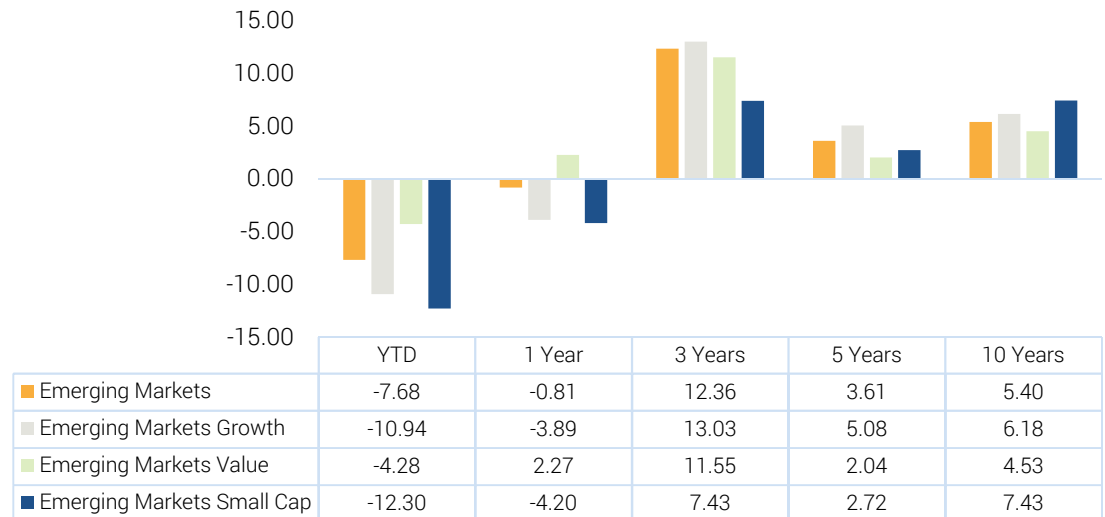
### Emerging Market Equities and Global Business Sentiment



## Quarterly Performance



## Trailing Returns



Source: Factset, MSCI

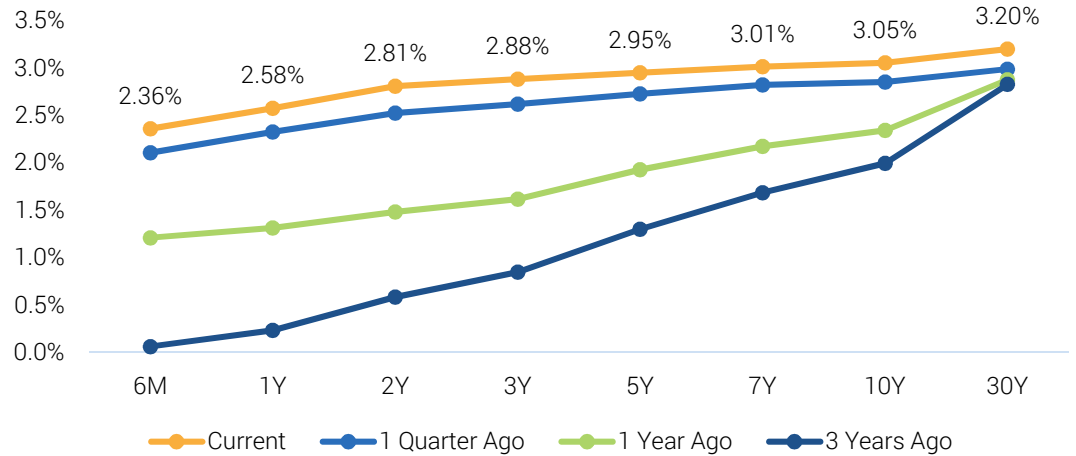
**Purchasing managers index (PMI):** The information to produce the PMI is gathered using monthly surveys sent to purchasing executives at approximately 300 companies. A PMI of more than 50 represents expansion of the manufacturing sector when compared to the previous month. A PMI reading under 50 represents a contraction, and a reading at 50 indicates no change.

# Fixed Income

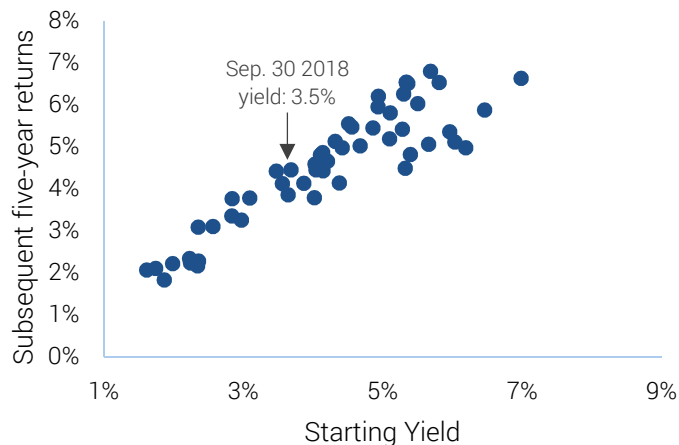
As of 09/30/2018

Increasing domestic growth, a tight labor market and firming inflation have allowed the Fed to normalize monetary policy through gradually raising interest rates. As a result, short bond maturities have fared well, intermediate bonds are off slightly, and long-term bonds are lagging. When inflation rises, fixed-rate bonds with longer-dated maturities are most vulnerable. The high yield market continues to experience strong relative returns, due to a positive fundamental backdrop and the assumption that – at least for now – there’s little downside to taking on lower quality credit. At present, we look forward to another three or four 0.25% Fed Funds increases in 2019, at which time the Fed will be at its “new normal” interest rate environment, and the market will be ready for another long-term policy update.

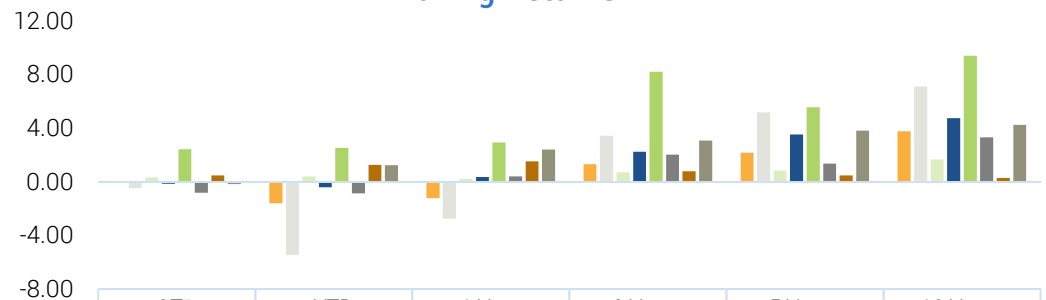
## Treasury Yield Curve



## Starting Bond Yields and Subsequent Five-Year Returns



## Trailing Returns



	QTR	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Aggregate	0.02	-1.60	-1.22	1.31	2.16	3.77
U.S. Long	-0.47	-5.42	-2.73	3.43	5.18	7.11
U.S. Short	0.33	0.41	0.20	0.73	0.83	1.67
Municipals	-0.15	-0.40	0.35	2.24	3.54	4.75
High Yield	2.44	2.52	2.94	8.19	5.54	9.38
TIPS	-0.82	-0.84	0.41	2.04	1.37	3.32
Treasury Bill	0.49	1.27	1.53	0.78	0.48	0.30
Global Hedged	-0.17	1.25	2.40	3.07	3.80	4.25

Source: Federal Reserve, Bloomberg Barclays, Bank of America. Yields and subsequent returns from September 2000 to September 2013 using the Bloomberg Barclays US Aggregate Index.

# Tips for Preventing Cyber Fraud

## Overview

- ❑ Cybercrime and fraud are serious threats and constant vigilance is key. While NWCM plays an important role in helping protect your assets, you can also take action to protect yourself and help secure your information. This checklist summarizes common cyber fraud tactics, along with tips and best practices. Many suggestions may be things you're doing now, while others may be new. We also cover actions to take if you suspect that your personal information has been compromised. If you have questions, we're here to help.
- ❑ Cyber criminals exploit our increasing reliance on technology. Methods used to compromise a victim's identity or login credentials – such as malware, phishing, and social engineering – are increasingly sophisticated and difficult to spot. A fraudster's goal is to obtain information to access to your account and assets or sell your information for this purpose. Fortunately, criminals often take the path of least resistance. Following best practices and applying caution when sharing information or executing transactions makes a big difference.

## Safe Communication Practices

### How we can work together to protect your information and assets:

*Safe practices for communicating with NWCM*

- ❑ **Keep us informed** regarding changes to your personal information.
- ❑ **Expect us to call you to confirm email requests** to move money, trade, or change account information.
- ❑ **Establish a verbal password** with our firm to confirm your identity, or request a video chat.

## What you can do

- ❑ Be aware of suspicious phone calls, emails, and texts asking you to send money or disclose personal information. If a service rep calls you, hang up and call back using a known phone number.
- ❑ Never share sensitive information or conduct business via email, as accounts are often compromised.
- ❑ Beware of phishing and malicious links. Urgent-sounding, legitimate-looking emails are intended to tempt you to accidentally disclose personal information or install malware.
- ❑ Don't open links or attachments from unknown sources. Enter the web address in your browser.
- ❑ Check your email and account statements regularly for suspicious activity.
- ❑ Never enter confidential information in public areas. Assume someone is always watching.

## Exercise caution when moving money

- ❑ Leverage our electronic authorization tool to verify requests. Featuring built-in safeguards, this is the fastest and most secure way to move money.
- ❑ Review and verbally confirm all disbursement request details thoroughly before providing your approval, especially when sending funds to another country. Never trust wire instructions received via email.

## Adhere to strong password principles

- Don't use personal information as part of your login ID or password and don't share login credentials.
- Create a unique, complex password for each website, Change it every six months. Consider using a password manager to simplify this process.

## Maintain updated technology

- Keep your web browser, operating system, antivirus, and anti-spyware updated, and activate the firewall.
- Do not use free/found USB devices. They may be infected with malware.
- Check security settings on your applications and web browser. Make sure they're strong.
- Turn off Bluetooth when it's not needed.
- Dispose of old hardware safely by performing a factory reset or removing and destroying all storage data devices

## Use caution on websites and social media

- Do not visit websites you don't know, (e.g., advertised on pop-up ads and banners).
- Log out completely to terminate access when exiting all websites.
- Don't use public computers or free Wi-Fi. Use a personal Wi-Fi hotspot or a Virtual Private Network (VPN).
- Hover over questionable links to reveal the URL before clicking. Secure websites start with "https," not "http."
- Be cautious when accepting "friend" requests on social media, liking posts, or following links.
- Limit sharing information on social media sites. Assume fraudsters can see everything, even if you have safeguards.
- Consider what you're disclosing before sharing or posting your résumé.

## What to do if you suspect a breach

- Call NWCM's office or your custodian immediately. NWCM and your custodian can watch for suspicious activity and collaborate with you on other steps to take.

## Learn more

Visit these sites for more information and best practices:

- StaySafeOnline.org: Review the STOP. THINK. CONNECT™ cybersecurity educational campaign.
- OnGuardOnline.gov: Focused on online security for kids, it includes a blog on current cyber trends.
- FDIC Consumer Assistance & Information, <https://www.fdic.gov/consumers/assistance/index.html>.
- FBI Scams and Safety provides additional tips, <https://www.fbi.gov/scams-and-safety>.

# Legislative and Regulatory Update

## The Federal Reserve

- On September 26, 2018, the Federal Reserve raised the Federal Funds rate by 0.25% to a range of 2.00% - 2.25%. Following three rate hikes in 2017, this was the third hike of 2018, with a fourth expected in December. Two to three rate hikes are expected in 2019. The current Federal Funds rate marks the end of accommodative monetary policy and a move into neutral territory. <sup>1</sup>

## Retirement Plan Executive Order

- On August 31, 2018, President Trump signed an executive order directing the Department of Labor (DOL) and the Treasury to consider issuing regulations regarding increased access to workplace retirement savings plans. This executive order matches many of the changes in the Family Savings Act, referenced below, and the Senate's Retirement Enhancement and Savings Act reintroduced earlier this year. <sup>2</sup>

## Tax Reform 2.0

- On September 27-28, the House passed three bills known as "Tax Reform 2.0" that are now awaiting a vote from the Senate.
  - The Family Savings Act would:
    - Eliminate barriers for small-business employers that want to create multiple employer plans (MEPs)
    - Remove the age limit on individual retirement account (IRA) contributions
    - Exempt people with less than \$50,000 in their retirement accounts from taking required minimum distributions at age 70 ½
    - Allow families to withdraw \$7,500, penalty free from retirement accounts for costs related to a new child
    - Improve access to guaranteed lifetime income solutions like annuities
  - The American Innovation Act increases the valuation of startups in acquisitions allowing the acquirer to carry forward more Net Operating Losses which can reduce the tax burden of the acquirer.
  - The Protecting Small Business Tax Cuts Act locks in the individual and business tax cuts enacted in the Tax Cuts and Jobs Act of 2017 beyond the current cut-off date of 2025. <sup>3, 4, 5, 6</sup>

## Student Loan Benefit Program

- On August 17, 2018, the IRS issued a private letter ruling (PLR). The PLR addressed an individual plan sponsor's desire to amend their retirement plan to include a program for employees making student loan repayments. For this plan, the program will enable eligible employees who are contributing 2% of their pay toward student loans to receive a 5% match deposited into their 401(k) plans. Although this letter does not change regulations, provide formal guidance, or set a precedent, it does provide some indication as to how the IRS regards these activities and situations. <sup>7</sup>

## Trade Tariffs

- In the first half of 2018, the U.S. implemented tariffs worth billions of dollars on items such as steel, aluminum, washing machines, solar cells and other goods.
- In Q3 2018, tariffs escalated further, especially between the U.S. and China.
  - In July, the U.S. enacted tariffs on \$34B worth of goods imported from China. China responded with reciprocal tariffs on \$34B of U.S. goods.

- In August, the U.S. enacted tariffs on \$16B worth of imports from China, and China responded with a retaliatory tariff of the same amount on U.S. imports.<sup>8</sup>
- On September 24, 2018, a 10% tariff on \$200B worth of Chinese imports went into effect. The tariff will increase to 25% by the end of 2018. On the same day, China enacted a \$60B tariff on U.S. imports.<sup>9,10</sup>

## Compliance Calendar

- In the chart below, NWCM has highlighted key compliance dates for retirement plan sponsors to be aware of in the remainder of 2018.

### 2018 November

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				01	02	03
04	05	06	07	08	09	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- 01 Sponsors with terminated participants who have turned 70 1/2 should be contacted by your record keeper (typically in November) with a list of participants due to receive RMDs (Required Minimum Distributions).
- 20 Recommended distribution of annual notices to participants. **Off-calendar plans, notice distribution 45 days before plan year end.**

### 2018 December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						01
02	03	04	05	06	07	08
09	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- 01 Deadline for sending annual 401(k) notices to participants: Safe Harbor notice, Qualified Default Investment Alternative (QDIA) notice, Automatic Contribution Arrangement (ACA) notice, Summary Annual Report (SAR) deadline is December 15, for extended 5500 filing. For administrative ease, a combined notice may be provided for these notices. **Off-calendar plans, 30 days prior to the end of the plan year.**
- 15 Summary Annual Report (SAR) deadline for extended 5500 filing.
- 31 Deadline for eligible participants to receive Required Minimum Distribution (RMD) for the current year.
- 31 Deadline for processing corrective distributions for failed ADP/ACP test for previous year with 10% excise tax.
- 31 Deadline for correcting a failed ADP/ACP test for previous year with qualified nonelective contributions (QNEC).
- 31 Deadline for amendment to convert existing 401(k) plan to safe harbor design or remove safe harbor design for next plan year.
- 31 Deadline for amending plan for discretionary changes implemented during plan year (certain exceptions apply, e.g. adding salary deferrals, cutting back accrued benefits).

\*This chart is intended to provide plan sponsors with a list of notable deadlines and is not a substitute for consultation with ERISA counsel and in no way represents legal advice.



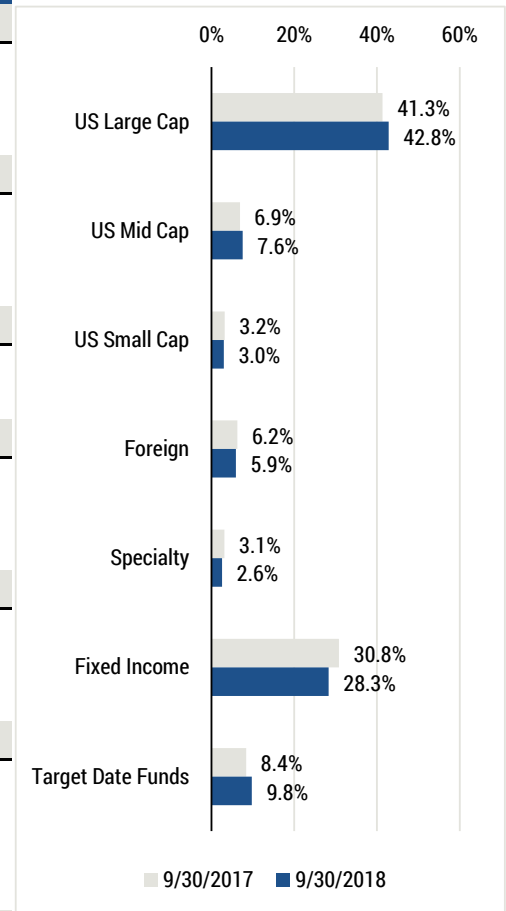
- <sup>1</sup> Schneider, Howard. "Fed Raises U.S. Interest Rates, Sees at Least Three More Years of..." *Reuters*, Thomson Reuters, 27 Sept. 2018, [www.reuters.com/article/us-usa-fed/fed-likely-to-raise-rates-possibly-end-accommodative-policy-era-idUSKCN1M60EE](http://www.reuters.com/article/us-usa-fed/fed-likely-to-raise-rates-possibly-end-accommodative-policy-era-idUSKCN1M60EE).
- <sup>2</sup> "Executive Order on Strengthening Retirement Security in America." *The White House*, The United States Government, [www.whitehouse.gov/presidential-actions/executive-order-strengthening-retirement-security-america/](http://www.whitehouse.gov/presidential-actions/executive-order-strengthening-retirement-security-america/). <https://www.whitehouse.gov/presidential-actions/executive-order-strengthening-retirement-security-america/>
- <sup>3</sup> Waddell, Melanie. "House Passes Two 'Tax Reform 2.0' Bills." *ThinkAdvisor*, 27 Sept. 2018, [www.thinkadvisor.com/2018/09/27/house-passes-two-tax-reform-2-0-bills/?kw=House Passes 2 'Tax Reform 2.0' Bills&et=editorial&bu=TA&cn=20180928&src=EMC-Email&pt=](http://www.thinkadvisor.com/2018/09/27/house-passes-two-tax-reform-2-0-bills/?kw=House%20Passes%20Two%20Tax%20Reform%202.0%27%20Bills&et=editorial&bu=TA&cn=20180928&src=EMC-Email&pt=).
- <sup>4</sup> Tabatabai, Arman. "Congressional Bill Would Improve Startup Valuations." *TechCrunch*, TechCrunch, 17 Sept. 2018, [techcrunch.com/2018/09/17/congressional-bill-would-improve-startup-valuations/](http://techcrunch.com/2018/09/17/congressional-bill-would-improve-startup-valuations/).
- <sup>5</sup> O'Brien, Sarah. "House Passes Tax-Cut Bills despite Unlikely Senate Action." *CNBC*, CNBC, 28 Sept. 2018, [www.cnbc.com/2018/09/27/house-poised-to-pass-tax-cut-bills-despite-unlikely-senate-vote.html](http://www.cnbc.com/2018/09/27/house-poised-to-pass-tax-cut-bills-despite-unlikely-senate-vote.html). <https://www.thinkadvisor.com/2018/09/27/house-passes-two-tax-reform-2-0-bills/?kw=House%20Passes%202%20%27Tax%20Reform%202.0%27%20Bills&et=editorial&bu=TA&cn=20180928&src=EMC-Email&pt=EarlyWire>
- <sup>6</sup> El-Sibaie, Amir. "A Look Ahead at Expiring Tax Provisions." *Tax Foundation*, Tax Foundation, 18 Jan. 2018, [taxfoundation.org/look-ahead-expiring-tax-provisions/](http://taxfoundation.org/look-ahead-expiring-tax-provisions/).
- <sup>7</sup> [https://www.napa-net.org/news/plan-optimization/dc-plan-design/irs-okays-amending-a-401k-plan-to-include-a-student-loan-benefit-program/?mqsc=E3982260&utm\\_source=WhatCountsEmail&utm\\_medium=NAPA\\_Net\\_ListNapa-Net%20Daily&utm\\_campaign=2018-08-21\\_eNewsNAPA\\_Tue](https://www.napa-net.org/news/plan-optimization/dc-plan-design/irs-okays-amending-a-401k-plan-to-include-a-student-loan-benefit-program/?mqsc=E3982260&utm_source=WhatCountsEmail&utm_medium=NAPA_Net_ListNapa-Net%20Daily&utm_campaign=2018-08-21_eNewsNAPA_Tue)
- <sup>8</sup> "China Hits Back after US Imposes Tariffs Worth \$34bn." *BBC News*, BBC, 6 July 2018, [www.bbc.com/news/business-44707253](http://www.bbc.com/news/business-44707253).
- <sup>9</sup> *Bloomberg.com*, Bloomberg, [www.bloomberg.com/news/articles/2018-09-18/everything-you-need-to-know-about-trump-s-latest-tariffs](http://www.bloomberg.com/news/articles/2018-09-18/everything-you-need-to-know-about-trump-s-latest-tariffs).
- <sup>10</sup> *Bloomberg.com*, Bloomberg, [www.bloomberg.com/news/articles/2018-09-18/the-trade-war-is-on-timeline-of-how-we-got-here-and-what-s-next](http://www.bloomberg.com/news/articles/2018-09-18/the-trade-war-is-on-timeline-of-how-we-got-here-and-what-s-next)



# Summary of County of Fresno 457 DC Plan - Trailing Year

Data as of 09/30/2018

Asset Class	Ticker	%	9/30/2017	Net Increases/Decreases	9/30/2018	%
<b>US Large Cap</b>		<b>41.34%</b>	<b>\$97,165,999</b>	<b>\$13,199,007</b>	<b>\$110,365,006</b>	<b>42.82%</b>
BlackRock Equity Index - Collective M	02cff1	19.02%	\$44,706,135	\$4,169,691	\$48,875,826	18.96%
Alger Spectra Z	aspzx	16.95%	\$39,847,350	\$7,585,374	\$47,432,724	18.40%
Columbia Dividend Income Inst3	cddyx	5.37%	\$12,612,514	\$1,443,941	\$14,056,456	5.45%
<b>US Mid Cap</b>		<b>6.86%</b>	<b>\$16,133,289</b>	<b>\$3,370,876</b>	<b>\$19,504,165</b>	<b>7.57%</b>
BlackRock MidCap Idx - Collective M	03cff2	3.49%	\$8,207,296	\$1,159,123	\$9,366,418	3.63%
BlackRock Russell 2000 Index Coll M	03cff3	1.18%	\$2,775,943	\$1,717,242	\$4,493,185	1.74%
Hennessy Focus Institutional	hfcix	2.19%	\$5,150,051	\$494,511	\$5,644,562	2.19%
<b>US Small Cap</b>		<b>3.23%</b>	<b>\$7,597,251</b>	<b>\$183,815</b>	<b>\$7,781,066</b>	<b>3.02%</b>
Nicholas Limited Edition I	nclex	2.46%	\$5,772,808	\$622,156	\$6,394,964	2.48%
Janus Henderson Small Cap Value N	jdsnx	0.78%	\$1,824,443	(\$438,341)	\$1,386,102	0.54%
<b>Foreign</b>		<b>6.23%</b>	<b>\$14,650,571</b>	<b>\$628,463</b>	<b>\$15,279,034</b>	<b>5.93%</b>
Ivy International Core Equity N	iincx	4.41%	\$10,367,810	(\$380,538)	\$9,987,272	3.88%
BlackRock EAFE Equity Index Coll F	10cff5	1.19%	\$2,805,668	\$650,409	\$3,456,077	1.34%
Oppenheimer Developing Markets I	odvix	0.63%	\$1,477,094	\$358,592	\$1,835,685	0.71%
<b>Specialty</b>		<b>3.13%</b>	<b>\$7,349,296</b>	<b>-\$695,874</b>	<b>\$6,653,422</b>	<b>2.58%</b>
Fidelity Advisor Real Estate Income I	frirx	0.50%	\$1,170,352	(\$197,804)	\$972,548	0.38%
Franklin Utilities R6	fufrx	1.69%	\$3,960,262	(\$508,359)	\$3,451,903	1.34%
Oakmark Equity And Income Investor	oakbx	0.94%	\$2,218,682	\$10,289	\$2,228,971	0.86%
<b>Fixed Income</b>		<b>30.82%</b>	<b>\$72,424,946</b>	<b>\$523,827</b>	<b>\$72,948,773</b>	<b>28.31%</b>
BlackRock US Debt Index Fund Coll W	04cff4	1.52%	\$3,581,557	\$898,771	\$4,480,328	1.74%
Virtus Seix Total Return Bond R6	samzx	1.46%	\$3,429,521	\$236,527	\$3,666,048	1.42%
Templeton Global Bond R6	fbnrx	0.54%	\$1,264,199	\$420,964	\$1,685,164	0.65%
Fresno County Stable Value	fressv	27.29%	\$64,149,669	(\$1,032,435)	\$63,117,234	24.49%
<b>Target Date Funds</b>		<b>8.38%</b>	<b>\$19,706,251</b>	<b>\$5,483,280</b>	<b>\$25,189,531</b>	<b>9.77%</b>
Great-West Lifetime 2015 Trust	grwl15	1.36%	\$3,205,486	\$305,329	\$3,510,815	1.36%
Great-West Lifetime 2025 Trust	grwl25	2.80%	\$6,575,050	\$1,702,631	\$8,277,681	3.21%
Great-West Lifetime 2035 Trust	grwl35	1.94%	\$4,566,436	\$836,305	\$5,402,741	2.10%
Great-West Lifetime 2045 Trust	grwl45	1.66%	\$3,897,941	\$1,505,719	\$5,403,660	2.10%
Great-West Lifetime 2055 Trust	grwl55	0.62%	\$1,461,339	\$1,133,295	\$2,594,634	1.01%
<b>Total</b>		<b>100.0%</b>	<b>\$235,027,603</b>	<b>\$22,693,393</b>	<b>\$257,720,996</b>	<b>100.0%</b>





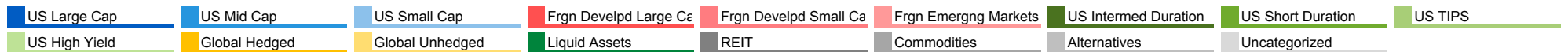
# County of Fresno 457 DC Plan

## Investment Summary









As of 9/30/2018

### Target-Date Funds

Style	Investment	Ticker	Equities						Fixed Income						Liquid	Other				Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
			US			Foreign			US			Foreign				R	C	A	U									
			L	M	S	L	S	E	I	S	T	Y	H	U														
<input type="checkbox"/> Target Date	Great-West Lifetime 2015 Trust	GRWL15	17	8	4	10		3	20	8	13	5	5		4	3					0.43	2.00	2.42	5.32	7.03	7.97	5.90	6.09
<input type="checkbox"/> Target Date	Great-West Lifetime 2025 Trust	GRWL25	22	9	6	14		5	19	5	6	5	4		2	3					0.43	2.65	3.24	6.95	9.20	9.89	7.19	7.42
Target Date	Great-West Lifetime 2035 Trust	GRWL35	29	12	8	21		7	11	1	2	2	2		1	4					0.44	3.45	4.50	9.39	12.20	12.40	8.76	8.59
<input type="checkbox"/> Target Date	Great-West Lifetime 2045 Trust	GRWL45	31	13	10	24		10	6			1	1			4					0.44	3.74	5.08	10.51	13.65	13.55	9.38	9.50
Target Date	Great-West Lifetime 2055 Trust	GRWL55	29	13	11	25		11	5			1	1			4					0.45	3.67	4.77	10.36	13.61	13.58	9.26	9.35



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

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

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	18.96%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.63%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.74%	BlackRock Russell 2000 Index Coll M	03cff3
Global	1.34%	BlackRock EAFE Equity Index Coll F	10cff5
US Debt	1.74%	BlackRock US Debt Index Fund Coll W	04cff4

\* This Investment has less than 3 years of performance data

**Actively-Managed Funds**

Underperforming ◀ ● ○ ● ● ▶ Outperforming

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.45%	Columbia Dividend Income Inst3	CDDYX	●	●	●	●	●
Pass	18.40%	Alger Spectra Z	ASPZX	●	●	○	●	●
Pass	1.34%	Franklin Utilities R6	FUFRX	●	●	○	●	●
Review	2.19%	Hennessy Focus Institutional	HFCIX	○	○	●	●	●
Watch	0.86%	Oakmark Equity And Income Investor	OAKBX	●	●	○	●	●
Pass	0.54%	Janus Henderson Small Cap Value N	JDSNX	●	●	●	●	●
Pass	2.48%	Nicholas Limited Edition I	NCLEX	○	●	●	●	●
Pass	3.88%	Ivy International Core Equity N	IINCX	●	●	●	●	●
Pass	0.71%	Oppenheimer Developing Markets I	ODVIX	●	●	●	●	●
Review	1.42%	Virtus Seix Total Return Bond R6	SAMZX	○	○	○	●	●
Pass	0.38%	Fidelity Advisor Real Estate Income I	FRIRX	●	●	●	●	●
Pass	0.65%	Templeton Global Bond R6	FBNRX	●	●	○	●	●
Pass	24.49%	Fresno County Stable Value	fressv	●	●	●	○	●

\* This Investment has less than 3 years of performance data

# County of Fresno 457 DC Plan

Fund Policy Compliance

As of 9/30/2018

## Target-Date Funds

Underperforming ◀ ● ◯ ● ▶ Outperforming

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.36%	Great-West Lifetime 2015 Trust	GRWL15	●	●	●	●	●
Pass	3.21%	Great-West Lifetime 2025 Trust	GRWL25	●	●	●	●	●
Pass	2.10%	Great-West Lifetime 2035 Trust	GRWL35	●	●	●	●	●
Pass	2.10%	Great-West Lifetime 2045 Trust	GRWL45	●	●	●	●	●
Pass	1.01%	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	18.96%	02cff1	BlackRock Equity Index - Collective M	8	6	14	6	4	7	39	33	32	17	11	32	29
MC Index	3.63%	03cff2	BlackRock MidCap Idx - Collective M	15	12	10	18	20	17	49	53	60	8	8	13	65	58	54	2	5
SC Index	1.74%	03cff3	BlackRock Russell 2000 Index Coll M	28	1	52	45	8	64	84	86	73	99	99	99	1	1	1	2	5
Global	1.34%	10cff5	BlackRock EAFE Equity Index Coll F	24	27	32	25	29	34	54	64	59	23	30	23	47	44	52	5	5
US Debt	1.74%	04cff4	BlackRock US Debt Index Fund Coll W	1	1		2	11		80	79		3	6		46	47		2	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	5.45%	CDDYX	Columbia Dividend Income Inst3	6	1	7	1	1	1	12	12	9	65	57	84	3
7	18.40%	ASPZX	Alger Spectra Z	28	19	3	48	28	1	73	69	56	14	13	5	87	66	55	45	6
6	1.34%	FUFRX	Franklin Utilities R6	46	24	26	63	26	18	76	74	22	21	12	68	78	66	26	13	12
4	2.19%	HFCIX	Hennessy Focus Institutional	94	76	16	84	55	7	8	19	15	97	89	90	30	16	1	49	7
4	0.86%	OAKBX	Oakmark Equity And Income Investor	41	48	55	84	76	49	94	94	33	11	11	69	99	97	38	27	7
8	0.54%	JDSNX	Janus Henderson Small Cap Value N	34	13	34	5	2	2	7	5	5	82	78	91	4	6	2	17	14
6	2.48%	NCLEX	Nicholas Limited Edition I	49	55	52	15	24	20	9	16	7	82	81	90	5	16	10	16	23
7	3.88%	IINCX	Ivy International Core Equity N	44	7	7	55	11	8	80	74	35	25	6	19	71	47	23	29	10
8	0.71%	ODVIX	Oppenheimer Developing Markets I	10	35	3	4	32	3	30	46	24	59	61	58	10	33	15	13	5
4	1.42%	SAMZX	Virtus Seix Total Return Bond R6	76	61	55	79	71	43	78	86	41	70	41	62	73	78	34	9	7
7	0.38%	FRIRX	Fidelity Advisor Real Estate Income I	34	90	4	1	1	1	3	2	3	96	98	97	4	1	1	19	13
7	0.65%	FBNRX	Templeton Global Bond R6	13	31	12	44	43	25	76	76	69	97	92	88	2	2	3	12	10
10	24.49%	fressv	Fresno County Stable Value	1	1		1	1		1	1		1	1		1	1		61	6

**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	1.36%	GRWL15	Great-West Lifetime 2015 Trust	12	26		1	1		18	11		23	42		11
9	3.21%	GRWL25	Great-West Lifetime 2025 Trust	11	15		1	1		24	24		29	51		9	11		19	5
8	2.10%	GRWL35	Great-West Lifetime 2035 Trust	9	24		1	9		33	26		20	51		21	15		20	5
9	2.10%	GRWL45	Great-West Lifetime 2045 Trust	4	13		6	10		40	40		6	20		27	30		18	5
8	1.01%	GRWL55	Great-West Lifetime 2055 Trust	7	23		8	24		36	32		7	22		33	41		20	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.

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



Northwest Capital Management, Inc. 10/22/2018

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	7.71%	18.00%	17.37%	14.02%	12.08%
S&P 500 TR USD	7.71%	17.90%	17.31%	13.95%	11.97%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.10%</b>	<b>0.05%</b>	<b>0.07%</b>	<b>0.11%</b>
<b>Peer Group Ranking</b>	20	15	8	6	14

**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	3.86%	14.28%	15.48%	11.76%	12.43%
S&P MidCap 400 TR	3.85%	14.20%	15.67%	11.90%	12.49%
<b>Out/(Under) Performing</b>	<b>0.01%</b>	<b>0.08%</b>	<b>-0.19%</b>	<b>-0.15%</b>	<b>-0.06%</b>
<b>Peer Group Ranking</b>	49	18	15	12	10

**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	6.91%	25.67%	16.39%	13.28%	10.72%
Russell 2000 TR USD	6.89%	25.44%	16.11%	13.00%	10.46%
<b>Out/(Under) Performing</b>	<b>0.03%</b>	<b>0.23%</b>	<b>0.28%</b>	<b>0.28%</b>	<b>0.26%</b>
<b>Peer Group Ranking</b>	2	1	28	1	52

**BlackRock EAFE Equity Index Coll F (10cff5)**

Fund Type: Global

Frgn Develpd 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	1.40%	3.16%	9.63%	4.74%	5.51%
MSCI ACWI Ex USA NR USD	0.71%	1.77%	9.97%	4.12%	5.18%
<b>Out/(Under) Performing</b>	<b>0.69%</b>	<b>1.39%</b>	<b>-0.34%</b>	<b>0.62%</b>	<b>0.33%</b>
<b>Peer Group Ranking</b>	22	15	24	27	32

**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	0.05%	-1.18%	1.38%	2.33%	
BBgBarc US Govt Intern TR USD	-0.12%	-1.18%	0.18%	0.93%	2.22%
<b>Out/(Under) Performing</b>	<b>0.17%</b>	<b>0.01%</b>	<b>1.20%</b>	<b>1.39%</b>	
<b>Peer Group Ranking</b>	2	13	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	7.31%	13.30%	16.12%	12.62%	11.39%
S&P 500 Value TR USD	5.87%	10.06%	14.14%	10.88%	9.62%
<b>Out/(Under) Performing</b>	<b>1.44%</b>	<b>3.24%</b>	<b>1.98%</b>	<b>1.74%</b>	<b>1.77%</b>
<b>Peer Group Ranking</b>	11	18	6	1	7

**Alger Spectra Z (ASPZX)**

Fund Score: 7 (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 Fred Alger Management, Inc. believes demonstrate promising growth potential. It can leverage, that is, borrow money to purchase additional securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPZX	7.66%	26.82%	19.35%	16.16%	16.05%
S&P 500 Growth TR USD	9.29%	25.24%	19.88%	16.57%	14.05%
<b>Out/(Under) Performing</b>	<b>-1.63%</b>	<b>1.58%</b>	<b>-0.54%</b>	<b>-0.41%</b>	<b>2.01%</b>
<b>Peer Group Ranking</b>	47	26	28	19	3

The Alger Spectra fund returned 7.7% in Q3 2018 versus 9.3% for its benchmark, the S&P 500 Growth Index. Year-to-date, the fund is up 18.8% versus the 17.2% for the benchmark. The fund is now neutral to the benchmark with regards to its Technology sector weighting versus the benchmark. However, that remains the fund's largest sector weighting. An overweight to Microsoft was a contributor to performance during the quarter. Apple was another contributor to performance. Within the Consumer Discretionary sector, the firm's largest overweight position, was a positive contributor with shares of Amazon.com performing well during the quarter. Facebook, Applied Materials and Alibaba were all detractors. The fund can hold short positions and noted that its short position in Seagate was a contributor while its short position in CheckPoint was a detractor. The fund's score under our scoring methodology remains a 7. It still ranks in the second-quartile of its peer group on a risk adjusted returns basis in the trailing three-year period but in the first-quartile for the five- and ten-year periods.

**Franklin Utilities R6 (FUFRX)**

Fund Score: 6 (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
FUFRX	1.61%	1.98%	10.20%	10.01%	9.36%
MSCI World/Utilities NR USD	0.88%	1.05%	7.39%	6.05%	3.33%
<b>Out/(Under) Performing</b>	<b>0.73%</b>	<b>0.92%</b>	<b>2.81%</b>	<b>3.96%</b>	<b>6.03%</b>
<b>Peer Group Ranking</b>	64	72	46	24	26

**Hennessy Focus Institutional (HFCIX)**

Fund Score: 4 (Status: Review)

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	2.53%	9.33%	11.25%	10.63%	13.50%
S&P MidCap 400 Growth TR USD	3.95%	16.55%	15.53%	12.26%	13.20%
<b>Out/(Under) Performing</b>	<b>-1.42%</b>	<b>-7.22%</b>	<b>-4.28%</b>	<b>-1.64%</b>	<b>0.29%</b>
<b>Peer Group Ranking</b>	94	94	94	76	16

**Oakmark Equity And Income Investor (OAKBX)**

Fund Score: 4 (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	2.46%	5.28%	9.22%	6.99%	7.51%
DJ Moderate TR USD	2.23%	6.72%	9.25%	6.68%	7.62%
<b>Out/(Under) Performing</b>	<b>0.23%</b>	<b>-1.44%</b>	<b>-0.03%</b>	<b>0.31%</b>	<b>-0.10%</b>
<b>Peer Group Ranking</b>	70	69	41	48	55

Oakmark Equity and Income returned 2.5% over the last quarter, outperforming its benchmark (DJ Moderate) by 23 bps. YTD the fund is up 1.0% vs. 2.7%. Outperformance 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. Oakmark's portfolio is 100% developed markets, as are most peers, but its weight of U.S. is significantly higher (90% vs. 77%). The equity portion of the fund focuses on large-cap and mega-cap companies, with more weight towards large cap. Their largest industry allocations were Financials, Health, and Auto. Much of the positive performance in equities comes from the Banking and Health industries. On the fixed income side of the fund, Oakmark holds more corporate bonds vs. Treasuries than its benchmark, with the majority of the securities being either AA rated, or BBB rated. The average credit quality has been improved from BBB to A, with short maturity bonds almost double that of its peers. The fund has no exposure to long term credit (10+years), an attribute which has been a positive contributor so far this interest rate cycle, and is part of the risk management toolbox. The ranking of the fund on 1-Year, 3-Year, and 5-Year horizons were 41st, 48th, and 55th, respectively. The fund is on Watch by scoring a 4, though market rotation could now be moving in its favor going forward.

**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	0.61%	6.28%	14.22%	10.69%	10.61%
Russell 2000 Value TR USD	1.61%	9.33%	16.12%	9.91%	9.52%
<b>Out/(Under) Performing</b>	<b>-1.00%</b>	<b>-3.05%</b>	<b>-1.90%</b>	<b>0.78%</b>	<b>1.09%</b>
<b>Peer Group Ranking</b>	67	70	34	13	34

**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	8.57%	20.15%	18.05%	11.66%	12.49%
Russell 2000 Growth TR USD	5.53%	21.07%	17.98%	12.14%	12.65%
<b>Out/(Under) Performing</b>	<b>3.04%</b>	<b>-0.93%</b>	<b>0.07%</b>	<b>-0.48%</b>	<b>-0.16%</b>
<b>Peer Group Ranking</b>	26	67	49	55	52

**Ivy International Core Equity N (IINCX)**

Fund Score: 7 (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	-0.15%	1.51%	8.73%	5.75%	7.15%
MSCI ACWI Ex USA NR USD	0.71%	1.77%	9.97%	4.12%	5.18%
<b>Out/(Under) Performing</b>	<b>-0.86%</b>	<b>-0.25%</b>	<b>-1.24%</b>	<b>1.63%</b>	<b>1.96%</b>
<b>Peer Group Ranking</b>	79	45	44	7	7

**Oppenheimer Developing Markets I (ODVIX)**

Fund Score: 8 (Status: Pass)

Frgn Emerng 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	-3.29%	0.56%	13.32%	3.54%	7.50%
MSCI EM NR USD	-1.09%	-0.80%	12.37%	3.62%	5.41%
<b>Out/(Under) Performing</b>	<b>-2.21%</b>	<b>1.36%</b>	<b>0.95%</b>	<b>-0.08%</b>	<b>2.10%</b>
<b>Peer Group Ranking</b>	60	9	10	35	3

Oppenheimer Developing Markets returned -3.3% for Q3 2018, compared to -1.1% for its benchmark (MSCI Emerging Markets). Year-to-date, the fund returned -4.4%, outperforming its benchmark, which returned -7.7%. Stock selection in China and India were the primary detractors on performance over the quarter. Chinese companies, Tencent Holdings and Alibaba were negatively impacted by heightened trade-war rhetoric and a broad sell-off in Chinese equity, while Indian Bank, Kotak Mahindra was hampered by a weakening rupee, and regulatory risk. These detractors were mitigated by positive stock selections in Healthcare and Technology. Looking forward, management sees continuing volatility in emerging markets as interest rates rise, global liquidity is reduced, and geopolitical risks persist, however they believe that these conditions will help them excel relative to their benchmark. The fund continues to score an 8 under our scoring methodology and places in the top quartile for both return and risk adjusted returns over the three- and ten-year periods.

**Virtus Seix Total Return Bond R6 (SAMZX)**

Fund Score: 4 (Status: Review)

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	-0.63%	-2.32%	1.00%	1.98%	4.19%
BBgBarc US Agg Bond TR USD	0.02%	-1.22%	1.32%	2.16%	3.77%
<b>Out/(Under) Performing</b>	<b>-0.65%</b>	<b>-1.10%</b>	<b>-0.31%</b>	<b>-0.18%</b>	<b>0.41%</b>
<b>Peer Group Ranking</b>	98	93	76	61	55

**Fidelity Advisor Real Estate Income I (FRIRX)**

Fund Score: 7 (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	1.60%	2.91%	7.31%	7.04%	9.22%
FTSE Nareit Equity REITs TR USD	0.78%	3.34%	7.63%	9.16%	7.44%
<b>Out/(Under) Performing</b>	<b>0.82%</b>	<b>-0.43%</b>	<b>-0.32%</b>	<b>-2.13%</b>	<b>1.78%</b>
<b>Peer Group Ranking</b>	11	61	34	90	4

**Templeton Global Bond R6 (FBNRX)**

Fund Score: 7 (Status: Pass)

Global Unhedged

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	1.02%	-1.95%	3.87%	1.98%	5.68%
BBgBarc Global Aggregate TR Hdg USD	-0.04%	0.82%	2.35%	3.13%	4.07%
<b>Out/(Under) Performing</b>	<b>1.06%</b>	<b>-2.77%</b>	<b>1.52%</b>	<b>-1.15%</b>	<b>1.61%</b>
<b>Peer Group Ranking</b>	<b>5</b>	<b>56</b>	<b>13</b>	<b>31</b>	<b>12</b>

Templeton Global Bond returned 1.0% for Q3 2018, compared to -0.2% for its benchmark the Bloomberg Barclays Global Aggregate USD Hedged Index. The fund's net-negative positions in the Japanese yen and the euro contributed to absolute performance. Negative duration exposure to US Treasuries contributed to absolute fund performance as the yield on the 10-year US Treasury note increased 20bps. Looking forward, management expects US yields to continue to rise as the Fed tightens policy while inflation pressures pickup. In turn, they believe the widening in interest rate differentials of the US versus Japan and the Eurozone should continue to strengthen the dollar and benefit their net negative positioning. The fund scores a 7 under our scoring methodology and performance ranks in the top half over the trailing 3-, 5- and 10-year periods, respectively.

**Fresno County Stable Value (fressv)**

Fund Score: 10 (Status: Pass)

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.51%	2.02%	2.05%	2.10%	
ICE BofAML 0-3 M US Trsy Bill TR USD	0.48%	1.53%	0.78%	0.48%	0.30%
<b>Out/(Under) Performing</b>	<b>0.03%</b>	<b>0.49%</b>	<b>1.27%</b>	<b>1.62%</b>	
<b>Peer Group Ranking</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	

**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	2.00%	5.32%	7.97%	6.09%	
DJ Target 2015 TR USD	0.68%	2.23%	4.38%	3.53%	5.18%
<b>Out/(Under) Performing</b>	<b>1.32%</b>	<b>3.09%</b>	<b>3.59%</b>	<b>2.56%</b>	
<b>Peer Group Ranking</b>	<b>24</b>	<b>7</b>	<b>12</b>	<b>26</b>	

**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	2.65%	6.95%	9.89%	7.42%	
DJ Target 2025 TR USD	1.32%	4.28%	7.10%	5.42%	6.80%
<b>Out/(Under) Performing</b>	<b>1.33%</b>	<b>2.67%</b>	<b>2.80%</b>	<b>1.99%</b>	
<b>Peer Group Ranking</b>	<b>26</b>	<b>8</b>	<b>11</b>	<b>15</b>	



**Great-West Lifetime 2035 Trust (GRWL35)**

Fund Score: 8 (Status: Pass)

Uncategorized

<b>Trailing Returns</b>	<b>1 Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>
GRWL35	3.45%	9.39%	12.40%	8.59%	
DJ Target 2035 TR USD	2.54%	7.73%	10.55%	7.57%	8.45%
<b>Out/(Under) Performing</b>	<b>0.91%</b>	<b>1.67%</b>	<b>1.86%</b>	<b>1.02%</b>	
<b>Peer Group Ranking</b>	23	12	9	24	

**Great-West Lifetime 2045 Trust (GRWL45)**

Fund Score: 9 (Status: Pass)

Uncategorized

<b>Trailing Returns</b>	<b>1 Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>
GRWL45	3.74%	10.51%	13.55%	9.50%	
DJ Target 2045 TR USD	3.39%	10.11%	12.82%	8.88%	9.42%
<b>Out/(Under) Performing</b>	<b>0.35%</b>	<b>0.40%</b>	<b>0.73%</b>	<b>0.62%</b>	
<b>Peer Group Ranking</b>	32	17	4	13	

**Great-West Lifetime 2055 Trust (GRWL55)**

Fund Score: 8 (Status: Pass)

Uncategorized

<b>Trailing Returns</b>	<b>1 Qtr</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>
GRWL55	3.67%	10.36%	13.58%	9.35%	
DJ Target 2055 TR USD	3.61%	10.67%	13.28%	9.13%	9.56%
<b>Out/(Under) Performing</b>	<b>0.06%</b>	<b>-0.31%</b>	<b>0.30%</b>	<b>0.22%</b>	
<b>Peer Group Ranking</b>	46	21	7	23	



# County of Fresno 457 DC Plan

## Expense Ratio Report

As of 9/30/2018

### 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%	
48,875,826 BlackRock Equity Index - Collective M	02cff1	0.02%	2	▲							
9,366,418 BlackRock MidCap Idx - Collective M	03cff2	0.03%	2	▲							
4,493,185 BlackRock Russell 2000 Index Coll M	03cff3	0.03%	2	▲							
3,456,077 BlackRock EAFE Equity Index Coll F	10cff5	0.10%	5	▲							
4,480,328 BlackRock US Debt Index Fund Coll W	04cff4	0.04%	2	▲							

### Actively-Managed Funds

14,056,456 Columbia Dividend Income Inst3	CDDYX	0.59%	16								
47,432,724 Alger Spectra Z	ASPZX	0.96%	45								
3,451,903 Franklin Utilities R6	FUFRX	0.49%	13	▲							
5,644,562 Hennessy Focus Institutional	HFCIX	1.12%	49								
2,228,971 Oakmark Equity And Income Investor	OAKBX	0.78%	27	▲							
1,386,102 Janus Henderson Small Cap Value N	JDSNX	0.88%	17	▲							
6,394,964 Nicholas Limited Edition I	NCLEX	0.86%	16	▲							
9,987,272 Ivy International Core Equity N	IINCX	0.79%	29	▲							
1,835,685 Oppenheimer Developing Markets I	ODVIX	0.88%	13	▲							
3,666,048 Virtus Seix Total Return Bond R6	SAMZX	0.31%	9	▲							
972,548 Fidelity Advisor Real Estate Income I	FRIRX	0.75%	19	▲							
1,685,164 Templeton Global Bond R6	FBNRX	0.56%	12	▲							
63,117,234 Fresno County Stable Value	fressv	0.50%	61	▲							

### Target-Date Funds

3,510,815 Great-West Lifetime 2015 Trust	GRWL15	0.43%	23	▲							
8,277,681 Great-West Lifetime 2025 Trust	GRWL25	0.43%	19	▲							
5,402,741 Great-West Lifetime 2035 Trust	GRWL35	0.44%	20	▲							
5,403,660 Great-West Lifetime 2045 Trust	GRWL45	0.44%	18	▲							
2,594,634 Great-West Lifetime 2055 Trust	GRWL55	0.45%	20	▲							

<b>257,720,996</b>	<b>Expense Ratio Averages</b>	<b>0.50%</b>	<b>19</b>	<b>Weighted Average Gross Expense Ratio: 0.49%</b>						
--------------------	-------------------------------	--------------	-----------	--	--	--	--	--	--	--

Your Plan	Bal Weighted Avg	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Expense Ratio	0.49%	0.33%(1)	0.44%(4)	0.53%(1)	-

# County of Fresno 457 DC Plan

As of: 09/30/2018

## Target Date Review

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
<b>2015</b>							
	Great-West Lifetime 2015 Trust	2.00	5.32	7.03	7.97	6.09	0.43
	Morningstar Lifetime Mod 2015 TR USD	1.77	4.96	6.06	7.16	5.46	
	<b>Benchmark +/-</b>	<b>0.23</b>	<b>0.36</b>	<b>0.97</b>	<b>0.81</b>	<b>0.63</b>	
<b>2025</b>							
	Great-West Lifetime 2025 Trust	2.65	6.95	9.20	9.89	7.42	0.43
	Morningstar Lifetime Mod 2025 TR USD	2.28	6.34	8.17	9.08	6.76	
	<b>Benchmark +/-</b>	<b>0.37</b>	<b>0.61</b>	<b>1.03</b>	<b>0.81</b>	<b>0.66</b>	
<b>2035</b>							
	Great-West Lifetime 2035 Trust	3.45	9.39	12.20	12.40	8.59	0.44
	Morningstar Lifetime Mod 2035 TR USD	3.14	8.65	11.40	11.72	8.23	
	<b>Benchmark +/-</b>	<b>0.31</b>	<b>0.74</b>	<b>0.80</b>	<b>0.68</b>	<b>0.36</b>	
<b>2045</b>							
	Great-West Lifetime 2045 Trust	3.74	10.51	13.65	13.55	9.50	0.44
	Morningstar Lifetime Mod 2045 TR USD	3.53	9.69	12.92	12.92	8.69	
	<b>Benchmark +/-</b>	<b>0.21</b>	<b>0.82</b>	<b>0.73</b>	<b>0.63</b>	<b>0.81</b>	
<b>2055</b>							
	Great-West Lifetime 2055 Trust	3.67	10.36	13.61	13.58	9.35	0.45
	Morningstar Lifetime Mod 2055 TR USD	3.41	9.48	12.92	12.95	8.51	
	<b>Benchmark +/-</b>	<b>0.26</b>	<b>0.88</b>	<b>0.69</b>	<b>0.63</b>	<b>0.84</b>	

\*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 0.43%-0.45% in Q2 2018



## Item 7 - Exhibit B

### County of Fresno 457 DC Plan Watch List

As of: 09/30/2018

#### Current Lineup Status

Asset Class		Current Status	Placed On Watch
<b>US Large Cap</b>			
aspzx	Alger Spectra Z	Pass	-
cddyx	Columbia Dividend Income Instl	Pass	-
02cff1	Blackrock Equity Index Fund	Index	-
<b>US Mid Cap</b>			
hfcix	Hennessy Focus Funds Institutional	Watch	2018 - Q3
03cff2	Blackrock Mid Cap Equity Index Fund	Index	-
<b>US Small Cap</b>			
nclex	Nicholas Limited Edition I	Pass	-
jdsnx	Janus Henderson Small Cap Value N	Pass	-
03cff3	Blackrock Russell 2000 Index Fund	Index	-
<b>Foreign Stocks</b>			
iincx	Ivy International Core Equity R6	Pass	-
odvix	Oppenheimer Developing Markets I	Pass	-
10cff5	Blackrock Eafe Equity Index Fund	Index	-
<b>Fixed Income</b>			
samzx	Virtus Seix Total Return Bond R6	Watch	2018 - Q3
fbnrx	Templeton Global Bond R6	Pass	-
04cff4	Blackrock US Debt Index Fund	Index	-
<b>Specialty Options</b>			
frirx	Fidelity Advisor Real Estate Income I	Pass	-
fufrx	Franklin Utilities R6	Pass	-
oakbx	Oakmark Equity & Income I	Watch	2018 - Q3
fressv	County Of Fresno Stable Value Fund	Pass	-
<b>Target Date</b>			
grwl15	Great-West Lifetime 2015 Trust	Pass	-
grwl25	Great-West Lifetime 2025 Trust	Pass	-
grwl35	Great-West Lifetime 2035 Trust	Pass	-
grwl45	Great-West Lifetime 2045 Trust	Pass	-
grwl55	Great-West Lifetime 2055 Trust	Pass	-

#### Watch List History

		Current Status	Placed On Watch	Removed From Watch
<b>All Investments</b>				
hfcix	Hennessy Focus Funds Institutional	In Plan	2018 - Q3	-
samzx	Virtus Seix Total Return Bond R6	In Plan	2018 - Q3	-
oakbx	Oakmark Equity & Income I	In Plan	2018 - Q3	-
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
scblx	RidgeWorth Seix Total Return Bond R	In Plan	2013 - Q4	2015 - Q2
nnlex	Nicholas Limited Edition N	In Plan	2013 - Q4	2015 - Q2
gsftx	Columbia Dividend Income Z	In Plan	2013 - Q4	2014 - Q4
oakbx	Oakmark Equity And Income Investor	In Plan	2012 - Q1	2012 - Q3
segsx	Sentinel Government Securities A	Removed	2014 - Q2	2015 - Q2
jmcvx	Perkins Mid Cap Value T	Removed	2013 - Q4	2015 - Q2
msiix	MainStay International Equity I	Removed	2012 - Q4	2015 - Q2
paxix	Pax Balanced Institutional	Removed	2012 - Q4	2013 - Q2
gtavx	Invesco Mid Cap Core Equity R5	Removed	2012 - Q1	2013 - Q2
jmvax	Perkins Mid Cap Value I	Removed	2012 - Q1	2012 - Q3
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



## Item 7 – Exhibit C





At the last DCMC Meeting Northwest Capital Management (NWCM) identified the investment options listed in the table below where recent performance warranted a more in-depth review.

Fund	Ticker	Assets	% of Total	Fund Score	Watch*	Action	Page #
Hennessey Focused	HFCIX	\$5,644,562.44	2.2%	4	3Q18	Yes	2-3
Fidelity Advisor Real Estate	FRIRX	\$972,547.56	0.4%	7		None	5-6
Janus Henderson Small Cap Value	JDSNX	\$1,386,101.92	0.5%	8		None	7-8
Nicholas Limited Edition	NCLEX	\$6,394,964.03	2.5%	6		None	9-10
Oakmark Equity and Income	OAKBX	\$2,228,971.17	0.9%	4	3Q18	Yes	11-12
Templeton Global Bond	FBNRX	\$1,685,163.56	0.7%	7		None	13-14
Virtus Seix Total Return	SAMZX	\$3,666,047.78	1.4%	4	3Q18	Yes	15-16

The review identified three funds (Oakmark Equity and Income, Hennessey Focused, and Virtus Seix Total Return) where NWCM would recommend mapping to an existing investment option or to a new investment product. If acceptable to the DCMC, NWCM would formally present recommendations for these funds at the Q1 2019 DCMC Meeting. Additionally, NWCM would like to clarify if the DCMC would like to maintain sector specific funds, such as Real Estate and Utilities.

\*Date when added to Watchlist

# County of Fresno Hennessy Focus Instl

## Future Action Item

As of 9/30/2018  
Mid-Cap Growth  
**Recommend to place on Watch**

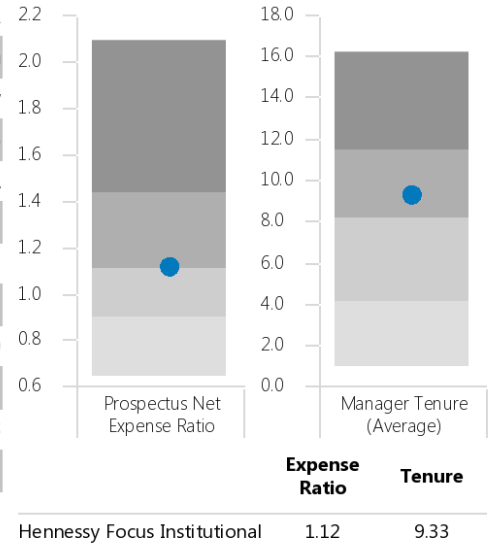
### Fund Management

The fund is led by Brian Macauley, David Rainey, and Ira Rothberg who have been with the fund for 15, 20, and 14 years, respectively. These seasoned managers started with the fund as general analysts under former manager Chuck Akre and have subsequently overseen the fund since his departure in 2009. When Hennessy Advisors acquired the fund in 2012, Macauley, Rainey and Rothberg set up their own firm, Broad Run Investment Management, which serves as the fund's current subadvisor. All three managers continue to split analyst duties with Macauley, investing between \$100,000 - \$500,000, while both Rainey and Rothberg invest between \$500,000 - \$1,000,000.

### Portfolio Information

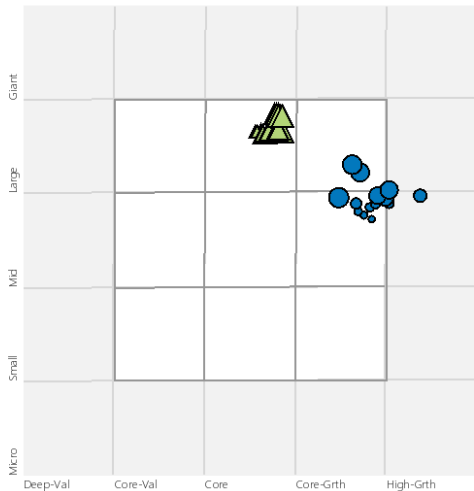
Ticker	HFCIX
Morningstar Category	US Fund Mid-Cap Growth
Firm Name	Hennessy
Firm City	Novato
Firm State or Province	CA
Inception Date	5/30/2008
Fund Size	2,142,502,446.00
% Asset in Top 10 Holdings	78.87
# of Holdings	19
P/E Ratio (TTM)	22.53
Average Market Cap (mil)	15,480.56
Average Eff Duration	—
Average Credit Quality	—

### Relative to Peers



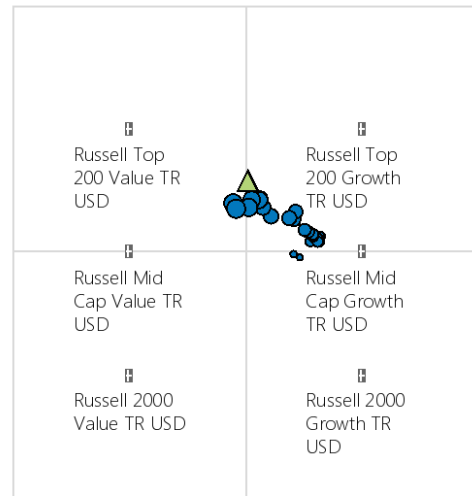
### Holdings-Based Style Trail

Time Period: 10/31/2013 to 9/30/2018



### Returns-Based Style Map

Time Period: 10/1/2013 to 9/30/2018



● Hennessy Focus Institutional

▲ Russell 3000 TR USD

### Process and Philosophy

The focus fund seeks businesses with sustainable competitive advantages, strong balance sheets, and managers that effectively allocate capital. Management then initiates a position when the firm's shares trade at a mid- to upper-teens multiple of owner earnings. Management expects to hold these positions for five to ten years or longer, only selling if fundamentals deteriorate or valuations get extended. This buy-and-hold approach means the fund sticks with winners as they appreciate, landing the portfolio in growth territory, however its \$15.5B avg market cap is still far below the \$59.2B for its Russell 3000 benchmark. The fund is highly concentrated with the portfolio consisting of 20-30 investment ideas, weighted with 60-80% of assets in the top 10 with highest-conviction picks topping out at 10% of the total portfolio.

# County of Fresno Hennessy Focus Instl

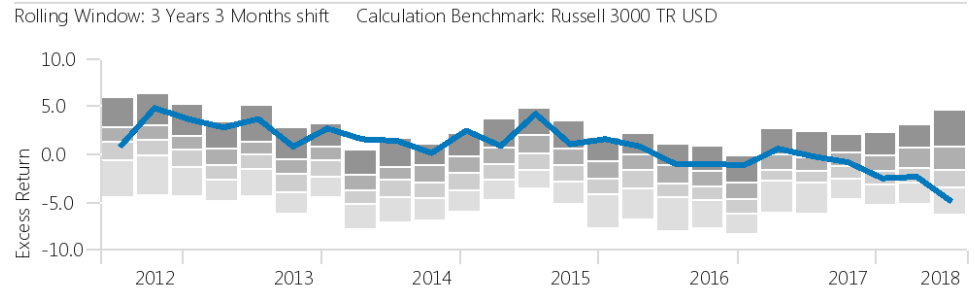
## Future Action Item

As of 9/30/2018  
Mid-Cap Growth  
**Recommend to place on Watch**

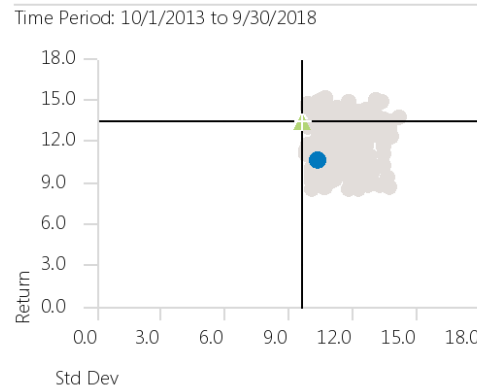
### Performance

Since the three co-managers took over in 2009, the fund's 12.5% annualized return lagged the Russell 3000 by 0.9 percentage points through October 2018. The fund has struggled over the past 12 months, dragged down by underweight positions in technology and communications sectors and overweight positions in real estate. Selection in the real estate sector further hampered performance as NVR and American Woodmark fell 32% and 37% in the trailing 12 months, struggling as interest rates rose and the housing market slowed. On the risk management side, the fund has successfully limited downside capture to 87.9% of the index, even though standard deviation is higher than the index. The focus on companies that can weather various economic cycles has helped the fund outperform its benchmark in down years like 2011 and early 2016, however it has yet to prove itself in a deep bear market under the current team.

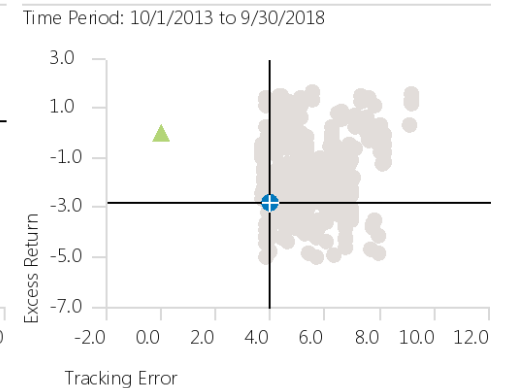
### Rolling Excess Returns



### Return vs. Volatility

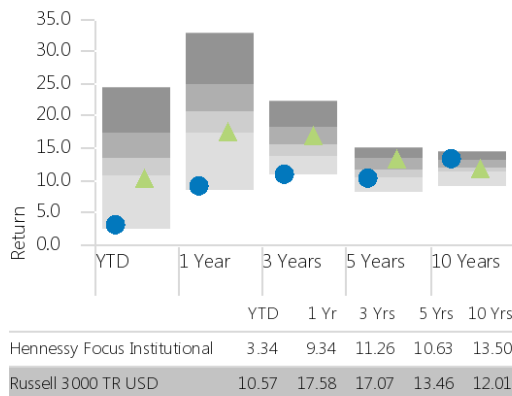


### Excess Return vs. Tracking Error

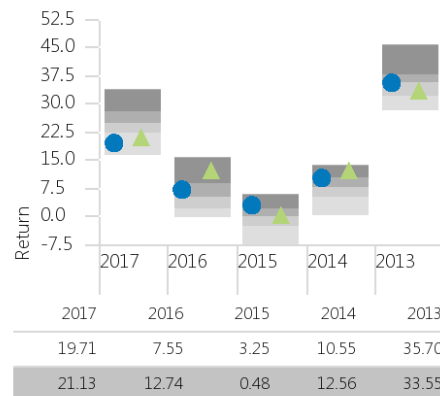


Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
4	6.1	6.2	7.4	8.3	8.0	8.3	8.1	8.2	8.3	8.2

### Trailing Performance



### Calendar Performance



### Summary

This highly concentrated portfolio's conservative philosophy has performed admirably since its inception, excelling as a downside protector in down years. However, avoidance of technology and communications sectors, and overweight's to financials, consumer discretionary, and real estate have hampered performance over the past 12 months. In Q3, the fund dropped to a 4 under our scoring methodology, due to its underperformance. The fund's holdings concentration leads to less diversification benefits for investors. This also leads to increased manager risk making security selection and fund personnel retention paramount. Lastly, the fund's all-cap approach has led to style drift on both a holdings- and returns-based analyses which creates difficult peer comparisons. We are placing this fund on Watch and recommends to propose potential replacements next meeting.

# County of Fresno

## Fidelity Advisor Real Estate

As of 9/30/2018  
Real Estate

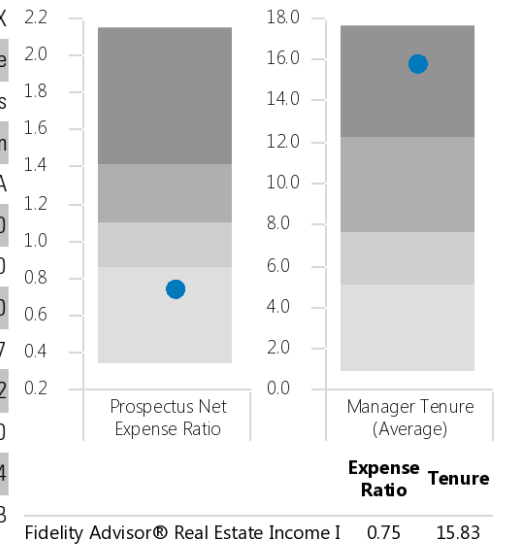
### Fund Management

Mark Snyderman has been the sole listed manager since the fund's February 2003 inception. Snyderman has been in the industry since 1988, and has been with Fidelity since 1994, managing real estate portfolios the entire time. He also manages Fidelity's Strategic Real Return and Real Estate Income funds since their respective inception dates in 2005 and 2011. Snyderman leads Fidelity's seven member high-yield real estate debt team and works closely with the eight-person U.S. real estate securities research team. When needed, he makes use of Fidelity's high yield, investment grade debt, and investment grade CMBS analysts and is further supported by the firm's 180 US & international equity research analyst.

### Portfolio Information

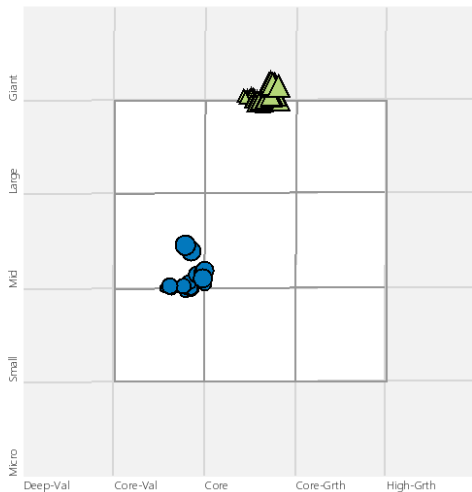
Ticker	FRIRX
Morningstar Category	US Fund Real Estate
Firm Name	Fidelity Investments
Firm City	Boston
Firm State or Province	MA
Inception Date	4/14/2010
Fund Size	5,338,594,461.00
% Asset in Top 10 Holdings	18.60
# of Holdings	547
P/E Ratio (TTM)	24.92
Average Market Cap (mil)	6,760.30
Average Eff Duration	3.14
Average Credit Quality	BB

### Relative to Peers



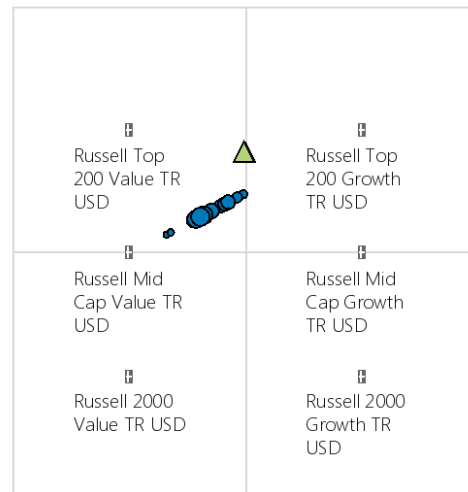
### Holdings-Based Style Trail

Time Period: 10/31/2013 to 9/30/2018



### Returns-Based Style Map

Time Period: 10/1/2013 to 9/30/2018



● Fidelity Advisor® Real Estate Income I

▲ S&P 500 TR USD

### Process and Philosophy

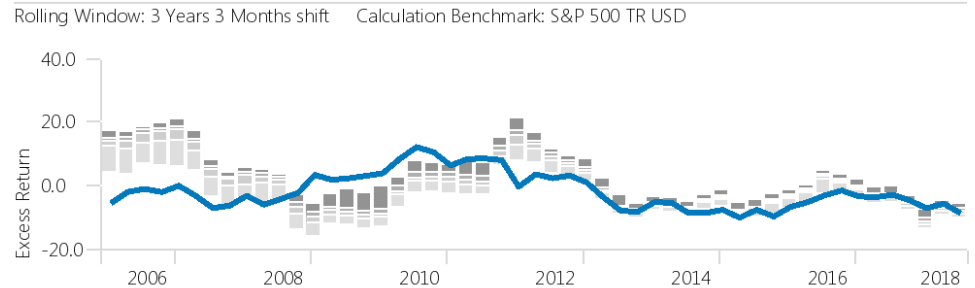
The Real Estate Income fund seeks above-average income and capital growth while limiting interest rate sensitivity. To achieve this, the fund utilizes a flexible strategy investing in a diverse mix of commercial real estate security types, including common stock, preferred stock, corporate bonds, and CMBS. The team tracks all the major real estate companies in the fund's universe and implements fundamental research focused on balance-sheet strength, property quality, cash flows, growth rates, debt/property value, debt yield, and covenants. When a strong company is found, Snyderman determines the most fundamentally attractive security (common stock, preferred stock, bonds, etc.) before deciding how to implement it into the portfolio.

**Performance**

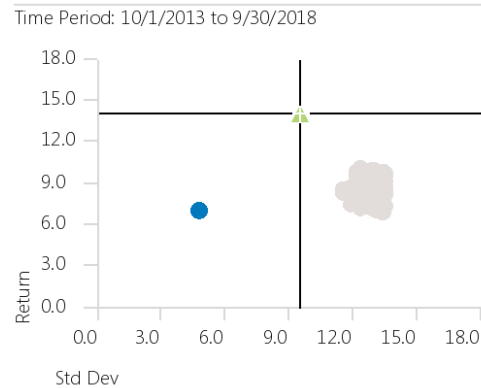
Comparisons with its peers can be difficult, because of the fund's distinctive approach of adding preferred and fixed income securities, in addition to common stocks. However, relative to Fidelity's Real Estate Income Composite Index which consists of 20% real estate common stock, 40% REIT preferred securities, and 40% real estate corporate bonds, the fund has outperformed over the three-, five-, and ten-year periods as of September 30, 2018. Recently, management has found real estate common stocks to be cheap relative to bonds; overweighting these positions has provided a tailwind on recent performance. The fund's inclusion of fixed income and preferred securities has led it to be far less volatile than the average real estate fund, with above average Sharpe and Sortino ratios over the three-, five- and ten-year periods.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
7	6.6	7.9	7.1	6.5	7.2	6.6	6.1	6.1	4.9	4.9

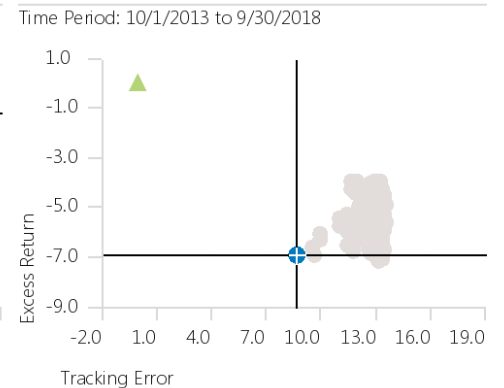
**Rolling Excess Returns**



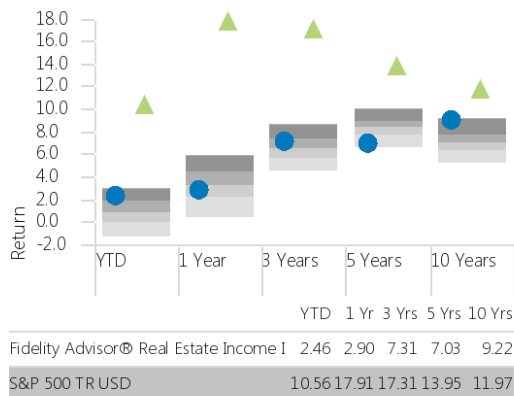
**Return vs. Volatility**



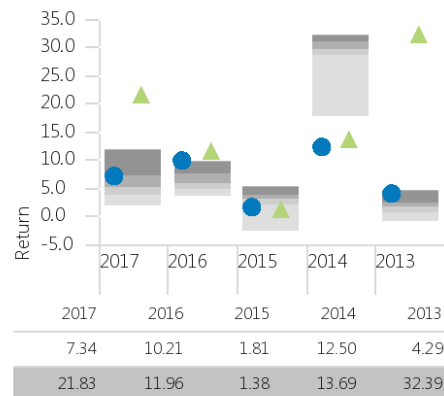
**Excess Return vs. Tracking Error**



**Trailing Performance**



**Calendar Performance**



● Fidelity Advisor® Real Estate Income I    ▲ S&P 500 TR USD

**Summary**

Fidelity Real Estate Income fund continues to successfully execute its distinctive strategy that generates income and capital growth, while limiting volatility with the use of fixed income and preferred securities. Its annualized returns have beaten its custom benchmark since inception in 2003, while standard deviation has been much lower. Overall, the fund continues to score a 7 under our scoring methodology and ranks in the top half of its peer group over the trailing quarter, three- and ten-year periods. Fidelity Advisor Real Estate is a solid option for investors seeking diversified Real Estate exposure.

# Janus Henderson Small Cap Value

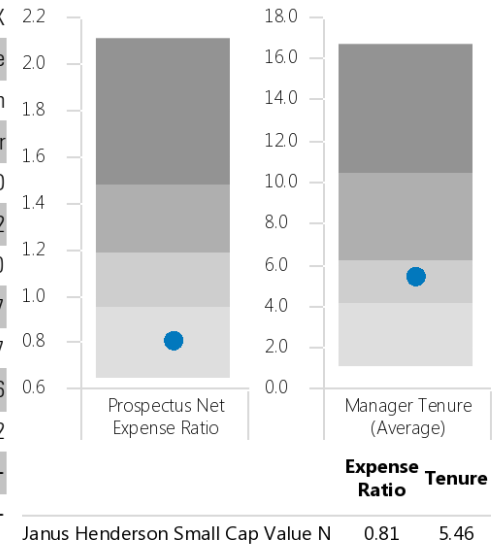
## Fund Management

Firm co-founder Bob Perkins retired in March 2018, leaving the fund to comanagers Justin Tugman and Craig Kemplar who have managed the fund since 2009 and 2017, respectively. Tugman has 18 years of financial industry experience, with previous roles covering energy and utility sectors. Kemplar's background includes roles covering technology, media, telecom and building products. Management has a team of 15 analysts and portfolio managers for support. Despite recent departures of Bob Perkins, Todd Perkins, and Tom Reynolds, the fund's team-based management structure helps lessen key person risk and makes transitions easier.

### Portfolio Information

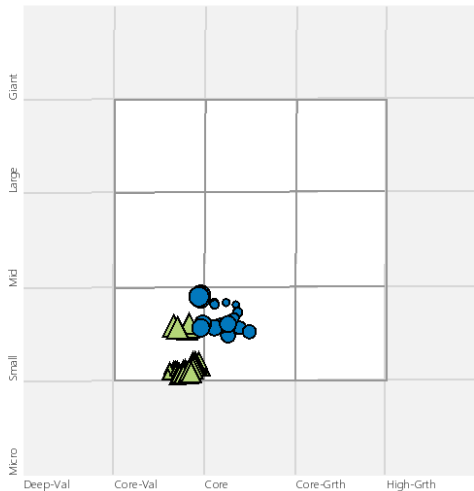
Ticker	JDSNX
Morningstar Category	US Fund Small Value
Firm Name	Janus Henderson
Firm City	Denver
Firm State or Province	CO
Inception Date	5/31/2012
Fund Size	2,865,869,837.00
% Asset in Top 10 Holdings	23.87
# of Holdings	77
P/E Ratio (TTM)	17.36
Average Market Cap (mil)	2,824.22
Average Eff Duration	—
Average Credit Quality	—

### Relative to Peers



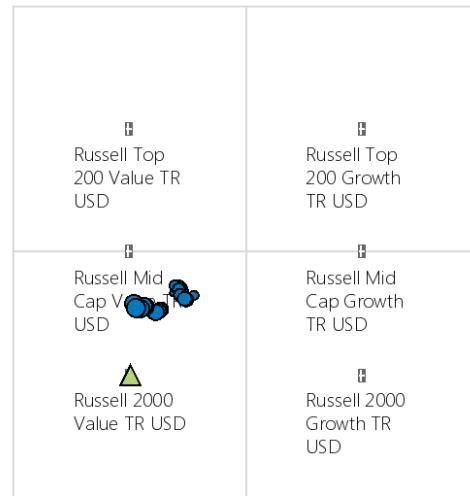
### Holdings-Based Style Trail

Time Period: 10/31/2013 to 9/30/2018



### Returns-Based Style Map

Time Period: 10/1/2013 to 9/30/2018



● Janus Henderson Small Cap Value N

▲ Russell 2000 Value TR USD

## Process and Philosophy

The fund looks to gain exposure to undervalued small-cap companies while minimizing losses and participating in up markets. Management looks for firms with strong free cash flows, reasonable debt levels, and healthy balance sheets, measuring downside risk before upside potential. Typically, the portfolio consists of 60 to 90 stocks and an average market cap in line with its small-cap peers. However, management is not afraid to stray from benchmark sector weightings as they focus on finding companies with high quality metrics as opposed to using the benchmark in portfolio construction.

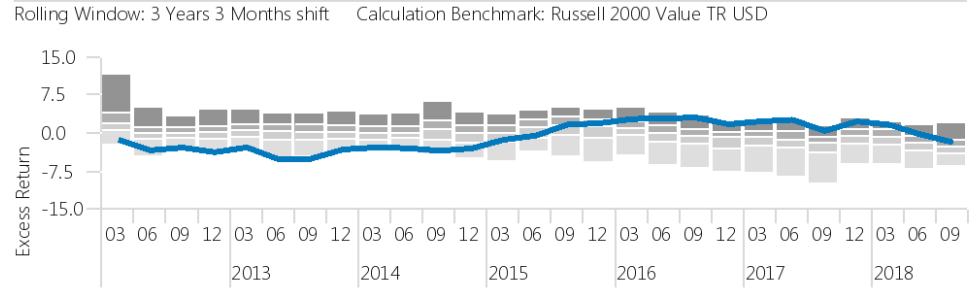
# Janus Henderson Small Cap Value

## Performance

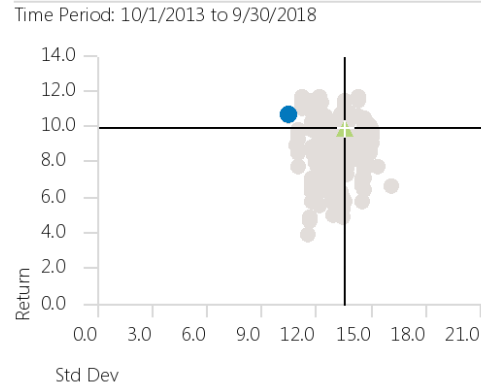
Despite management turnover, performance has remained consistent, beating the Russell 2000 Value Index since its 1987 inception and in the trailing five- and ten-year periods. The fund excelled during the 2007-2009 financial crisis and 2015-2016 small-cap correction, showcasing its downside protection, but has slightly trailed its benchmark during periods of robust markets. Recently, management has found the equity market to be richly valued, with stock selection in consumer discretionary and financials sectors hampering performance. The fund maintains their defensive approach and believes value is in the early stages of improving performance relative to growth.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
8	8.0	8.3	8.4	8.2	8.4	8.2	7.9	7.9	7.9	7.1

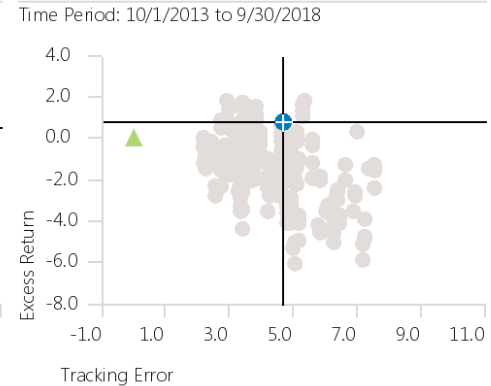
## Rolling Excess Returns



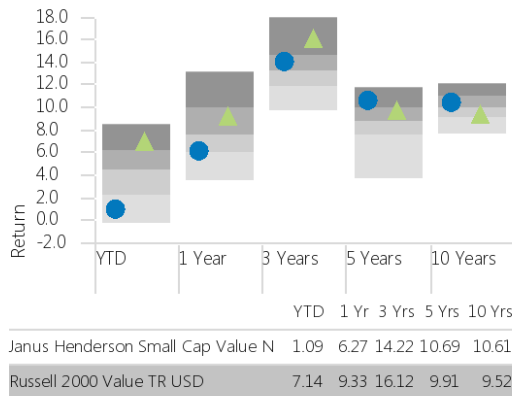
## Return vs. Volatility



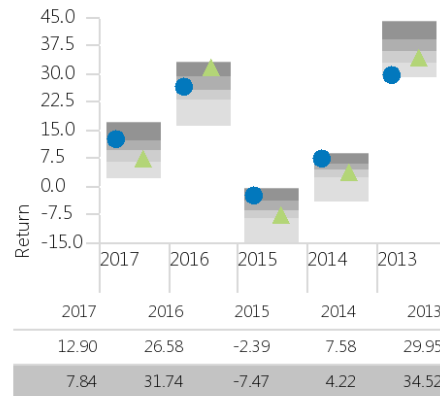
## Excess Return vs. Tracking Error



## Trailing Performance



## Calendar Performance



## Summary

Over the last ten years, the Janus Henderson has had multiple management changes, but remains a consistent performer and executes its goal of limiting downside. In the robust markets of recent years, the fund has underperformed relative to its benchmark, however over the full market cycle, the fund achieves its objectives as a downside protector, while providing excess returns. The fund continues to score an 8 and ranks in the top quartile over the three-, five- and ten-year periods. Janus Henderson Small Cap Value is a good choice for participants seeking strong risk-adjusted returns.

# County of Fresno

## Nicholas Limited Edition

As of 9/30/2018  
Small-Cap Growth

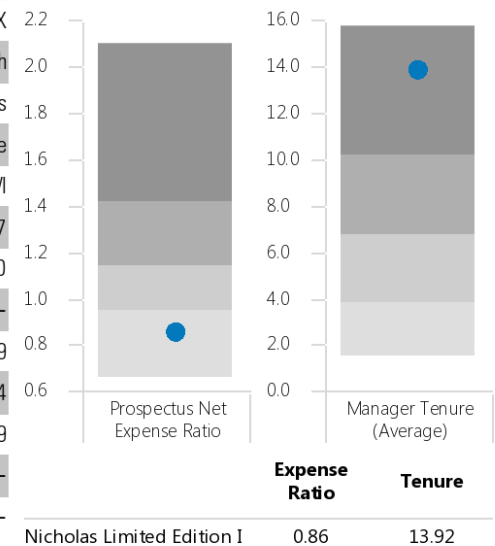
### Fund Management

Nicholas Company, founded in 1967 in Milwaukee, Wisconsin has maintained a consistent investment philosophy since 1967. Current CEO of Nicholas and lead manager, David Nicholas has managed the fund since 1993. He is supported by comanager Neal Dihora who has been with the fund since mid 2015. Together, they are supported by 22 individuals with 9 of those on the investment team. Portfolio managers and analysts have areas of specialty but are free to pursue ideas across industries and market capitalizations.

### Portfolio Information

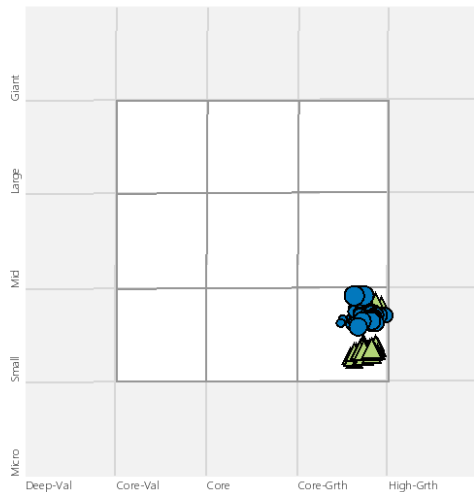
Ticker	NCLEX
Morningstar Category	US Fund Small Growth
Firm Name	Nicholas
Firm City	Milwaukee
Firm State or Province	WI
Inception Date	5/18/1987
Fund Size	428,818,452.00
% Asset in Top 10 Holdings	—
# of Holdings	79
P/E Ratio (TTM)	22.94
Average Market Cap (mil)	2,649.59
Average Eff Duration	—
Average Credit Quality	—

### Relative to Peers



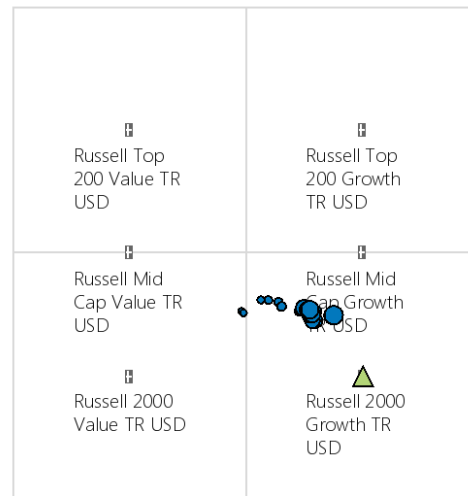
### Holdings-Based Style Trail

Time Period: 10/31/2013 to 9/30/2018



### Returns-Based Style Map

Time Period: 10/1/2013 to 9/30/2018



● Nicholas Limited Edition I

▲ Russell 2000 Growth TR USD

### Process and Philosophy

Nicholas Company seeks to generate high, risk adjusted returns and maintains this philosophy across their universe of funds. The Nicholas Limited Edition fund focuses on smaller sized growth companies with market cap less than \$3B at the time of purchase. Taking a long-term approach, the fund focuses on acquiring high quality, sustainable businesses at reasonable valuations using bottom-up fundamental analysis. Nicholas identifies companies with sustainable competitive advantages, superior business models, and a competent management team. Formal presentations are then made on potential stocks for the investment team to review and discuss during weekly research meetings. Portfolio managers are the final decision maker on buy/sell decisions. The fund generally owns a diversified portfolio of 75-100 stocks with position sizes ranging between 0.50% to 3%.



# County of Fresno Nicholas Limited Edition

As of 9/30/2018  
Small-Cap Growth

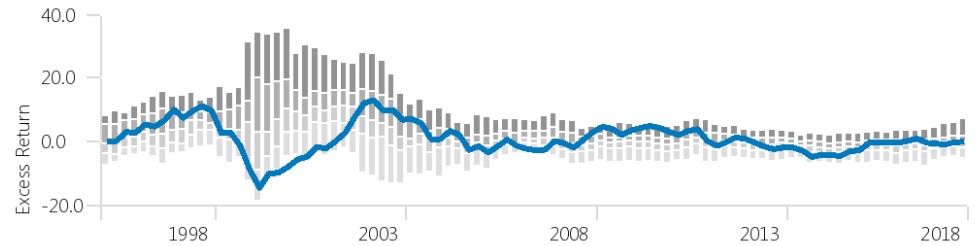
## Performance

Long-term performance of the fund has been in line with the benchmark while having much less volatility, minimizing down capture without removing too much up capture in robust markets. The fund continues to hold mid-cap companies and maintains an average market cap of \$3.7B while the benchmark's average market cap is \$2.4B. Over the trailing year, this has detracted from performance, however, mid-caps have performed strongly in Q3 providing a recent tailwind to performance.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
6	6.1	5.8	6.4	7.1	7.4	7.1	6.7	6.7	7.5	7.5

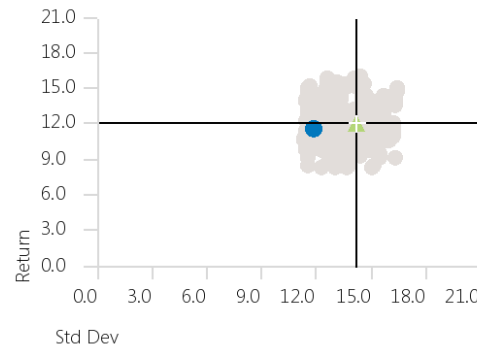
## Rolling Excess Returns

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 2000 Growth TR USD



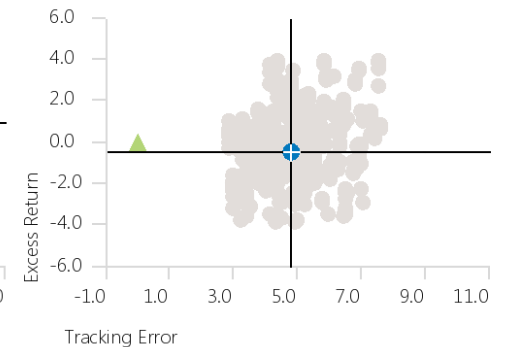
## Return vs. Volatility

Time Period: 10/1/2013 to 9/30/2018

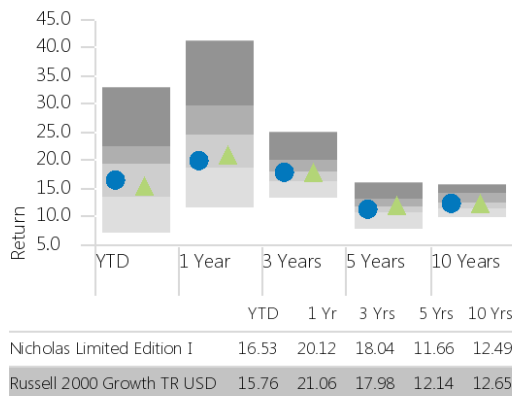


## Excess Return vs. Tracking Error

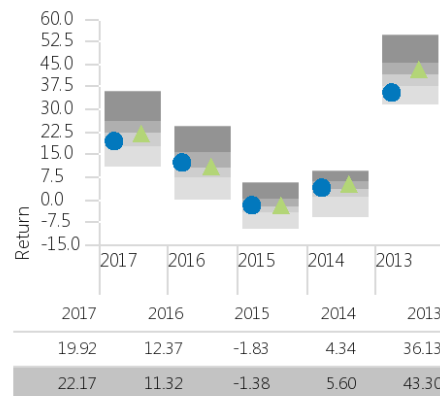
Time Period: 10/1/2013 to 9/30/2018



## Trailing Performance



## Calendar Performance



● Nicholas Limited Edition I

▲ Russell 2000 Growth TR USD

## Summary

Nicholas Limited Edition's strengths come from its small team that employs a consistent and durable investment philosophy and investment process throughout the company. The fund utilizes bottom-up, fundamental research to find small-sized, high quality companies and holds them for the long-term. This has proved successful in minimizing volatility while keeping up with its benchmark and peers. The fund continues to score a 6 under our scoring methodology, however with its conservative approach, it ranks in the bottom half of its peer group over the one-, five-, and ten-year periods. While the quality bias can constrain returns in momentum-driven markets, the fund's long-term investment focus has generated strong returns over longer periods, making this a sound choice for investors seeking small-cap growth exposure in their investment portfolio.

# County of Fresno Oakmark Equity And Income

## Future Action Item

As of 9/30/2018  
Allocation – 50% to 70% Equity  
**Recommend to place on Watch**

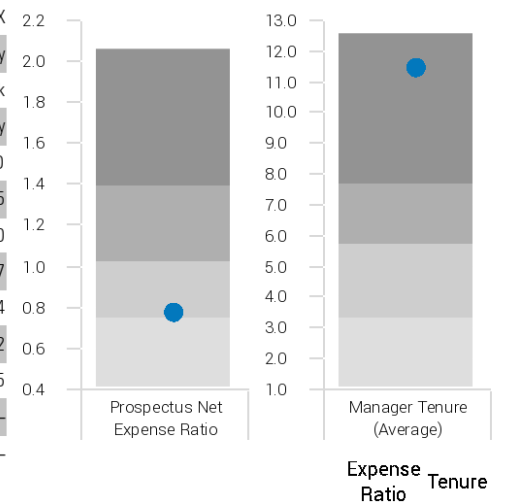
### Fund Management

Long-term manager, Clyde McGregor has run this fund since its 1995 inception. Since 2013, former domestic-equity analysts, Colin Hudson, Matt Logan and director of fixed income Edward Wojciechowski have joined McGregor as comanagers of the fund. Despite Logan leaving in 2016, Hudson and Wojciechowski have an average 20 years of investment experience. A team of 13 portfolio managers and analysts supports the three managers at the helm. The fixed-income resources have historically been lacking, however there is much overlap between the approved list of stocks and credit names.

### Portfolio Information

Ticker	OAKBX
Morningstar Category	US Fund Allocation-50% to 70% Equity
Firm Name	Oakmark
Firm City	Kansas City
Firm State or Province	MO
Inception Date	11/1/1995
Fund Size	13,896,712,715.00
% Asset in Top 10 Holdings	31.67
# of Holdings	344
P/E Ratio (TTM)	18.82
Average Market Cap (mil)	51,997.95
Average Eff Duration	—
Average Credit Quality	—

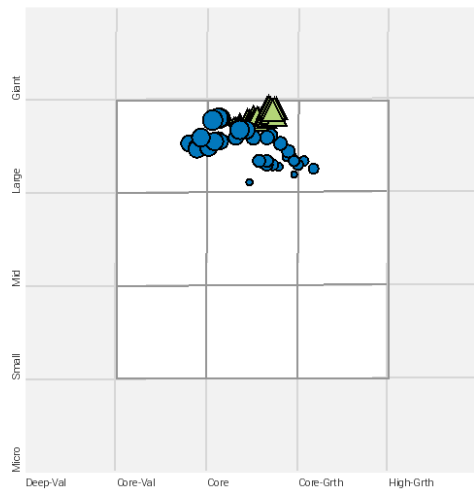
### Relative to Peers



Oakmark Equity And Income Investor 0.78 11.47

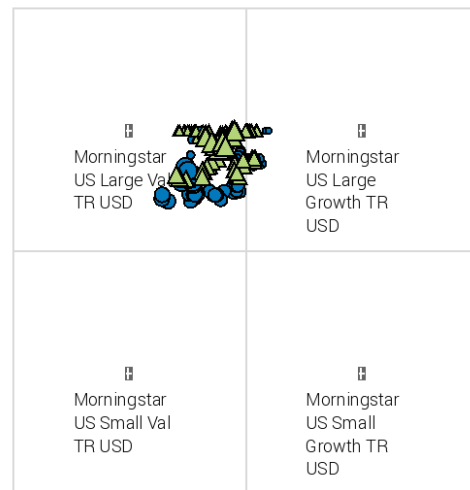
### Holdings-Based Style Trail

Time Period: 12/31/2008 to 9/30/2018



### Returns-Based Style Map

Time Period: 10/1/2008 to 9/30/2018



● Oakmark Equity And Income Investor

▲ DJ Moderate TR USD

### Process and Philosophy

The fund seeks income, preservation, and growth of capital, investing in both common stock and debt securities. The equity sleeve of the portfolio can compromise up to 75% of assets and focuses on stocks priced substantially below the estimated intrinsic value. Beginning from a list of approved stocks that Oakmark uses firmwide, the team buys companies who's share prices reflect discounts to their estimated values using a multitude of valuation techniques. Eyeing a long-term horizon, the equity sleeve is generally compact with roughly 40-60 holdings. Bonds can constitute up to 60% of assets in the portfolio with up to 20% in high yield and up to double digits in cash if opportunities are scarce.

# County of Fresno Oakmark Equity And Income

## Future Action Item

As of 9/30/2018  
Allocation – 50% to 70% Equity  
**Recommend to place on Watch**

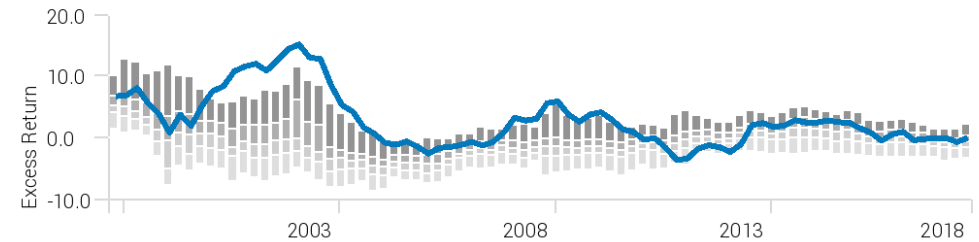
### Performance

The fund has outperformed over the long-term on a total return and risk-adjusted basis relative to its peers. Success has come from gathering up capture in robust markets, while minimizing down capture in down markets. Over the past several years, arguments have been made that favor growth to value investing, however management maintains their conviction in value and believes that opportunities are available. This has dampened performance over the past 12 months. Further detractors came from selection of GM, Philip Morris International, and Lear. On the fixed income side, Oakmark holds more corporates than the benchmark, but have recently improved the credit quality from BBB to A. The fund has no exposure to long term credit which has been a positive contributor so far in the interest rate cycle.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
4	5.0	6.0	6.5	6.7	6.2	6.3	6.3	5.4	5.3	7.1

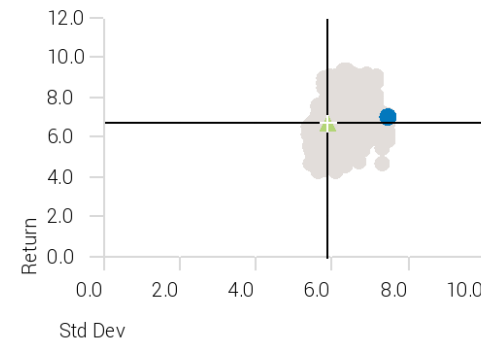
### Rolling Excess Returns

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: DJ Moderate TR USD



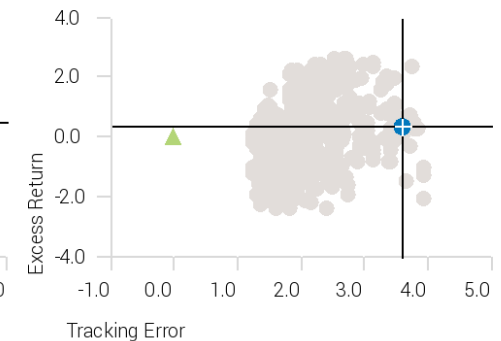
### Return vs. Volatility

Time Period: 10/1/2013 to 9/30/2018

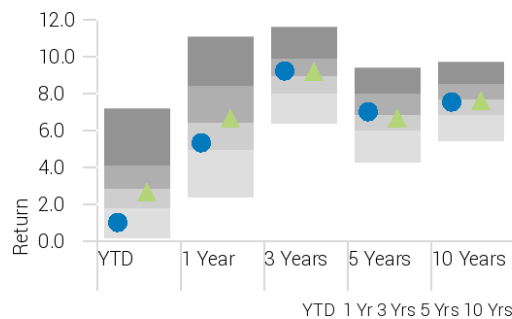


### Excess Return vs. Tracking Error

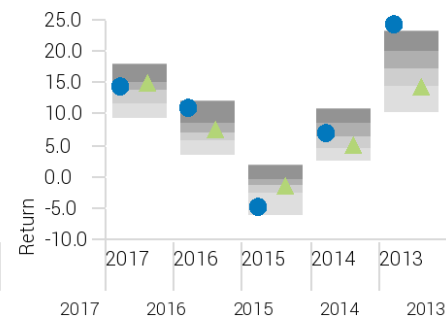
Time Period: 10/1/2013 to 9/30/2018



### Trailing Performance



### Calendar Performance



	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Oakmark Equity And Income Investor	1.03	5.29	9.22	6.99	7.51
DJ Moderate TR USD	2.70	6.73	9.25	6.68	7.62

● Oakmark Equity And Income Investor

▲ DJ Moderate TR USD

	2017	2016	2015	2014	2013
Oakmark Equity And Income Investor	14.46	10.97	-4.60	6.93	24.25
DJ Moderate TR USD	15.15	7.67	-1.21	5.35	14.46

### Summary

Oakmark Equity and Income has strong managers at the helm, led by Clyde McGregor. Their repeatable approach utilizing fundamentally vetted stocks has proven successful over the long-term. The fund's allocations are a bi-product of where the team finds values, giving it a distinct profile with recent overweight positions in Healthcare, Financials, and Automotive sectors. The fixed income resources have been lacking in the past, however overlapping stock holdings with corporate debt holdings has created efficiencies for the management of the fund. In Q3 2018, the fund dropped to a 4 under our scoring methodology, placing it on watch. Oakmark continues to rank in the top half of its peer group over the trailing three- and five-year periods. We recommend to propose an action plan at the following meeting.

# County of Fresno Templeton Global Bond

As of 9/30/2018  
World Bond

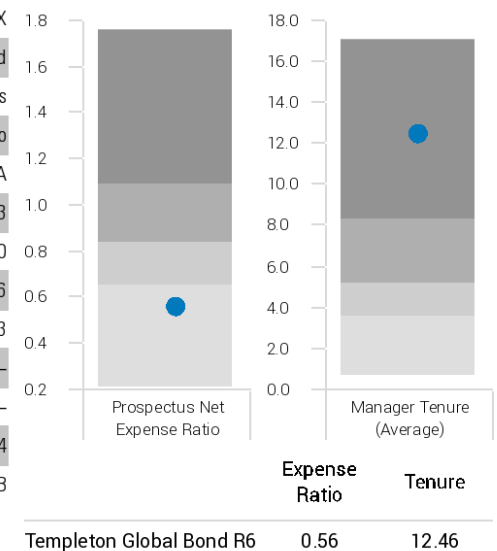
## Fund Management

Since 2011, the fund has been managed by Michael Hasenstab and Sonal Desai who together have over 30 years of experience in the industry. However at the end of 2018, Sonal Desai will be leaving the fund to take over as CIO of the firm's fixed-income group. Macro-researcher, Calvin Ho will take over for Sonal Desai and join Michael Hasenstab at the helm. Hasenstab and Ho are supported by a six-member analyst team who average nine years experience. The team is further supported by five dedicated traders, and three risk-management professionals.

## Portfolio Information

Ticker	FBNRX
Morningstar Category	US Fund World Bond
Firm Name	Franklin Templeton Investments
Firm City	San Mateo
Firm State or Province	CA
Inception Date	5/1/2013
Fund Size	35,149,625,209.00
% Asset in Top 10 Holdings	29.66
# of Holdings	143
P/E Ratio (TTM)	—
Average Market Cap (mil)	—
Average Eff Duration	-1.34
Average Credit Quality	BB

## Relative to Peers



## Style Box

Portfolio Date: 7/31/2018

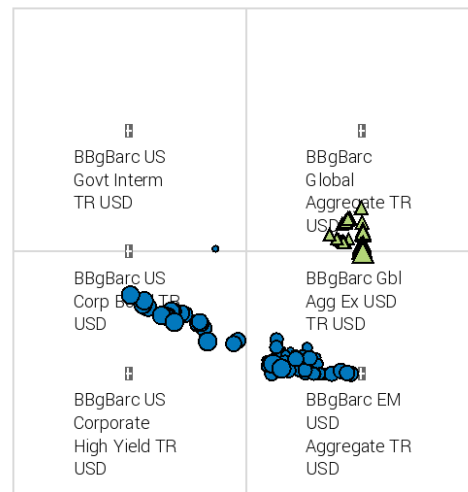
Morningstar Fixed Income Style Box™

Fixed-Income Stats	
Average Eff Duration	-1.3
Average Eff Maturity	2.9
Average Coupon	8.8
Average Price	-

Not Available

## Returns-Based Style Map

Time Period: 10/1/2008 to 9/30/2018



● Templeton Global Bond R6

▲ FTSE WGBI NonUSD USD

## Process and Philosophy

The fund seeks current income with capital appreciation and growth of income, by investing at least 80% of its assets in bonds of governments, government entities, and government agencies, regularly utilizing derivative instruments. Management takes a contrarian view finding opportunities early on using fundamental research with feedback from local market participants. Research focuses on rigorous country analysis to identify economic imbalances leading to opportunities. The fund takes advantage of these through currency shorts providing a ballast when emerging-markets currencies sell off. The team has also kept duration low as they view that the market underappreciates inflation. The use of these top-down themes, differentiates this fund from its peers.

# County of Fresno

## Templeton Global Bond

As of 9/30/2018  
World Bond

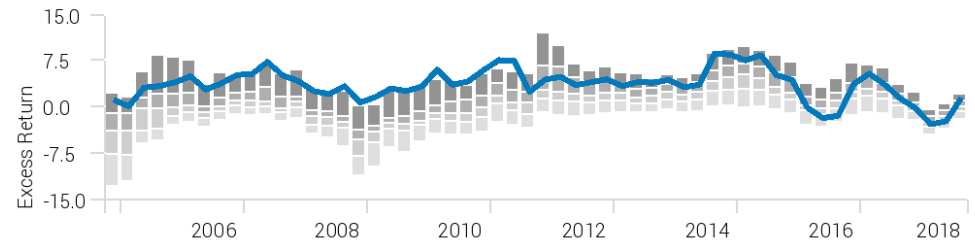
### Performance

Over the long-term, Hasenstab's contrarian approach and his utilization of sovereign credit and currencies has benefited the fund. However, during risk-adverse markets such as 2011, and 2015-2016, the fund struggled, hampered by emerging markets rate and currency risk. The focus on emerging-market countries has helped performance, however volatility has been higher than two-thirds of its peers. Because management uses a benchmark-agnostic approach, the fund itself has tracking error making it difficult to compare to its peers and benchmark. Recent currency deprecation relative to the US dollar has benefitted performance and management continues to believe that emerging markets are undervalued and provide ample opportunities.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
7	5.2	5.6	6.3	6.9	7.2	7.6	7.3	5.0	3.2	6.4

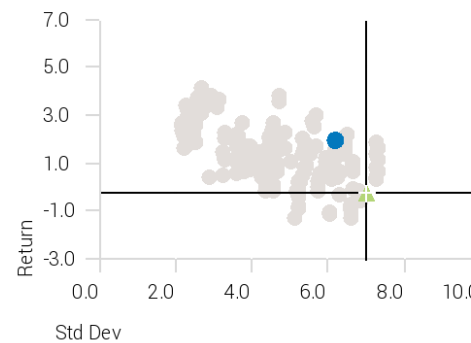
### Rolling Excess Returns

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: FTSE WGBI NonUSD USD



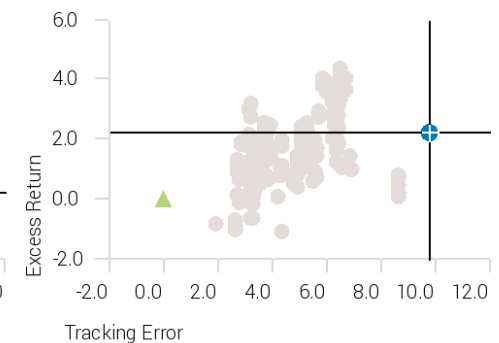
### Return vs. Volatility

Time Period: 10/1/2013 to 9/30/2018

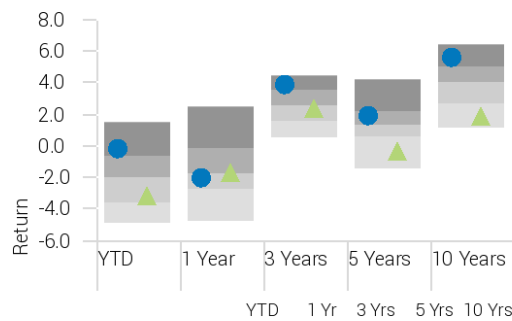


### Excess Return vs. Tracking Error

Time Period: 10/1/2013 to 9/30/2018

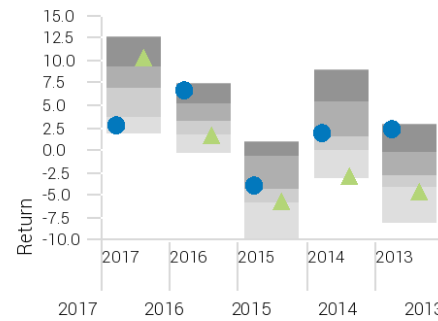


### Trailing Performance



	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Templeton Global Bond R6	-0.18	-1.95	3.87	1.98	5.68
FTSE WGBI NonUSD USD	-3.09	-1.57	2.39	-0.23	1.99

### Calendar Performance



	2017	2016	2015	2014	2013
Templeton Global Bond R6	2.79	6.78	-3.91	1.97	2.36
FTSE WGBI NonUSD USD	10.33	1.81	-5.54	-2.68	-4.56

● Templeton Global Bond R6

▲ FTSE WGBI NonUSD USD

### Summary

Templeton Global Bond has extra tools in its arsenal that differentiates it from its peers and benchmark. It has been able to outperform its benchmark over the long-term, but it has ample tracking error and volatility. The fund has delivered over the long-haul, but the contrarian style relies heavily on management and their supporting teams to find opportunities and make accurate decisions. The fund now scores a 7 and ranks in the top quartile over the trailing quarter, three-, and ten-year periods. The Templeton Global Bond Fund is a solid option for investors seeking diversified global fixed income exposure.

# County of Fresno Virtus Seix Total Return Bond

## Future Action Item

As of 9/30/2018  
Intermediate-Term Bond  
**Recommend to place on Watch**

### Fund Management

Located in Greenfield, MA, Seix Investment Advisors have focused exclusively on managing fixed income securities since 1992. The fund takes a team-based approach to management with Perry Troisi, Michael Rieger, Seth Antiles, James Keegan, Carlos Catoya, and Jonathan Yozzo all managing the fund. Together they average over nine years of experience with Perry Troisi being the longest serving manager at 17 years.

Virtus closed on its acquisition of RidgeWorth (the former owner of Seix Investment Advisors) in mid-2018, and so far, the investment teams operate independent while Virtus handles back-office operations. The acquisition appears to have had minimal impact and the team has generally been stable. However, any transition calls for some concern and Virtus' prior SEC compliance issues and subadvisor churn reinforces that sentiment. In November 2015, Virtus reached a settlement with the SEC, which concluded Virtus inadequately supported its marketing off a subadvisors falsified performance record. Additionally, the list of subadvisors has changed over the years, as the firm has launched, merged, and liquidated mutual funds along the way.

### Style Box

Portfolio Date: 10/31/2018

Morningstar Fixed Income Style Box™



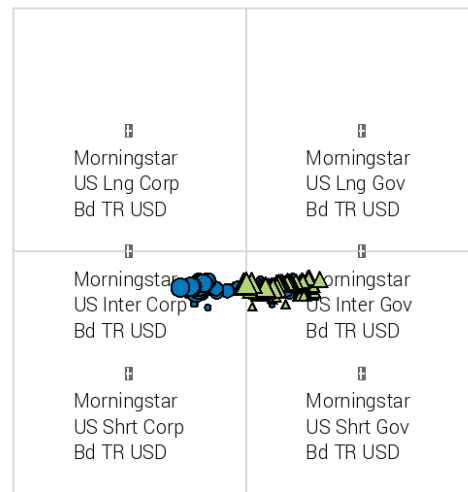
#### Fixed-Income Stats

Average Eff Duration	6.0
Average Eff Maturity	9.4
Average Coupon	2.9
Average Price	97.7

Ltd Mod Ext

### Returns-Based Style Map

Time Period: 10/1/2008 to 9/30/2018



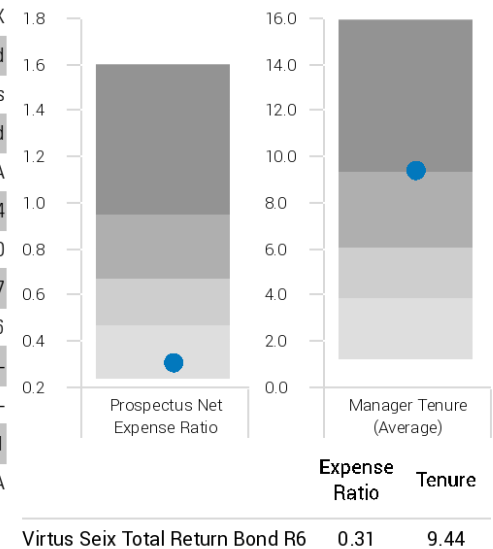
● Virtus Seix Total Return Bond R6

▲ BBgBarc US Agg Bond TR USD

### Portfolio Information

Ticker	SAMZX
Morningstar Category	US Fund Intermediate-Term Bond
Firm Name	Virtus
Firm City	Greenfield
Firm State or Province	MA
Inception Date	8/1/2014
Fund Size	453,046,360.00
% Asset in Top 10 Holdings	60.07
# of Holdings	136
P/E Ratio (TTM)	—
Average Market Cap (mil)	—
Average Eff Duration	6.01
Average Credit Quality	AA

### Relative to Peers



### Process and Philosophy

The fund seeks to maximize total return through a combination of current income and capital appreciation by investing in a diversified bond portfolio, including corporate bonds, asset-backed securities, mortgage-backed securities, U.S. Treasuries, government agency debentures, and floating rate loans. Seix takes a hybrid approach utilizing both bottom-up and top-down analysis, seeking to provide superior risk-adjusted returns over the full market cycle. The fund generally maintains a portfolio of 100-200 holdings, with a majority of the assets in the top 10 holdings.

The team searches for securities that appear misrated by the ratings agencies and are showing improvement in their underlying credit metrics or strong underlying asset value. It searches for companies with improving cash flows, strong management teams, access to liquidity, and attractive competitive positions.

# County of Fresno Virtus Seix Total Return Bond

## Future Action Item

As of 9/30/2018  
Intermediate-Term Bond  
**Recommend to place on Watch**

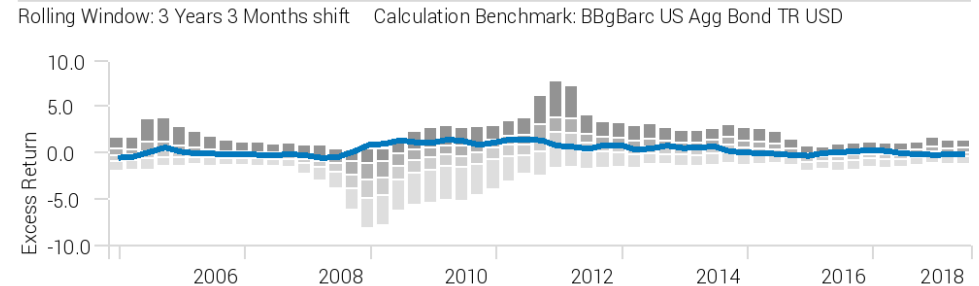
### Performance

Over the full market cycle, the fund has slightly outperformed the Barclays Aggregate US Bond. However during the recovery period in the past three and five years, the fund has struggled to keep up with the benchmark as it maintains an average credit rating of AA, missing out on the performance of investment grade and high yield corporate bonds.

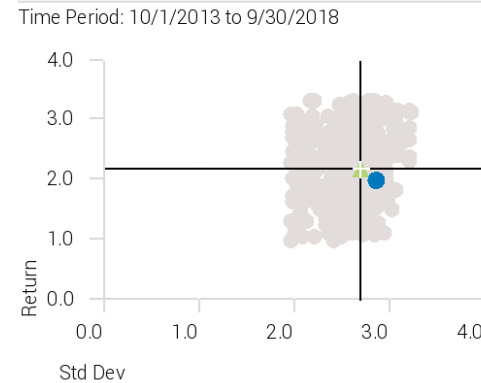
Security selection has been the primary contributor to relative performance with top-down positioning detracting. The fund's long-term record remains strong. From its Portfolio Managers Jan 2002 inception through September 2018, its 4.22% annualized return outpaced the median peer's 4.15% and the fund's volatility (as measured by standard deviation) was well below average, resulting in its Sharpe ratio to land in the top quartile.

Fund Scores										
3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
4	5.3	5.4	5.5	6.0	6.3	6.5	6.3	6.1	6.6	6.8

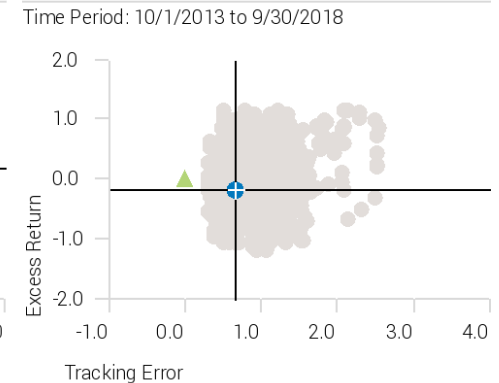
### Rolling Excess Returns



### Return vs. Volatility



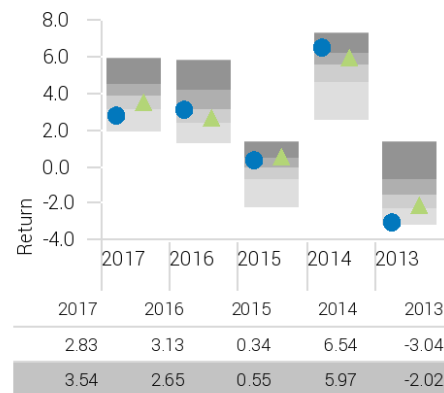
### Excess Return vs. Tracking Error



### Trailing Performance



### Calendar Performance



Virtus Seix Total Return Bond R6	-2.25	-2.32	1.00	1.98	4.19	2.83	3.13	0.34	6.54	-3.04
BBgBarc US Agg Bond TR USD	-1.60	-1.22	1.31	2.16	3.77	3.54	2.65	0.55	5.97	-2.02

● Virtus Seix Total Return Bond R6 ▲ BBgBarc US Agg Bond TR USD

### Summary

Virtus Seix Total Return Bond fund attempts to maximize total return and provide superior risk-adjusted returns over a full market cycle. Since the financial crisis, the fund has been conservative, and poor top-down bets have caused the fund to fall behind its benchmark in returns and risk-adjusted returns. Under our scoring methodology, the fund dropped to a score of 4 in Q3, placing it on watch. It now ranks in the bottom quartile of its peer group over the trailing quarter and one-year periods. We are placing this fund on Watch and recommend to propose potential replacements next meeting.

# County of Fresno

## Glossary of Analytical Terms

---

**Alpha:** The difference between a portfolio's actual return and the return of a benchmark portfolio. It represents the excess return generated by the portfolio manager's investment decisions.

**Annual Turnover:** The percentage of a portfolio's assets that are sold and replaced over the course of a year. It is calculated as the absolute value of the difference between the portfolio's beginning and ending holdings, divided by the average portfolio value over the period.

**Batting Average:** A measure of a portfolio's performance relative to a benchmark, expressed as a percentage. It is calculated as the ratio of the portfolio's return to the benchmark's return over a specified period.

**Beta:** A measure of a portfolio's sensitivity to market movements. It is calculated as the covariance between the portfolio's returns and the returns of a benchmark portfolio, divided by the variance of the benchmark's returns.

**Capture Ratios:** A measure of a portfolio's ability to capture the returns of a benchmark portfolio. It is calculated as the ratio of the portfolio's return to the benchmark's return, adjusted for the portfolio's beta. A capture ratio of 100% indicates that the portfolio is perfectly capturing the benchmark's returns.

**Excess (Performance) Return:** The difference between a portfolio's return and the return of a benchmark portfolio. It represents the additional return generated by the portfolio manager's investment decisions.

**Holdings-Based Style Analysis:** A "bottom-up" approach to style analysis that focuses on the individual holdings of a portfolio. It involves identifying the characteristics of the individual holdings and aggregating them to determine the overall style of the portfolio.

**Information Ratio:** A measure of a portfolio's performance relative to a benchmark, adjusted for the portfolio's risk. It is calculated as the ratio of the portfolio's excess return to its tracking error.

**Loss Deviation:** A measure of a portfolio's risk, expressed as a percentage. It represents the standard deviation of the portfolio's returns, adjusted for the portfolio's beta.

**R2:** A measure of a portfolio's performance relative to a benchmark, expressed as a percentage. It represents the coefficient of determination, which indicates the proportion of the portfolio's return variance that is explained by the benchmark's return variance.

**Sharpe Ratio:** A measure of a portfolio's performance relative to a benchmark, adjusted for the portfolio's risk. It is calculated as the ratio of the portfolio's excess return to its standard deviation.

**Standard Deviation:** A measure of a portfolio's risk, expressed as a percentage. It represents the standard deviation of the portfolio's returns.

**Return-Based Style Analysis:** A "top-down" approach to style analysis that focuses on the overall returns of a portfolio. It involves identifying the characteristics of the portfolio's returns and determining the underlying style factors that explain the returns.

**Tracking Error:** A measure of a portfolio's risk, expressed as a percentage. It represents the standard deviation of the portfolio's excess returns.



# ITEM 8



# Fresno County

## 457 Deferred Compensation Plan

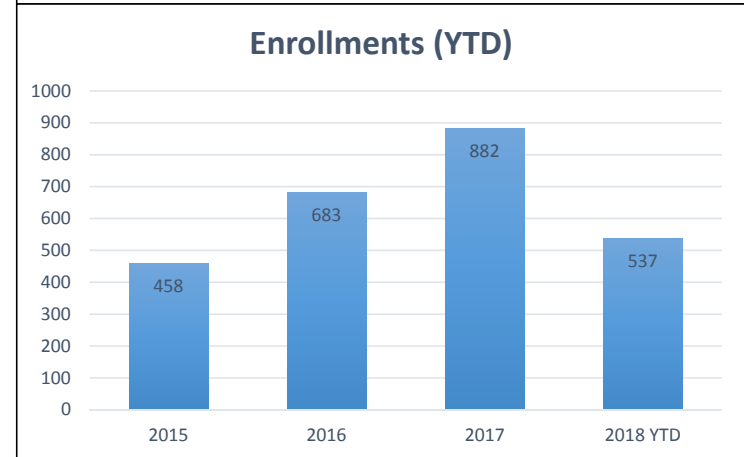
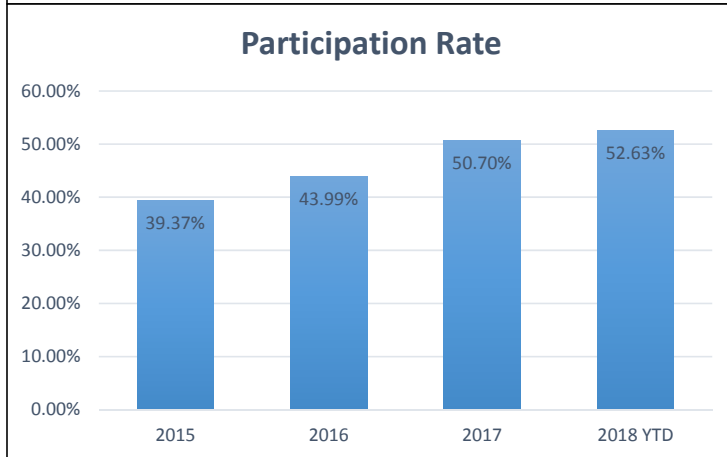
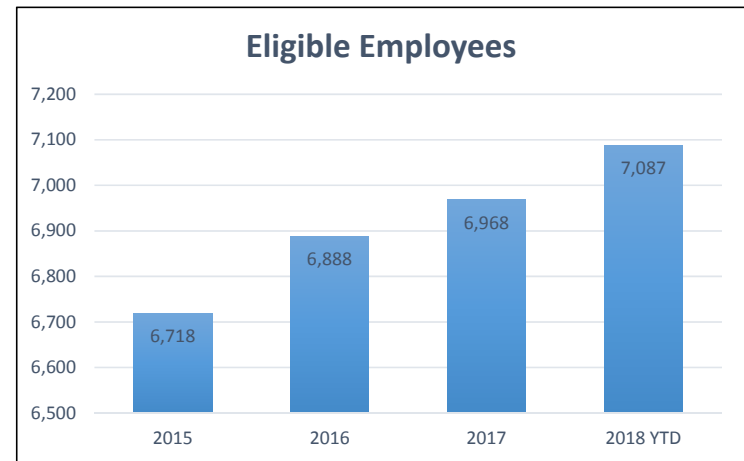
Quarterly Dashboard – September 30, 2018



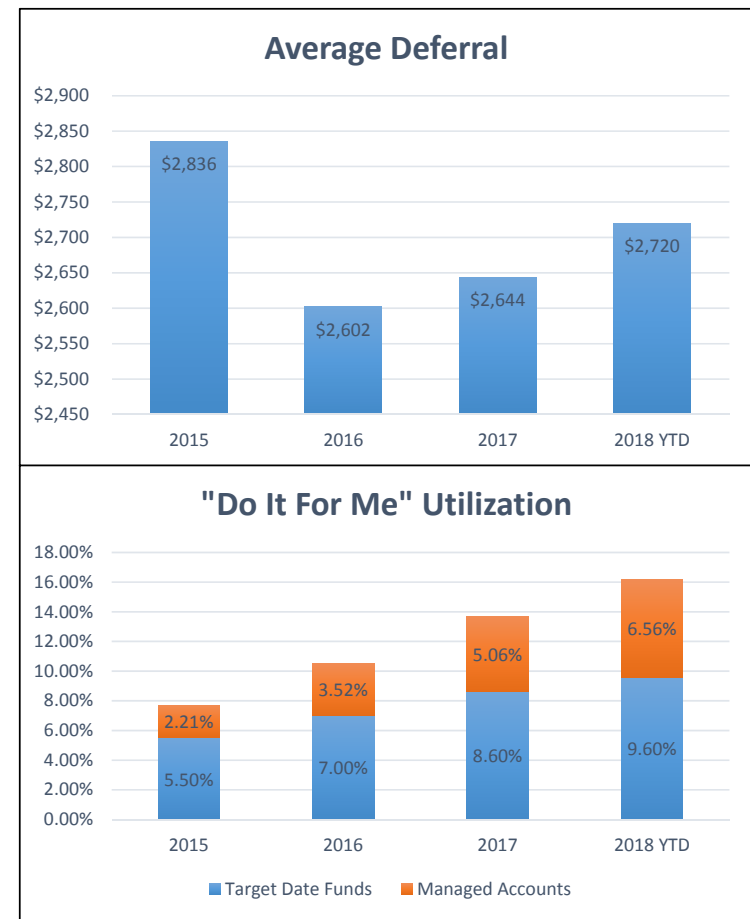
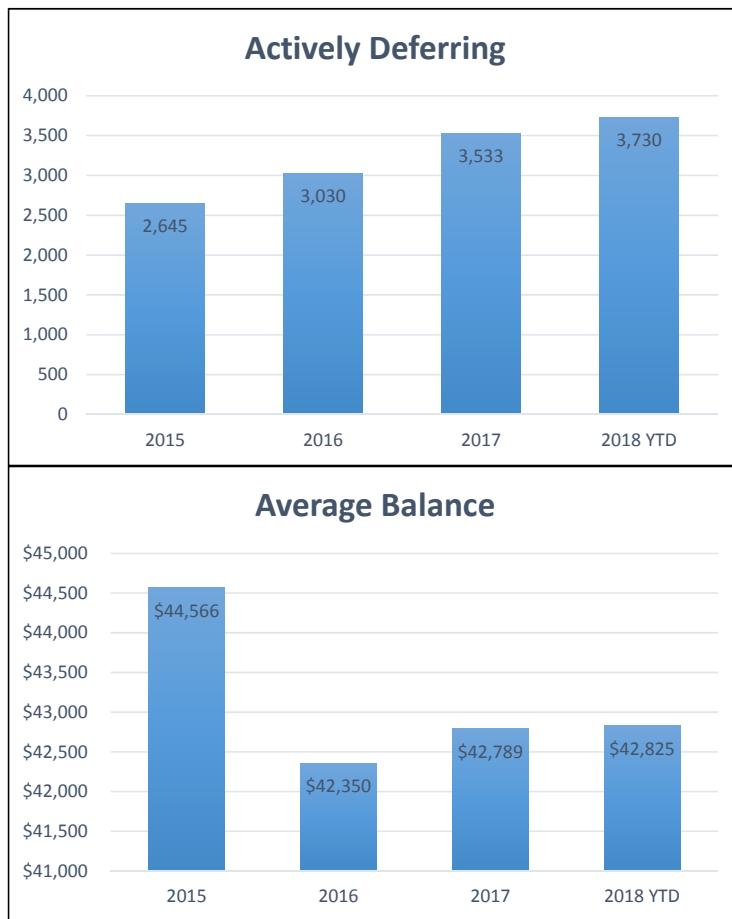
# TABLE OF CONTENTS

<b>Section 1</b>	Executive Summary
<b>Section 2</b>	Retirement Readiness
<b>Section 3</b>	Gauging Success Report
<b>Section 4</b>	Explicit Asset Fee Summary
<b>Section 5</b>	Fee Normalization Calculation

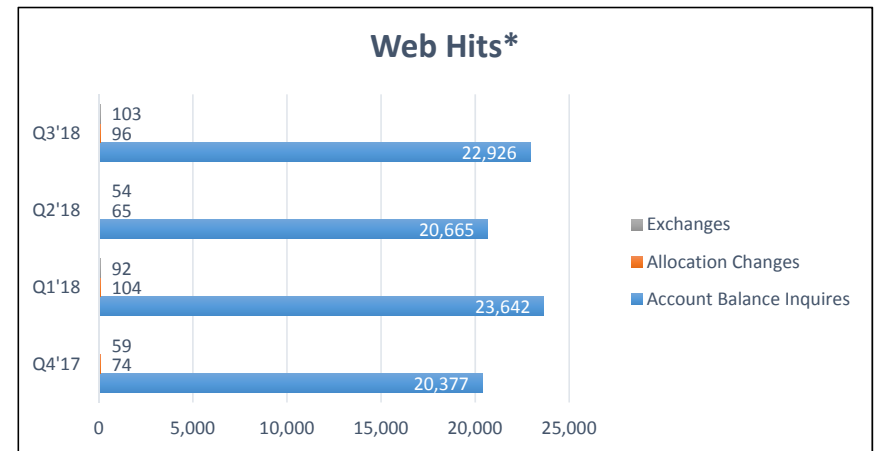
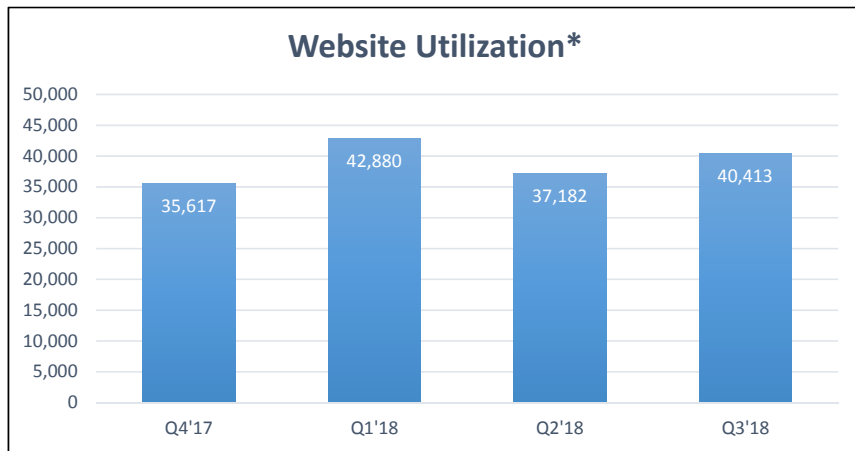
# Section 1 Executive Summary



# 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 2 Retirement Readiness



# Fresno County, CA Nationwide® Retirement Readiness Report

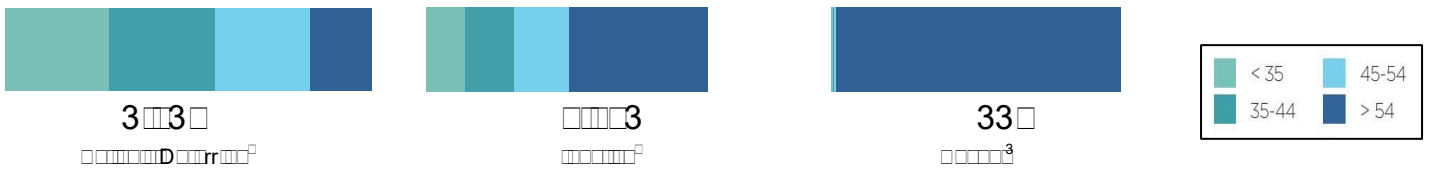
Plan-level summary of all participants' retirement readiness  
Q3 2018

Placeholder text for a chart or figure.

Placeholder text for a chart or figure.

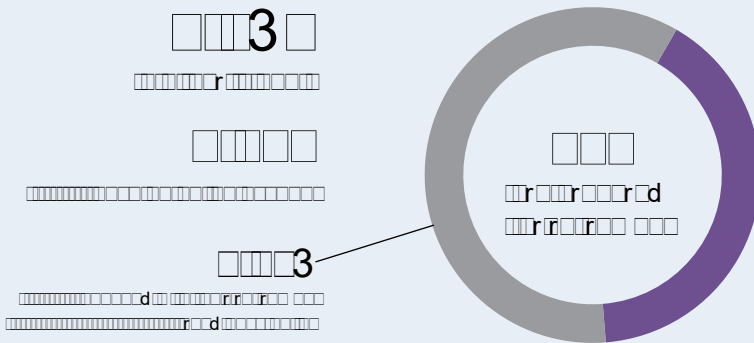
Placeholder text for a chart or figure.

What is the status of all 6,137 participants enrolled in your plan?

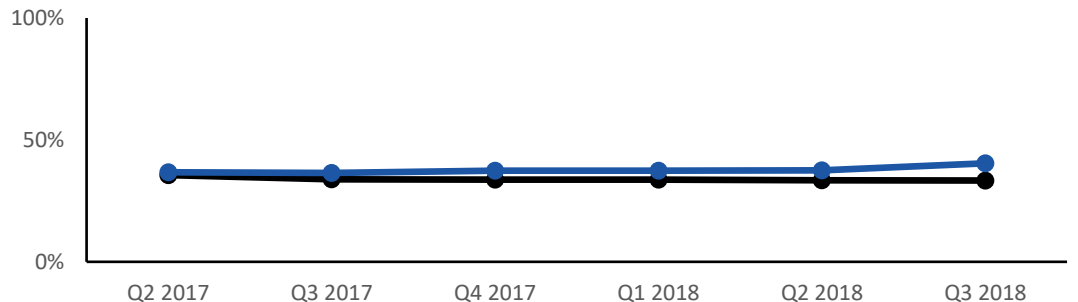


Placeholder text for a chart or figure.

How engaged are your participants?  
Are they ready to retire?<sup>4</sup>



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



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

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

<sup>3</sup> Participant with a balance and "payout" status

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

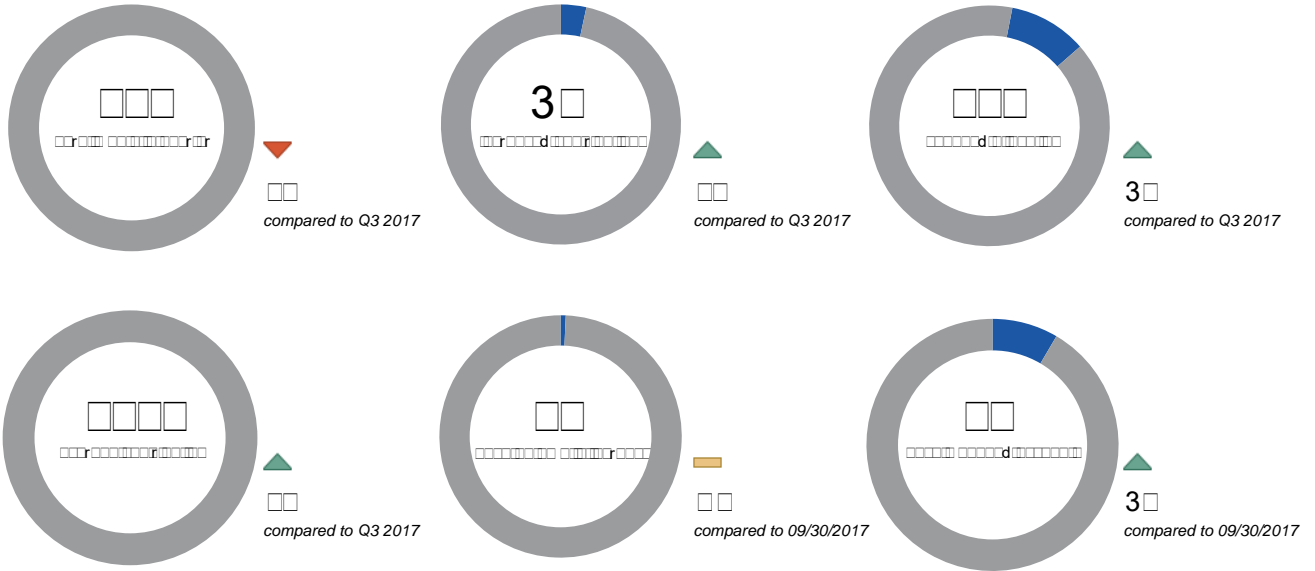


# Fresno County, CA Retirement Readiness Report

Plan-level summary of all participants' retirement readiness  
Q3 2018



What key activities are the 6,137 participants taking to educate themselves and increase their retirement readiness?



**Read retirement literature**  
Participants are more likely to read retirement literature than in Q3 2017.

**Attend retirement education seminar**  
Participants are more likely to attend retirement education seminars than in Q3 2017.

**Take retirement education course**  
Participants are more likely to take retirement education courses than in Q3 2017.

**Visit retirement website**  
Participants are more likely to visit retirement websites than in Q3 2017.



**Nationwide®**

Retirement readiness is a key factor in determining whether you are prepared to retire.

Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors, LLC ("NIA"), an SEC-registered investment advisor.

Retirement readiness is a key factor in determining whether you are prepared to retire.

Retirement readiness is a key factor in determining whether you are prepared to retire.

Retirement readiness is a key factor in determining whether you are prepared to retire.

Retirement readiness is a key factor in determining whether you are prepared to retire.

Retirement readiness is a key factor in determining whether you are prepared to retire.



## Section 3 Gauging Success Report





# MMR

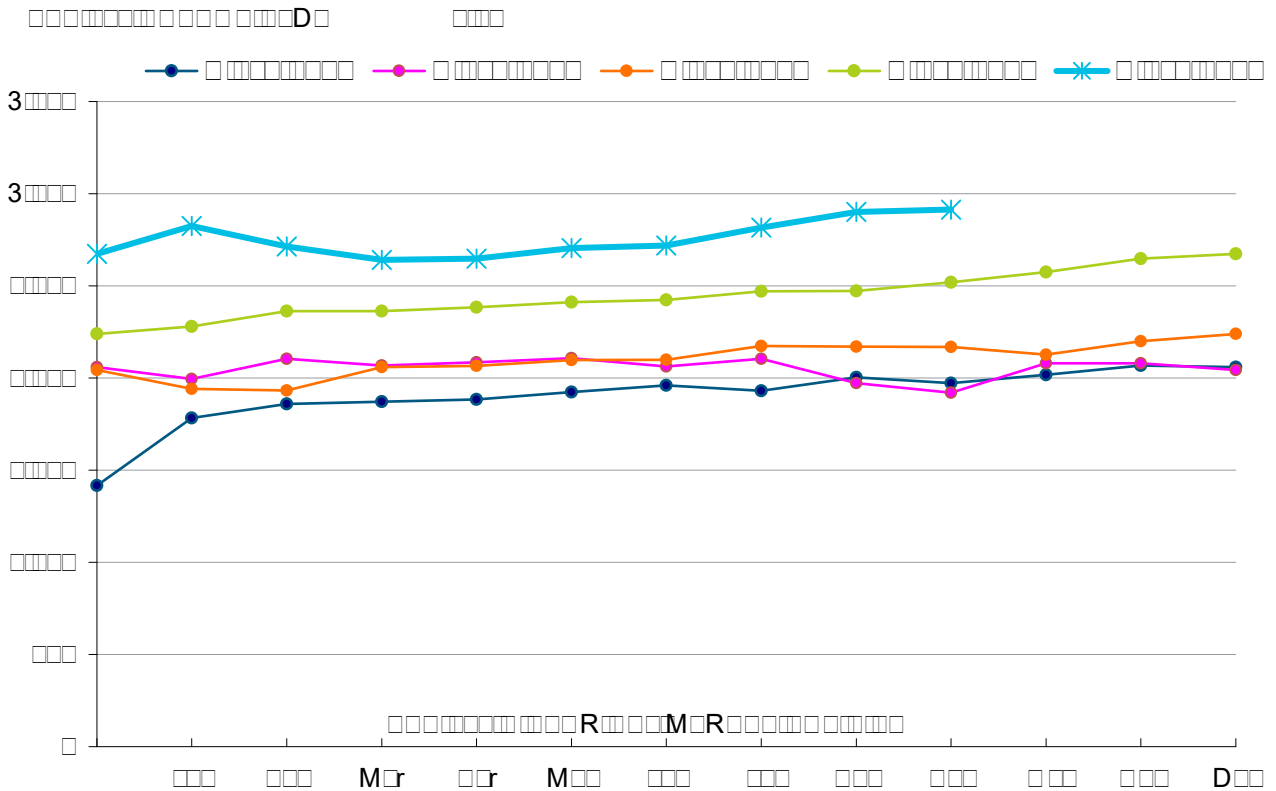
## Plan Contribution Limits for 2018

Rollover limit	\$50,000
Annual contribution limit	\$18,000
3-year average contribution limit	\$3,000

## Quick Plan Facts

	2018	2017
Annual contribution limit	\$18,000	\$18,000
Annual contribution limit for D	\$3,000	\$3,000
Annual contribution limit for R	\$15,000	\$15,000
Annual contribution limit for D	\$3,000	\$3,000
Annual contribution limit for R	\$15,000	\$15,000
Annual contribution limit for D	\$3,000	\$3,000
Annual contribution limit for R	\$15,000	\$15,000

## Market Activity

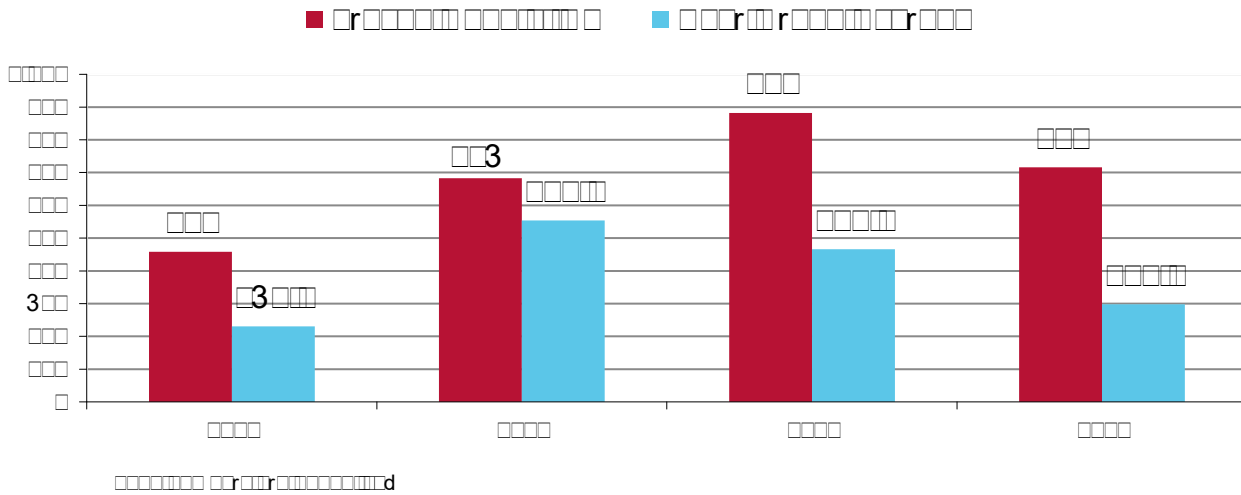


MMR is a 401(k) plan. The plan is subject to the annual contribution limits set by the IRS. The plan is also subject to the annual rollover limit. The plan is not subject to the 3-year average contribution limit. The plan is not subject to the annual contribution limit for D. The plan is not subject to the annual contribution limit for R. The plan is not subject to the annual contribution limit for D. The plan is not subject to the annual contribution limit for R. The plan is not subject to the annual contribution limit for D. The plan is not subject to the annual contribution limit for R.

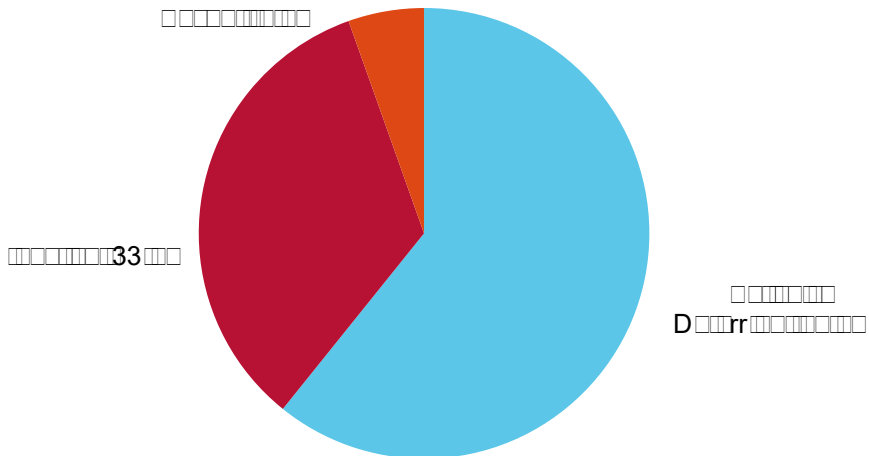
### Participant Status

	3	3	3	3	
██████████r██████████D██████████	██████████	3██████████	3██████████3	3██████████3	██████████
██████████r██████████	██████████	██████████3	██████████	██████████3	██████████
██████████r██████████	██████████3	██████████	3██████████	33██████████	██████████
<b>Total Participants</b>	<b>4,683</b>	<b>5,144</b>	<b>5,797</b>	<b>6,137</b>	<b>8.5%</b>

### New Participant Count



### Total Participants as of 09/30/18

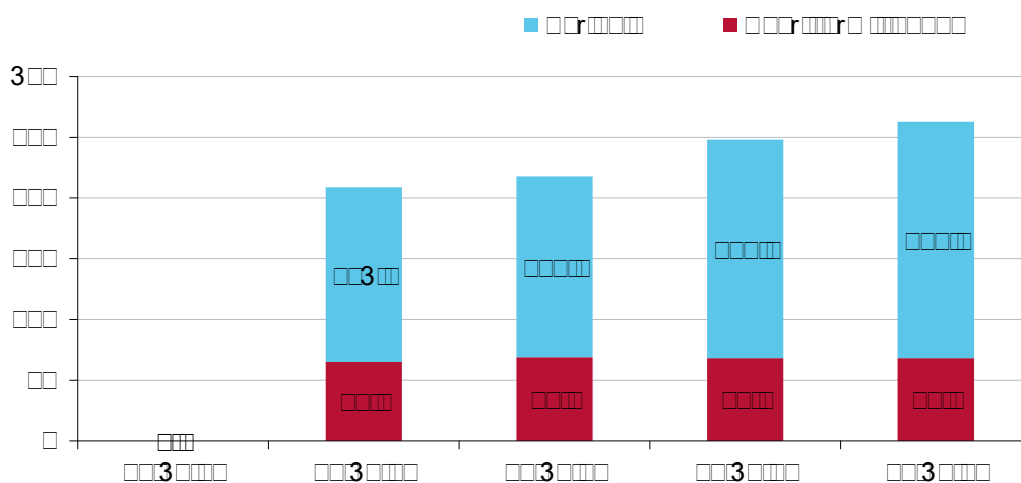




## Total Plan Assets (Millions)

12/31/14	12/31/15	12/31/16	12/31/17	9/30/18	% Chng from 1 year ago
100000	1000000	1000000	1000000	1000000	10000

## Plan Assets Summary (Millions)



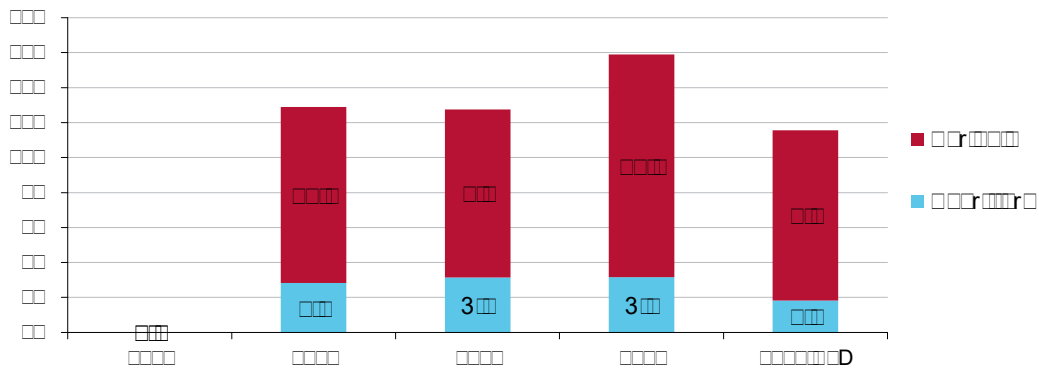
## Plan Assets by Investment Class (Millions)

Investment Class	12/31/16	12/31/17	09/30/18	% of Total
Corporate Bonds	100.00	100.00	100.00	100.00
Government Bonds	100.00	100.00	100.00	100.00
International	100.00	100.00	100.00	100.00
Mid-Cap	100.00	100.00	100.00	100.00
Real Estate	100.00	100.00	100.00	100.00
Commodities	100.00	100.00	100.00	100.00
Fixed Income	100.00	100.00	100.00	100.00
Equity	100.00	100.00	100.00	100.00
Private Equity	100.00	100.00	100.00	100.00
Derivatives	100.00	100.00	100.00	100.00
Other	100.00	100.00	100.00	100.00
<b>Total</b>	<b>\$217.85</b>	<b>\$248.05</b>	<b>\$262.82</b>	<b>100.0%</b>

## Total Contributions by Year (Millions)

	2014	2015	2016	2017	2018 YTD	% Chng from 1 year ago
Direct	1,000	1,000	1,000	1,000	1,000	3%
Referred	1,000	1,000	1,000	1,000	1,000	0%
Other	1,000	1,000	3%	3%	1,000	33%
Total	1,000	1,000	1,000	1,000	1,000	0%

## Plan Contributions Summary (Millions)



## Plan Contributions by Investment Class (Thousands)

Investment Class	2016	2017	2018 YTD	% Total
Domestic Equity	1,000	1,000	1,000	10%
International Equity	300	300	300	3%
Fixed Income	1,000	1,000	1,000	10%
Mid-Cap	1,000	1,000	1,000	10%
Private Equity	3,000	3,000	3,000	30%
Real Estate	1,000	1,000	1,000	10%
Commodities	300	300	300	3%
Other	300	300	300	3%
Alternative	300	300	300	3%
Other	1,000	1,000	1,000	10%
Total	\$12,758.01	\$15,895.56	\$11,557.28	100.0%







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:

- [Placeholder]
- [Placeholder]
- [Placeholder]
- [Placeholder]
- [Placeholder] by TRUSTe and Ponemon Institute *for the past nine years.*
- [Placeholder]
  - 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 09/30/18

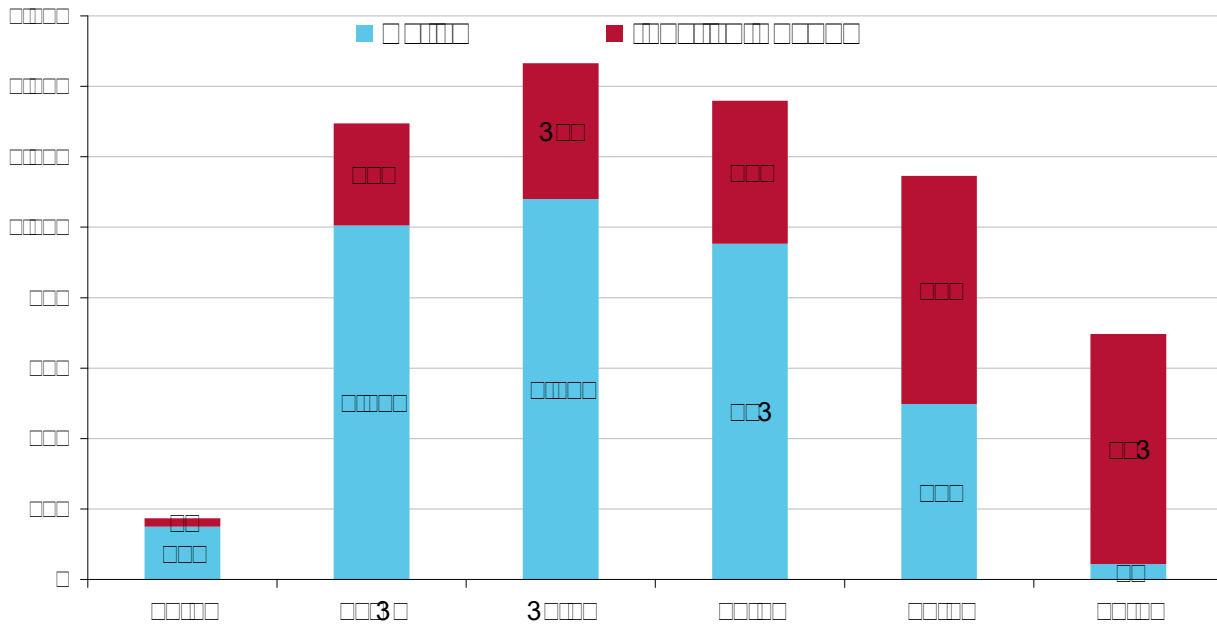
□□□□D□□



### Participant Counts by Age as of 09/30/18

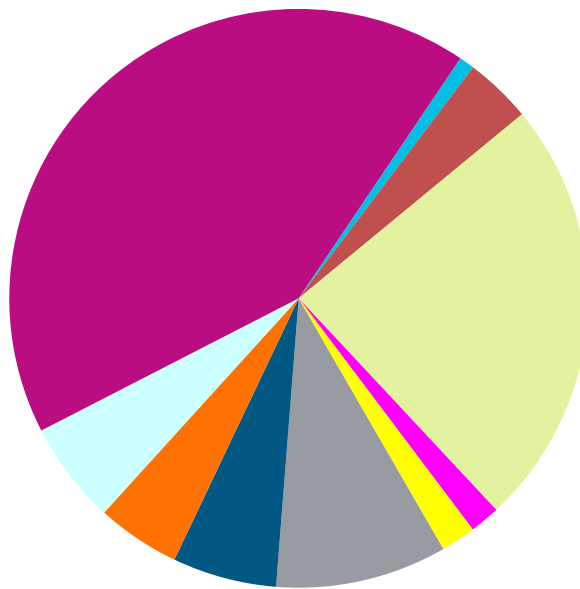
Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
00000	000	00	00	000	00
00030	00000	000	000	00000	000
30000	00000	000	000	00000	300
00000	00300	000	000	003	000
00000	00000	000	000	000	000
00000	000	303	300	00	003
<b>Total</b>	<b>6,137</b>	<b>2,738</b>	<b>3,399</b>	<b>3,730</b>	<b>2,407</b>

### Participant Counts by Age as of 09/30/18



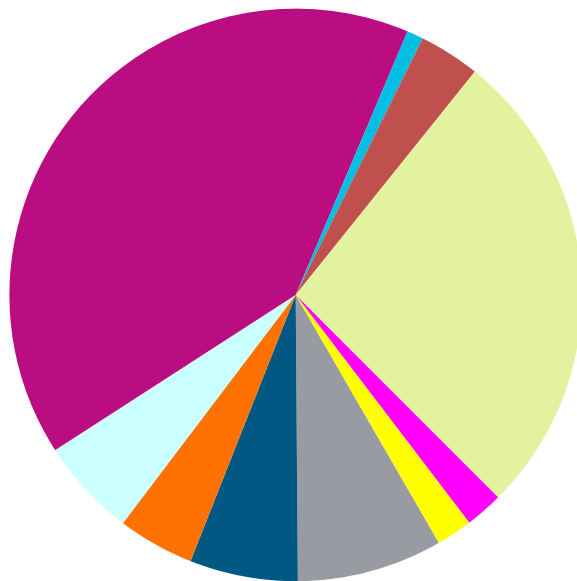


### Fresno County, CA Asset Allocation as of 09/30/18



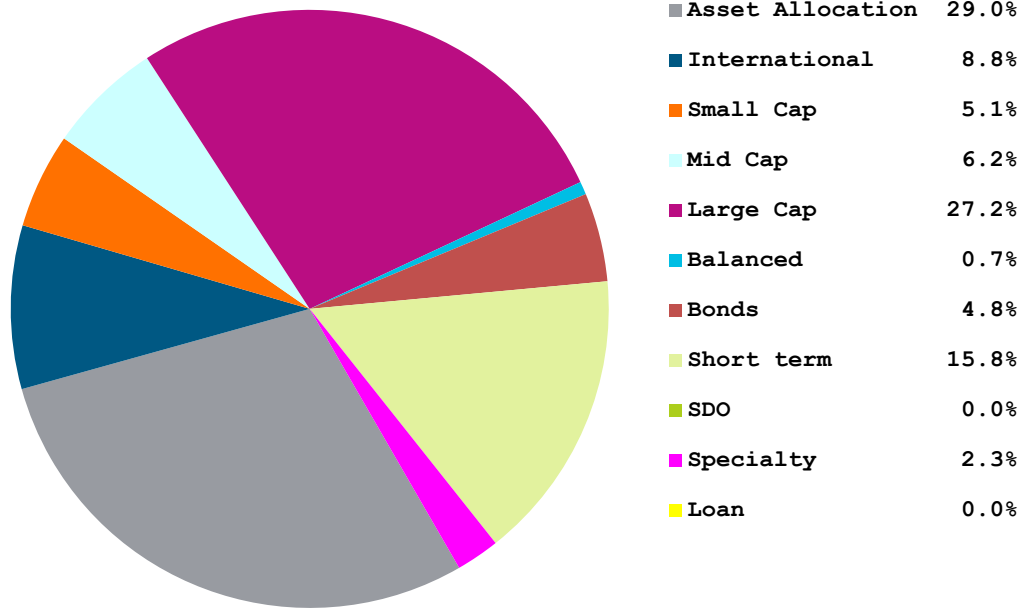
■ Asset Allocation	9.6%
■ International	5.8%
■ Small Cap	4.7%
■ Mid Cap	5.7%
■ Large Cap	42.0%
■ Balanced	0.8%
■ Bonds	3.7%
■ Short term	24.0%
■ SDO	0.0%
■ Specialty	1.7%
■ Loan	1.9%

### Fresno County, CA Asset Allocation as of 09/30/17

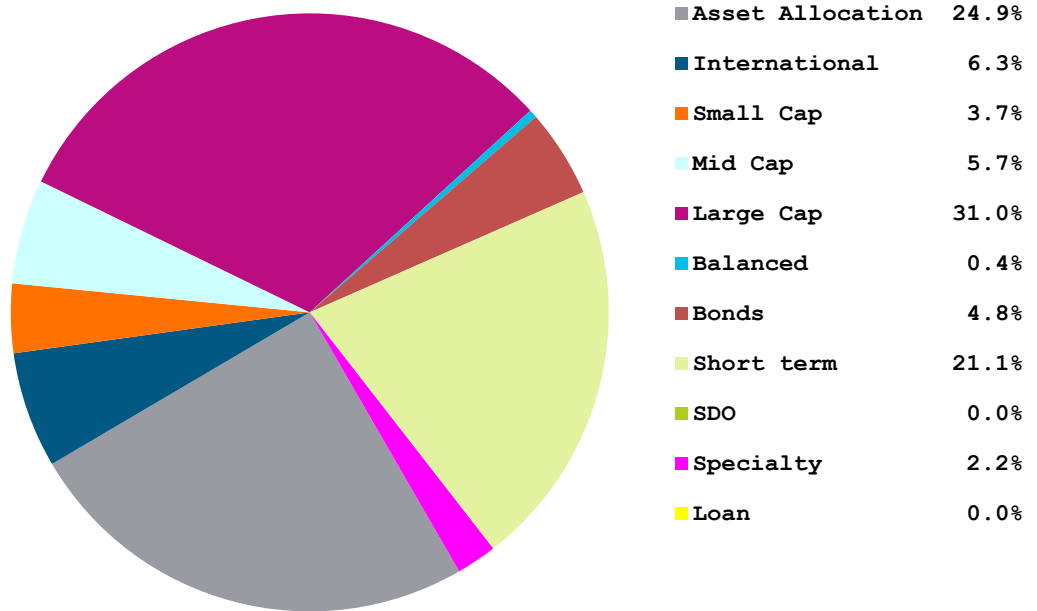


■ Asset Allocation	8.2%
■ International	6.1%
■ Small Cap	4.3%
■ Mid Cap	5.6%
■ Large Cap	40.5%
■ Balanced	0.9%
■ Bonds	3.4%
■ Short term	26.7%
■ SDO	0.0%
■ Specialty	2.1%
■ Loan	2.0%

### Fresno County, CA Contribution Allocation 2018 YTD



### Fresno County, CA Contribution Allocation 2017 YTD



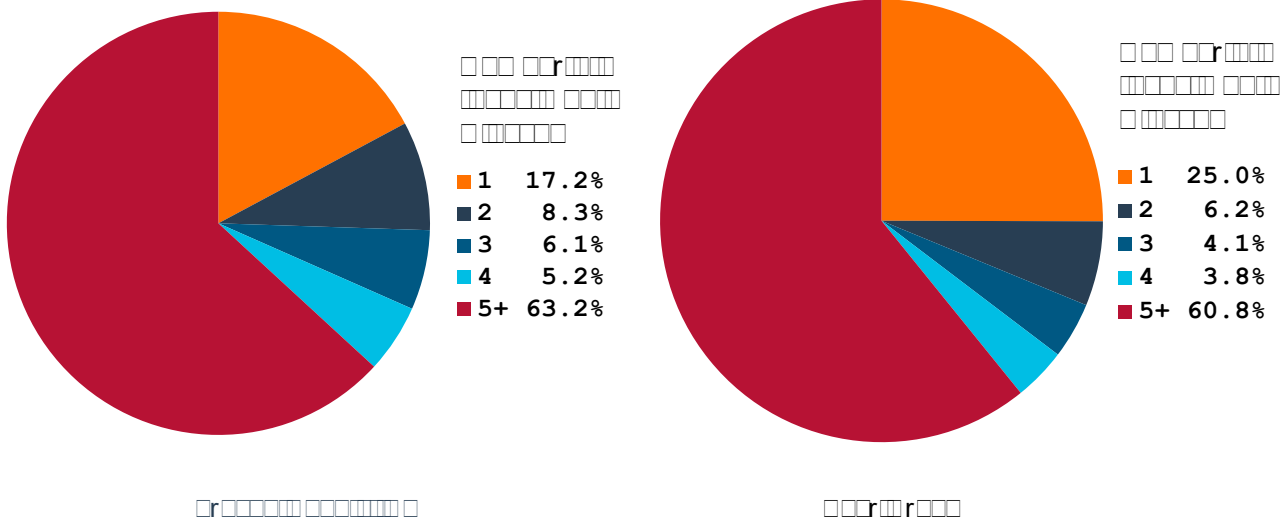
# R M R

Your Peer Group is NRS cases, within your state, with assets of \$100 million - \$1 billion. The peer group consists of 12 NRS cases.

	Fresno County, CA	Peer Group	Recommended
Investment Class 1	3%	3%	3%
Investment Class 2	8%	8%	8%
Investment Class 3	6%	6%	6%
Investment Class 4	5%	5%	5%
Investment Class 5+	63%	63%	63%

## Asset Allocation Summary as of 09/30/18

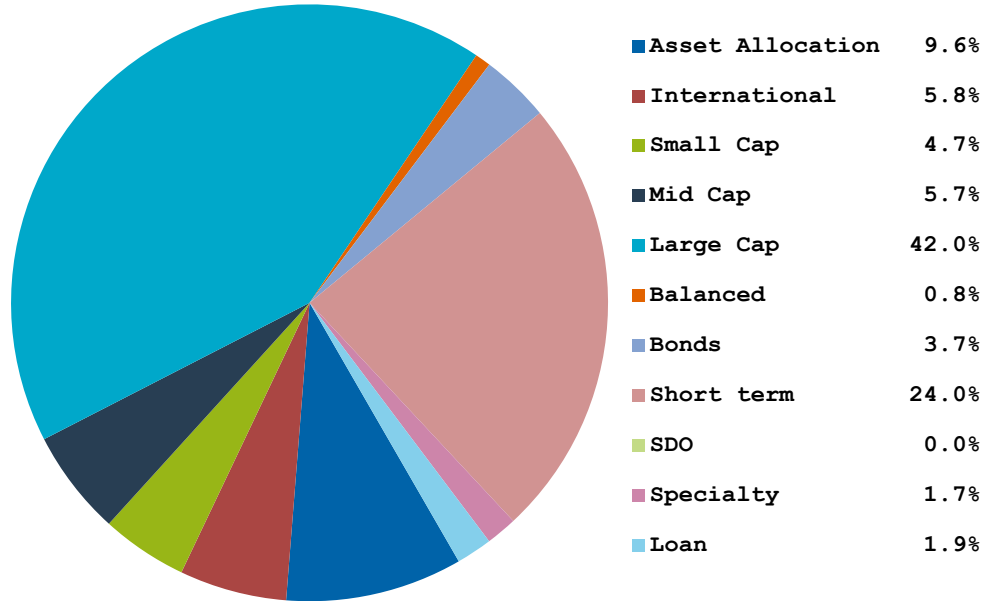
percentage of participants by number of investment classes



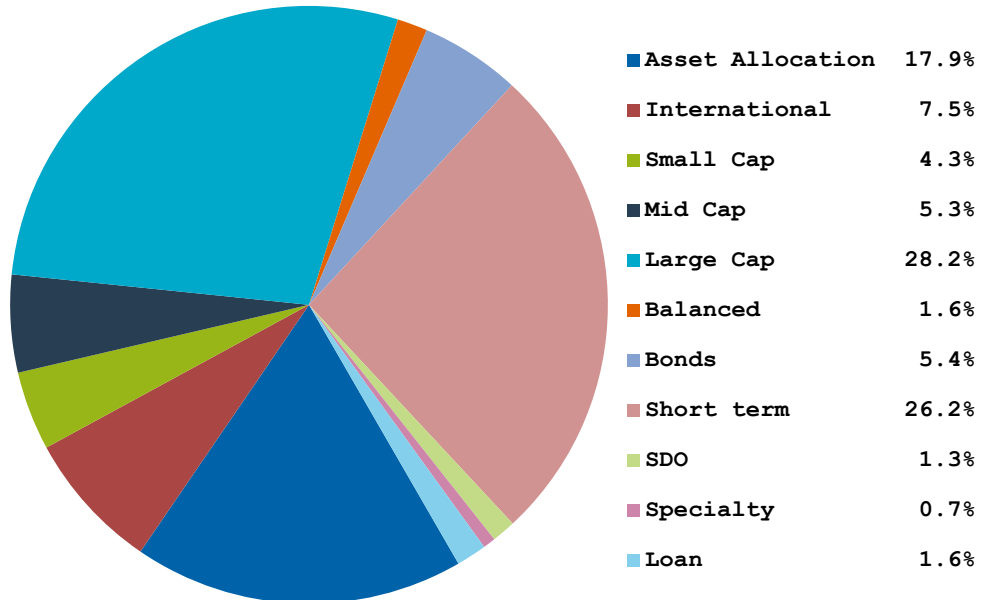
## Average Account Balance and Annualized Deferrals by Age Group as of 09/30/18

Age Group	Fresno County, CA		Peer Group	
	Average Account Balance	Annualized Deferrals	Average Account Balance	Annualized Deferrals
18-24	\$10,000	\$1,000	\$10,000	\$1,000
25-34	\$20,000	\$2,000	\$20,000	\$2,000
35-44	\$30,000	\$3,000	\$30,000	\$3,000
45-54	\$40,000	\$4,000	\$40,000	\$4,000
55-64	\$50,000	\$5,000	\$50,000	\$5,000
65+	\$60,000	\$6,000	\$60,000	\$6,000

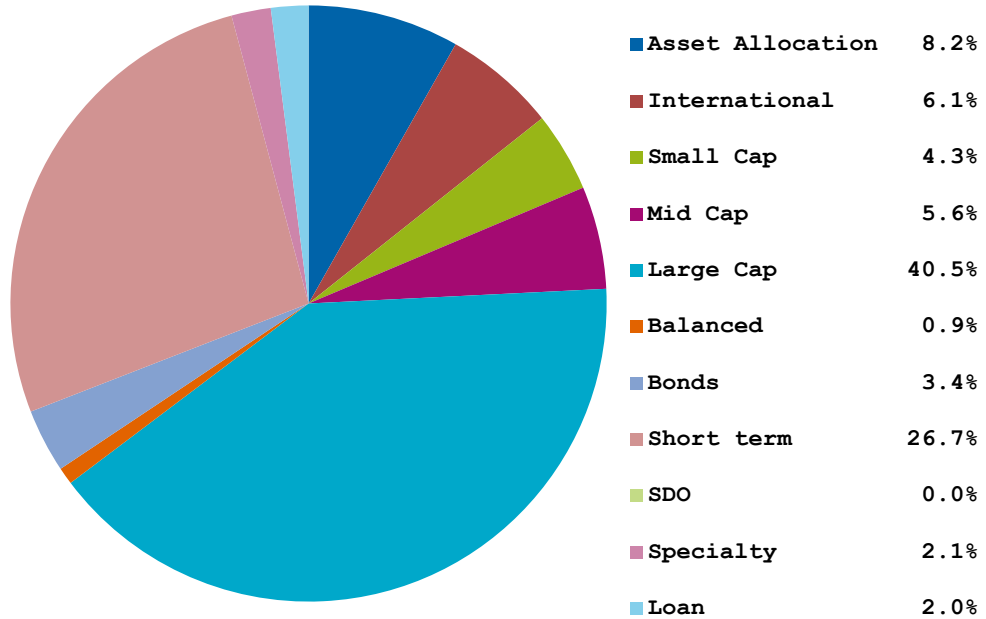
Fresno County, CA Asset Allocation as of 09/30/18



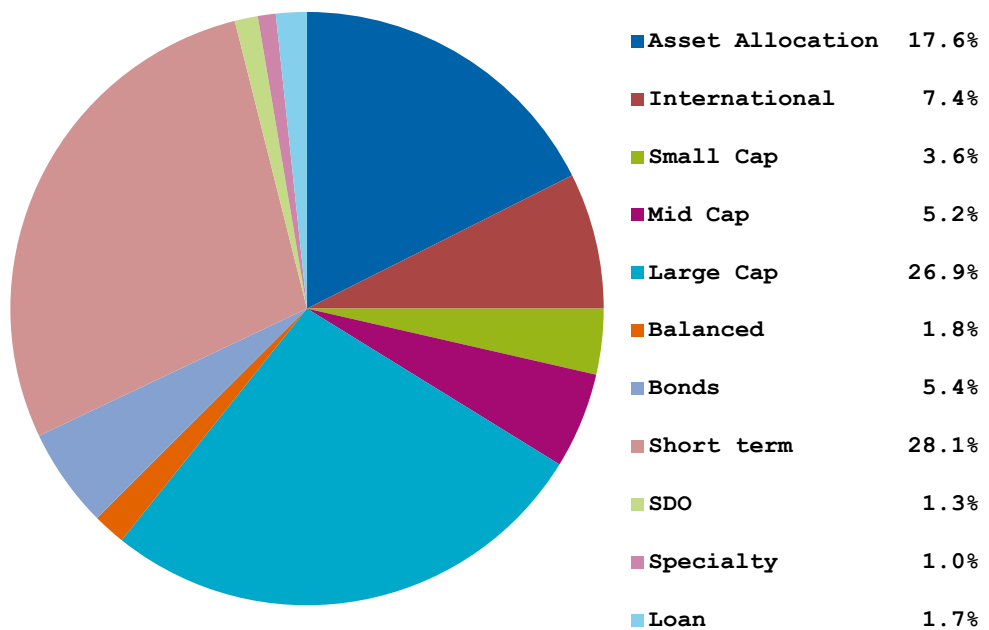
Peer Group Asset Allocation as of 09/30/18



**Fresno County, CA Asset Allocation as of 09/30/17**

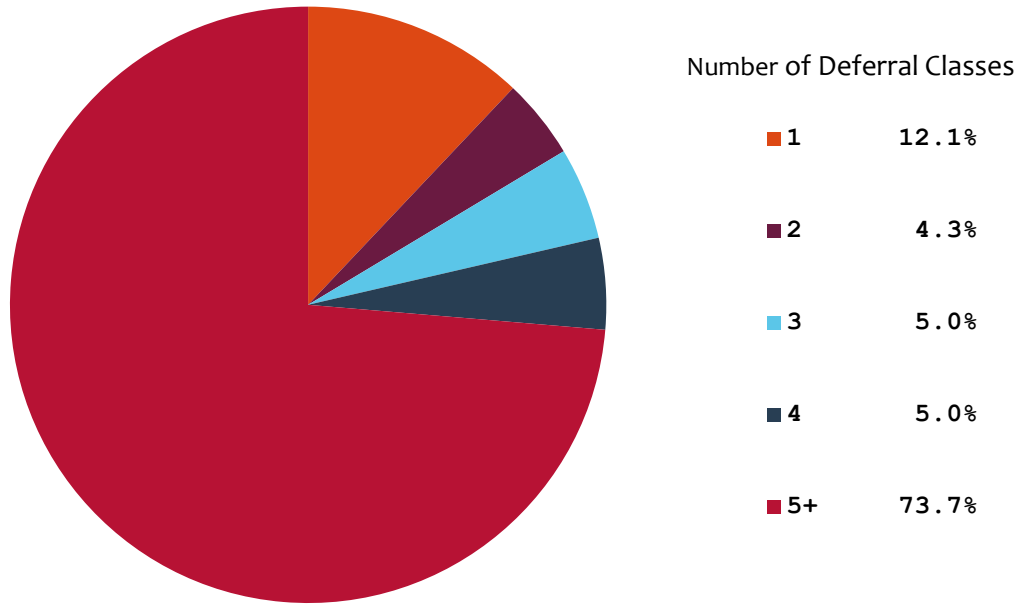


**Peer Group Asset Allocation as of 09/30/17**

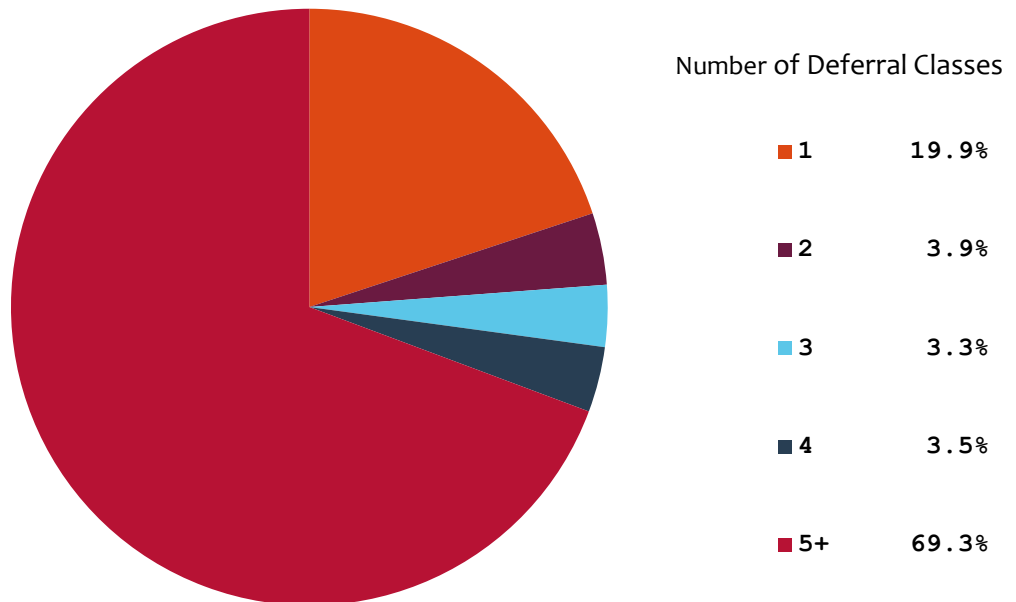




**Deferral allocation summary: percentage of participants by number of deferral investment classes  
Fresno County, CA 2018 YTD**

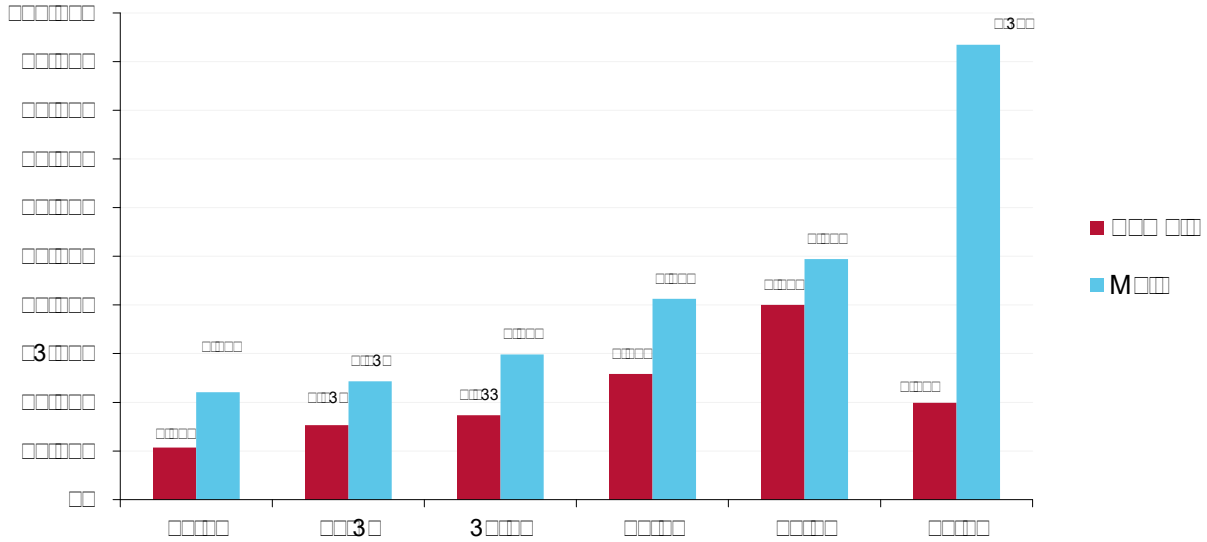


**Peer Group 2018 YTD**

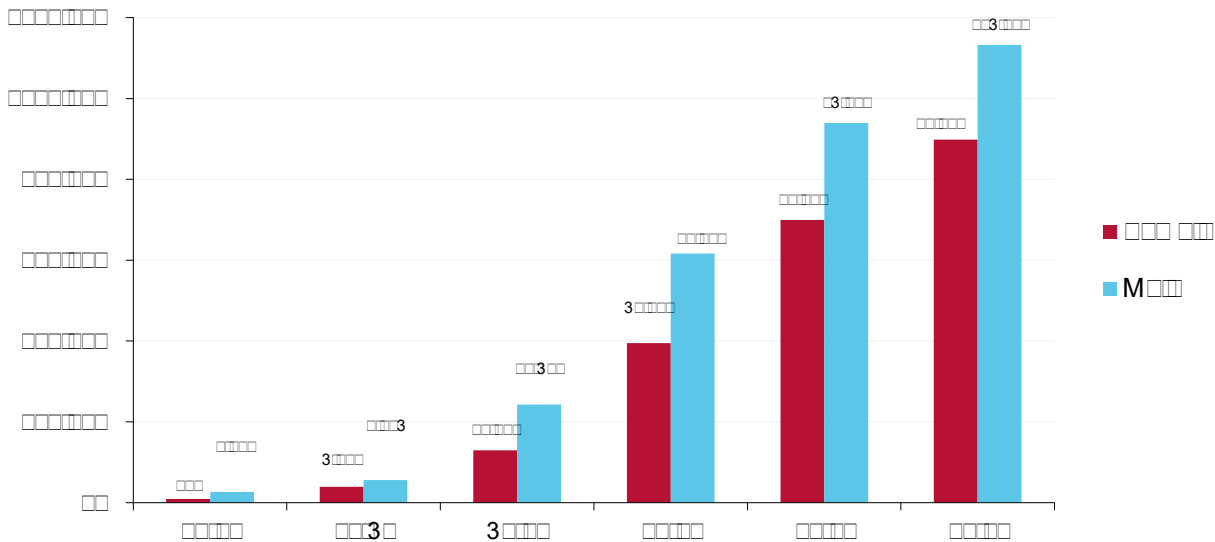


# RDDMR

## Male/Female Average Deferrals by Age

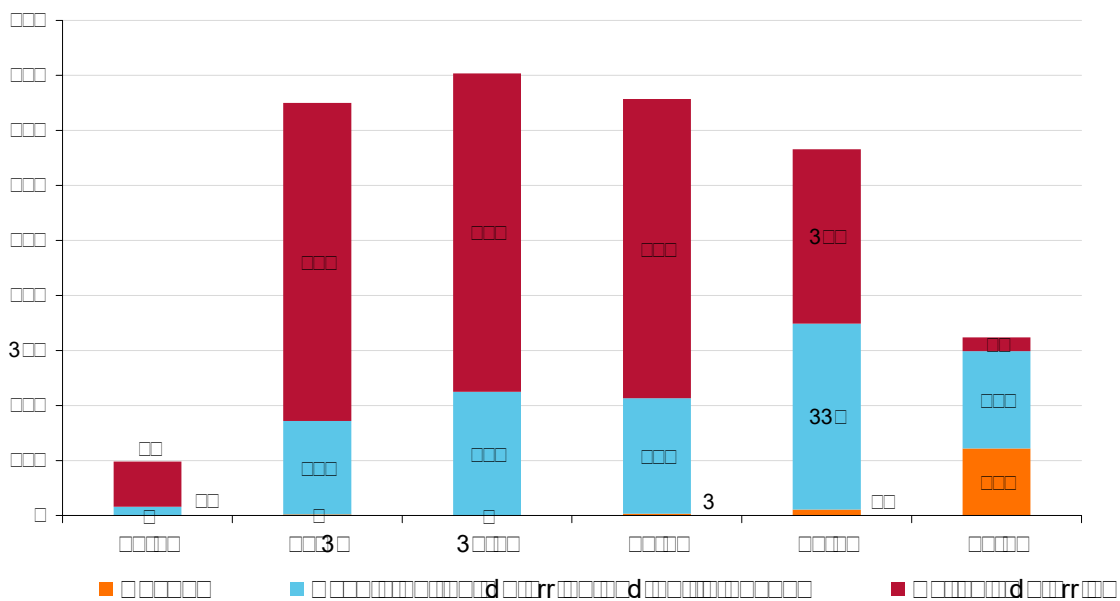


## Male/Female Average Account Balance by Age as of 09/30/18

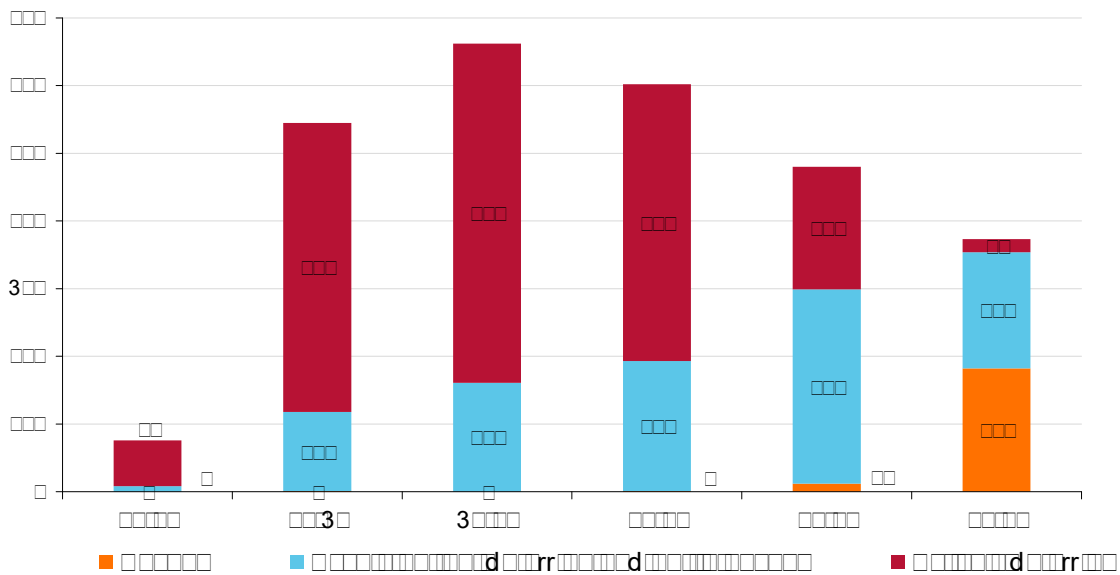


# RANDOM R

## Female Participant Count by Age and Status as of 09/30/18



## Male Participant Count by Age and Status as of 09/30/18





3

**Fund**

**Asset Allocation**

	Asset Value	% of Assets	Count / % of Participants	
3		3	3	
3		3	3	
3				
3			3	3
3				

**Sub-Total Asset Allocation**

**25,189,530.75 9.6%**

**Balanced**

				3
--	--	--	--	---

**Sub-Total Balanced**

**2,228,971.17 0.8%**

**Bonds**

3				
3			3	
3			3	

**Sub-Total Bonds**

**9,831,538.90 3.7%**

**International**

3		3		3
3		3		
3				

**Sub-Total International**

**15,279,034.04 5.8%**

**Large Cap**

3	3		3	3
3				3
3		3		

**Sub-Total Large Cap**

**110,365,005.87 42.0%**

**Loan**

				3
--	--	--	--	---

**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.**



3

Fund	Asset Value	% of Assets	Count / % of Participants	
<b>Sub-Total Loan</b>	<b>5,096,022.84</b>	<b>1.9%</b>		
<b>Mid Cap</b>				
Mid Cap Fund 1	3,000,000.00	3%	100	100%
Mid Cap Fund 2	2,000,000.00	2%	100	100%
<b>Sub-Total Mid Cap</b>	<b>15,010,980.51</b>	<b>5.7%</b>		
<b>Short Term Investments</b>				
Short Term Investments Fund	3,117,233.80	24.0%	100	300%
<b>Sub-Total Short Term Investments</b>	<b>63,117,233.80</b>	<b>24.0%</b>		
<b>Small Cap</b>				
Small Cap Fund 1	3,000,000.00	3%	100	3%
Small Cap Fund 2	3,000,000.00	3%	100	3%
Small Cap Fund 3	3,000,000.00	3%	100	3%
<b>Sub-Total Small Cap</b>	<b>12,274,250.81</b>	<b>4.7%</b>		
<b>Specialty</b>				
Specialty Fund 1	3,000,000.00	3%	100	3%
Specialty Fund 2	3,000,000.00	3%	100	3%
<b>Sub-Total Specialty</b>	<b>4,424,450.58</b>	<b>1.7%</b>		
<b>Total</b>	<b>262,817,019.27</b>			

**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.**

Investment objectives, risks, and charges and expenses are described in the prospectus. 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.

# 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:** 30-Sep-2018  
**Report Date:** 1-Oct-2018  
**Report Period:** 01 July-2018 to 30-September-2018  
 Page: 180

	Plan Sponsor Fee Amount	NRS Fee Amount
July	\$19,954.52	\$22,171.93
August	\$19,690.01	\$21,878.05
September	\$19,048.27	\$21,165.37
<b>Q3 2018 Revenue Total</b>	<b>\$58,692.80</b>	<b>\$65,215.35</b>

# Section 5 Fee Normalization Calculation



