County of Fresno
Deferred Compensation Management Council
October 11, 2018 Agenda

THE MEETING WILL BE HELD AT 3:00 P.M. IN THE HALL OF RECORDS, ROOM 301

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 October 11, 2018 Agenda.

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

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

6. 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;

   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.

7. 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.

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

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.

9. 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;
    b. Approve the incumbent manager, Great-West Financial, as the Stable Value Fund Manager.
10. Receive and File the Deferred Compensation Plan Review as of June 30, 2018 prepared by Nationwide Retirement Solutions.

ITEM 4

Deferred Compensation Management Council
June 14, 2018 Action Summary Minutes

Meeting was held at 1:30 p.m. in the Hall of Records, Room 301
2281 Tulare Street, Fresno, CA 93721

Members Present: Jean Rousseau, Oscar Garcia, Donald Kendig, Kari Gilbert, Lawrence Seymour

Members Absent: Robert Bash, Paul Nerland

1. Call to Order.

   ACTION: The meeting was called to order at 1:30 p.m.

2. Public Comment Period.

   There were no comments from the public.

3. Approve the June 14, 2018 Agenda.

   ACTION: The Agenda was unanimously approved as recommended.

4. Approve the Action Summary Minutes from the March 8, 2018 meeting.

   ACTION: The Minutes were unanimously approved as recommended.

5. Receive and File the 2017-18 Fiscal Year Third Quarter Deferred Compensation Plan Budget Report, prepared by County staff.

   ACTION: The Plan Budget Report was received and filed.

6. Approve the Fiscal Year 2018-19 Deferred Compensation Plan Budget.

   ACTIONS: The Fiscal Year 2018-19 Discretionary Administrative Fee of 0.09% was unanimously approved. The Fiscal Year 2018-19 Deferred Compensation Plan Budget was unanimously approved as recommended. The Deferred Compensation Management Council elected to send three (3) Council Members and/or members of staff to the 2018 National Association of Government Defined Contribution Administrators Conference in Philadelphia, PA.

7. Approve Actions related to the Amended and Restated County of Fresno 457(b) Deferred Compensation Plan Document

    a. Approve the proposed amended and restated Plan Document and direct staff to submit the Plan Document to the Board of Supervisors for approval;

    ACTION: The proposed amended and restated Plan Document was unanimously approved with the stipulation that the Normal Retirement Age table in Appendix A be updated to reflect the maximum age for each retirement tier.

    b. Pending Board of Supervisors approval of the proposed amended and restated County of Fresno 457(b) Deferred Compensation Plan Document, direct staff to take Agreement #09-530 with Great-West Life & Annuity Insurance Company, Agreement #09-531 with BlackRock Institutional Trust Company, N.A., and Agreement #13-417 with Great-West Trust Company, LLC to the Board of Supervisors for authorization to terminate.

    ACTION: Unanimously approved as recommended.

8. Receive Verbal Report on the 2018 Save Today campaign presented by Nationwide Retirement Solutions.

    ACTION: Verbal Report received.

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

    ACTION: The Deferred Compensation Plan Review was received and filed. The Council requested that staff and Nationwide communicate to employees

10. Receive and File and Approve Actions

    a. Receive and File the Deferred Compensation Plan Investment Review as of March 31, 2018, prepared by Northwest Capital Management;

    ACTION: The Deferred Compensation Plan Investment Review was received and filed.

    b. Remove the Great-West Lifetime Target Date collective investment trusts and the Great West Stable Value Fund from the Watch List.

    ACTION: Unanimously approved as recommended.

11. Receive and File Reports and Presentations related to the County of Fresno Stable Value Fund

    a. Receive and File a Stable Value Investment Policy Comparison report by Northwest Capital Management;

       ACTION: Report received and filed.

    b. Receive presentation by Great-West Financial regarding the County of Fresno Stable Value Fund;

       ACTION: Presentation received.

    c. Receive presentation by T. Rowe Price regarding the County of Fresno Stable Value Fund.

       ACTION: Presentation received.

The meeting was adjourned at 3:23 p.m.

Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 6

DATE: October 11, 2018

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: 2017-18 Fiscal Year-End Budget Report & Distribution of Surplus Funds

Background

Pursuant to Section 9.5 of the County of Fresno 457(B) Deferred Compensation Plan Document, any reasonable expenses related to the operation of the Deferred Compensation Plan (Plan), such as third-party administration, consulting, legal and County staff costs, shall be charged to Plan participants. In order to offset the costs of these Plan-related expenses, the County directs the Plan Record-keeper to charge an administrative fee to each participant. For Fiscal Year 2017-18, that fee was 0.19%.

Year-End Budget Report

Staff has prepared a 2017-18 Fiscal Year-End budget report for the twelve-month period that ended June 30, 2018 (Attachment A); the approved FY 2017-18 budget is detailed in Attachment B. Staff would like to note and explain the revenue and expense discrepancies:

1. **Total revenues were higher than what was projected.** Plan revenues were higher than what was projected due to higher than expected Plan assets; staff based FY 2017-18 revenues on approximately $220 million in Plan assets, whereas actual Plan assets were in excess of $253 million as of June 30, 2018.
2. **Expenses were less than what was budgeted.** Staff costs were less than what was budgeted, due primarily to fewer hours spent by staff working on the Plan than what was projected. Plan Document Review Legal Fees were less than projected, as the County was able to procure outside counsel for a lower cost than expected. In addition, the contingency budget has not been needed.
3. **Record-keeping fees were higher than projected.** Record-keeping fees were higher than projected due to higher than expected Plan assets; staff based FY 2017-18 revenues on approximately $220 million in Plan assets, whereas actual Plan assets were in excess of $253 million as of June 30, 2018.

Distribution of Surplus Funds

As your Council is aware, in previous fiscal years where Plan revenues exceeded Plan expenses, your Council has approved a pro rata distribution of funds to participants based on each participant's percentage of Plan assets. As stated on Attachment A, there was a surplus of approximately $115,614 in fiscal year 2017-18.

Therefore, staff is recommending that your Council approve a pro rata distribution of these surplus funds to current participants who had a Plan account balance as of June 30, 2018. Each participant's share of the distribution will be based on their June 30, 2018 Plan account balance. As of June 30, 2018, the Plan Expense Account balance was $185,522.

Recommended Action

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.

Item 6 - Attachment A

County of Fresno Deferred Compensation Plan

Fiscal Year 2017-18 Revenue & Expenses as of June 30, 2018

Revenue	Approved	Year to Date	Surplus (Deficit)
Administrative Fees	$ 192,000	$ 253,581	$ 61,581
Totals:	**$ 192,000**	**$ 253,581**	**$ 61,581**

Discretionary Expenses	Approved	Year to Date	Surplus (Deficit)
Consultant Fees	$ 40,000	$ 40,000	$ -
Fiduciary Liability Insurance Policy	$ 11,000	$ 10,134	$ 866
NAGDCA	$ 7,000	$ 6,750	$ 250
Plan Document Review Legal Fees	$ 12,000	$ 6,500	$ 5,500
Staff Costs	$ 102,000	$ 74,584	$ 27,416
Contingencies	$ 20,000	$ -	$ 20,000
Totals:	**$ 192,000**	**$ 137,968**	**$ 54,032**

Surplus (Deficit):	**$ 115,614**

Mandatory Expenses	Approved	Year to Date	Surplus (Deficit)
Record-keeping Fees	$ 230,000	$ 243,916	$ (13,916)

Item 6 - Attachment B: Approved 2017-18 Fiscal Year Deferred Compensation Plan Budget

Discretionary Items

Revenue Source	Description	Dollars	% of Revenue
Administrative Fee	0.09% of Plan Assets, based on approximately $220 million in assets.	**$192,000**	**100%**
	Total Revenue:	**$192,000**	**100%**
Expense	**Description**	**Dollars**	**% of Expenses**
County Staff	Human Resources and County Counsel staff time and participant communications.	**$102,000**	**53.1%**
Consultant	Pursuant to Agreement # 15-597 with Northwest Capital Management.	**$40,000**	**20.8%**
Outside Counsel	Cost of outside legal firm to review Deferred Compensation Plan governing documents.	**$12,000**	**6.3%**
Fiduciary Liability Insurance	Premium on $5 million in Fiduciary Liability Insurance coverage.	**$11,000**	**5.7%**
Off-Site Training	Send two (2) people to the 2017 NAGDCA conference and pay annual membership fee.	**$7,000**	**3.6%**
Contingencies	Any appropriate expense not included in the items in the proposed budget.	**$20,000**	**10.4%**
	Total Discretionary Expenses:	**$192,000**	**100%**

Mandatory Items

Revenue Source	Description	Dollars
Nationwide Fee	0.10% of Plan Assets, based on approximately $220 million in assets. Fees are debited directly from participants' accounts on a monthly basis.	**$230,000**
Expense	**Description**	**Dollars**
Record-keeping	Pursuant to Agreement # 14-710 with Nationwide, 0.10% of Total Assets per year.	**$230,000**

Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: October 11, 2018

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: Amendment and Restatement of the County of Fresno 457(b) Deferred Compensation Plan Document

BACKGROUND

At the February 25, 2016 meeting, your Deferred Compensation Management Council (Council) directed staff to update the County of Fresno 457(b) Deferred Compensation Plan Document to ensure that it remains in compliance with applicable federal and state laws and regulations. Staff subsequently retained the services of law firm Best, Best & Krieger to complete the review, amendment and restatement of the Plan Document.

At the June 14, 2018 meeting, your Council approved a proposed amended and restated County of Fresno 457(b) Deferred Compensation Plan Document and directed staff to submit that Plan Document to the Board of Supervisors for approval. In addition, your Council directed staff to submit the current Stable Value Fund agreement with Great-West Financial (Agt. #09-530) and collective investment trust agreements with BlackRock (Agt. #09-531) and Great-West Trust Company (Agt. #13-417) to the Board of Supervisors requesting they grant your Council the authority to terminate these agreements, pending approval of the proposed amended and restated Plan Document. The intent was to allow your Council to terminate these agreements and execute new agreements, either with the current fund managers or with new fund managers.

ISSUE

Upon further review of the proposed amended and restated Plan Document by County Counsel, and inclusive of additional information provided to staff, the proposed amended and restated Plan Document (Attachment A) has been modified since the June 14, 2018 meeting. Staff has summarized all of the substantive changes from the current Plan Document (Attachment B) to the proposed amended and restated Plan Document below, including changes to Article 9 that were made since the June 14, 2018 meeting (Attachment C includes the June 14 Agenda Item for reference).

1. **In-Plan Distributions (Section 8.7 of Attachment B)**

   Currently, participants may take an "In-Plan De Minimis" distribution, if their account balance is less than $5,000 and they have not contributed in at least two (2) years. This provision is recommended for removal as it is only allowed once per career, making it hard to track and enforce. Elimination of this provision will have no effect on participants who elect to take a loan or emergency distribution from their account.

2. **Prohibition on Deferrals after Emergency Withdrawal (Section 8.3 of Attachment B)**

Currently, participants who receive an Unforeseeable Emergency distribution are subject to a contribution prohibition period of two (2) years. The proposed amended and restated Plan would eliminate this prohibition period, as the Plan is not obligated to enforce such a provision and the provision is difficult to track and enforce.

3. **County Contributions to Participants' Accounts (Articles 2, 3, and 5 of Attachment A)**

   Staff was notified that the County may elect to contribute to participants' accounts at some point in the future. Language has been added to the proposed amended and restated Plan Document that will allow for such contributions if and when the County chooses to make such contributions. Please note that this language does not obligate the County to make such contributions to participants' accounts.

4. **The Roth Option (Articles 2, 3, 5, and 8 of Attachment A)**

   This provision was approved by your Council at the August 25, 2016 DCMC meeting and allows participants to make after-tax contributions (Roth Option) as well as execute in-Plan rollovers to a Roth Option, which re-characterizes their Plan balances from pre-tax to after-tax. Please note that an out-of-Plan Roth IRA is not currently eligible to be rolled into the Plan pursuant to IRS rules.

5. **Participant-Directed Individual Accounts (Article 6 of Attachment A)**

   This provision, although not presently operative, was added in the event that your Council and the Board of Supervisors (Board) elects to offer the option to participants by making it operative at some future date. The proposed language requires that your Council establish a procedure governing Participant-Directed Individual Accounts in order to activate this option.

6. **Beneficiary Policy (Article 7 of Attachment A)**

   This article provides for the revocation of a spousal beneficiary upon dissolution of marriage (Article 7.2) and details who will receive a deceased participant's account if the participant does not designate a beneficiary (Article 7.3).

7. **Distribute Small-Balance Accounts (Article 8.02.B of Attachment A)**

   This provision allows the Plan to distribute account balances of less than $1,000 to participants upon separation from service, but does not create an obligation to do so. This will reduce the overall number of accounts, which will streamline administration. This will also ensure that separated participants will receive their funds instead of possibly forgetting about and never claiming their funds.

8. **Lost Participant or Beneficiary (Article 8.15 of Attachment A)**

   This article details the process for finding lost beneficiaries and how an account is handled if the beneficiary is not found.

9. **Powers and Responsibilities of the Council (Article 9.02 of Attachment A)**

   a. Plan Investments (Paragraph D). Article 9 of the previously proposed amended and restated Plan Document granted your Council the authority to execute investment agreements, as well as the authority to outsource the selection of Plan investment options to a qualified investment advisor. However, County Counsel has determined that the Board of Supervisors does not have statutory authority to delegate the authority to sign investment agreements to your Council. In addition, should your Council wish to delegate the authority to select Plan investments to a qualified investment advisor, such an arrangement would be part of a service agreement with said investment advisor and executed by the Board of Supervisors. Therefore, language related to investment agreement signing authority and investment election outsourcing was eliminated. The result is that there is no substantive change from the current Plan Document with regard to your Council's authority to select Plan investments.

As previously stated in this item, at the June 14, 2018 meeting, your Council directed staff to take the current Stable Value Fund agreement with Great-West Financial (Agt. #09-530) and collective investment trust agreements with BlackRock (Agt. #09-531) and Great-West Trust Company (Agt. #13-417) to the Board of Supervisors for termination, pending the Board's delegation of investment agreement signing authority to your Council. Since it has been determined that such authority may not be granted, staff is recommending that these agreements not be taken to the Board for termination until your Council elects to replace the Plan investments governed by these agreements.

b. Plan Expenses (Paragraph F). Your Council shall have the authority to determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan expenses on an annual basis. This change formally codifies your Council's authority with regard to determining reasonable Plan expenses and setting the administrative fee. Your Council currently has the authority to set the administrative fee pursuant to Section 4.C of Agreement #14-710 with Nationwide Retirement Solutions, Inc. Your Council currently determines reasonable Plan expenses as part of the annual budget approval and review process. Therefore, these changes will have no practical effect on operations and will instead clarify your Council's role in the process.

10. Claims Procedures (Article 10 of Attachment A)

This Article provides procedures by which claimants, such as ex-spouses or beneficiaries of participants, may appeal the Plan's determination of benefits.

11. Normal Retirement Age Ranges (Appendix A of Attachment A)

Normal Retirement Ages (for purposes of Special Section 457 Catch-up – see Article 5.3 of Attachment A) have been updated pursuant to clarification from the Fresno County Employees Retirement Association.

RECOMMENDED ACTION

Approve the proposed amended and restated Plan Document and direct staff to submit the Plan Document to the Board of Supervisors for approval.

Item 7 – Attachment A

Proposed Amended & Restated County of Fresno 457(b) Deferred Compensation Plan Document

COUNTY OF FRESNO
457(b) DEFERRED COMPENSATION PLAN

Originally Effective as of January 20, 1976

Amended and Restated as of __________

COUNTY OF FRESNO
457(b) DEFERRED COMPENSATION PLAN

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COUNTY OF FRESNO
457(b) DEFERRED COMPENSATION PLAN

County of Fresno ("Employer" or "County") hereby amends and restates the County of Fresno 457(b) Deferred Compensation Plan (Plan), effective as of __________, for the exclusive benefit of its eligible employees and their beneficiaries.

RECITALS

Whereas:

The Employer first established for the benefit of its employees the Plan as a deferred compensation plan that qualified as a deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986 (Code) under which the eligible employees may defer a portion of their compensation, effective January 20, 1976;

The Employer certifies that it is an employer who is eligible to sponsor the Plan under the terms of section 457(b) of the Code;

The Employer most recently amended and restated the Plan, under section 457(b) of the Code of 1986, as amended, and the regulations thereunder, effective April 17, 2012;

The Employer intends that the Plan comply with the requirements of section 457(b) of the Code and the Treasury regulations pertaining to Code section 457(b) plans as may be amended from time to time, and California laws ("State Law");

The Employer or its designee is authorized and directed to act on behalf of the Employer and to develop appropriate procedures and to install necessary controls to insure that the Plan is operated in conformance with the Code and State Law;

The Employer's primary purpose of the Plan is to attract and retain personnel by permitting them to enter into agreements with the County that will provide for deferral of payment of a portion of their current compensation until death, retirement, termination of employment, or other events as provided herein, in accordance with the provisions of sections 53212 – 53214 of the Government Code of the State of California, section 457(b) of the Code, the Treasury regulations promulgated under section 457(b) of the Code and other applicable sections of the Code;

Effective as of __________, the Employer desires to amend and restate the Plan further to continue a deferred compensation plan that is an eligible deferred compensation plan pursuant to Code section 457(b), under which the eligible employees may defer a portion of their compensation and comply with the requirements of section 457(b) of the Code and the Treasury regulations pertaining to Code section 457(b) plans as may be amended from time to time, and State Law.

OPERATIVE PROVISIONS

Now, therefore, the Employer hereby adopts the Plan upon the following terms and conditions:

ARTICLE 1 – GENERAL

1.01. Plan Name.

The name of this Plan is the "County of Fresno 457(b) Deferred Compensation Plan."

1.02. Effective Date.

The effective date of this amended and restated Plan is __________, 2018.

1.03. Exclusive Benefit.

It is the intention of the Employer that the Plan and the Trust are created and maintained for the exclusive benefit of the eligible Employees and their Beneficiaries.

1.04. Income Tax And ERISA Status.

The Plan is intended to qualify as a governmental plan that is exempt from the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). However, the Plan is subject to the fiduciary standards set forth in Article 16 of the California Constitution and in the California Government Code applicable to Code section 457(b) plans.

1.05. Assets Held In Trust.

In accordance with Code section 457(g), all amounts of compensation deferred under this Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights, shall be held in trust, in a custodial account described in Code section 401(f), or an annuity contract described in Code section 401(f) for the exclusive benefit of the participating Employees and their Beneficiaries.

1.06. Defined Terms.

All initially capitalized terms (other than headings) are defined terms and will be defined in the General Definitions article.

1.07. Tax Status Not Guaranteed.

The Employer, the Council, and the Administrator, do not, and cannot, represent or guarantee that any particular federal and state income, payroll, or other tax consequences will occur by reason of an Employee's participation in this Plan. The Participant shall consult with his own attorney or other representative regarding all tax or other consequences of participation in this Plan.

ARTICLE 2 – GENERAL DEFINITIONS

For purposes of this Plan, the following definitions shall apply:

2.01. Account.

"Account" means the following separate accounts maintained by the Trustee on behalf of a Participant:

A. Elective Deferred Compensation Account.

"Elective Deferred Compensation Account" means the Participant's Pre-Tax Account, the Participant's Post-Tax Roth Account, and the Participant's In-Plan Roth Conversion Account as defined below:

1. Pre-Tax Account.

"Pre-Tax Account" means the account maintained by the Trustee for each Participant representing Pre-Tax Contributions, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2. Post-Tax Roth Account.

"Post-Tax Roth Account" means the account maintained by the Trustee for each Participant representing Post-Tax Roth Contributions by the Participant, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

3. In-Plan Roth Conversion Account.

"In-Plan Roth Conversion Account" means the account maintained by the Trustee for each Participant representing the amounts, if any, that the Participant has converted to Roth contributions described in Code section 402A pursuant to the In-Plan Roth Conversions section, below, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

B. Nonelective Deferred Compensation Account.

"Nonelective Deferred Compensation Account" means the account maintained by the Administrator for each Participant representing Nonelective Deferred Compensation, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

C. Rollover Account.

"Rollover Account" means the account maintained by the Trustee for each Participant representing the rollover of distributions received by the Participant from another plan, if any, or the direct transfer of an Eligible Rollover Distribution (excluding rollover contributions from a Roth elective account) from another plan, if any, adjusted for withdrawals, income, expenses and realized and unrealized gains and losses attributable thereto.

D. Roth Rollover Account.

"Roth Rollover Account" means the account maintained by the Trustee for each Participant representing the direct transfer of an Eligible Rollover Distribution that consists of Roth contributions described in Code section 402A from another plan, if any, adjusted for withdrawals, income, expenses, and realized and unrealized gains and losses attributable thereto.

2.02. Administrator.

"Administrator" means the Director of Human Resources or his/her designee.

2.03. Alternate Payee.

"Alternate Payee" means any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

2.04. Beneficiary.

"Beneficiary" means any one or more person(s) entitled under the provisions of this Plan to receive benefits after the death of a Participant.

2.05. Code.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

2.06. Compensation.

"Compensation" means the total of all amounts which would be paid by the County to or for the benefit of an Employee (if he were not a Participant in the Plan) for services performed during the period that the Employee is a Participant, including any amounts that may be credited to the Participant's Account. Compensation shall be taken into account at its present value and its amount shall be determined without regard to any community property laws. Compensation also includes differential pay, if any is paid by the County, that 1) is made by the County to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than 30 days; and 2) represents all or a portion of the wages the individual would have received from the County if the individual had remained actively employed. Compensation shall also include amounts referenced in Sections 3.06 and 3.07.

2.07. Council.

"Council" means the Deferred Compensation Management Council that has been delegated by the Employer to make certain decisions with respect to the Plan as described herein. Membership shall include: County Administrative Officer, Auditor-Controller/Treasurer-Tax Collector, Retirement Administrator (or Assistant Retirement Administrator), Director of Human Resources (or Deputy Director of Human Resources), One (1) department head appointed by the County Administrative Officer (three (3)-year term), two (2) members at-large appointed by the Board of Supervisors (three (3)-year term). The two (2) members at-large appointed by the Board of Supervisors may be current or former employees and must be Participants in the Plan.

2.08. Deferred Compensation.

"Deferred Compensation" means the amount of the Participant's compensation, not yet earned by the Participant that the Participant designates as the amount that shall be deferred in accordance with the provisions of this Plan. Deferred Compensation may consist of Pre-Tax Contributions or Post-Tax Roth Contributions. Deferred Compensation may also consist of Nonelective Compensation.

2.09. Designated Beneficiary.

"Designated Beneficiary" relates to the Required Minimum Distributions section and means the individual who is designated as the Participant's Beneficiary and is the designated beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-4.

2.10. Distributee.

"Distributee" means an Employee or former Employee who receives a distribution from the Plan. "Distributee" also means (i) the Employee's or former Employee's surviving spouse, (ii) the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), with regard to the interest of the spouse or former spouse, and (iii) the Employee's designated Beneficiary who is not the Employee's spouse.

2.11. Distribution Calendar Year.

"Distribution Calendar Year" relates to the Required Minimum Distributions section and means a calendar year for which a minimum distribution is required under Code section 401(a)(9), the Treasury regulations promulgated thereunder, and the provisions of the Plan that implement these requirements. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under the Payment Of Death Benefits section, below.

2.12. Domestic Relations Order.

"Domestic Relations Order" means a domestic relations order described in section 414(p)(1)(A)(i) of the Code.

2.13. Eligible Retirement Plan.

"Eligible Retirement Plan" means a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A, an individual retirement annuity described in Code section 408(b) other than an endowment contract, or an eligible deferred compensation plan described in Code section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State and that agrees to separately account for amounts transferred into such plan from this Plan, that accepts the Distributee's Eligible Rollover Distribution.

However, in the case of an Eligible Rollover Distribution to a designated Beneficiary who is not the Employee's surviving spouse, an Eligible Retirement Plan shall be (i) an individual retirement account described in Code section 408(a), a Roth individual retirement account described in Code section 408A, or an individual retirement annuity described in Code section 408(b) other than an endowment contract and (ii) a direct trustee-to-trustee transfer is made to such an account or annuity.

2.14. Eligible Rollover Distribution.

"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee; provided, however, that an Eligible Rollover Distribution does not include:

A. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten (10) years or more;

B. Any distribution to the extent such distribution is required under Code section 401(a)(9);

C. Any distribution that is a deemed distribution under the provisions of Code section 72(p); or

D. Any distribution that is made upon hardship of the Employee.

2.15. Employee.

"Employee" means an individual who is employed by the Employer as a common law employee of the Employer on a permanent, full-time or part-time basis. "Employee" does not mean seasonal and extra-help employees, independent contractors, and contract employees whose specific contract does not provide for participation in the Plan.

2.16. Employment Period.

"Employment Period" means a period from January 1 through December 31 of the same year, except that the first Employment Period of an Employee hired on any date other than January 1 shall be the period beginning with the date of employment and ending on December 31 of the same year.

2.17. Employer.

"Employer" means the County of Fresno.

2.18. ERISA.

"ERISA" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

2.19. Includible Compensation.

"Includible Compensation" means the Employee's "compensation" as determined under Code section 415(c)(3). Compensation also includes differential pay, if any is paid by the County, that 1) is made by the County to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than thirty (30) days; and 2) represents all or a portion of the wages the individual would have received from the County if the individual had remained actively employed. Includible Compensation shall also include amounts referenced in Sections 3.06 and 3.07.

2.20. Nonelective Deferred Compensation.

"Nonelective Deferred Compensation" means the amount, if any, of Compensation deferred by the Employer under the Plan for the Participant that is not subject to an election by the Participant to receive such amount in cash or property.

2.21. Normal Retirement Age.

"Normal Retirement Age" relates to Code section 457(b)(3) and means the date a Participant attains age seventy and one-half (70-1/2) or, at the election of the Participant, any earlier date that is no earlier than the earliest age at which the Participant would have the right to retire under the County's pension plan based on their membership status and benefit tier, and to receive immediate retirement benefits calculated without actuarial or similar reduction because of retirement before some later specified age. Normal Retirement Age Ranges by Retirement Benefit Tier are included in Appendix A.

2.22. Participant.

"Participant" means any Employee or former Employee who has met the Plan's eligibility requirements, commenced participation in the Plan, and is or may become eligible to receive a benefit under the Plan, or whose Beneficiary(ies) may be eligible to receive any such benefit.

2.23. Plan.

"Plan" means the Code section 457(b) eligible deferred compensation plan as set forth herein and any amendments hereto.

2.24. Post-Tax Roth Contribution.

"Post-Tax Roth Contribution" means a Participant's elective deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Post-Tax Roth Contributions under §402A by the Participant in his or her participation agreement. A Participant's Post-Tax Roth Contributions, and any investment gains or losses thereon, will be accounted for separately from the Participant's Pre-Tax Contributions and will be held in the Participant's Post-Tax Roth Account.

2.25. Pre-Tax Contribution.

"Pre-Tax Contribution" means a Participant's elective deferrals that are not includible in the Participant's gross income at the time deferred. A Participant's Pre-Tax Contributions, and any investment gains or losses thereon, will be accounted for separately from the Participant's Post-Tax Roth Contributions and will be held in the Participant's Pre-Tax Account.

2.26. Required Beginning Date.

"Required Beginning Date" relates to the Required Minimum Distributions section, and means April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age seventy and one-half (70-1/2) or (ii) the calendar year in which the Participant retires.

2.27. Rollover Contribution.

"Rollover Contribution" means a direct rollover to this Plan of an Eligible Rollover Distribution, of pre-tax amounts, made on behalf of a Participant by an Eligible Retirement Plan.

2.28. Severance From Employment.

"Severance From Employment" means the Employee ceases to be an Employee of the Employer within the meaning of Code section 457(d)(1)(A)(ii). A Participant shall be deemed to have severed employment with the Employer for purposes of this Plan on the date the employee's termination of employment is entered in the County's personnel records. Severance From Employment does not mean a reduction in work hours or a change to extra-help status (as defined in the Fresno County Personnel Rules).

2.29. Trust.

"Trust" means the deferred compensation trust, the custodial account described in Code section 401(f), or the annuity contract described in Code section 401(f), created by the Employer pursuant to Code section 457(g) and the Assets Held In Trust section (Section 1.05 above) for purposes of holding all amounts of compensation deferred under this Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights for the exclusive benefit of the Participants and their Beneficiaries.

2.30. Trustee.

"Trustee" means the trustee(s) signing the deferred compensation trust, the custodian(s) of the custodial account(s) described in Code section 401(f), or a bank, trust company or a financial institution appointed by the Employer to have custody of assets of the Plan, as custodian or as trustee, or the insurance company(ies) providing the annuity contract(s) described in Code section 401(f), established by the Employer pursuant to Code section 457(g) and the Assets Held In Trust section, above, and any successors to such trustee(s), custodian(s) or insurance company(ies).

2.31. USERRA.

"USERRA" means the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time.

2.32. Valuation Calendar Year.

"Valuation Calendar Year" relates to the Required Minimum Distributions section and means the calendar year immediately preceding the Participant's Distribution Calendar year.

ARTICLE 3 – PARTICIPATION

3.01. Eligibility.

A. All Employees are eligible to participate in the Plan. An Employee shall become a Participant upon entering into a compensation reduction agreement with the Employer in accordance with the requirements of the Compensation Reduction Agreement Requirements subsection, below.

B. The Administrator, using employment dates certified by the Employer, shall determine which Employees are eligible to participate, and the

Administrator shall furnish such information and attendant data to the Trustee. The Administrator shall notify each eligible Employee of the Employee's eligibility and of any application or other requirements for participation. By becoming a Participant, the Employee agrees to be bound by all terms, conditions and covenants of this Plan as then in effect or as thereafter amended.

3.02. Compensation Reduction Agreements.

A. Compensation Reduction Agreements In General.

A Participant may elect to enter into a written compensation reduction agreement with the Employer whereby the Participant agrees to accept a reduction in cash compensation from the Employer and to have the Employer contribute such amount to this Plan and the Trust. Such amount shall be equal to either (i) any percentage of such Participant's compensation per payroll period or (ii) a fixed dollar amount per payroll period as specified on the Participant's compensation reduction agreement.

B. Compensation Reduction Agreements For Extraordinary Compensation.

If any extraordinary compensation is payable to a Participant (such as a one-time payment of compensatory or holiday leave, overtime, etc.), the Participant may elect to enter into a separate written compensation reduction agreement with the Employer whereby the Participant agrees to accept a reduction in cash compensation from the Employer with respect to such extraordinary compensation equal to either (i) any percentage of such extraordinary compensation or (ii) a fixed dollar amount of such extraordinary compensation. A compensation reduction agreement with respect to any extraordinary compensation shall apply only to that extraordinary compensation and shall not affect the Participant's compensation reduction agreement then in effect with respect to each payroll period.

C. Compensation Reduction Agreement Requirements.

A Participant's compensation reduction agreement or extraordinary compensation reduction agreement shall be subject to the following:

1. A compensation reduction agreement shall become effective on the later of: i) the first pay date of the calendar month next following the execution of the compensation reduction agreement or, if later, ii) the first pay date of the calendar month for which the Employer can reasonably process the request. If the compensation reduction agreement has been executed on or before the Employee's first

day of employment, the compensation reduction agreement shall become effective no earlier than the Employee's first day of employment with the Employer or, if later, the first pay date for which the Employer can reasonably process the request.

2. Thereafter, the compensation reduction agreement shall apply to each payroll period during which an effective compensation reduction agreement is on file with the Employer.

3. Except as provided below, a Participant's compensation reduction agreement with respect to each payroll period may be entered into or amended by a Participant in accordance with paragraph 3.02.C.1 above.

4. A Participant may revoke their compensation reduction agreement then in effect with respect to each payroll period at any time, thereby ceasing Deferred Compensation on the later of: i) the next pay date or ii) the next pay date for which the Employer can reasonably process the request. A Participant who has revoked their compensation reduction agreement may again become an active Participant by submitting an effective compensation reduction agreement in accordance with paragraph 3.02.C.1 above.

5. The aggregate amount of a Participant's Deferred Compensation during a calendar year shall not exceed the amount that would cause the Plan to violate the provisions of Article 5. The Employer may modify or revoke the Participant's compensation reduction agreement with any Participant at any time if the Employer determines, solely at the Employer's discretion, that such revocation or amendment is necessary to ensure that the Plan will not exceed this limitation.

6. Except as provided above, a compensation reduction agreement applicable to any given calendar year, once made, may not be revoked or amended by the Participant or the Employer.

3.03. Employer Contributions – Nonelective Deferred Compensation.

The Employer may establish, in its sole and absolute discretion, the amounts, if any, of the Nonelective Deferred Compensation under this Plan for some or all of the Participants for any calendar year.

3.04. Rollover Contributions.

A. Any Participant in this Plan may transfer all or any of their assets to this Plan by means of a Rollover Contribution from an Eligible Retirement Plan. These assets shall be transferred to the Trustee, subject to the approval of the Administrator and Trustee. Prior to accepting any such rollover contribution, the Administrator may require that the Participant or Employee establish to the satisfaction of the Administrator that the amount to be rolled over to the Plan is an Eligible Rollover Distribution from an Eligible Retirement Plan. Except as provided in Subsection B, below, the Plan will not accept a rollover from an after-tax account.

B. This Plan will accept a direct rollover from another Roth elective deferral account under another plan as described in Code section 402A(e)(1); provided, however, that:

1. The rollover is permitted under the rules of Code section 402(c);

2. The other plan must provide to the Administrator either (i) a statement indicating the first year of the five (5) taxable-year period described in Code section 402A(d)(2)(B) and the portion of the distribution that is attributable to investment in the contract under Code section 72 or (ii) a statement that the distribution is a qualified distribution as described in Code section 402A(d)(2); and

3. The direct rollover shall be held in the separate Roth Rollover Account.

3.05. Transfers From Other Plans.

If (i) an Employee is entitled to benefits under this Plan, (ii) such Employee was previously covered by a Code section 457(b) eligible deferred compensation plan maintained by an employer that is an eligible employer within the meaning of Code section 457(e)(1)(A), and (iii) such plan provided for the transfer of such benefits pursuant to the provisions of Code section 457(e)(10) and the Treasury regulations promulgated thereunder, then this Plan will accept the transfer of such amounts if the Employer is satisfied, in its sole and absolute discretion, that such transfer and acceptance is permissible under Code section 457.

3.06. Timing Of Contributions.

A. A Participant's share of the Nonelective Deferred Compensation for a year shall be credited to the Participant's Account as soon as administratively feasible after the last day of such year or at such other times as the Employer or the Administrator may direct in its sole and absolute discretion. If the contribution is accrued for the preceding calendar year, and is actually made after the close of the calendar year, the Employer shall make such designation and such Nonelective Deferred Compensation shall be allocated to Participants' Nonelective Deferred Compensation Accounts as of the last day of the preceding calendar year.

B. Elective Deferred Compensation accumulated through payroll deductions shall be paid to the Trustee as of the earliest date on which such contributions can reasonably be segregated from the Employer's general assets, but in any event within fifteen (15) business days following the pay date which such amounts would otherwise have been payable to the Participant in cash.

3.07. Deferral Of Sick Pay, Vacation Pay And Back Pay.

In accordance with the Compensation Reduction Agreement Requirements Subsection (3.02.C) above and Treasury regulations section 1.457-4(d), a Participant who has not had a Severance From Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay. These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the participant is an employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise be paid for a payroll period that begins before Severance From Employment is treated as an amount that would otherwise be paid or made available before an employee has a severance from employment.

3.08. Contributions After Severance From Employment.

Former Employees may make a contribution from compensation paid after the Employee's Severance From Employment if paid by the later of (i) two and one-half (2-1/2) months after the Employee's Severance From Employment, or (ii) the end of the calendar year that includes the date of the Employee's Severance From Employment subject to the following requirements:

A. The payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been made to the Employee prior to a Severance From Employment if the Employee had continued in employment with the Employer.

B. The payment is for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment with the Employer continued.

3.09. Omission Of Eligible Employee.

If an Employee who should have been included as a Participant for a calendar year is erroneously omitted and discovery of the omission is made after the Nonelective Deferred Compensation is made and allocated, the Employer and the Administrator may correct the erroneous omission of the Employee in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc. 2013-12 and any subsequent guidance or standards similar to such requirements.

3.10. Inclusion Of Ineligible Individual.

If any individual is erroneously included as a Participant in the Plan and discovery of the erroneous inclusion is made after the Nonelective Deferred Compensation is made and allocated, the Employer and the Administrator may correct the erroneous inclusion of the individual in accordance with the requirements of the Internal Revenue Service through standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc. 2013-12 and any subsequent guidance or standards similar to such requirements.

ARTICLE 4 – INVESTMENTS

4.01. Investments.

The Council shall establish one or more investment options ("Investment Options") for the purpose of investing amounts of Compensation credited to Participants' Accounts. The selection of Investment Options shall be governed by a policy/rules established by the Council. Any action by the Council in selecting Investment Options and/or establishing a policy to govern the selection of Investment Options, shall not be considered to be either an endorsement of or guarantee of any investment, nor shall it be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations as provided in Article 7 of this Plan.

4.02. Election Of Investment Options.

Each Participant may allocate the Compensation deferred by him/her under his/her compensation reduction agreement among the Investment Options. A Participant may modify his/her selection of Investment Options in accordance with rules established by the Council. Such modification may affect transfers of compensation already deferred from one Investment Option to another and/or may prospectively change the investments to which future deferrals of compensation shall be allocated, effective as soon as practicable after the filing of the modification with the Trustee.

4.03. Default Investment.

In the event a Participant fails to make an affirmative selection of Investment Option(s) for his or her Account, the Participant's account balance will be placed in an Investment Option in accordance with an investment election policy established by the Council.

4.04. Statements Of Accounts.

Participants shall be given written statements of the balances of their Accounts with such frequency as the Trustee shall determine, in its sole discretion, but not less frequently than annually.

ARTICLE 5 – CONTRIBUTIONS

5.01. Minimum Contributions.

The minimum amount that a Participant may contribute to their Account per payroll period is the lesser of ten dollars ($10.00) or one percent (1%) of compensation.

5.02. Contribution Limitations In General.

The maximum amount of Deferred Compensation under the Plan for any Participant for any calendar year, taken into account at its present value, shall not exceed the lesser of:

A. The applicable dollar amount set forth in Code section 457(e)(15) as such amount has been adjusted by the Secretary of the Treasury pursuant to Code section 457(e)(15)(B) (e.g., eighteen thousand five hundred dollars ($18,500) for 2018); or

B. One hundred percent (100%) of the Participant's Includible Compensation for such calendar year.

5.03. Contribution Limitations – Last Three Years Of Participation.

In any of the Participant's last three (3) years ending before the Participant's Normal Retirement Age, instead of the amount set forth in the Contributions Limitations In General section, above, the maximum amount of Deferred Compensation under the Plan for the Participant for the calendar year, taken into account at its present value, shall not exceed the lesser of:

A. Two (2) times the dollar amount set forth in Subsection A of the Contribution Limitations In General section, above (e.g., thirty-seven thousand dollars ($37,000) for 2018); or

B. The sum of:

1. The limitation established for purposes of the Contribution Limitations In General section, above, for the year, determined without regard to this Contribution Limitations – Last Three Years Of Participation section; plus

2. So much of the limitation established for purposes of the Contribution Limitations In General section, above, for years before the year that has not previously been used under the Contribution Limitations In General section, above, or this Contribution Limitation – Last Three Years Of Participation section; provided, however, that taxable years commencing before January 1, 1979 and taxable years when the Participant was not a Participant shall not be taken into account.

5.04. Contribution Limitations – Age Fifty Catch-Up Contributions.

If a Participant would be at least age fifty (50) by the end of a calendar year, and the limitations in Section 5.03, above, do not apply, then instead of the amount set forth in the Contribution Limitations In General section, above, the maximum amount of Deferred Compensation under the Plan for the Participant for the calendar year, shall not exceed the sum of:

A. The limitation specified in Section 5.02, above; plus

B. Six thousand dollars ($6,000) or such larger amount as may be permitted by the Secretary of the Treasury pursuant to Code section 414(v)(2)(C).

5.05. Distribution Of Excess Deferred Compensation.

If a Participant's Deferred Compensation for the calendar year would be more than the amount permitted under this Article 5 (Excess Deferred Compensation), the following provisions shall apply:

A. Any direction for such Excess Deferred Compensation consisting of Deferred Compensation shall be invalid and the directed deferral shall (i) not be made, and (ii) not be assigned to any such Participant's Account. Excess Deferred Compensation consisting of Nonelective Deferred Compensation shall not be assigned to any such Participant's Account.

B. Notwithstanding any other provision of the Plan, Excess Deferred Compensation under the Plan and any other Code section 457(b) eligible deferred compensation plan(s) maintained by the Employer, computed without regard to any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, and any income allocable to such amount shall be distributed from the Plan or such other plan(s), as determined by the Administrator in its sole and absolute discretion, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation to the Participant to whose Account Excess Deferred Compensation was assigned.

C. If Excess Deferred Compensation occurs solely because of combined Deferred Compensation under (i) the Plan and (ii) any other Code section 457(b) eligible deferred compensation plan(s) maintained by any employer(s) other than the Employer, the Plan may distribute the Excess Deferred Compensation and any income allocable to such amount, as soon as administratively practicable after the Administrator determines that the amount is Excess Deferred Compensation, to each Participant to whose Account Excess Deferred Compensation was assigned for the preceding calendar year. Each such Participant shall notify the Employer or the Administrator of how much Excess Deferred Compensation the Administrator should distribute from the Plan in accordance with rules established by the Administrator.

D. A Participant may designate the extent to which the Excess Deferred Compensation are composed of Pre-Tax Contributions and/or Post-Tax Roth Contributions, but only to the extent that both types of Deferred Compensation were made during the calendar year. If the Participant does not designate which type of Deferred Compensation are to be distributed, the Participant's Pre-Tax Contributions shall be distributed first.

ARTICLE 6 – PARTICIPANT-DIRECTED INDIVIDUAL ACCOUNTS

6.01. Directed Individual Accounts Permitted.

The Administrator may, in its sole and absolute discretion, permit each Participant or Beneficiary to direct the Trustee as to the investment of all or a portion of the Participant's Accounts in any one or more of the investment options made available under the Plan by the Administrator. If such authorization is given by the Administrator, in compliance with California Government Code Section 53213.5 and all other applicable state and federal laws, each Participant and Beneficiary may, subject to a procedure established by the Administrator, in a uniform, nondiscriminatory manner, direct the Trustee in writing to invest all or any portion of the Participant's Accounts in the one or more of the investment options made available by the Administrator.

6.02. Separate Account Established.

A separate participant-directed individual account shall be established for each Participant (or Beneficiary) who has directed an investment. Transfers between the Participant's other accounts and the Participant's participant-directed individual account shall be charged and credited as the case may be to each account. The participant-directed individual account shall not share in the Trust investment results, but it shall be charged or credited as appropriate with the net earnings, gains, losses, expenses, taxes and unrealized appreciation or depreciation in market value, during each calendar year attributable to such account, and it shall be subject to all of the other provisions of the Plan and this Trust. Neither shall the investment results of the participant-directed individual accounts be included in the calculation of the Trust investment results generally. Participant Account values shall be maintained on a daily valuation basis using the most recent values provided by the Trustee.

6.03. Fiduciary Duty.

Notwithstanding any other provisions of law, a Participant's choosing individually directed investments shall relieve the Trustee, the Employer and the Administrator of liability for any losses which are the direct and necessary result of the investment instructions given by a Participant or Beneficiary. However, such relief shall be conditioned upon the Employer's or the Administrator's compliance with communication and education requirements similar to those prescribed in ERISA section 404(c), as well as any such requirements under applicable State law.

ARTICLE 7 – BENEFICIARIES

7.01. Beneficiaries In General.

Each Participant shall have the right to designate, in writing, a Beneficiary or Beneficiaries to receive the Participant's death benefits, and shall have the right, at any time, to revoke such designation or to substitute another such Beneficiary or Beneficiaries without the consent of any Beneficiary.

7.02. Revocation Of Spousal Beneficiary.

If a Participant has designated the Participant's spouse as the Participant's Beneficiary under this Plan, such designation shall be deemed to have been revoked in the event of a judgment, decree, order, or approval of a settlement agreement, issued either (i) by a court of competent jurisdiction, or (ii) through an administrative process established under State law having the force and effect of law under applicable State law, dissolving such marriage, unless the Participant designates the Participant's ex-spouse as the Participant's Beneficiary by a new designation signed by the Participant and delivered to the Trustee or the Administrator after the entry of such judgment, decree, order or approval of a settlement agreement and prior to the Participant's death.

7.03. No Designated Beneficiary.

If, upon the death of a Participant, there is no valid designation of Beneficiary on file with the Trustee or the Administrator, or the Participant's primary and contingent Beneficiaries are not alive, the Administrator shall designate as the Beneficiary, in order of priority:

A. The surviving spouse;

B. The surviving children, in equal shares;

C. Surviving parents, in equal shares; or

D. The Participant's heirs at law.

The determination of the Administrator as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons, but the Administrator may seek a declaratory judgment of a court of competent jurisdiction to determine the identity of Beneficiaries and their respective shares at the expense of the Participant's Account.

ARTICLE 8 – PAYMENT OF BENEFITS

8.01. Commencement Of Payment Of Benefits.

The payment of a Participant's benefits under the Plan may not commence earlier than the earliest of:

A. The calendar year in which the Participant attains age seventy and one-half (70-1/2); or

B. When the Participant has a Severance From Employment; or

C. When the Participant is faced with an unforeseeable emergency as provided in the Distributions Upon An Unforeseeable Emergency section, below; or

D. For purposes of this section, a Participant shall be treated as having a Severance From Employment during any period the Participant is performing service in the uniformed services described in Code section 3401(h)(2)(A) if the Participant elects to receive a distribution from the Plan during such period. However, as result of the application of this subsection, the Participant may not make Deferred Compensation to the Plan during the six (6)-month period beginning on the date of the distribution.

8.02. Payment Of Benefits After Severance From Employment.

The Trustee shall determine the amount of the Participant's Account. The Trustee shall distribute the Participant's Account in accordance with the method of payment of benefits selected by the Participant (or the Beneficiary of a deceased Participant) in accordance with the following provisions:

A. Form Of Distribution.

The Participant or the Participant's Beneficiary shall receive the Participant's Account in the following form:

1. A single sum distribution;

2. Annual or more frequent (but not more frequently than monthly) installments as nearly equal as practicable over a fixed period of years not to exceed the Participant's life expectancy; provided, however, that the last annual installment shall be an amount equal to the remaining amount in the Participant's Account on the day of the distribution;

3. Annual or more frequent (but not more frequently than monthly) installments of a fixed amount; or

4. A combination of these methods.

B. Cash Outs.

If the value of the Participant's Account does not exceed one thousand dollars ($1,000), the Trustee may distribute such benefit as soon as is administratively feasible after the Participant's Severance From Employment without such Participant's consent.

C. Eligible Rollover Distributions.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Plan, a Distributee may elect, at the time and in the manner prescribed by the Employer, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a direct rollover.

Notwithstanding any of the provisions of the Eligible Rollover Distributions subsection, a direct rollover of a distribution from a Post-Tax Roth Account, In-Plan Roth Conversion Account, or a Roth Rollover Account under the Plan will be made only to another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA (as defined below) and only to the extent the rollover is permitted under the rules of Code section 402(c). For purposes of this subsection, a "Roth IRA" is defined as an individual retirement plan described in Code section 7701(a)(37) which is designated as a Roth IRA at the time of establishment in such manner as required by the Code and other regulations.

D. Transfers To Other Code Section 457(b) Plans.

If (i) a Participant has a Severance From Employment and (ii) such Participant is subsequently employed by another employer that is an eligible employer within the meaning of Code section 457(e)(1)(A), the Participant may request that the Participant's Account under the Plan be transferred to such employer's plan; provided that:

1. Such employer and such employer's plan will accept the transfer;

2. The value of the amount transferred immediately after the transfer shall be at least equal to the value of the amount transferred immediately before the transfer; and

3. Such transfer is accomplished in accordance with the requirements of Code section 457(e)(10) and the Treasury regulations promulgated thereunder.

The Employer may require such documentation as it deems necessary or appropriate, in its sole and absolute discretion, from the other employer in order to ensure that the requirements set forth above have been satisfied, and in order to effect the transfer.

Amounts transferred to another eligible deferred compensation plan shall be treated as distributed from this Plan and this Plan shall have no further responsibility to the Participant or any Beneficiary with respect to the amount transferred.

E. Distribution Elections.

Participants may make a new election, or amend or revoke a prior election under this Payment Of Benefits article in such form and manner as the Trustee may specify from time to time.

8.03 Distribution From Post-Tax Roth Accounts.

Any "qualified distribution" as defined below, from an Employee's Post-Tax Roth Account, In-Plan Roth Conversion Account, or Roth Rollover Account, other than a distribution of any Excess Deferred Compensation under Code section 402(g)(2) and any income on the Excess Deferred Compensation, shall not be includible in such Participant's gross income. A "qualified distribution" is a distribution in accordance with Code section 408A(d)(2)(A) (without regard to clause (iv) thereof). Furthermore, a distribution from an Employee's Post-Tax Roth Account, In-Plan Roth Conversion Account, or Roth Rollover Account shall not be treated as a qualified distribution if such distribution is made within the five (5) taxable year period beginning with the earlier of:

A. The first taxable year for which the individual made Post-Tax Roth Contributions to this Plan;

B. The first taxable year for which the Participant converted a portion of the Participant's Pre-Tax Account in an In-Plan Roth Conversion as described in the In-Plan Roth Conversions section, below; or

C. If a rollover contribution was made to a Roth Rollover Account from a designated Roth elective deferral account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth elective deferral to such previously established account.

8.04. Required Minimum Distributions.

A. Notwithstanding anything contained in the Plan to the contrary, the Participant's entire interest either (i) will be distributed to the Participant not later than the Required Beginning Date, or (ii) will begin to be distributed not later than the Required Beginning Date over a period not exceeding the life expectancy of the Participant, or the joint life expectancy of the Participant and the Participant's Designated Beneficiary.

B. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the

Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

C. Unless the Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with this Required Minimum Distributions subsection or the Payment Of Death Benefits section, below, if applicable.

D. All minimum distributions under this subsection will be made in accordance with the provisions of Code section 401(a)(9), the Treasury regulations promulgated under Code section 401(a)(9), and any other provisions reflecting Code section 401(a)(9) that are prescribed by the Commissioner of Internal Revenue in revenue rulings, notices and other guidance published in the Internal Revenue Bulletin.

E. The provisions of the Required Minimum Distributions section will override any distribution options in the Plan inconsistent with Code section 401(a)(9).

F. This Required Minimum Distributions section and the provisions under the Payment Of Death Benefits section set forth the minimum required distributions pursuant to Code section 401(a)(9) and the Treasury regulations promulgated thereunder and shall not be construed as creating any payment method under the Plan not otherwise provided under the Form Of Distribution subsection, above, provided that the method or methods of payment under the Form Of Distribution subsection, above, meet or exceed the requirements of this Required Minimum Distributions section.

8.05. In-Plan Roth Conversions.

A Participant may convert, in an "In-Plan Roth Conversion," any portion of the Participant's Account, other than a Post-Tax Roth Deferral Account or Roth Rollover Account to an In-Plan Roth Conversion Account pursuant to Code section 402A(c)(4) and the following:

A. This section shall apply to a deceased Participant's Beneficiary if the Beneficiary is the Participant's surviving spouse and to an Alternate Payee who is a spouse or a former spouse of the Participant, as if such an individual were the Participant.

B. A Participant loan may not be distributed as part of an In-Plan Roth Conversion.

C. A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion in the taxable year when the conversion occurs.

D. Any distribution restrictions that otherwise apply with respect to a specific contribution source will continue to apply if such contribution source is converted as part of an In-Plan Roth Conversion.

E. Any election to make an In-Plan Roth Conversion may not be changed after the In-Plan Roth Conversion is completed.

8.06. Distributions Upon An Unforeseeable Emergency.

A. At any time, a Participant may apply in writing for a distribution upon an unforeseeable emergency in an amount equal to all or a portion of the Participant's Account.

B. Except to the extent that the Trustee has been designated as the party responsible for the following, the Administrator shall determine, in its sole and absolute discretion, the amount of the distribution that is necessary to alleviate the unforeseeable emergency. The determination by the Administrator of the existence of an unforeseeable emergency and of the amount necessary to meet the need shall be made in a nondiscriminatory and uniform manner, pursuant to applicable statutes, regulations and guidelines. This determination by the Administrator shall be final and binding.

C. A distribution is on account of an unforeseeable emergency only if the distribution is made on account of a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, such as damage that is the result of a natural disaster), death in family, or disabling injury, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

D. Except as otherwise specifically provided in the Treasury regulations, the purchase of a home or the payment of college tuition are not unforeseeable emergencies.

E. The following may constitute an unforeseeable emergency:

1. A need to rebuild the Participant's home following damage to it not otherwise covered by insurance, such as damage that is the result of a natural disaster;

2. The imminent foreclosure of or eviction from the Participant's primary residence;

3. The need to pay for medical expenses, including non-refundable deductibles and the cost of prescription drug medication; or

4. The need to pay funeral expenses of the Participant's spouse or a dependent (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B)).

F. Whether a Participant is faced with an unforeseeable emergency permitting a distribution is to be determined pursuant to applicable statutes, regulations and guidelines and based on the relevant facts and circumstances of each case, but a distribution on account of an unforeseeable emergency of the Participant may not be made if such emergency can be relieved by:

1. Reimbursement or compensation by insurance or otherwise;

2. Liquidation of the Participant's assets, to the extent that such liquidation of the Participant's assets would not itself cause a severe financial hardship;

3. Cessation of deferrals under the Plan; or

4. If allowed, by taking out a loan under the Plan, provided that the repayment of such loan does not in itself cause financial hardship.

G. The amount of any unforeseeable emergency distribution shall not exceed the lesser of:

1. The amount reasonably necessary, as determined by the Employer, to satisfy the hardship (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution); or

2. The amount of the Participant's Account.

H. Any distribution under this Distributions Upon An Unforeseeable Emergency section shall be made in a single sum.

8.07. Payment Of Death Benefits.

A. Death After Benefit Commencement.

If the Participant dies after having begun to receive installment payments in accordance with Section 7.02, payment of the remainder of such scheduled payments shall be suspended for a period of sixty (60) days after the Participant's death. During such sixty-day suspension period, the Beneficiary of such Participant may elect to receive the balance then credited to the Participant's Account in a single lump sum or in installments as specified under Section 7.02, provided that the Participant's Account will be distributed to the Beneficiary at least as rapidly as under the method of distribution being used prior to the Participant's death. If no such election is made by the Beneficiary by the end of the sixty (60)-day suspension period, the remaining installment payments selected by the Participant shall be paid to the Beneficiary.

B. Death Prior To Benefit Commencement.

If the Participant dies before distribution of his Account commences, the Participant's Beneficiary shall receive distribution of such Participant's Account as provided under Section 7.02, treating the Beneficiary as if they were the Participant; provided, however:

1. If the Beneficiary is not the Participant's surviving spouse, the Beneficiary must elect a distribution payable over a period not extending beyond the life expectancy of the Beneficiary, commencing no later than the end of the calendar year following the calendar year in which the Participant died, or elect a lump sum to be made no later than the end of the calendar year which contains the fifth (5th) anniversary of the date of death of the Participant and in the event no election is made, a lump sum payment of the Account balance shall be made by the end of such calendar year.

2. If the Beneficiary is the Participant's surviving spouse, surviving spouse may elect a lump sum payment or installments payable over a period not extending beyond the life expectancy of the surviving spouse. Distributions to the surviving spouse must commence on or before the later of the calendar year immediately following the calendar year in which the Participant died or the year the Participant would have attained age seventy and one-half (70-1/2). If the surviving spouse dies before his or her payments begin, subsequent distributions shall be made as if the surviving spouse had been the Participant. For purposes of this paragraph, payments will be calculated by use of the return multiples specified

in section 1.72-9 of the Treasury regulations, without recalculation of life expectancies.

C. Commencement Of Death Benefit Payments.

The Participant's benefits under the Plan shall be paid to the Participant's Beneficiary or Beneficiaries in a manner described in this Section 8.07 as soon as administratively feasible after the Administrator or the Trustee has received the Participant's certified death certificate; such death certificate may be a copy of the certified death certificate.

8.08. Loans.

The Council is authorized to adopt a policy/rules permitting a Participant to take a loan against their Account.

A loan to a Participant shall be made solely from the assets of such Participant's own Account(s) and all interest paid shall be credited to said Account(s). Any loan from the Participant's Deferred Compensation Account shall be treated as coming first from the Participant's Pre-Tax Account and then from the Participant's Post-Tax Roth Account and/or In-Plan Roth Conversion Account, to the extent that funds are available.

8.09. Purchase Of Service Credit.

A Participant may use all or a portion of their Account as a direct trustee-to-trustee transfer to a retirement system to purchase permissive service credit or redeposit previously withdrawn contributions under a governmental plan (as defined in IRC section 414(d)), provided that:

A. The retirement system permits such a transfer; and

B. The Participant demonstrates to the Administrator's satisfaction that:

1. The transfer is to a governmental plan (as defined in IRC section 414(d)); and

2. The transfer involves the purchase of permissive service credits (as defined in Code section 415(n)(3)(A)) or for the repayment of service credits permissible by IRC section 415(k)(3).

8.10. Distributions To Incapacitated Participants.

If a parent, guardian, conservator, trustee, custodian (including under a Uniform Transfers of Gifts to Minors Act custodian) or attorney-in-fact or other legal representative of a Participant or Beneficiary who is entitled to a payment under the Plan, provide evidence satisfactory to the Administrator, in its sole discretion, that such Participant or Beneficiary is not able to care for his or her affairs due to a mental condition, a physical condition, or by reason of age, the Administrator may make all benefit distributions to the Participant's or Beneficiary's parent, guardian, conservator, trustee, custodian. Payments made pursuant to the terms of this Distributions To Incapacitated Participants section shall constitute a distribution to the Participant or Beneficiary entitled thereto, and shall immediately discharge the Employer, Administrator, Trustee, the Plan and the Trust of any further liability therefor. Neither the Administrator nor the Trustee has a duty to inquire or investigate the competence of any Participant or Beneficiary entitled to receive payments under the Plan.

8.11. Qualified Domestic Relations Order Payments.

All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order" as those terms are defined in Code section 414(p). Notwithstanding any other provision of this Plan, a distribution may be made to an "alternate payee" pursuant to a "qualified domestic relations order," as each term is defined in Code section 414(p), prior to the times otherwise specified in this Plan, if the qualified domestic relations order requires such a distribution, even if the Participant is not yet entitled to receive a distribution; provided, however, that nothing contained in this provision nor such qualified domestic relations order shall entitle a Participant to a distribution prior to the time as otherwise determined under the Plan.

8.12. Nonliability.

The Employer does not guarantee the Trust, the Participants or their Beneficiaries against loss of or depreciation in value of any right or benefit that any of them may acquire under the terms of this Plan. All of the benefits payable hereunder shall be paid or provided for solely from the Trust.

8.13. Mechanics Of Payment.

The Trustee, with respect to any benefit, is authorized to pay benefits directly from the Trust pursuant to the applicable provisions in this Article 8.

8.14. Withholding.

The Employer, the Administrator or the Trustee may withhold from any benefit payable under the Plan all federal, State or local taxes that may be required to be withheld pursuant to applicable law.

8.15. Lost Participant Or Beneficiary.

A. If, according to the records of the Plan, the Participant or the Beneficiary of a deceased Participant has not made a claim for benefits, and the Participant or Beneficiary cannot be located in accordance with the procedures in Subsection 8.15.B below, the Participant's Account balance shall be held in the Plan until such time that the Participant or the Beneficiary can be located or the Plan is terminated, if later.

B. The Administrator shall take the following steps to locate a missing Participant or Beneficiary:

1. Mail a letter by certified mail to the Participant or Beneficiary's last known mailing address according to the Plan's records;

2. Check related plan records to determine if one or more of the related plans may have more up-to-date information with respect to the Participant or Beneficiary;

3. Attempt to identify and contact the individual(s) who the Participant has designated as a Beneficiary; and

4. Use any other search method or methods, including Internet search tools, commercial locator services and credit reporting agencies that the Administrator determines is a prudent method to use to locate the Participant or Beneficiary based on the particular facts and circumstances.

C. If after Plan termination and use of the search methods specified in the previous subsection the Administrator is still unable to locate a missing Participant or Beneficiary, then the Administrator shall transfer the portion of the Participant's Account that is an Eligible Rollover Distribution to an individual retirement account described in Code section 408(a) or an individual retirement annuity described in Code section 408(b) designated by the Administrator.

ARTICLE 9 – PLAN ADMINISTRATION

9.01 Powers And Responsibilities Of The Employer.

A. The Employer shall approve any and all changes to the Plan, pursuant to Article 11, below.

B. The Employer shall approve the bylaws governing the Council and shall approve any and all changes to said bylaws.

C. The Employer shall be empowered to appoint and remove members of the Council, from time to time, as it deems necessary for the proper administration of the Plan and to assure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code.

D. The Employer shall have the authority to hire and fire any fiduciary or agent, including the Trustee, appoint, engage and/or contract for one or more representatives, accountants, counsel, specialists, and other advisory and clerical persons as it deems necessary or desirable to assist the Council in the administration of the Plan. The Employer may designate, as allowed by law, any person as its agent for any purpose. The designated representative of the Employer shall be responsible only for those specific powers, duties, responsibilities and obligations specifically given to it by the Employer. All usual and reasonable expenses of such representatives, accountants, counsel, specialists, and other advisory and clerical persons may be paid in whole by the Plan.

E. The Employer shall maintain sufficient employment records to calculate benefits under this Plan for each Employee. The Employer shall make such records available to the Administrator, in a timely manner, and the Employer shall be responsible for the accuracy of such information upon which the Administrator is entitled to rely.

9.02. Powers And Responsibilities Of The Council.

A. The Council or its designee shall, in its discretion, interpret and construe the provisions of the Trust, shall resolve any ambiguities in the Trust, and shall resolve any conflicts between the Plan and the Trust.

B. The Council exclusively has the authority to establish and shall establish all policies, procedures, and guidelines necessary or advisable to carry out the purpose of the Plan.

C. The Council shall establish an investment policy or guidelines to ensure the prudent selection and monitoring of Plan investments or Investment Options. Such investment policy or guidelines shall be consistent with the objectives of this Plan and with the requirements of applicable State and/or Federal law.

D. The Council shall select and monitor Plan investments or Investment Options pursuant to the investment policy or guidelines described in Paragraph B of this Powers And Responsibilities Of The Council section.

E. The Council shall make recommendations to the Employer, as appropriate, regarding the appointment of such representatives, accountants, counsel, specialists, and other advisory and clerical persons as may be necessary and appropriate for the administration and operation of this Plan and the delegation, as allowed by law, to such representatives, accountants, counsel, specialists, and other advisory and clerical persons of any of its discretionary and ministerial powers and duties in accordance with this Article 9.

F. The Council shall determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan expenses on an annual basis.

9.03. Powers And Responsibilities Of The Administrator.

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan and any Council established policies, procedures and guidelines. The Administrator shall apply the policies, procedures and guidelines set forth by the Council pursuant to Article 9.02 above. The Administrator shall administer the Plan in accordance with its terms and shall have all powers that are not retained by the Employer or the Council, as enumerated in Sections 9.01 and 9.02, above.

9.04. Settlement Of Disputes.

If any dispute arises between the Trustee and any other person, including, without limitation, the Administrator, the Employer or any Participant or Beneficiary under the Plan with respect to the interpretation of this Plan or the Trust or the duties of the Trustee, the Administrator or any other fiduciary, then neither the Trustee nor the Administrator shall be obligated to take any other action in connection with the matter involved in the controversy until such time as the controversy is resolved, unless this would clearly be imprudent or not in the best interest of the Participants and Beneficiaries. In addition, the Trustee may deposit (or the Administrator may direct the deposit of) the affected assets of the Trust in an interpleader action with the court of jurisdiction under applicable State law.

9.05. Compensation Of Council And Administrator.

Neither the Council nor the Administrator shall receive compensation from the Trust for acting as such, but the Trust shall reimburse the Council or Administrator for all necessary and proper expenses incurred in carrying out its duties under the Plan.

9.06. Use Of Electronic Media.

In accordance with Treasury regulations, the Administrator and the Trustee may use telephonic or electronic media to satisfy the notice requirements under this Plan.

ARTICLE 10 CLAIMS PROCEDURES

10.01. Request For Information.

A Participant or Beneficiary may request such information concerning the Participant's or Beneficiary's rights or benefits under this Plan and the Trust as is required to be disclosed under applicable State law. The Administrator shall respond, in writing, within a reasonable time, not to exceed thirty (30) days, unless the failure to respond results from matters reasonably beyond the Administrator's control.

10.02. Claims For Benefits.

In order to receive benefits under this Plan, a Participant must submit satisfactory proof of entitlement to such a benefit as set forth in this Claims Procedures article.

10.03. Filing Claims.

A Participant, Beneficiary, or duly authorized representative of a Participant or Beneficiary (Claimant) may file a claim for benefits to which such Claimant believes he or she is entitled. Claims must be made in writing and delivered to the Administrator in accordance with this Claims Procedures article. Claimants shall provide the Administrator with such information and evidence, and shall sign such documents as may reasonably be requested from time to time for the purpose of administration of the Plan. The filing of claims or receipt of notices of rulings and any event starting a time period shall be deemed to commence with personal delivery signed for by the Claimant or by affidavit of personal service, or the date of actual receipt of certified mail or date returned if delivery is refused or a Claimant has moved without giving the Administrator a forwarding address.

10.04. Initial Determination Of Claim.

A. The Administrator shall have full discretion to grant or deny a claim in whole or in part.

B. The Administrator will notify the Claimant, in writing, of the granting or denying, in whole or in part, of such claim, within ninety (90) days after receipt of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed ninety (90) days from the end of the initial ninety (90)-day period.

C. If an extension of time is necessary, the Claimant must be given a written notice to this effect prior to the expiration of the initial ninety (90)-day period, and the notice must indicate the special circumstances requiring the extension and the date by which a decision will be made.

D. If a claim is denied in whole or in part, the Administrator's notice denying such claim shall set forth, in a manner calculated to be understood by the Claimant, the following:

1. The specific reason or reasons for the denial;

2. Specific reference to pertinent Plan provisions on which the denial is based;

3. A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material information is necessary; and

4. An explanation of the Plan's claim review procedures.

E. If notice of the granting or denying of a claim is not furnished in accordance with the preceding provisions, the claim shall be deemed denied and the Claimant shall be permitted to exercise the Claimant's right to review pursuant to the Claims Appeals section, below.

10.05. <u>Claims Appeals</u>.

A. If a Claimant wishes to appeal a denial of a claim, the Claimant or the Claimant's duly authorized representative:

1. May request a review upon written application to the Administrator;

2. May submit written comments, documents, records and other information relating to the claim; and

3. May obtain, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant (determined in accordance with Department of Labor regulations section 2560.503-1(m)(8) as if it applied to this Plan) to the Claimant's claim for benefits.

B. The written request for review must be received by the Administrator no later than sixty (60) days after the Claimant receives notice that the Claimant's claim for Plan benefits has been denied.

C. The decision on the review shall be made by the Administrator, who may, in its discretion, hold a hearing on the denied claim.

D. The Administrator shall make its decision promptly, and not later than sixty (60) days after the Administrator's receipt of the request for a review, unless the Administrator determines that special circumstances require an extension of time for processing the claim. If the Administrator determines that an extension of time for processing is required, this period may be extended no more than sixty (60) days from the end of the initial sixty (60)-day period, in which case the Administrator shall give the Claimant a written notice to this effect prior to the expiration of the initial sixty (60)-day period and the notice shall indicate the special circumstances requiring the extension of time and the date by which a decision will be made on review.

E. The decision on review must be written in a manner calculated to be understood by the Claimant. In the case of an adverse benefit determination, the notification to the Claimant shall set forth, in a manner calculated to be understood by the Claimant, the following:

1. The specific reason or reasons for the denial;

2. Specific reference to pertinent Plan provisions on which the denial is based; and

3. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant (determined in accordance with Department of Labor regulations section 2560.503-1(m)(8) as if it applied to this Plan) to the Claimant's claim for benefits.

F. If the decision on review is not furnished to the Claimant within the time required in this section, the claim shall be deemed denied on review and the Claimant shall be permitted to exercise the Claimant's right to legal remedy pursuant to the remaining sections of this Claims Procedures article.

10.06. Resolution Of Disputes.

Any claim under this Plan that has not been resolved under the preceding provisions of this Plan shall be resolved pursuant to the provisions of this Resolution Of Disputes section.

A. Negotiation/Mediation.

If any dispute arises over performance under the terms of this Plan, the parties shall use their best efforts for a period of thirty (30) days to resolve the dispute by agreement through negotiation or mediation. To commence the dispute resolution process, any party may serve written notice on the other parties specifically identifying the dispute and requesting that efforts at resolution begin. If the parties are unable to agree after reasonable negotiations among them, mediation shall be initiated upon written request by any party and a mediator shall be selected by the parties from the registry maintained by JAMS the American Arbitration Association (Mediator). The parties shall submit to the Mediator all written, documentary and other evidence and such oral testimony as is necessary for a proper resolution of the dispute. When and as requested by the Mediator, the parties shall meet promptly in good faith efforts to resolve the dispute. The parties shall equally bear all costs of negotiation or mediation.

B. Binding Arbitration.

If the parties' good faith efforts at resolving the dispute by agreement through negotiation or mediation are unsuccessful, within the thirty (30)-day period set forth in the Negotiation/Mediation subsection, above, or such longer period as mutually agreed by the parties, such dispute between the parties shall be submitted to, and conclusively determined by, binding arbitration in accordance with this Binding Arbitration subsection.

1. The parties agree that the Mediator selected pursuant to the Negotiation/Mediation subsection, above, shall serve as the arbitrator (Arbitrator); provided, however, that if such Mediator is unable or unwilling to serve, then an Arbitrator shall be selected by the parties from the list of individuals affiliated with Judicial Arbitration and Mediation Services, Inc. If the parties are unable to agree upon an Arbitrator, each party shall select an Arbitrator and the Arbitrators so selected shall select a third Arbitrator.

2. Any arbitration hearing shall be conducted in the jurisdiction where the Employer's principal place of business is located. The law applicable to the arbitration of any dispute shall be the law of the

State where the Employer's principal place of business is located, excluding its laws of evidence. Except as otherwise provided in this Plan, the arbitration shall be governed by the rules of arbitration of the American Arbitration Association.

3. In no event shall the Arbitrator's award include any component of punitive or exemplary damages. The parties shall equally bear all costs of arbitration.

ARTICLE 11 – AMENDMENT AND TERMINATION

11.01. Action To Amend Or Terminate.

The Employer may at any time and from time to time by action of its appropriate body as evidenced by an instrument in writing duly executed by the Employer modify, amend, suspend, or terminate the Plan in whole or in part (including retroactive amendments) or cease deferring compensation pursuant to the Plan, provided, however, that the Employer shall not have the right to reduce or affect the value of any Participant's Account or any rights accrued under the Plan prior to such modification, amendment, termination or cessation.

11.02. Complete Termination.

In the event of the complete termination of the Plan by the Employer under Section 11.01, no additional deferrals of compensation shall be contributed to the Plan and all compensation reduction agreements shall automatically and without notice be terminated immediately upon Employer's execution of the instrument in writing referenced in Section 11.01 above, and existing Accounts shall be maintained and distributed in accordance with the Plan, or shall be distributed as soon as administratively practical, at the discretion of the Employer.

11.03 Scrivener's Error.

Notwithstanding any other provision of the Plan to the contrary, if there is a scrivener's error in properly transcribing the provisions of this Plan, it shall not be a violation of the Plan terms to operate the Plan in accordance with its proper provisions, rather than in accordance with the terms of the Plan, pending correction of the Plan through amendment. In addition, any provisions of the

Plan improperly added as a result of scrivener's error shall be considered null and void as of the date such error occurred.

11.04. Reversions.

The Trustee may return a contribution that is made by the Employer, by a mistake of fact, to the Employer.

ARTICLE 12 – MISCELLANEOUS

12.01. No Effect On Employment.

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any Account, nor any agreement between the Employer and the Trustee, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided, and in no event shall the terms of employment of the Employee or Participant be modified or in any way affected hereby.

12.02. Vesting.

A Participant shall at all times have an unconditional, nonforfeitable right that is legally enforceable against the Plan in the Participant's Account. Except as provided in the Lost Beneficiary section (Article 6), the Plan does not permit divestment for cause. No benefit provided hereunder to a Participant or Beneficiary shall be forfeited or divested for any reason or cause whatsoever.

12.03. Nonalienation Of Benefits.

A. Subject to the exceptions provided below and as otherwise specifically permitted by law, no assets or benefits under the Plan and the Trust shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void. Nor shall any such benefits in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits.

B. The prohibitions contained in this Nonalienation Of Benefits section shall not apply to a "qualified domestic relations order" as defined in Code section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The Council shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders.

12.04. Plan Expenses.

A. The expenses of administering the Plan shall be charged to the Accounts of the Participants, to the extent not paid directly by the Employer. Such expenses include:

1. The fees and expenses of the investment options and Trustee for the performance of their duties under the Plan, including any fees and expenses associated with a change, termination or addition of an Investment Option; and

2. The expenses incurred by the Council, Administrator, or any employee of the Employer in the performance of their duties under the Plan, including reasonable compensation for any legal counsel, certified public accountants, or consultants.

B. Upon written instructions from the Administrator, the Trustee shall pay from the Trust the expenses necessary to carry out the administration of this Plan that are not paid by the Employer.

12.05. Military Leaves.

A. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the Employer maintaining the Plan for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).

B. The Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37), the Treasury regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment on the date before the Participant's date of death and then had a Severance From Employment on account of death.

12.06. Employee Plans Compliance Resolution System.

In accordance with standards that are similar to those set forth in the Employee Plans Compliance Resolution System as described in Rev. Proc 2016-51 and any subsequent guidance, the Administrator has the authority to correct any Plan document, operational, demographic and Employer eligibility failures through self-correction (if applicable) or voluntary correction with Internal Revenue Service approval.

12.07. Limitation Of Rights; Employment Relationship.

Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee or as a right of any Employee to be continued in the employment of the Employer, or as creating or modifying the terms of an Employee's employment, or as a limitation on the right of the Employer to discharge any Employee, with or without cause. Unless the law or this Plan explicitly provides otherwise, rights under any other employee benefit plan maintained by the Employer (for example, benefits upon an Employee's death, retirement, or other termination) do not create any rights under this Plan to benefits or continued participation. The fact that an individual is eligible to receive benefits under this Plan does not create any rights under any other employee benefit plan maintained by the Employer, unless that plan or the law explicitly provides otherwise.

12.08. Limitation Of Rights Of Participants And Others.

Neither the establishment of the Plan or the Trust, nor any modifications thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or any other person any legal or equitable right against the Employer, the Administrator, or its designated representative, or the Trustee, except as expressly provided herein or as provided by law.

12.09. Release From Liability.

Any payment to any Participant, or to the Participant's legal guardian or Beneficiary, in accordance with the provisions of the Plan, shall to the extent thereof be in full satisfaction of all claims hereunder against the Plan, the Employer, the Administrator, the Trustee and any Plan fiduciary, any of whom may require such Participant, legal guardian or Beneficiary, as a condition precedent to such payment, to execute a receipt and release therefor in such form as shall be determined by the Employer, the Administrator or the Trustee, as the case may be.

12.10. Performance Of Duties.

The Administrator and his/her designee(s) shall, at all times, be employees of the County. The performance of all duties and responsibilities by the Administrator and his/her designees, as provided herein, shall be considered within the scope and duties of their employment with the County. The foregoing shall not apply to any authorized agent except when such agent is an employee of the County.

12.11. Construction.

No provision of this Plan shall be construed to conflict with any Treasury Department or Internal Revenue Service regulation, ruling, release or proposed regulation or other order which affects, or could affect, the terms of this Plan. If any provision is susceptible of more than one interpretation, such interpretation shall be given thereto as is consistent with the Plan being in conformity with Code section 457 and administered in conformity with other federal or State laws that apply to the Plan.

12.12. Headings.

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

12.13. Uniformity.

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner.

12.14. Gender And Number.

Any reference in the masculine gender herein shall be deemed to also include the feminine gender, unless expressly provided otherwise. Wherever appropriate, any reference in this document in the singular shall include the plural and any reference in the plural shall include the singular.

12.15. Controlling Law.

Unless otherwise provided in this Plan, the Plan shall be construed and enforced according to the laws of the United States of America to the extent applicable, otherwise by the laws of California including California's choice-of-law rules, except to the extent those laws would require application of a State other than California.

12.16. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

12.17. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

12.18. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this ____ day of __________, 20__.

COUNTY OF FRESNO

By: ____________________________

Title: ____________________________

APPENDIX A

Normal Retirement Age Ranges

Retirement Benefit Tier	Normal Retirement Age Range
Tier I - General	55 – 70 ½
Tier II - General	55 – 70 ½
Tier III - General	55 – 70 ½
Tier IV - General	57 ½ - 70 ½
Tier V - General	52 – 70 ½
Tier I - Safety	50 – 70 ½
Tier II - Safety	55 – 70 ½
Tier IV - Safety	50 – 70 ½
Tier V - Safety	50 – 70 ½

Item 7 – Attachment B

Current County of Fresno 457(b) Deferred Compensation Plan Document

COUNTY OF FRESNO

457(b) DEFERRED COMPENSATION PLAN

Originally Effective as of January 20, 1976

Amended and Restated as of April 17, 2012

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COUNTY OF FRESNO

457(b) DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED PLAN DOCUMENT

Effective as of April 17, 2012

Section 1. Name: The name of this Plan is the County of Fresno 457(b) Deferred Compensation Plan, hereinafter referred to as the "Plan."

Section 2. Purpose: The primary purpose of the Plan is to attract and retain personnel by permitting them to enter into agreements with the County that will provide for deferral of payment of a portion of their current Compensation until death, retirement, termination of employment, or other events as provided herein, in accordance with the provisions of Sections 53212 – 53214 of the Government Code of the State of California, Section 457(b) of the Code, the Treasury Regulations promulgated under Section 457(b) of the Code and other applicable Sections of the Code. Except as otherwise stated herein, this amended Plan shall become effective as of April 17, 2012.

Section 3. Definitions: For the purposes of this Plan when used and capitalized herein the following words and phrases shall have the meanings set forth below.

3.1 "Account" means the book account maintained in accordance with Section 7.4 for the purpose of recording Compensation deferred by a Participant pursuant to his Participant Agreement, transfers of funds into the Plan as a result of Rollover Contributions and investment gains or losses allocated thereto.

3.2 "Administrator" means the third party service provider or providers with whom the County contracts either investment, record-keeping or other management services for the Plan.

3.3 "Alternate Payee" means any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under this Plan with respect to such Participant.

3.4 "Applicable Dollar Amount" means the "applicable dollar amount" determined pursuant to Section 457(e)(15) of the Code and in effect for the calendar year, as adjusted for cost-of-living increases in accordance with Treasury Regulation Section 1.457-4(c)(4).

3.5 "Beneficiary" means the person or persons a Participant designates to receive his interest under the Plan after the Participant's death. The designation may be made, revoked, or changed only by a written instrument (in a form acceptable to the County) signed by the Participant and filed with the County or the Administrator prior to the Participant's death. If no such designation is in effect at the time of the Participant's death, or if no designated Beneficiary survives the Participant, the County shall direct said interest to be paid to the individual who makes a claim in accordance with procedures established by the County.

3.6 “Code” means the Internal Revenue Code of 1986, as amended.

3.7 “Compensation” means the total of all amounts which would be paid by the County to or for the benefit of an Employee (if he were not a Participant in the Plan) for services performed during the period that the Employee is a Participant, including any amounts that may be credited to the Participant’s Account. Compensation shall be taken into account at its present value and its amount shall be determined without regard to any community property laws. Compensation also includes differential pay, if any is paid by the County, that 1) is made by the County to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in Chapter 43 of Title 38 of the United States Code) while on active duty for a period of more than 30 days; and 2) represents all or a portion of the wages the individual would have received from the County if the individual had remained actively employed.

3.8 “County” means the County of Fresno.

3.9 “Council” means the Deferred Compensation Management Council that has been delegated by the County to make certain decisions with respect to the Plan as described herein. Membership shall include: County Administrative Officer, Auditor-Controller/Treasurer-Tax Collector, Retirement Administrator (or Assistant Retirement Administrator), Director of Personnel Services (or Deputy Director of Personnel Services), One (1) department head appointed by the County Administrative Officer (Three-Year Term), Two (2) members at-large appointed by the Board of Supervisors (Three-Year Term). The two members at-large appointed by the Board of Supervisors must be Participants in the Plan.

3.10 “Custodian” means a bank, trust company or a financial institution appointed by the County to have custody of assets of the Plan, as custodian or as trustee.

3.11 “Domestic Relations Order” means a domestic relations order described in Section 414(p)(1)(A)(i) of the Code.

3.12 “Employee” means any officer or permanent full-time employee of the County. Employee also means any permanent part-time employee of the County, but does not include extra-help or seasonal employees. In addition, Employee does not include independent contractors, or contract employees whose specific contract does not provide for participation in the Plan.

3.13 “Employment Period” means a period from January 1 through December 31 of the same year, except that the first Employment Period of an Employee hired on any date other than January 1 shall be the period beginning with the date of employment and ending on December 31 of the same year.

3.14 “Includable Compensation” means Compensation which is currently includable in gross income for federal income tax purposes, taking into account the provisions of, and adjustments specified in, Section 457 of the Code.

3.15 “Investment Options” means the vehicles available for investment under the Plan, as determined by the County or its authorized designee.

3.16 "Limited Catch-Up Deferral" means the additional amount of Compensation that may be deferred in accordance with Section 5.1(b).

3.17 "Normal Retirement Age" means the date a Participant attains age 70 ½ or, at the election of the Participant, any earlier date that is no earlier than the earliest age at which the Participant would have the right to retire under the County's pension plan based on their membership status and benefit tier, and to receive immediate retirement benefits calculated without actuarial or similar reduction because of retirement before some later specified age. Normal Retirement Age Ranges by Retirement Benefit Tier are included in Appendix A.

3.18 "Participant" means any Employee who fulfills the participation requirements under Section 4.

3.19 "Participant Agreement" means the agreement executed and filed by an Employee with the County or the Administrator pursuant to Section 4, under which the Employee elects to become a Participant in the Plan and to defer Compensation thereunder.

3.20 "Regulation" means a regulation promulgated under the Code by the U.S. Treasury Department.

3.21 "Rollover Contribution" means a direct rollover to this Plan of an eligible rollover distribution as defined in Section 402(c)(4) of the Code, of pre-tax amounts, made on behalf of a Participant by an Eligible Retirement Plan as defined in Section 8.8(b)(ii).

3.22 "Special Age 50 Catch-Up Deferral" means the additional amount of Compensation that may be deferred in accordance with Section 5.1(c).

Section 4. Participation in the Plan:

4.1 Participation. Each Employee may elect to become a Participant in the Plan and defer payment of Compensation not yet earned by executing a written Participant Agreement and filing it with the County or the Administrator at any time during active employment. It shall become effective in accordance with rules established by the Council. However, in accordance with Treasury Regulation Section 1.457-4(b), the Participant Agreement (and any modification thereto) shall not be effective earlier than the first day of the next calendar month following its execution and filing, except that a Participant Agreement of a newly hired Participant, executed and filed on or before his or her hire date, may be effective on or at any time after such hire date.

4.2 Modification of Deferral. A Participant Agreement shall remain in effect until it is terminated or modified. During each Employment Period, a Participant may modify an existing Participant Agreement to effect subsequent deferrals in accordance with rules established by the Council. Subject to the last sentence of Section 4.1, such modification must be filed by the Participant with the County prior to the date on which the modification is to be effective (in accordance with rules established by the Council). Subject to Treas. Reg. Sec. 1.457-4(d)(1), upon severance from employment, a Participant may defer accrued annual leave, vacation pay, compensatory pay, holiday pay, retirement incentive pay or back pay if the agreement providing for the deferral is entered into before the amount is currently available.

4.3 Termination of Deferral. A Participant may terminate further deferral of Compensation under the Plan by filing with the County an executed notice of termination of his Participant Agreement prior to the effective date of termination (in accordance with rules established by the Council). Once further deferral of Compensation is terminated, a Participant may rejoin the Plan in accordance with rules established by the Council. No previously deferred amounts shall be payable to an Employee upon terminating further deferral of Compensation under the Plan unless otherwise due pursuant to Section 8 hereof.

4.4 Selection of Investment Option. The Participant Agreement shall also provide for the selection, pursuant to Section 7.3, of one or more Investment Options to which the Participant's deferred Compensation shall be allocated; provided that any amounts so allocated equal or exceed a minimum of $10 or 1% of Compensation per biweekly pay period, except as provided in Section 5.1(a).

Section 5. Amount of Deferrals:

5.1 Limitations. The amount of Compensation which may be deferred by a Participant is subject to the following limitations:

(a) Annual Limitation. Except as provided in Paragraph (b) or (c) below, the maximum amount that a Participant may defer during an Employment Period shall not exceed the lesser of the Applicable Dollar Amount or 100% of the Participant's Includable Compensation, excluding any Rollover Contributions received by the Plan under Section 9.4 below. The minimum amount that a Participant may defer is $10 or 1% of Compensation per biweekly pay period, provided, however, that a Participant who elected to defer less than $10 or 1% of Compensation per biweekly pay period in accordance with the terms of the Plan in effect prior to the date of this restatement may continue to defer such amount.

(b) Limited Catch-Up Deferral. For one or more of a Participant's last three Employment Periods ending before the Participant attains Normal Retirement Age, the maximum amount a Participant may defer during the Employment Period shall not exceed the lesser of:

(i) twice the Applicable Dollar Amount; or

(ii) the amount determined under the immediately following sentence; provided, however, that if the Special Age 50 Catch-Up Deferral of Paragraph (c) would result in a greater amount of Compensation deferred, the participant may elect to defer any amount up to the sum of the amount specified in Paragraph (a) and the amount specified in Paragraph (c). The amount referred to in Section 5.1(b)(ii) is the sum of:

(I) the maximum amount of Compensation that may be deferred for the Employment Period as determined under Section 5.1(a) above; *plus*

(II) (A) the maximum amount of Compensation that may be deferred for any prior Employment Period or Employment Periods as determined under Section 5.1(a) above (or, for years prior to 2002, under Code Section 457(b)(2) as in effect for the applicable year); *less* (B) the Compensation deferred under the Plan for such Employment Period or Employment Periods (disregarding any annual deferrals under the Plan permitted under Paragraph (c) of this Section 5.1).

In determining the Includable Compensation of a Participant for purposes of calculating the amount described in Section 5.1(b)(ii)(I), Includable Compensation is not reduced by contributions of the amounts described in Section 5.1(b)(ii)(II).

A prior Employment Period shall be taken into account under Section 5.1(b)(ii)(II) only if such Employment Period begins after December 3, 1978, the Participant was eligible to participate in the Plan during all or any portion of the Employment Period, and Compensation deferred (if any) under the Plan during the Employment Period, was subject to the maximum deferral provisions of Section 5.1(a) above.

A Participant may not elect to have the provisions of this Section 5.1(b) apply more than once, whether or not such provisions are utilized in less than all of the three Employment Periods ending before that Participant attains Normal Retirement Age, and whether or not that Participant or former Participant rejoins the Plan or participates in another qualifying Code Section 457 plan after retirement.

The provisions of this Section 5.1(b) shall be interpreted and administered in accordance with Regulations issued under Code Section 457 including, without limitation, special rules concerning application of the coordination limits in effect under Code Section 457(c)(2) prior to 2002 for purposes of determining the amounts referred to in Section 5.1(b)(ii) for years prior to 2002.

(c) Special Age 50 Catch-Up Deferral. A Participant who attains age 50 by the last day of an Employment Period and who does not utilize a Limited Catch-Up Deferral for such Employment Period may make a deferral in excess of the limitation specified in Paragraph (a) above, up to the amount specified in, and subject to any other requirements of, Section 414(v) of the Code.

(d) Multiple Plans. In applying Paragraphs (a), (b) and (c) above, the amount that may be deferred by a Participant under the Plan for any Employment Period shall be reduced by the amount deferred by the Participant for such Employment Period under any other "eligible deferred compensation plan" within the meaning of Section 457(b) of the Code, as required by Section 457(c) of the Code, or any other plan to the extent required by Regulation. The Participant shall inform the County of his participation in any such other plan and is solely responsible for any violation of this Paragraph (d).

5.2 Excess Deferrals. The County shall have the right to modify or disallow the periodic deferral of Compensation elected by the Participant:

(a) in excess of the limitations stated in Section 5.1.

(b) in excess of the Participant's net Compensation for any pay period;

(c) upon any change in the length of pay period utilized by County. In such case the periodic deferral shall be adjusted so that approximately the same percentage of pay shall be deferred on an annual basis;

(d) in order to round periodic deferrals to the nearest whole dollar amount; or

(e) to reduce the future deferrals in the event that the amount actually deferred for any pay period exceeds, for any reason whatsoever, the amount elected by the Participant. In the alternative, such amount of excess deferral may be refunded to the Participant.

The County shall distribute the amount of a Participant's deferral in excess of the distribution limitations stated in Section 5.1, together with allocable net income or loss, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. For purposes of determining whether there is an excess deferral under Section 5.1, all plans under which a Participant participates as a result of his employment with the County shall be treated as a single plan.

Section 6. Deferral of Compensation:

6.1 During each Employment Period in which the Employee is a Participant in the Plan, the County shall defer payment of such part of the Participant's Compensation as is specified by the Employee in the Participant Agreement which the Participant has executed and filed with the County. The County shall remit such deferred Compensation to the Administrator within 15 business days following the date on which these amounts would otherwise have been paid to the participant.

6.2 Notwithstanding any other provision of this Plan, the County, subject to the limitations of Section 5, may make additional deposits to a Participant's Account as additional Compensation for the services rendered by the Employee to the County during any Employment Period; provided that the Employee has elected to have such additional Compensation deferred, invested, and distributed, pursuant to this Plan, prior to the period in which the Compensation will be earned. The County may make such further deposits to the Plan as the County may deem advisable, subject, however, to the limitations set forth in Section 5.

6.3 Notwithstanding any other provision of this Plan, contributions and benefits with respect to qualified military service shall be provided in accordance with Code Section 414(u). If a Participant dies on or after January 1, 2007 while performing qualified military service (as defined in Section 414(u) of the Code), the Beneficiary of that Participant is entitled, to the extent required by Section 401(a)(37) of the Code, to any additional benefits provided under the Plan as if the Participant had resumed employment on the date immediately before his date of death and then terminated employment on account of death.

Section 7. Investments:

7.1 Investments. The County, or its authorized designee, shall establish one or more Investment Options for the purpose of investing amounts of Compensation credited to Participants' Accounts. Any action by the County in investing deferred compensation or approving of any such investment of funds, shall not be considered to be either an endorsement or guarantee of any investment, nor shall it be considered to attest to the financial soundness or the suitability of any investment for the purpose of meeting future obligations as provided in Section 8 of this Plan.

7.2 Assets. The Investment Options shall be comprised of mutual fund shares, guaranteed investment accounts with one or more insurance companies or other assets as specified from time to time by the County or its authorized designee. The County may appoint an independent investment advisor who shall also act as fiduciary with respect to the selection of the investment options. The assets constituting any Investment Option shall be held at the discretion of the County by one or more Custodians appointed for this purpose, for the exclusive benefit of Participants and their Beneficiaries and shall not be available for the payment of the County's debts. Neither the existence of an Investment Option nor the appointment of a Custodian, Administrator, or independent investment advisor shall be deemed to entitle any Participant or Beneficiary or creditor of a Participant or Beneficiary to a claim or lien against the assets of the Investment Option, except with respect to the claim by Participants and Beneficiaries for their benefits hereunder.

7.3 Election of Investment Options. Each Participant may allocate the Compensation deferred by him under his Participant Agreement among the Investment Options. A Participant may change his Investment Option choices in accordance with rules established by the Council. Such modification may affect transfers of Compensation already deferred from one Investment Option to another and/or may prospectively change the investments to which future deferrals of Compensation shall be allocated, effective as soon as practicable after the filing of the modification.

7.4 Account. The County shall maintain an Account for each Participant to which shall be credited such Participant's deferred Compensation at such times as it would have been payable but for the terms of his Participant Agreement, and Rollover Contributions, and reduced by the amount of distributions. In addition, each Participant's Account shall be revalued to reflect the investment gains and losses in accordance with the performance of the Investment Options selected by the Participant pursuant to Sections 4.4 and 7.3. Such investment gains and losses shall mean the actual earnings, gains and losses of any Investment Option allocated on a pro-rata basis among the Accounts of those Participants who selected that Investment Option.

7.5 Statements of Accounts. Participants shall be given written statements of the balances of their Accounts with such frequency as the Administrator shall determine, in its sole discretion, but not less frequently than annually.

Section 8. Distribution of Benefits:

8.1 Payments on Separation from Service.

(a) Subject to the provisions of Section 8.5, upon a Participant's severance from employment with the County, as defined by Treasury Regulation Section 1.457-6(b), (and as determined by the County in its sole discretion), the entire amount credited to his Account (less any federal, state or local income tax required to be withheld therefrom) shall be paid to him as soon as administratively practicable after the payment date elected by Participant. For purposes of this Section 8.1, severance from employment will not include a Participant's change in employment status from permanent full-time or part-time status to an extra help or seasonal status. The payment will be made in a single lump sum unless the Participant elects a different method of payment as provided in Section 8.2 by filing the appropriate form with the Administrator no later than thirty (30) days prior to the Participant's elected payment date.

(b) Subject to the provisions of Sections 8.5 and 8.6, upon an active Participant's attainment of age 70 ½, such Participant may elect to commence distributions of his or her Participant account in accordance with the payment options available under the Plan.

8.2 Optional Forms of Benefit Payment. Subject to the provisions of Section 8.5, as an alternative to (or in combination with) payment in a lump sum, a Participant may elect to receive payment under the Plan in the form of substantially equal monthly, quarterly, or semiannual or annual installments for a period not to exceed the life expectancy of the Participant or the joint life expectancy of the Participant and his Beneficiary, or any ad hoc payment arrangement elected by the Participant, subject to IRC Section 401(a)(9). Alternatively, such a Participant may elect an annuity under any one of the settlement options offered in a commercial annuity contract purchased by the Custodian using the Participant's Account balance for the purpose of providing benefit payments for the life of the Participant or the joint lives of the Participant and his Beneficiary.

8.3 Emergency Withdrawals. Except as otherwise provided in Section 8.5, distributions to or on behalf of a Participant shall be made only in the event of his qualified severance from employment with the County, unless such Participant experiences an Unforeseeable Emergency. "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, or a dependent of the Participant, (b) the Participant's loss of property due to casualty, or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Examples of events which may cause an "Unforeseeable Emergency" are catastrophic illness, flood, fire, earthquake, death in the family or disabling injury. The need to pay for the funeral expenses of the Participant's spouse, a Participant's domestic partner who is named as a primary beneficiary under the Plan and is formally registered with the California Secretary of State, or dependent, or the need to pay for medical expenses, including non-refundable deductibles and the cost of prescription drug medication, may constitute an Unforeseeable Emergency. For purposes of this paragraph, the term "dependent" means a dependent as defined in Section 152 of the Code but without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code. Withdrawals will not be permitted for expenditures normally budgetable, such as, but not limited to, a down payment on a home, purchase of an automobile, or education expenses. Withdrawal will not be allowed to the extent that the hardship may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets (to the extent such liquidation would not itself cause severe financial hardship), or (iii) by cessation or temporary suspension of deferrals under the Plan. Withdrawals of amounts because of an Unforeseeable Emergency will be permitted only to the extent reasonably needed to satisfy the emergency. A Participant who experiences such an Unforeseeable Emergency may apply to the County for a withdrawal which shall be permitted, in accordance with rules established by the Administrator, who makes the final decision, only to the extent it complies with the requirements of this Section 8.3. A Participant who has experienced an Unforeseeable Emergency must first apply for a Plan Loan under Section 8.4 before an emergency withdrawal will be permitted. Any amount approved hereunder for emergency withdrawal shall be paid to the Participant in a single lump sum (less any applicable withholding taxes). The withdrawal shall be effective at the later of the date specified in the Participant's application or the date approved by the Administrator. If a Participant elects to receive a withdrawal from the Plan as a result of the application of this section, the Participant cannot defer Compensation into the Plan during the 2-year period beginning on the date of such withdrawal.

8.4 Loans. The Council is authorized to adopt rules permitting a Participant to take a loan against his Account.

8.5 Payments on the Death of a Participant.

(a) Death After Benefit Commencement. If the Participant dies after having begun to receive installment payments in accordance with Section 8.2, payment of the remainder of such scheduled payments shall be suspended for a period of sixty (60) days after the Participant's death. During such sixty-day suspension period, the Beneficiary of such Participant may elect to receive the balance then credited to the Participant's Account in a single lump sum or in installments as specified under Section 8.2, provided that the Participant's Account will be distributed to the Beneficiary at least as rapidly as under the method of distribution being used prior to the Participant's death. If no such election is made by the Beneficiary by the end of the sixty (60)-day suspension period, the remaining installment payments selected by the Participant shall be paid to the Beneficiary.

(b) Death Prior to Benefit Commencement. If the Participant dies before distribution of his Account commences, his Beneficiary shall receive distribution of such Participant's Account as provided under Sections 8.1 and 8.2, treating the Beneficiary as if he were the Participant; provided, however:

(i) if the Beneficiary is not the Participant's surviving spouse, the Beneficiary must either elect a distribution payable over a period not extending beyond the life expectancy of the Beneficiary, commencing no later than the end of the calendar year following the calendar year in which the Participant died, or elect a lump sum to be made no later than the end of the calendar year which contains the fifth anniversary of the date of death of the Participant and in the event no election is made, a lump sum payment of the Account balance shall be made by the end of such calendar year.

(ii) if the Beneficiary is the Participant's surviving spouse, surviving spouse may elect a lump sum payment or installments payable over a period not extending beyond the life expectancy of the surviving spouse. Distributions to the surviving spouse must commence on or before the later of the calendar year immediately following the calendar year in which the Participant died or the year the Participant would have attained age 70 ½. If the surviving spouse dies before his or her payments begin, subsequent distributions shall be made as if the surviving spouse had been the Participant. For purposes of this Subparagraph, payments will be calculated by use of the return multiples specified in Section 1.72-9 of the Treasury Regulations, without recalculation of life expectancies.

8.6 Provisions Required Pursuant to Code Section 401(a)(9).

(a) Timing and Amount of Required Distributions.

(i) Notwithstanding any provision of the Plan to the contrary, to the extent required by Section 401(a)(9) of the Code, distribution of a Participant's entire Account shall commence not later than April 1 following the calendar year in which he attains age 70-1/2, provided the Participant has separated from service with the County. Unless the form of distribution is a single lump sum payment, distributions shall be made over a period not exceeding the life expectancy of the Participant, or the joint life expectancy of the Participant and his Beneficiary.

(ii) If the Participant's entire Account is to be distributed in a form other than a single lump sum payment, then the amount to be distributed each year must be at least an amount equal to the quotient obtained by dividing the Participant's entire Account balance (determined as of the last valuation date of the preceding calendar year) by the life expectancy of the Participant or (if applicable) the joint life expectancy of the Participant and his designated Beneficiary. Life expectancy and joint life expectancy shall be computed by the use of the return multiples contained in Section 1.72-9 of the Treasury Regulations. For purposes of this computation, life expectancies may not be recalculated.

(b) Interpretation. To the extent required by Code Section 401(a)(9), the provisions of this Section 8.6 shall override any distribution options in the Plan that are inconsistent with this Section. All distributions under the Plan shall be made in accordance with Regulations issued under Section 401(a)(9) of the Code.

8.7 Inactive Accounts. Notwithstanding any other provision herein to the contrary, a Participant may elect distribution of his or her entire Account balance (less any required federal or state taxes to be withheld) prior to a qualified severance from employment in the event that all of the following conditions apply:

(a) The Account balance does not exceed $5,000;

(b) No deferral of Compensation has been made by the Participant within the two-year period ending on the date of the distribution; and

(c) There has been no previous distribution to the Participant from the Plan pursuant to this Section 8.7.

8.8 Direct Rollover Distributions.

(a) Availability. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Plan, a distributee may elect, at the time and in the manner prescribed by the County, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee in a Direct Rollover.

(b) Definitions.

(i) Eligible Rollover Distribution. An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Section 401(a)(9) of the Code and any distribution described in Section 8.3. In accordance with the Regulations, a new determination of whether a distribution is an Eligible Rollover Distribution shall be made whenever a Participant who is receiving payments changes his or her distribution schedule or amount such that subsequent payments are not substantially equal to prior payments.

(ii) Eligible Retirement Plan. An Eligible Retirement Plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, a Roth individual retirement account described in Section 408A of the Code, a qualified trust described in Section 401(a) of the Code, an annuity plan described in Section 403(a) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible employer described in Section 457(e)(1)(A) of the Code, or an annuity contract described in Section 403(b) that accepts the Distributee's Eligible Rollover Distribution.

(iii) Distributee. A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the Alternate Payee, are distributees with regard to the interest of the spouse or former spouse. A Distributee also includes a non-spouse designated Beneficiary but solely for purposes of making a direct rollover to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code or a Roth individual retirement account described in Section 408A of the Code established as an inherited individual retirement account on behalf of the non-spouse designated Beneficiary.

(iv) Direct Rollover. A Direct Rollover is a payment by the Plan to an Eligible Retirement Plan specified by the Distributee.

(c) Purchase of Service Credit. At the discretion of the County, a Participant may use all or a portion of an account balance as a direct trustee-to-trustee transfer to a retirement system to purchase permissive service credit or redeposit previously withdrawn contributions under a governmental plan (as defined in IRC Section 414(d)), provided that (a) the retirement system permits such a transfer, and (b) the Participant demonstrates to the Administrator’s satisfaction that the transfer is to a governmental plan (as defined in IRC Section 414(d)) and the transfer involves the purchase of permissive service credits (as defined in Code Section 415(n)(3)(A)) or for the repayment of service credits permissible by IRC Section 415(k)(3).

8.9 Nonassignability. The interest of a Participant in the contractual obligation of the County, established by the Plan, shall not be assignable in whole or in part, directly or by operation of law or otherwise, in any manner. Notwithstanding the foregoing, the right to benefits payable with respect to a Participant pursuant to a Domestic Relations Order may be created, assigned or recognized. The Council shall establish reasonable procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such orders, including the establishment of a separate Account for the Alternate Payee. In the event a Domestic Relations Order exists with respect to a benefit payable under the Plan, such benefits otherwise payable to a Participant as are determined under the Domestic Relations Order will be payable to the Alternate Payee specified in the Domestic Relations Order. In addition, anything in the Plan to the contrary notwithstanding, the Council shall follow any distribution requirement contained in a Domestic Relations Order that provides for an earlier lump sum distribution to the Alternate Payee than would otherwise be permitted under the Plan, without regard to whether the Participant has terminated employment with the County.

8.10 Rollover Contributions. A Participant may withdraw Rollover Contributions made pursuant to Section 9.4 below at any time in accordance with procedures established by the Council.

Section 9. Miscellaneous:

9.1 No Effect on Employment. Neither the establishment of the Plan nor any modification thereof, nor the establishment of any Account, nor any agreement between the County and the Custodian or trustee, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the County except as herein provided, and in no event shall the terms of employment of the Employee or Participant be modified or in any way affected hereby.

9.2 Assets of Plan. It is a condition of this Plan, and each Employee by participating herein expressly agrees, that he shall look solely to the assets of the Plan for the payment of any benefit to which he is entitled under the Plan.

9.3 Construction. Except to the extent that federal law controls, this Plan shall be construed, administered and enforced according to the Constitution and laws of the State of California.

9.4 Rollover Contributions. A Participant may direct an Eligible Retirement Plan to make a direct Rollover Contribution to this Plan in his or her behalf. The Council may require the Participant to certify, either in writing or in any other form permitted under the rules promulgated by the Internal Revenue Service (IRS), that the contribution qualifies as a Rollover Contribution. If it is later determined that all or a part of a Rollover Contribution was ineligible to be contributed to the Plan, the Council shall direct that any ineligible amounts, plus earnings or losses attributable thereto, be distributed from the Plan to the Participant as soon as administratively feasible. Separate accounting shall be maintained by the Administrator for any Rollover Contribution not attributable to an eligible Section 457 plan maintained by a governmental employer.

9.5 Expenses. The reasonable expenses incident to the operation of the Plan, including but not limited to the internal cost to the County of Plan administration, the compensation of auditors and attorneys and such other technical and clerical assistance as may be required shall be charged to the Accounts of the Participants, to the extent not paid directly by the County.

9.6 Changes in Law. If the law governing the substantive or administrative provisions of the Plan is amended after the adoption of the Plan, the Plan provision(s) affected by such change in the law shall no longer be operative, to the extent that such provision(s) no longer accurately reflect the relevant governing law, and the Council shall administer the Plan in accordance with the applicable legal requirements.

Section 10. Amendment and Termination:

10.1 Action to Amend or Terminate. The County may at any time and from time to time by action of its appropriate body as evidenced by an instrument in writing duly executed by the County modify, amend, suspend, or terminate the Plan in whole or in part (including retroactive amendments) or cease deferring Compensation pursuant to the Plan, by making available to each Participant a written or electronic copy of such modification, amendment or termination or of a notice that it shall cease deferring Compensation; provided, however, that the County shall not have the right to reduce or affect the value of any Participant's Account or any rights accrued under the Plan prior to such modification, amendment, termination or cessation.

10.2 Complete Termination. In the event of the complete termination of the Plan by the County under Section 10.1, no additional deferrals of Compensation shall be contributed to the Plan, and existing Accounts shall be maintained and distributed in accordance with the Plan, or shall be distributed as soon as administratively practical, at the discretion of the County.

Section 11. Plan Administration:

11.1 Administrative Authority. The Council may adopt rules and procedures for the administration of the Plan consistent with the authority delegated to the Council from the County and consistent with the terms of the Plan which shall be final and conclusive.

11.2 Powers of the Council. The Council shall have all powers to perform all duties necessary to exercise its functions, which have not otherwise retained by the County, including, but not limited to, the:

(a) Interpretation and construction of the provisions of the Plan;

(b) Direction of the County (or the Custodian or trustee on behalf of the County) to make disbursement of benefits under the Plan;

(c) Selection and review of any investment currently offered or under consideration to be offered as an Investment Option under the Plan;

(d) Make recommendations to the County, as appropriate, regarding the appointment of such agents, advisors, counsel and delegates including an Administrator as may be necessary and appropriate for the administration and operation of this Plan and the delegation to such agent, advisors, counsel and delegates of any of its discretionary and ministerial powers and duties in accordance with this Section 11; and

11.3 Revocability of Council Action. Any action taken by the Council with respect to the rights or benefits under the Plan of any person shall be revocable by the Council as to payments or distributions not theretofore made pursuant to such actions and appropriate adjustments may be made in future payments or distributions to a Participant or Beneficiary to offset any excess payment or underpayment theretofore made to such Participant or Beneficiary.

Section 12. Gender and Plurals: The masculine gender shall include the feminine and neuter gender, the masculine pronoun shall include the feminine and neuter, the singular number the plural, and conversely, whenever appropriate.

Appendix A

Normal Retirement Age Ranges by Retirement Benefit Tier

Retirement Benefit Tier	Normal Retirement Age Range
Tier I - General	60 – 70 ½
Tier I - Safety	55 – 70 ½
Tier II - General	63 – 70 ½
Tier II - Safety	55 – 70 ½
Tier III - General	65 – 70 ½

<u>Item 7 – Attachment C</u>

Agenda Item #7 from the June 14, 2018 Deferred Compensation Management Council Meeting

Inter Office Memo

DEPARTMENT OF
HUMAN RESOURCES

ITEM 7

DATE: June 14, 2018

TO: Deferred Compensation Management Council

FROM: Hollis Magill, Human Resources Manager Hollis Magill

SUBJECT: Amendment and Restatement of the County of Fresno 457(b) Deferred Compensation Plan Document

Background

At the February 25, 2016 meeting, your Deferred Compensation Management Council (Council) directed staff to update the County of Fresno 457(b) Deferred Compensation Plan Document to ensure that it remains in compliance with applicable federal and state laws and regulations. Staff subsequently retained the services of law firm Best, Best & Krieger to complete the review, amendment and restatement of the Plan Document.

Issue

Attachment A includes the proposed amended and restated Plan Document. Attachment B includes the current Plan Document. Staff has summarized the substantive changes from the current Plan Document below.

1. In-Plan Distributions (Section 8.7 of Attachment B)

   Currently, participants may take an -Plan De Minimis distribution, if their account balance is less than $5,000 and they have not contributed in at least two (2) years. This provision is recommended for removal as it is only allowed once per career, making it hard to track and enforce. Elimination of this provision will have no effect on participants who elect to take a loan or emergency distribution from their account.

2. Prohibition on Deferrals after Emergency Withdrawal (Section 8.3 of Attachment B)

   Currently, participants who receive an Unforeseeable Emergency distribution are subject to a contribution prohibition period of two (2) years. The proposed amended and restated Plan would eliminate this prohibition period, as the Plan is not obligated to enforce such a provision and the provision is difficult to track and enforce.

3. The Roth Option (Articles 2, 3, 5, and 8 of Attachment A)

   This provision was approved by your Council at the August 25, 2016 DCMC meeting and allows participants to make after-tax contributions (Roth Option) as well as execute in-Plan rollovers to a Roth Option, which re-characterizes their Plan balances from pre-tax to after-tax. Please note that an out-of-Plan Roth IRA is not currently eligible to be rolled into the Plan pursuant to IRS rules.

4. Participant-Directed Individual Accounts (Article 6 of Attachment A)

   This provision, although not presently operative, was added in the event that your Council and/or the Board of Supervisors (Board) elects to offer the option to participants by making it operative at some future date. The proposed language requires that your Council establish a procedure governing Participant-Directed Individual Accounts in order to activate this option.

5. Beneficiary Policy (Article 7 of Attachment A)

   This article provides for the revocation of a spousal beneficiary upon dissolution of marriage (Article 7.
   not designate a beneficiary (Article 7.3).

6. Distribute Small-Balance Accounts (Article 8.02.B of Attachment A)

   This provision allows the Plan to distribute account balances of less than $1,000 to participants upon separation from service, but does not create an obligation to do so. This will reduce the overall number of accounts, which will streamline administration. This will also ensure that separated participants will receive their funds instead of possibly forgetting about and never claiming their funds.

7. Lost Participant or Beneficiary (Article 8.15 of Attachment A)

   This article details the process for finding lost beneficiaries and how an account is handled if the beneficiary is not found.

8. Powers and Responsibilities of the Council (Article 9.02 of Attachment A)

   a. Investment Options (Paragraph B). Your Council shall have the authority to execute documents necessary to implement changes to the Plan investment options. In addition, your Council shall have the authority to outsource the selection of Plan investment options to a qualified investment advisor, but does not create an obligation to do so.

      Currently, there are investment agreements with Great-West Trust Company, LLC (Great-West Trust), and BlackRock Institutional Trust Company, N.A. (BlackRock), executed by the Board, to offer collective investment trusts for target retirement date investments and various stock and bond indices. In addition, the Board executed an agreement with Great-West Life & Annuity Insurance Company (Great-West Life) to manage the assets of the County of Fresno Stable Value Fund. Not anticipated new authority to execute investment agreements (see Article 9.2 of Amended/Restated Plan), any amendments to the existing Great-West Life, BlackRock, and Great-West Trust agreements would still need to be brought to the Board for approval/execution due to the Board having signed these agreements. Therefore, Staff is recommending that your Council direct staff to take the existing investment agreements with Great-West Life, BlackRock, and Great-West Trust (included in Attachment C for reference) to the Board for termination, pending Board approval of the recommended changes in signing authority in the Amended/Restated Plan and then bring new Great-West Trust, and BlackRock agreements to your Council for approval and execution. Staff will also bring a new investment management agreement related to the County of Fresno Stable Value Fund, pending the outcome of the ongoing investment manager search.

   b. Plan Expenses (Paragraph F). Your Council shall have the authority to determine the reasonable Plan expenses and the administrative fee charged to Participants to pay for reasonable Plan authority with regard to determining reasonable Plan expenses and setting the administrative fee. Your Council currently has the authority to set the administrative fee pursuant to Section 4.C of Agreement #14-710 with Nationwide Retirement Solutions, Inc. Your Council currently determines reasonable Plan expenses as part of the annual budget approval and review process. Therefore, these changes will have no practical effect on operat

9. Claims Procedures (Article 10 of Attachment A)

   This Article provides procedures by which claimants, such as ex-spouses or beneficiaries of f benefits.

10. Normal Retirement Age Ranges (Appendix A of Attachment A)

    Normal Retirement Ages (for purposes of Special Section 457 Catch-up see Article 5.3 of Attachment A) have been updated pursuant to clarification from the Fresno County Employees Retirement Association.

Recommended Actions

1. Approve the proposed amended and restated Plan Document and direct staff to submit the Plan Document to the Board of Supervisors for approval.
2. Pending Board of Supervisors approval of the proposed amended and restated County of Fresno 457(b) Deferred Compensation Plan Document, direct staff to take Agreement #09-530 with Great-West Life & Annuity Insurance Company, Agreement #09-531 with BlackRock Institutional Trust Company, N.A., and Agreement #13-417 with Great-West Trust Company, LLC to the Board of Supervisors for authorization to terminate.

Northwest Capital Management Inc.
PHONE: 503.597.1616
FAX: 503.597.1605
13333 SW 68TH PARKWAY #230
PORTLAND, OR 97223

Item 8

DATE: October 11, 2018

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

Capital Markets

Name	YTD (08/31/2018)	Q2 2018	1-Year (08/31/2018)
S&P 500 TR USD	9.94	3.43	19.66
S&P MidCap 400 TR	8.68	4.29	20.00
S&P SmallCap 600 TR USD	18.30	8.77	32.46
MSCI EAFE NR USD	-2.28	-1.24	4.39
MSCI EM NR USD	-7.18	-7.96	-0.68
BBgBarc US Agg Bond TR USD	-0.96	-0.16	-1.05

	8/31/2018	3/29/2018	8/31/2017
10-Year Treasury Yield	2.86%	2.74%	2.12%

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

Trade tensions, Eurozone political risk, and economic data suriprises have all driven equity markets in the second quarter of 2018. U.S. equities rallied as earnings acceleration and robust economic growth took center stage, with growth continuing to outperform value stocks. Both developed and international markets performed poorly on the backdrop of tradewar escalation and political uncertainty.

Investment grade and longer duration fixed income continued its decline over the quarter, while short duration, and high yield posted slight gains on the back of continued economic growth.

Economic Factors

U.S. economic data remained upbeat as unemployement dipped to its lowest level in 18 years. The euphoria of synchronized global growth at the beginning of the year has faded, as varying geopolitical and monetary dynamics brought uncertainity and volatility.

US Equity

	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Large Cap	2.65	14.37	11.93	13.42	10.17
U.S. Large Cap Growth	7.28	20.63	14.48	15.99	11.70
U.S. Large Cap Value	-2.22	7.58	8.82	10.45	8.44
U.S. Mid Cap	3.49	13.50	10.89	12.69	10.78
U.S. Small Cap	9.39	20.50	13.84	14.60	12.25

International Developed Equity

	YTD	1 Year	3 Years	5 Years	10 Years
Developed Large Cap	-2.75	6.84	4.90	6.44	2.84
Developed Large Cap Growth	-0.93	9.41	6.41	7.43	3.45
Developed Large Cap Value	-4.61	4.25	3.30	5.37	2.17
Developed Small Cap	-1.33	12.45	10.09	11.32	6.81

Fixed Income Insights

	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Aggregate	-1.62	-0.40	1.72	2.27	3.72
U.S. Long	-4.98	-0.78	4.34	5.10	6.79
U.S. Short	0.08	0.21	0.71	0.84	1.65
Municipals	-0.25	1.56	2.85	3.53	4.43
High Yield	0.08	2.53	5.55	5.51	8.03
TIPS	-0.02	2.11	1.93	1.68	3.03
Treasury Bill	0.78	1.30	0.62	0.38	0.30
Global Hedged	1.42	3.27	3.63	4.04	4.44

Investments

All of the County's current 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.
- In Q2 2018, expense ratios on the collective trust series were reduced from 0.47% to 0.43%-0.45%.
- An in-depth review on the following funds will be presented in the Q3 2018 meeting:
  - Hennessey Focused (HFCIX), Janus Henderson Small Cap Value (JDSNX), Nicholas Limited Ed. (NCLEX), Virtus Seix Total Return (SAMZX), Templeton Global Bond (FBNRX), Fidelity Adviseor Real Estate Inc. (FRIRX)
- An updated fund watch report has been included as **Exhibit B**.

Review of Stable Value

The County of Fresno Stable Value Search Summary has been provided in **Item 9.**

Recommended Actions

1. **No action items at this time.**

Item 8 - Exhibit A

Quarterly Report - June 30, 2018

County of Fresno

457 DC Plan

13333 SW 68th Pkwy Suite 230
Portland, OR 97223
Phone 503-597-1616

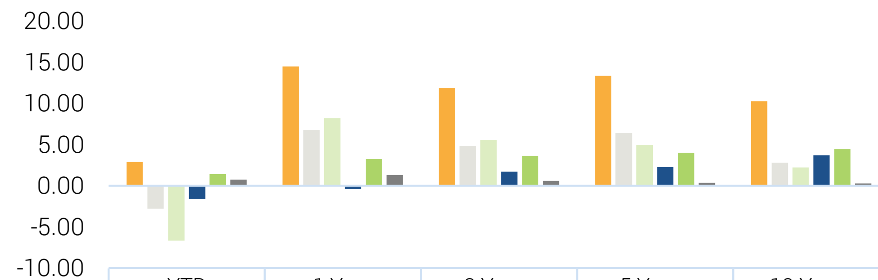
Table of Contents

Market Performance Summary

As of 06/30/2018

With an eventful first half of 2018 now complete, we have witnessed a broader pullback following 2017's extraordinarily high returns amongst low volatility. The second-oldest U.S. expansion in post-war history has been quite sensitive to the rise in trade tensions, Eurozone political risks, and economic data surprises. U.S. equity and Global hedged fixed income have generated positive returns year-to-date, while many other asset classes have underperformed cash. U.S. equities rallied in the second quarter against the backdrop of earnings acceleration and robust economic growth. By far the dominant driver of international equity weakness was the escalation in trade fears, which was further fueled by dollar strength and deceleration in synchronized global growth. Many fixed income sectors ended the quarter with positive returns, with investment grade and long duration fixed income continuing to underperform.

Trailing Returns

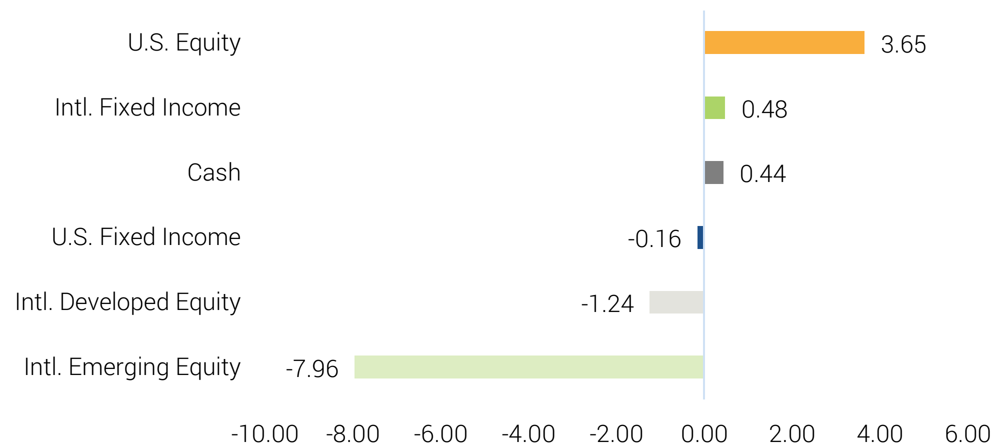


	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Equity	2.91	14.50	11.90	13.40	10.29
Intl. Developed Equity	-2.75	6.84	4.90	6.44	2.84
Intl. Emerging Equity	-6.66	8.20	5.60	5.01	2.26
U.S. Fixed Income	-1.62	-0.40	1.72	2.27	3.72
Intl. Fixed Income	1.42	3.27	3.63	4.04	4.44
Cash	0.78	1.30	0.62	0.38	0.30

GDP Growth vs 10-Year Treasury

Source: BEA, S&P, MSCI, Barclays

Quarterly Performance



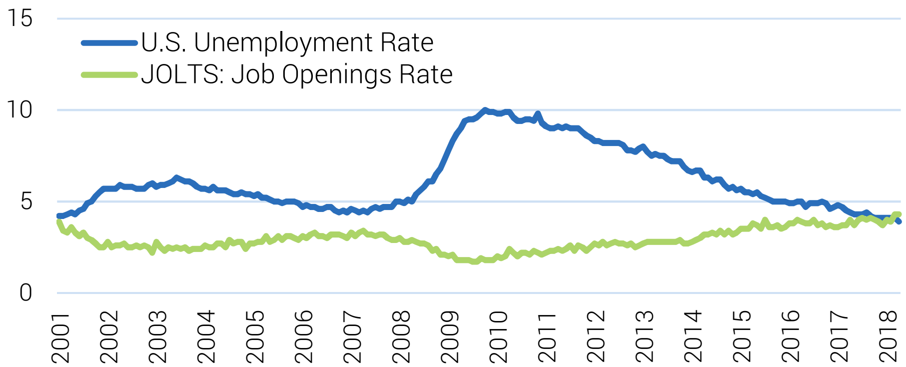
Economic Factors

As of 06/30/2018

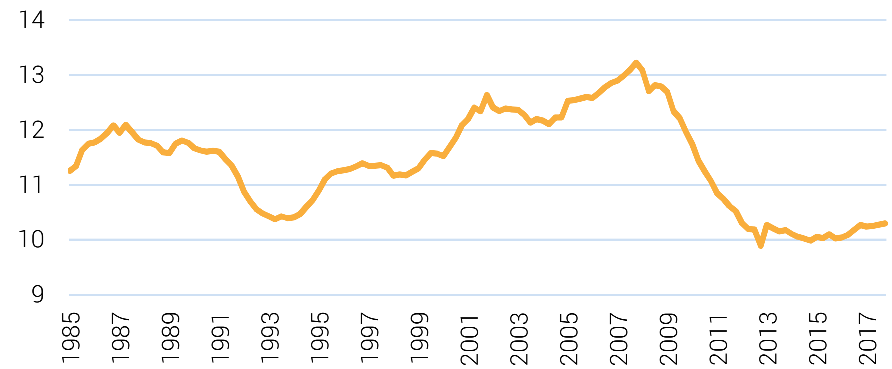
The U.S. economy continues to appear healthy, despite a softer start to the year. The unemployment rate continued its downward trend and dipped to its lowest level in 18 years, implying tightness in the labor market. As wages have increased, core inflation has also risen. Temporary factors that had been cooling core inflation have abated and is now around the Fed's 2% goal. The U.S. consumer is in relatively good financial shape, and household balance sheets in the aggregate remain healthy. The Federal Reserve's debt-service ratio – the portion of disposable income used to service monthly debt payments – is hovering near a 37-year low. On the downside, energy prices have risen and higher gasoline prices, if sustained, stand to shave off a portion of the benefits that households received from tax reform. The year started with the euphoria of synchronized global growth which faded away towards the end of the first quarter driven by varying geopolitical and monetary dynamics.

Income Growth vs Core Inflation

Labor Market



U.S. Household Debt Service Ratio



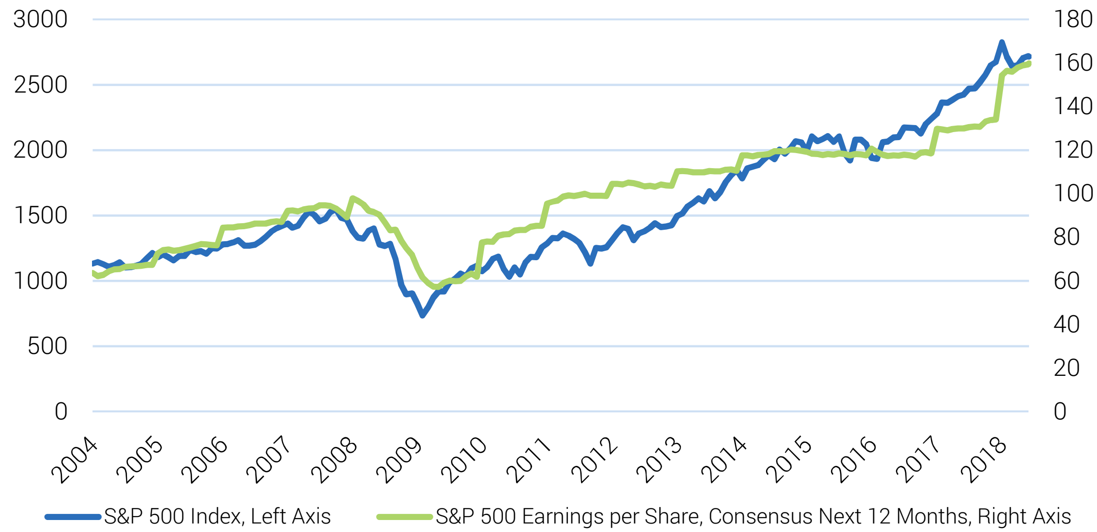
Source: BEA, Department of Labor

U.S. Equity

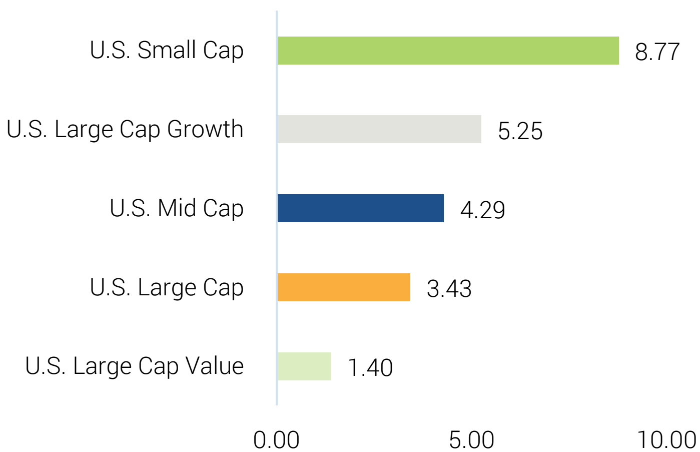
As of 06/30/2018

Trade concerns – and intensifying margin pressures – were not enough to dent the U.S. equity markets as earnings growth took center stage. The companies within the S&P 500 reported strong earnings fueled by tax-cuts and record share buybacks, and consensus earnings estimates were revised 14% higher since the beginning of the year. Growth has continued to outperform Value as investors have favored stocks such as Facebook, which rebounded from the Cambridge Analytica sell-off, and Netflix, whose stock price has nearly doubled for the year to date. Given the international trade disputes, investors looked to small-cap stocks which typically do the bulk of their business domestically. Small Cap stocks enjoyed a relatively steady rise since early May, even as trade tensions mounted.

S&P 500 and Earnings

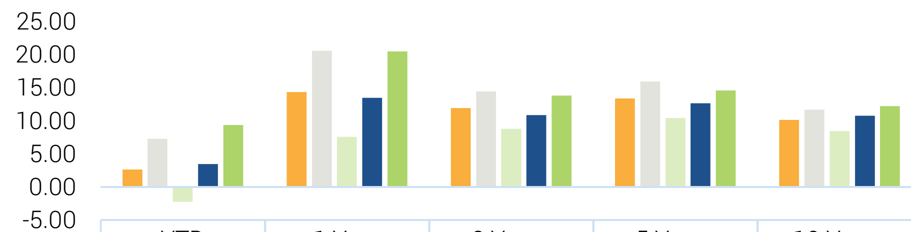


Quarterly Performance



Source: S&P, Bloomberg

Trailing Returns



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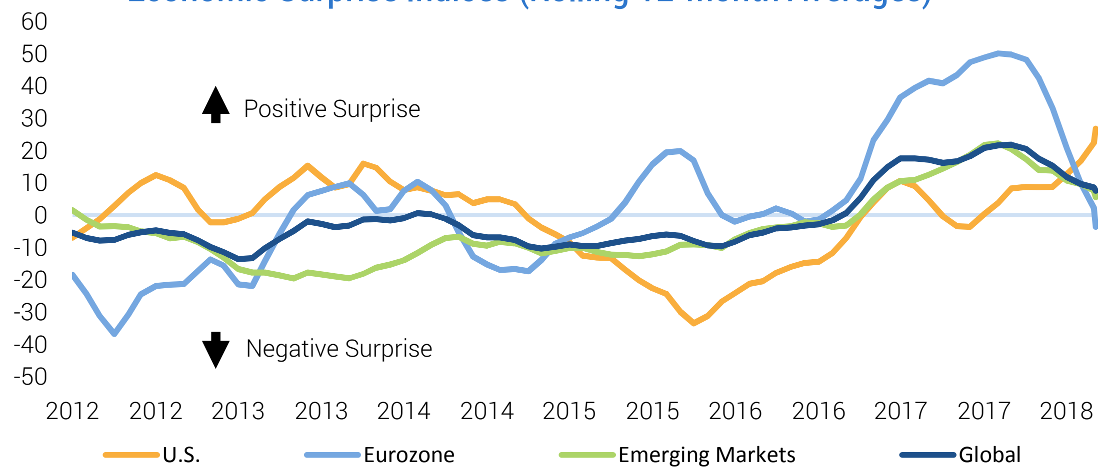
U.S. Large Cap	2.65	14.37	11.93	13.42	10.17
U.S. Large Cap Growth	7.28	20.63	14.48	15.99	11.70
U.S. Large Cap Value	-2.22	7.58	8.82	10.45	8.44
U.S. Mid Cap	3.49	13.50	10.89	12.69	10.78
U.S. Small Cap	9.39	20.50	13.84	14.60	12.25

International Developed Equity

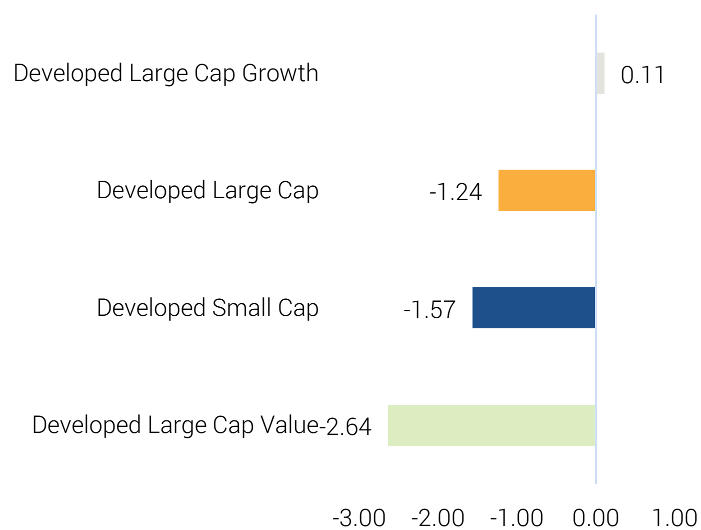
As of 06/30/2018

International developed markets performed poorly on the back of lingering risks stemming from a potential escalation in trade wars, a flare-up in the Brexit negotiations and political uncertainty in Italy and Germany. European Central Bank (ECB) policy remained accommodative as President Draghi expects to keep policy rates on hold at least through summer 2019. Although supportive economically, this stance further hurt eurozone equities as this region benefits from rising yields given its Value tilt and large financial sector weighting. This is reflected in the style benchmarks as growth posted positive results and outperformed its value counterpart by nearly 2.5%.

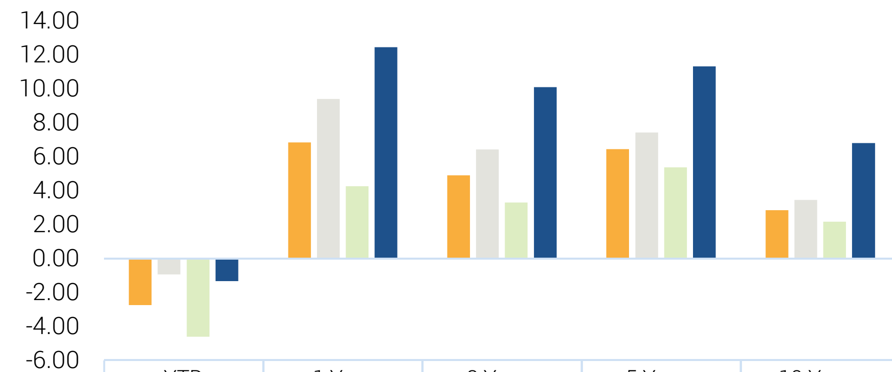
Economic Surprise Indices (Rolling 12-month Averages)



Quarterly Performance



Trailing Returns



	YTD	1 Year	3 Years	5 Years	10 Years
Developed Large Cap	-2.75	6.84	4.90	6.44	2.84
Developed Large Cap Growth	-0.93	9.41	6.41	7.43	3.45
Developed Large Cap Value	-4.61	4.25	3.30	5.37	2.17
Developed Small Cap	-1.33	12.45	10.09	11.32	6.81

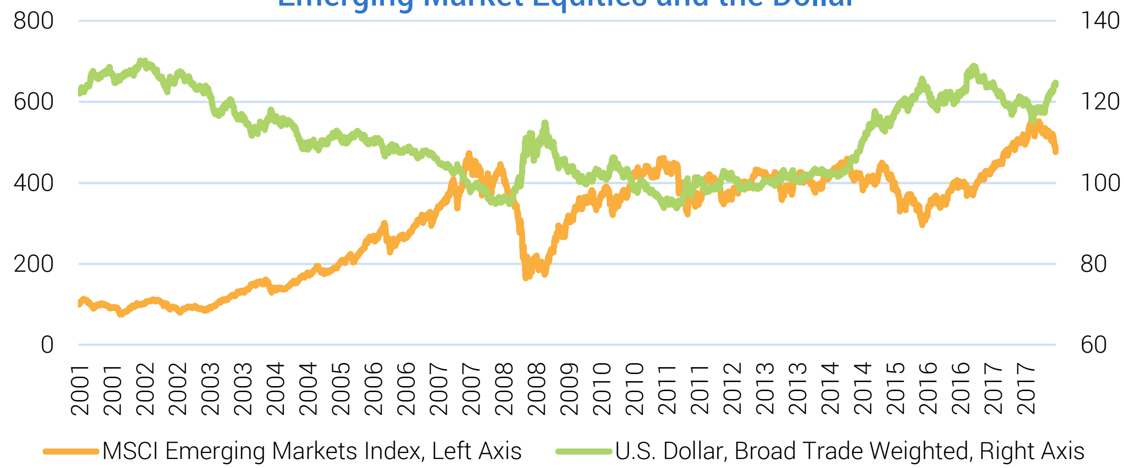
Source: Citi, MSCI

Emerging Markets Equity

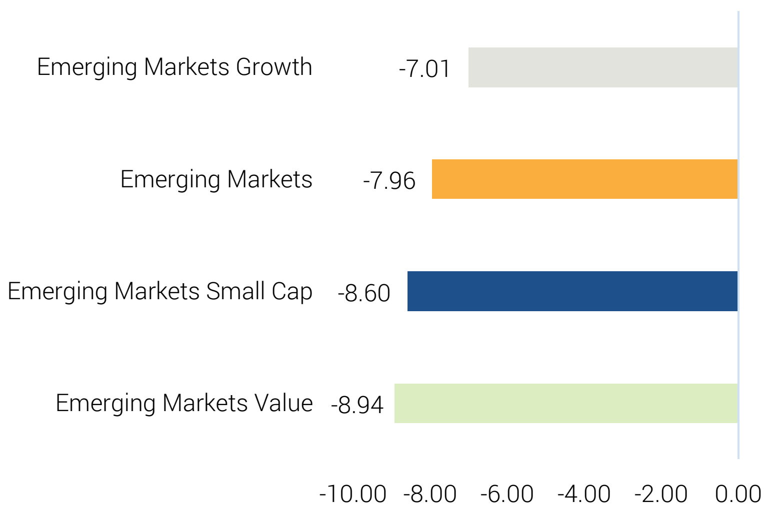
As of 06/30/2018

Emerging Markets (EM) equities declined over the quarter and underperformed developed markets equities. EM stocks traded lower over the quarter as markets focused on vulnerabilities given disappointing non-U.S. growth and still rising U.S. rates. Risks included U.S. trade tensions and idiosyncratic EM political risks, as well as evolving Italian politics and lack of a comprehensive backstop to prevent spillovers within the Euro area. These factors left EM assets among the worst performing year-to-date, after a strong 2017 where EM was the primary beneficiary of synchronized global growth.

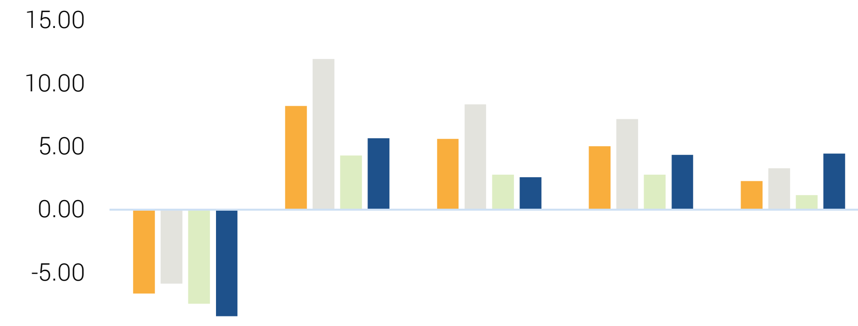
Emerging Market Equities and the Dollar



Quarterly Performance



Trailing Returns



	YTD	1 Year	3 Years	5 Years	10 Years
Emerging Markets	-6.66	8.20	5.60	5.01	2.26
Emerging Markets Growth	-5.88	11.92	8.34	7.16	3.28
Emerging Markets Value	-7.47	4.28	2.76	2.77	1.14
Emerging Markets Small Cap	-8.45	5.64	2.55	4.32	4.44

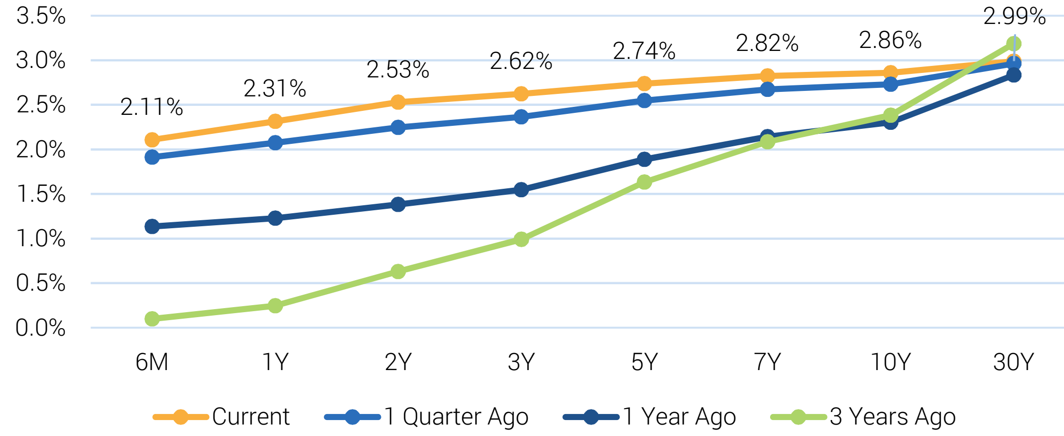
Source: Federal Reserve, MSCI

Fixed Income

As of 06/30/2018

Investment grade and longer duration fixed income continued to decline over the course of the second quarter as interest rates rose and credit spreads widened. However, with its shorter duration and higher correlation to economic growth, the high yield sector was one of the few that registered gains this quarter. During the second quarter, the yield on the 2-year Treasury bond rose another 26 basis points on top of the 38 basis points it rose in the first quarter. At its current yield of 2.53%, the 2-year is trading at its highest yield since August 2008. Along the long-end of the curve, the yield in the 10-year Treasury rose 12 basis points to 2.86%. The yield on the 10-year briefly broke through the psychological ceiling of 3% but was quickly driven back down as concerns about trade war drove a flight to safety. As short-term rates have continued to rise faster than long-term rates, the spread between the 2-year Treasury and the 10-year Treasury has since compressed to 33 basis points, representing the flattest the yield curve has registered since fall 2007.

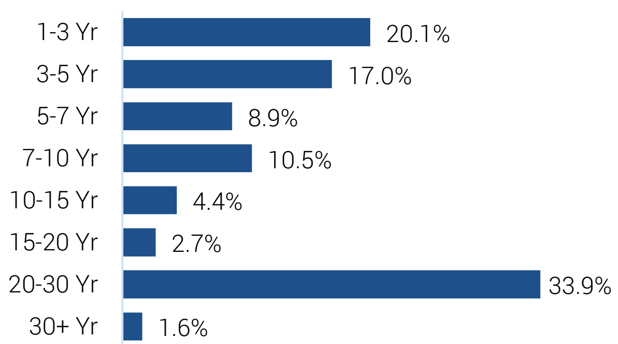
Treasury Yield Curve



Trailing Returns

	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Aggregate	-1.62	-0.40	1.72	2.27	3.72
U.S. Long	-4.98	-0.78	4.34	5.10	6.79
U.S. Short	0.08	0.21	0.71	0.84	1.65
Municipals	-0.25	1.56	2.85	3.53	4.43
High Yield	0.08	2.53	5.55	5.51	8.03
TIPS	-0.02	2.11	1.93	1.68	3.03
Treasury Bill	0.78	1.30	0.62	0.38	0.30
Global Hedged	1.42	3.27	3.63	4.04	4.44

U.S. Aggregate Maturity Distribution



Source: Federal Reserve, Barclays, Bloomberg, Bank of America,

Legislative and Regulatory Update

Fiduciary Rule

- After the 5th U.S. Circuit Court of Appeals vacated the fiduciary rule in March 2018, the federal government had a deadline of June 13th to request a rehearing by the U.S. Supreme Court. Since the government declined to ask for a rehearing, the fiduciary rule is essentially dead. The final step to formally vacate the fiduciary rule will require the court clerk to issue a mandate. The only way the rule could be revived is if the 5th Circuit decides to challenge its own decision, which we view as unlikely. The Securities and Exchange Commission is considering its own version of the fiduciary rule, known as the best-interest rule. A summation of the SEC's proposal can be found here: https://www.investopedia.com/insights/sec-altfiduciary-rule-regulation-best-interest/. [1, 2]

The Federal Reserve

- On June 13, 2018, the Federal Reserve raised the Federal Funds rate by 0.25% to a range of 1.75% - 2.00%. This was the second time rates were increased in 2018. The Fed has signaled that it anticipates two additional increases later this year. A majority of Fed officials expect rates to rise to a range of 2.25% - 2.50% by the end of the year. The last time rates exceeded 2.00% was in 2008. [3]

International Affairs

- In June 2018, President Donald Trump met with North Korean leader Kim Jong Un. This was the first ever meeting between sitting leaders of the two countries. Concrete progress from the summit remains to be seen, but the U.S. is hopeful that continued discussions may lead to the eventual denuclearization of North Korea. [4]
- At the European Union (EU) summit in Brussels on June 28-29, 2018, European leaders reached a deal on migration. The EU agreed to help coastline countries like Italy by redistributing migrants rescued in the Mediterranean. The EU also agreed to set up reception centers in Northern African countries where migrants will wait for resettlement to Europe or repatriation to their home countries. Although the exact details of this arrangement have not been finalized, the deal is a sign of progress for the European political climate. Migration policy has been a major point of conflict between and within European countries. Economic uncertainty remains an issue across Europe, exacerbated by a lack of clarity on Britain's scheduled 2019 exit from the EU, and recent elections in Turkey, Hungary and Italy. [5, 6, 7]
- In June 2018, the U.S. State Department announced a plan to halt Iranian oil being imported into the U.S. to zero by November 4th. This plan will likely cause tighter world crude supplies, leading to higher oil prices for businesses and consumers. The State Department says it will not offer exemptions for countries and companies that do business with Iran. [8]

Dodd-Frank

- In response to the financial crisis a decade ago, the Dodd-Frank Act was created to prevent another major financial crisis. Among other things, this act created the Consumer Financial Protection Bureau (CFPB), imposed annual stress-tests on the nation's banks, and increased capital reserve requirements on banks and other financial institutions. Since its implementation in 2009, the Act has come under criticism for being too harsh on smaller banks by reducing their lending capabilities and increasing their compliance costs. In March 2018, a bill to reduce the oversight and ease financial regulations on smaller banks with assets below $250 billion passed the Senate. In May, the bill passed the House and was subsequently signed into law. [9, 10, 11]

Trade Tariffs

- In March 2018, the U.S. announced its intention to impose a 25% tariff on steel and a 10% tariff on aluminum imports with immediate effect on China and other countries, and a delayed implementation on goods from Canada, Mexico, and the European Union. By the end of May, these tariffs became active in Canada, Mexico, and the EU. Since then, these countries have announced future retaliatory tariffs on U.S. goods. This response caused the U.S. to threaten a potential tariff on foreign automobiles. [12]
- A separate $50 billion tariff on Chinese goods, which included restrictions on Chinese investment in high-tech industries, was also announced in March with a proposed start date of July 6th. China responded with a smaller tariff on soybeans, fruit, wine and other goods. Since then, both countries have continued to escalate potential tariffs, with the U.S. threatening a $200 billion tariff on Chinese goods and China threatening further retaliatory tariffs if necessary. [13, 14, 15, 16]

Retirement Plan Fees

- There has been a heavy focus on reducing unnecessary retirement plan fees over the past decade. For this reason, it is more important than ever for plan sponsors to understand common fees that may be charged to the plan. Most fees fall under the following four categories: Recordkeeping and Administration, Investment, Advisory and Consulting Services, and Participant Transaction fees. A brief description of these fee categories and some examples of specific fees are provided below.

Recordkeeping and Administration

- These fees are necessary for the day-to-day maintenance and operations of the plan.

Investment Fees

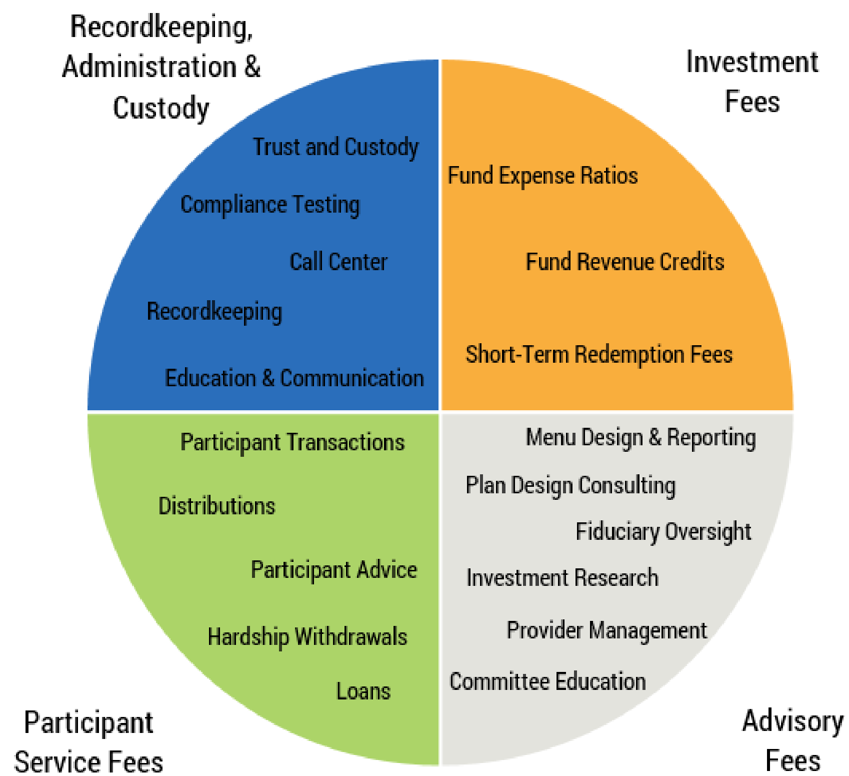
- Generally the largest component of overall plan fees, these charges come from the underlying investments themselves. It is a fiduciary's responsibility to review these fees, and ensure that participants are provided funds and share classes that fit their needs without unnecessary expenses.

Advisory Fees

- Advisors and Consultants can provide fiduciary oversight, assistance with plan design, investment research and reporting, and vendor management.

Participant Service Fees

- These fees are generally charged to the individual participant that utilizes them.



Source: *https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-retirement-plan-fees-and-expenses.pdf*

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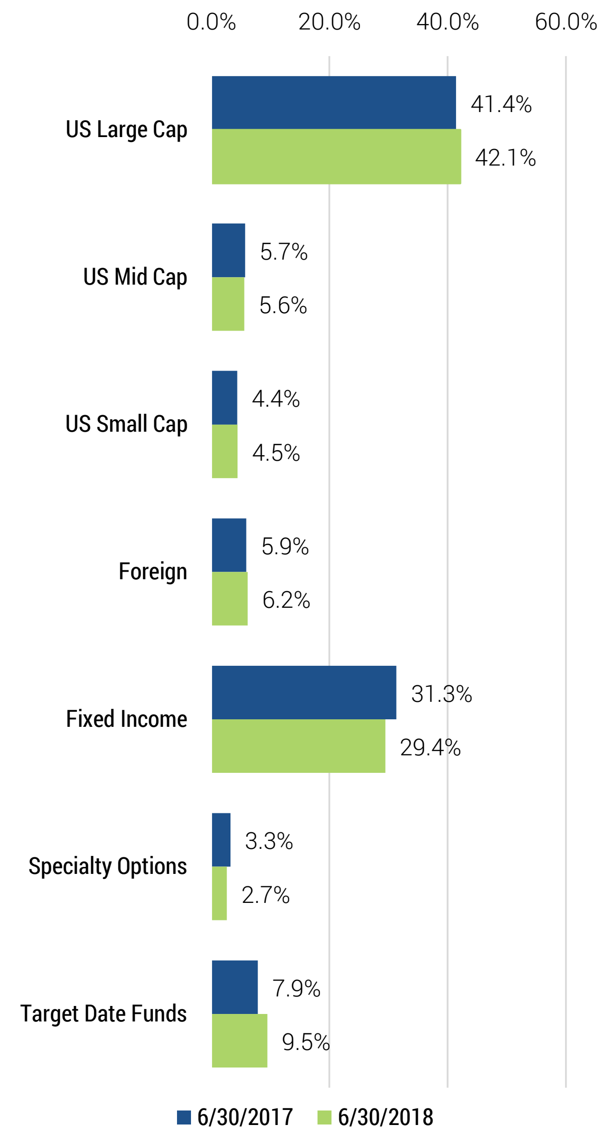
Summary of County of Fresno 457 DC Plan - Trailing Quarter

Data as of 06/30/2018

Asset Class	Ticker	%	6/30/2017	Net Increases/Decreases	6/30/2018	%
US Large Cap		**41.4%**	**94,123,193**	**10,530,635**	**104,653,828**	**42.1%**
Alger Spectra Z	ASPZX	16.8%	38,144,637	*7,196,769*	45,341,406	18.3%
Columbia Dividend Income Inst3	CDDYX	5.4%	12,342,489	*1,010,297*	13,352,787	5.4%
Blackrock Equity Index Fund M	02CFF1	19.2%	43,636,067	*2,323,569*	45,959,636	18.5%
US Mid Cap		**5.7%**	**13,015,057**	**912,831**	**13,927,887**	**5.6%**
Hennessy Focus Funds Institutional	HFCIX	2.2%	4,969,563	*61,412*	5,030,974	2.0%
Blackrock Mid Cap Equity Index - Fund M	03CFF2	3.5%	8,045,494	*851,419*	8,896,913	3.6%
US Small Cap		**4.4%**	**10,031,452**	**1,033,262**	**11,064,715**	**4.5%**
Nicholas Limited Edition I	NCLEX	2.5%	5,578,495	*250,205*	5,828,700	2.3%
Perkins Small Cap Value N	JDSNX	0.8%	1,837,922	*(516,984)*	1,320,937	0.5%
Blackrock Russell 2000 Index Fund M	03CFF3	1.2%	2,615,036	*1,300,041*	3,915,077	1.6%
Foreign		**5.9%**	**13,516,158**	**1,799,319**	**15,315,477**	**6.2%**
Ivy International Core Equity R6	IINCX	4.4%	10,048,095	*(68,522)*	9,979,573	4.0%
Oppenheimer Developing Markets I	ODVIX	0.5%	1,226,261	*868,194*	2,094,455	0.8%
Blackrock Eafe Equity Index Fund T	10CFF5	1.0%	2,241,802	*999,647*	3,241,449	1.3%
Fixed Income		**31.3%**	**71,224,508**	**1,882,566**	**73,107,073**	**29.4%**
RidgeWorth Seix Total Return Bond IS	SAMZX	1.4%	3,228,011	*402,147*	3,630,159	1.5%
Blackrock US Debt Index Fund W	04CFF4	1.4%	3,190,806	*1,348,499*	4,539,305	1.8%
Templeton Global Bond R6	FBNRX	0.5%	1,086,899	*504,342*	1,591,241	0.6%
County Of Fresno Stable Value Fund	FRESSV	28.0%	63,718,791	*(372,422)*	63,346,369	25.5%
Specialty Options		**3.3%**	**7,420,099**	**(802,153)**	**6,617,945**	**2.7%**
Oakmark Equity & Income I	OAKBX	1.0%	2,266,301	*(78,583)*	2,187,718	0.9%
Fidelity Advisor Real Estate Income I	FRIRX	0.5%	1,160,004	*(165,225)*	994,778	0.4%
Franklin Utilities R6	FUFRX	1.8%	3,993,794	*(558,345)*	3,435,449	1.4%
Target Date Funds		**7.9%**	**17,945,177**	**5,677,809**	**23,622,986**	**9.5%**
Great-West Lifetime 2015 Trust Ii	grwl15	1.2%	2,663,901	*767,594*	3,431,495	1.4%
Great-West Lifetime 2025 Trust Ii	grwl25	2.7%	6,207,088	*1,600,503*	7,807,591	3.1%
Great-West Lifetime 2035 Trust Ii	grwl35	1.9%	4,333,852	*798,812*	5,132,664	2.1%
Great-West Lifetime 2045 Trust Ii	grwl45	1.5%	3,452,909	*1,569,680*	5,022,589	2.0%
Great-West Lifetime 2055 Trust Ii	grwl55	0.6%	1,287,428	*941,219*	2,228,647	0.9%
Total		**100%**	**$227,275,643**	**$21,034,268**	**$248,309,912**	**100%**



County of Fresno 457 DC Plan

Investment Summary

As of 6/30/2018

Passively-Managed and Cash Funds

		Equities						Fixed Income						Liquid	Other												
		US			Foreign			US				Foreign															
Investment	**Ticker**	L	M	S	L	S	E	I	S	T	Y	H	U	C	R	C	A	U	**Exp**	**Qtr**	**YTD**	**1 Yr**	**2 Yr**	**3 Yr**	**4 Yr**	**5 Yr**	**10 Yr**
BlackRock Equity Index - Collective M	02cff1	100																	0.02	3.44	2.67	14.47	16.19	11.99	10.85	13.50	10.37
BlackRock MidCap Idx - Collective M	03cff2		100																0.03	4.31	3.55	13.60	15.79	10.60	9.54	12.54	10.73
BlackRock Russell 2000 Index Coll M	03cff3			100															0.03	7.78	7.73	17.78	21.27	11.24	10.09	12.75	10.86
BlackRock EAFE Equity Index Coll F	10cff5				100														0.10	-1.33	-2.40	7.24	13.76	5.28	2.86	6.76	3.16
BlackRock US Debt Index Fund Coll W	04cff4							100											0.04	-0.14	-1.60	-0.36	-0.29	1.79	1.90	2.42	

Actively-Managed Funds

Style	**Investment**	**Ticker**	L	M	S	L	S	E	I	S	T	Y	H	U	C	R	C	A	U	**Exp**	**Qtr**	**YTD**	**1 Yr**	**2 Yr**	**3 Yr**	**4 Yr**	**5 Yr**	**10 Yr**
Income	Columbia Dividend Income Inst3	CDDYX	87	4		4		1							4					0.59	0.69	-1.28	10.24	12.42	11.42	9.78	11.54	9.98
Growth	Alger Spectra Z	ASPZX	82	8	1	5									4					0.96	7.25	10.35	24.40	22.85	13.34	13.47	16.62	12.92
Growth	Hennessy Focus Institutional	HFCIX	47	30	11	6									6					1.12	3.14	0.79	11.74	13.00	8.42	9.68	11.67	12.99
Balanced	Oakmark Equity And Income Investor	OAKBX	38	14	1	5			23						12				7	0.78	0.22	-1.41	6.55	11.70	5.76	5.02	8.16	6.47
Blend	Janus Henderson Small Cap Value N	JDSNX		28	62	1	2								7					0.88	3.64	0.48	8.97	15.62	10.84	9.39	11.71	11.18
Growth	Nicholas Limited Edition I	NCLEX		31	52	3	5								9					0.86	7.51	7.35	15.22	18.68	10.60	10.33	11.89	11.23
Global Blend	Ivy International Core Equity N	IINCX	4			92									3				1	0.82	-1.43	-2.54	5.11	13.53	4.22	3.30	7.92	4.63
Emerging Blend	Oppenheimer Developing Markets I	ODVIX				32		59							4				5	0.88	-4.00	-1.09	12.63	17.61	7.59	2.83	6.04	5.68
Intermediate	Virtus Seix Total Return Bond R6	SAMZX							76	12			3		9					0.31	-0.05	-1.63	-1.30	-0.53	1.59	1.57	2.16	4.22
Global Bond	Templeton Global Bond R6	FBNRX							59					8	33					0.56	-2.55	-1.19	-1.75	4.24	1.38	0.66	2.00	5.61
Real Estate	Fidelity Advisor Real Estate Income I	FRIRX	4	14	10				38						10				24	0.76	4.00	0.84	2.64	5.06	6.78	5.74	6.55	8.51
Stable Value	Fresno County Stable Value	fressv													100					0.50	0.50	1.00	2.00	2.01	2.05	2.09	2.10	
Utilities	Franklin Utilities R6	FUFRX													100					0.49	4.43	0.42	3.06	3.09	10.46	6.66	9.64	7.66

US Large Cap | US Mid Cap | US Small Cap | Frgn Develpd Large Ca | Frgn Develpd Small Ca | Frgn Emergng Markets | US Intermed Duration | US Short Duration | US TIPS

US High Yield | Global Hedged | Global Unhedged | Liquid Assets | REIT | Commodities | Alternatives | Uncategorized

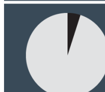
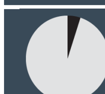
Target-Date Funds

			Equities						Fixed Income						Liquid	Other												
			US			Foreign			US				Foreign															
Style	**Investment**	**Ticker**	L	M	S	L	S	E	I	S	T	Y	H	U	C	R	C	A	U	**Exp**	**Qtr**	**YTD**	**1 Yr**	**2 Yr**	**3 Yr**	**4 Yr**	**5 Yr**	**10 Yr**
Target Date	Great-West Lifetime 2015 Trust	GRWL15	17	8	4	10		3	20	8	13	5	5		4	3				0.43	0.83	0.42	5.99	7.49	6.08	5.00	6.31	
Target Date	Great-West Lifetime 2025 Trust	GRWL25	22	9	6	14		5	19	5	6	5	4		2	3				0.43	1.06	0.57	7.62	9.74	7.26	6.04	7.82	
Target Date	Great-West Lifetime 2035 Trust	GRWL35	29	12	8	21		7	11	1	2	2	2		1	4				0.44	1.40	1.02	10.03	12.76	8.69	7.24	9.13	
Target Date	Great-West Lifetime 2045 Trust	GRWL45	31	13	10	24		10	6			1	1			4				0.44	1.52	1.29	11.23	14.22	9.29	7.66	10.11	
Target Date	Great-West Lifetime 2055 Trust	GRWL55	29	13	11	25		11	5			1	1			4				0.45	1.29	1.06	11.23	14.34	9.19	7.52	10.04	

- US Large Cap
- US Mid Cap
- US Small Cap
- Frgn Develpd Large Ca
- Frgn Develpd Small Ca
- Frgn Emergng Markets
- US Intermed Duration
- US Short Duration
- US TIPS
- US High Yield
- Global Hedged
- Global Unhedged
- Liquid Assets
- REIT
- Commodities
- Alternatives
- Uncategorized

Fund Compliance Methodology

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

Factor	Weight	Explanation		Score Calculation	
RETURNS Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 **40% Overall**	**Absolute Returns** Peer Group Percentile Rankings: 3,5,10 Year Periods		**Proportional Score** Ranks in the top 75% of Peer Group	**No Score** Ranks in the bottom 25% of Peer Group
RISK ADJUSTED RETURNS Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 **20% Overall**	**Sharpe Ratio** Peer Group Percentile Rankings: 3,5,10 Year Periods		**Proportional Score** Ranks in top 75% of Peer Group	**No Score** Ranks in bottom 25% of Peer Group
RISK Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 **30% Overall**	 **10% Overall**	**Standard Deviation** Peer Group Percentile Rankings: 3,5,10 Year Periods	**Proportional Score** Ranks in top 75% of Peer Group	**No Score** Ranks in bottom 25% of Peer Group
		 **20% Overall**	**Upside/Downside Capture** Peer Group Percentile Rankings: 3,5,10 Year Periods	**Proportional Score** Ranks in top 75% of Peer Group	**No Score** Ranks in bottom 25% of Peer Group
OTHER Fund expense quartile rank Manager tenure is greater than 3 years	 **10% Overall**	 **5% Overall**	**Expense Ratio** For current period	**Proportional Score** Ranks in top 75% of Peer Group	**No Score** Ranks in bottom 25% of Peer Group
		 **5% Overall**	**Average Tenure** Number of years	**Full Score** Manager Tenure more than 3 years	**No Score** 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	18.51%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.58%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.58%	BlackRock Russell 2000 Index Coll M	03cff3
Global	1.31%	BlackRock EAFE Equity Index Coll F	10cff5
US Debt	1.83%	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	5.38%	Columbia Dividend Income Inst3	CDDYX					
Pass	18.26%	Alger Spectra Z	ASPZX					
Pass	2.03%	Hennessy Focus Institutional	HFCIX					
Pass	0.88%	Oakmark Equity And Income Investor	OAKBX					
Pass	0.53%	Janus Henderson Small Cap Value N	JDSNX					
Pass	2.35%	Nicholas Limited Edition I	NCLEX					
Pass	4.02%	Ivy International Core Equity N	IINCX					
Pass	0.84%	Oppenheimer Developing Markets I	ODVIX					
Pass	1.46%	Virtus Seix Total Return Bond R6	SAMZX					
Pass	0.64%	Templeton Global Bond R6	FBNRX					
Pass	0.40%	Fidelity Advisor Real Estate Income I	FRIRX					
Pass	25.51%	Fresno County Stable Value	fressv					
Pass	1.38%	Franklin Utilities R6	FUFRX					

* This Investment has less than 3 years of performance data

Target-Date Funds

Underperforming ◀ ▶ Outperforming

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.38%	Great-West Lifetime 2015 Trust	GRWL15					
Pass	3.14%	Great-West Lifetime 2025 Trust	GRWL25					
Pass	2.07%	Great-West Lifetime 2035 Trust	GRWL35					
Pass	2.02%	Great-West Lifetime 2045 Trust	GRWL45					
Pass	0.90%	Great-West Lifetime 2055 Trust	GRWL55					

County of Fresno 457 DC Plan

Fund Policy Compliance — As of 6/30/2018

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%) Standard Deviation			Risk (30%) Up Capture			Risk (30%) Down Capture			Other (10%) Expense	Other (10%) Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
LC Index	18.51%	02cff1	BlackRock Equity Index - Collective M	7	7	11	8	4	6	40	32	30	17	19	33	23	22	21	2	5
MC Index	3.58%	03cff2	BlackRock MidCap Idx - Collective M	11	12	12	14	20	16	55	54	58	9	7	14	65	62	53	1	5
SC Index	1.58%	03cff3	BlackRock Russell 2000 Index Coll M	20	19	24	28	29	32	75	80	65	9	6	11	70	77	78	1	5
Global	1.31%	10cff5	BlackRock EAFE Equity Index Coll F	25	24	32	28	27	32	64	66	53	27	30	23	46	38	47	4	5
US Debt	1.83%	04cff4	BlackRock US Debt Index Fund Coll W	1	1		5	15		83	82		7	6		47	50		1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%) Standard Deviation			Risk (30%) Up Capture			Risk (30%) Down Capture			Other (10%) Expense	Other (10%) Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
9	5.38%	CDDYX	Columbia Dividend Income Inst3	3	10	7	2	2	2	12	11	8	65	73	86	5	6	7	16	7
7	18.26%	ASPZX	Alger Spectra Z	40	19	6	55	24	7	76	68	72	16	16	5	85	61	73	45	6
6	2.03%	HFCIX	Hennessy Focus Institutional	69	67	3	53	40	1	7	11	14	92	87	81	10	15	1	48	7
5	0.88%	OAKBX	Oakmark Equity And Income Investor	54	25	46	77	61	40	93	95	28	18	2	66	95	95	35	27	7
8	0.53%	JDSNX	Janus Henderson Small Cap Value N	21	20	17	2	2	1	6	5	4	82	80	88	5	6	2	18	14
6	2.35%	NCLEX	Nicholas Limited Edition I	54	69	42	28	29	12	5	8	6	87	87	91	14	17	7	16	23
7	4.02%	IINCX	Ivy International Core Equity N	53	5	10	59	9	11	78	72	40	25	6	18	76	38	25	31	10
8	0.84%	ODVIX	Oppenheimer Developing Markets I	11	19	1	12	21	1	45	54	18	55	50	56	21	34	12	13	5
5	1.46%	SAMZX	Virtus Seix Total Return Bond R6	55	55	39	58	65	23	65	81	36	56	43	59	52	71	23	9	7
5	0.64%	FBNRX	Templeton Global Bond R6	80	37	3	85	49	18	75	72	62	96	92	79	2	2	1	14	10
7	0.40%	FRIRX	Fidelity Advisor Real Estate Income I	56	83	16	1	1	1	2	2	2	98	97	98	2	1	1	19	13
10	25.51%	fressv	Fresno County Stable Value	1	1		1	1		2	2		1	1		1	1		61	6
7	1.38%	FUFRX	Franklin Utilities R6	26	26	12	28	27	3	71	71	22	13	12	66	75	67	16	13	12

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Risk (30%) Standard Deviation			Risk (30%) Up Capture			Risk (30%) Down Capture			Other (10%) Expense	Other (10%) Tenure
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
8	1.38%	GRWL15	Great-West Lifetime 2015 Trust	1	42		1	1		17	11		25	64		5	18		22	5
9	3.14%	GRWL25	Great-West Lifetime 2025 Trust	1	20		1	2		23	25		31	56		8	13		18	5
8	2.07%	GRWL35	Great-West Lifetime 2035 Trust	5	29		1	12		30	26		21	58		15	15		19	5
9	2.02%	GRWL45	Great-West Lifetime 2045 Trust	4	12		6	11		42	40		10	25		23	26		18	5
8	0.90%	GRWL55	Great-West Lifetime 2055 Trust	7	22		8	23		39	36		10	29		27	38		19	5

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

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

Northwest Capital Management, Inc. 07/25/2018

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

Trustee / Committee Member Date

BlackRock Equity Index - Collective M (02cff1)

Fund Type: LC Index — US Large Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
02cff1	3.44%	14.47%	11.99%	13.50%	10.37%
S&P 500 TR USD	3.43%	14.37%	11.93%	13.42%	10.17%
Out/(Under) Performing	**0.01%**	**0.10%**	**0.05%**	**0.07%**	**0.20%**
Peer Group Ranking	23	23	7	7	11

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	4.31%	13.60%	10.60%	12.54%	10.73%
S&P MidCap 400 TR	4.29%	13.51%	10.90%	12.69%	10.78%
Out/(Under) Performing	**0.02%**	**0.09%**	**-0.30%**	**-0.15%**	**-0.05%**
Peer Group Ranking	14	19	11	12	12

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	7.78%	17.78%	11.24%	12.75%	10.86%
Russell 2000 TR USD	7.75%	17.56%	10.96%	12.46%	10.60%
Out/(Under) Performing	**0.03%**	**0.22%**	**0.28%**	**0.29%**	**0.26%**
Peer Group Ranking	25	16	20	19	24

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	-1.33%	7.24%	5.28%	6.76%	3.16%
MSCI ACWI Ex USA NR USD	-2.61%	7.28%	5.06%	5.99%	2.54%
Out/(Under) Performing	**1.28%**	**-0.04%**	**0.21%**	**0.77%**	**0.62%**
Peer Group Ranking	19	23	25	24	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	-0.14%	-0.36%	1.79%	2.42%	
BBgBarc US Govt Interm TR USD	0.06%	-0.72%	0.63%	1.04%	2.41%
Out/(Under) Performing	**-0.20%**	**0.36%**	**1.17%**	**1.38%**	
Peer Group Ranking	78	21	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	0.69%	10.24%	11.42%	11.54%	9.98%
S&P 500 Value TR USD	1.40%	7.58%	8.82%	10.45%	8.44%
Out/(Under) Performing	**-0.71%**	**2.66%**	**2.60%**	**1.09%**	**1.53%**
Peer Group Ranking	69	27	3	10	7

Oakmark Equity And Income Investor (OAKBX)

Fund Score: 5 (Status: Pass) 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	0.22%	6.55%	5.76%	8.16%	6.47%
DJ Moderate TR USD	0.43%	7.83%	6.57%	7.33%	6.40%
Out/(Under) Performing	**-0.22%**	**-1.28%**	**-0.81%**	**0.83%**	**0.07%**
Peer Group Ranking	84	52	54	25	46

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	7.25%	24.40%	13.34%	16.62%	12.92%
S&P 500 Growth TR USD	5.25%	20.65%	14.48%	15.99%	11.70%
Out/(Under) Performing	**2.00%**	**3.75%**	**-1.14%**	**0.63%**	**1.22%**
Peer Group Ranking	12	26	40	19	6

The Alger Spectra fund returned 7.3% versus 5.3% for the S&P 500 growth index in the second quarter of 2018. Strong stock selection within the Healthcare sector was the primary contributor to returns in the quarter. Sarepta Therapeutics and United Healthcare were two of the specific names that added to performance. The fund was also overweight the Consumer Cyclical space with Amazon.com being a top holding. Additionally, the fund's short position in Symantec Corporation was a contributor during the quarter. The fund's stock selection and overweight position within the Financials sector detracted from performance during the quarter. Visa and Bank of America are the fund's top holdings within that sector. Other detractors during the quarter were Applied Materials and Phillip Morris. Phillip Morris had a difficult quarter after reporting slower market share gains with their new iQOS product in Japan. Lastly, the fund was short shares of W.W. Grainger. Fund managers' thesis around that position is that they will continue to see competition from Amazon.com which has been targeting this area. Nevertheless, Grainger shares performed well in Q2 benefitting from an upturn in industrial demand. The fund's score under our scoring methodology bounced back to a 7 from 6. 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.

Hennessy Focus Institutional (HFCIX)

Fund Score: 6 (Status: Pass) 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	3.14%	11.74%	8.42%	11.67%	12.99%
S&P MidCap 400 Growth TR USD	3.31%	15.70%	11.34%	13.15%	10.99%
Out/(Under) Performing	**-0.17%**	**-3.96%**	**-2.92%**	**-1.48%**	**2.00%**
Peer Group Ranking	59	92	69	67	3

Hennessy returned 3.14% for the quarter, slightly underperforming its benchmark (S&P MidCap 400 Growth) which returned 3.31%. Over the trailing year, the fund has underperformed its benchmark by -3.96%. An out of benchmark allocation of roughly 14% to Canada and the United Kingdom detracted from relative results as trade tensions took hold. Additionally, Hennessey's low turnover has led to its mid-cap winners to grow into the higher market capitalization range. As a result, the median market cap within the fund is nearly twice the size of its benchmark where the smaller-cap names are typically more domestically focused. Under our scoring methodology, the fund continues to score a 6 in Q2 2018. It ranks in the bottom quartile of its peer group for the trailing quarter and one-year periods, however, it continues to place in the top quartile over the 10-year period.

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	3.64%	8.97%	10.84%	11.71%	11.18%
Russell 2000 Value TR USD	8.30%	13.10%	11.22%	11.18%	9.88%
Out/(Under) Performing	**-4.67%**	**-4.13%**	**-0.37%**	**0.53%**	**1.30%**
Peer Group Ranking	88	80	21	20	17

Janus Henderson Small Cap Value returned 3.64% in Q2 2018, while its benchmark (Russell 2000 Value) returned 8.30%. The fund has also underperformed by -4.13% relative to its benchmark over the trailing year. It's overweight positionings in consumer staples, financials, and industrials detracted from performance as other sectors outperformed over the quarter. Stock selection in the Insurance industry further detracted from performance as companies, RenaissanceRe and First American Financial, disappointed with poor guidance as the financial burden from Hurricane Harvey was realized. Management believes current equity markets are richly valued and it remains focused on limiting downside. The fund continues to score an 8 and ranks in the top quartile over the three- five- and ten-year periods.

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	7.51%	15.22%	10.60%	11.89%	11.23%
Russell 2000 Growth TR USD	7.23%	21.86%	10.60%	13.65%	11.24%
Out/(Under) Performing	**0.27%**	**-6.65%**	**0.00%**	**-1.76%**	**-0.02%**
Peer Group Ranking	54	86	54	69	42

Nicholas Limited Edition returned 7.51% for the quarter, outperforming its benchmark (Russell 2000 Growth) by 0.27%. Over the trailing year, the fund has underperformed its benchmark by -6.65%. Nicholas generally invests in small-cap growth companies (market cap < $3B), however the fund has recently held a relatively large amount of mid-cap growth companies. At the end of Q2 2018, over 33% of its holdings were in the mid-cap space, which has underperformed relative to small-cap. This positioning and the fund's more conservative stance relative to its peers explain most of the divergence from its benchmark and peer group. Looking at the underlying funds, an underweight to the technology sector and poor selection within that sector further detracted from the fund's performance over the trailing year. Nicholas continues to score a 6 under our scoring methodology and is in the bottom half of its peer group over the trailing one- three- and five-year periods.

Ivy International Core Equity N (IINCX)

Fund Score: 7 (Status: Pass) Frgn Develpd 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 located in, or principally traded largely 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	-1.43%	5.11%	4.22%	7.92%	4.63%
MSCI ACWI Ex USA NR USD	-2.61%	7.28%	5.06%	5.99%	2.54%
Out/(Under) Performing	**1.18%**	**-2.16%**	**-0.84%**	**1.93%**	**2.09%**
Peer Group Ranking	21	65	53	5	10

Ivy International returned -1.44% for Q2 2018, compared to -2.61% for its benchmark (MSCI ACWI Ex USA).Year-to-date, the fund has outperformed underperformed the benchmark by 1.22 %. The fund's overweight to energy provided the largest tailwind, as oil prices increased significantly over the quarter, driving performance in the sector. However, stock selection within the energy sector slightly detracted from the fund's overall performance, specifically positions in Inpex Corp and Seven Generations Energy provided the largest headwinds. Looking forward, management believes global rate increases will be slow and minimal and have increased exposures to defensive sectors such as telecommunications and consumer staples. Overall, the fund continues to score a 7 under our scoring methodology and ranks in the top quartile of its peer group over the five- and ten-year periods.

Oppenheimer Developing Markets I (ODVIX)

Fund Score: 8 (Status: Pass) Frgn Emergng Markets

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ODVIX	-4.00%	12.63%	7.59%	6.04%	5.68%
MSCI EM NR USD	-7.96%	8.21%	5.61%	5.02%	2.26%
Out/(Under) Performing	**3.96%**	**4.42%**	**1.98%**	**1.03%**	**3.42%**
Peer Group Ranking	3	7	11	19	1

Oppenheimer Developing Markets returned -4.0% for Q2 2018, compared to -8.0% for its benchmark (MSCI Emerging Markets). Year-to-date, the fund posted returns of -1.1% outperforming its benchmark, which returned -6.7%. The largest tailwind for performance can be attributed to stock selection within the Consumer Cyclical sector, specifically Kering SA, China Lodging Group, and Alibaba. Additionally, management's decision to overweight France, further boosted performance as their economy stayed relatively stable among the volatile Eurozone. Looking forward, management expects less global liquidity as quantitative easing begins to unwind and believes EM countries with limited external debt will fare better than those with more leverage, and has positioned the portfolio accordingly. Currently, we are pleased with the long-term performance of the fund in this volatile space. The fund now scores an 8 under our methodology and places in the top quartile relative to peers for both the return and risk adjusted returns for the three-, five-, and ten-year periods.

Virtus Seix Total Return Bond R6 (SAMZX)

Fund Score: 5 (Status: Pass) 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	-0.05%	-1.30%	1.59%	2.16%	4.22%
BBgBarc US Agg Bond TR USD	-0.15%	-0.39%	1.72%	2.28%	3.72%
Out/(Under) Performing	**0.11%**	**-0.91%**	**-0.14%**	**-0.11%**	**0.50%**
Peer Group Ranking	23	89	55	55	39

Virtus Seix Total Return Bond posted a -0.05% return, outperforming its benchmark (Bloomber Barclays US Aggregate Bond Index) which returned -0.15%. However, over the trailing year, the fund's performance has lagged by -0.91% relative to the benchmark. Primary contributors to the fund's relative outperformance over the last quarter came from aggregate FX strategies, underweights to corporate bonds, yield curve positioning and credit protection on select single-name credits, while the fund's short position on high yield detracted from performance. Management is concerned about volatility and maintains its positioning in predominantly high quality, low credit risk investments. The fund maintains a 5 under our scoring methodology and ranks in the bottom half over the trailing one- three- and five-year periods.

Templeton Global Bond R6 (FBNRX)

Fund Score: 5 (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	-2.55%	-1.75%	1.38%	2.00%	5.61%
BBgBarc Global Aggregate TR Hdg USD	0.19%	1.64%	2.81%	3.31%	4.16%
Out/(Under) Performing	**-2.73%**	**-3.39%**	**-1.44%**	**-1.31%**	**1.45%**
Peer Group Ranking	43	91	80	37	3

The Templeton Global Bond fund returned -2.5% for the quarter, relative to 0.2% for the Bloomberg Barclays Global Aggregate U.S. Dollar Hedged Index. Currency positions in Latin American and Asia ex- Japan detracted from absolute results, as emerging-market currencies largely depreciated against a broadly stronger U.S. dollar during the quarter. Additionally, select interest rate exposures in these regions served as another headwind as yields rose across several local markets in Latin America and Asia. Looking forward, management is focused on specific emerging markets that are less externally vulnerable to trade policy and more domestically driven. The fund's score dropped to a 5 in the quarter as the trailing 3-year returns rank in the bottom quartile relative to peers. However, long-term prospects remain intact as risk-adjusted returns rank in the top half for the trailing 5- and 10-year periods, respectively.

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	4.00%	2.64%	6.78%	6.55%	8.51%
FTSE NAREIT Equity REITs TR USD	10.04%	3.50%	8.06%	8.31%	7.94%
Out/(Under) Performing	**-6.03%**	**-0.86%**	**-1.29%**	**-1.76%**	**0.57%**
Peer Group Ranking	94	65	56	83	16

Fidelity Advisor Real Estate Income returned 4.00% for the quarter, while its benchmark (FTSE NAREIT EQUITY REITs) posted a 10.04% return. For the previous 12 months, the fund underperformed its benchmark by -0.86%. However, the fund incorporates both mortgage REITs as well as equity REITs in its portfolio, while the benchmark only consists of equity REITs. Equity REITs have excelled over the quarter as economic data and employment growth remained steady, while rising interest rates weighed on mortgage REITs over the quarter, and the fund's allocation to these mortgage REITs explains most of the underperformance. However, the fund's stock selection within the equity REIT category outperformed its benchmark and benefited overall performance. Overall, the fund scores a 7 under our methodology and ranks in the bottom half of its peer group over the trailing one- three- and five- year periods.

Franklin Utilities R6 (FUFRX)

Fund Score: 7 (Status: Pass) US Large Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FUFRX	4.43%	3.06%	10.46%	9.64%	7.66%
MSCI World/Utilities NR USD	2.37%	3.12%	7.10%	6.74%	1.22%
Out/(Under) Performing	**2.06%**	**-0.06%**	**3.36%**	**2.89%**	**6.44%**
Peer Group Ranking	42	75	26	26	12

Franklin Utilities outperformed its benchmark in Q2 2018, returning 4.43%, while its benchmark (MSCI World/Utilities) returned 2.37%. Relative to its peers, the fund takes a low volatility approach and concentrates on the U.S. electricity and gas industries within the utilities sector. The fund's major contributor was Sempra Energy which excelled due to rising oil and gas prices. The largest detractor from performance came from a major underweight to Exelon Corp, an energy holding company which has seen stellar growth over the year. Overall, management believes that the high-level of engagement between utility companies and regulators will mitigate the negative effects of changing interest rates. Franklin continues to score a 7 and ranks in the top half of its peer group for the three- five- and ten-year periods.

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	0.50%	2.00%	2.05%	2.10%	
ICE BofAML 0-3 M US Trsy Bill TR USD	0.44%	1.30%	0.62%	0.38%	0.30%
Out/(Under) Performing	**0.06%**	**0.70%**	**1.43%**	**1.72%**	
Peer Group Ranking	4	1	1	1	

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	0.83%	5.99%	6.08%	6.31%	
DJ Target 2015 TR USD	-0.29%	3.28%	3.64%	4.06%	4.36%
Out/(Under) Performing	**1.11%**	**2.71%**	**2.45%**	**2.25%**	
Peer Group Ranking	13	14	1	42	

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

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	1.06%	7.62%	7.26%	7.82%	
DJ Target 2025 TR USD	-0.13%	5.62%	5.25%	6.18%	5.60%
Out/(Under) Performing	**1.18%**	**2.00%**	**2.01%**	**1.64%**	
Peer Group Ranking	10	19	1	20	

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2035 Trust (GRWL35)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL35	1.40%	10.03%	8.69%	9.13%	
DJ Target 2035 TR USD	0.63%	8.90%	7.07%	8.40%	6.88%
Out/(Under) Performing	**0.77%**	**1.13%**	**1.62%**	**0.73%**	
Peer Group Ranking	13	19	5	29	

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2045 Trust (GRWL45)

Fund Score: 9 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL45	1.52%	11.23%	9.29%	10.11%	
DJ Target 2045 TR USD	1.16%	11.11%	8.23%	9.71%	7.69%
Out/(Under) Performing	**0.36%**	**0.12%**	**1.06%**	**0.40%**	
Peer Group Ranking	13	16	4	12	

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

Great-West Lifetime 2055 Trust (GRWL55)

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL55	1.29%	11.23%	9.19%	10.04%	
DJ Target 2055 TR USD	1.28%	11.60%	8.50%	9.92%	7.80%
Out/(Under) Performing	**0.00%**	**-0.37%**	**0.69%**	**0.12%**	
Peer Group Ranking	35	22	7	22	

The Great-West Lifetime funds have slightly outperformed their respective benchmarks (DJ Target Date Series) over the quarter and over the trailing year. Over the trailing year, manager selection was the main driver for outperformance; with 10 of the 19 underlying funds (53%) outperforming their respective benchmarks, while asset allocation decisions had significant impact on performance. Some mid and small cap funds slightly underperformed, however, Great-West is confident that these managers can deliver over the long-term. Over the trailing three- and five-year periods, both asset allocation and manager selection decisions have positively aided performance for the series. Great-West made no significant changes to the glidepath or the underlying roster of funds in Q2. Under our scoring methodology the target dates scored an 8 or above, and all target dates in the series rank in the top half of their respective peer groups.

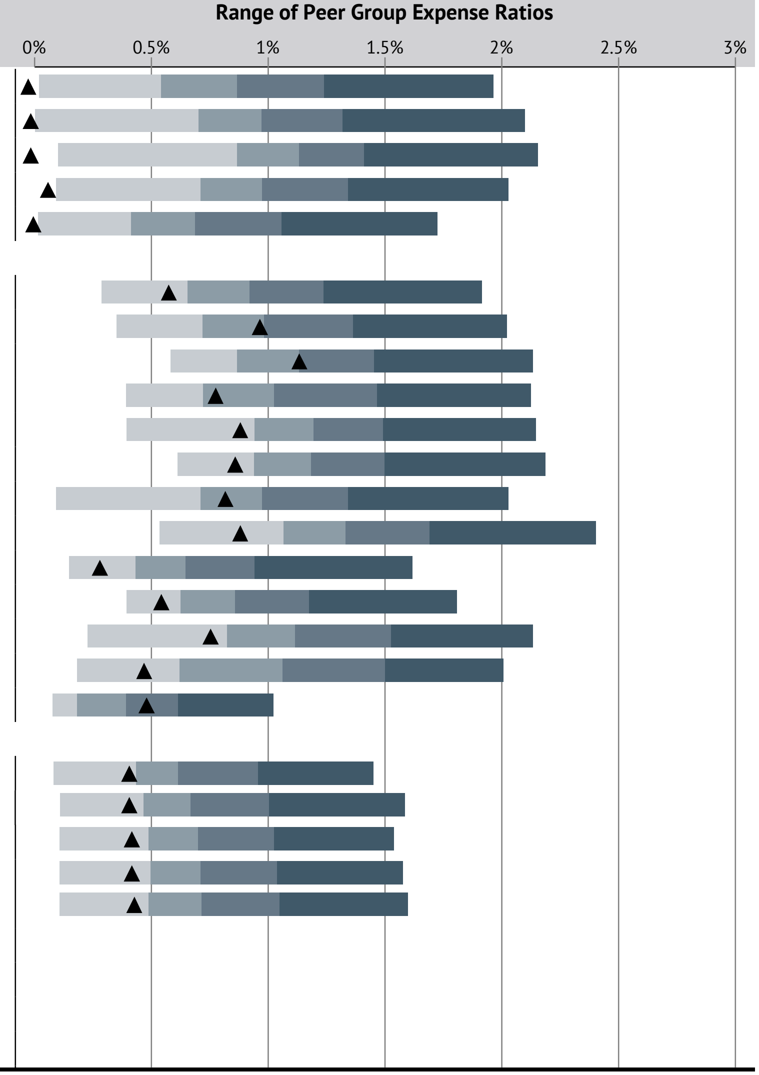
County of Fresno 457 DC Plan

Expense Ratio Report

As of 6/30/2018

Passively-Managed and Cash Funds

	Investment	Ticker	Expense Ratio▲	Peer Rank
45,959,640	BlackRock Equity Index - Collective M	02cff1	0.02%	2
8,896,913	BlackRock MidCap Idx - Collective M	03cff2	0.03%	1
3,915,077	BlackRock Russell 2000 Index Coll M	03cff3	0.03%	1
3,241,449	BlackRock EAFE Equity Index Coll F	10cff5	0.10%	4
4,539,305	BlackRock US Debt Index Fund Coll W	04cff4	0.04%	1
Actively-Managed Funds				
13,352,790	Columbia Dividend Income Inst3	CDDYX	0.59%	16
45,341,400	Alger Spectra Z	ASPZX	0.96%	45
5,030,974	Hennessy Focus Institutional	HFCIX	1.12%	48
2,187,718	Oakmark Equity And Income Investor	OAKBX	0.78%	27
1,320,937	Janus Henderson Small Cap Value N	JDSNX	0.88%	18
5,828,700	Nicholas Limited Edition I	NCLEX	0.86%	16
9,979,573	Ivy International Core Equity N	IINCX	0.82%	31
2,094,455	Oppenheimer Developing Markets I	ODVIX	0.88%	13
3,630,159	Virtus Seix Total Return Bond R6	SAMZX	0.31%	9
1,591,241	Templeton Global Bond R6	FBNRX	0.56%	14
994,778	Fidelity Advisor Real Estate Income I	FRIRX	0.76%	19
3,435,449	Franklin Utilities R6	FUFRX	0.49%	13
63,346,370	Fresno County Stable Value	fressv	0.50%	61
Target-Date Funds				
3,431,495	Great-West Lifetime 2015 Trust	GRWL15	0.43%	22
7,807,590	Great-West Lifetime 2025 Trust	GRWL25	0.43%	18
5,132,664	Great-West Lifetime 2035 Trust	GRWL35	0.44%	19
5,022,589	Great-West Lifetime 2045 Trust	GRWL45	0.44%	18
2,228,647	Great-West Lifetime 2055 Trust	GRWL55	0.45%	19
248,309,913		**Expense Ratio Averages**	**0.51%**	**16**



Weighted Average Gross Expense Ratio: 0.50%

Your Plan	Bal Weighted Avg	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Expense Ratio	0.50%	81.5%(22)	14.8%(4)	3.7%(1)	-

County of Fresno 457 DC Plan

As of: 06/30/2018

Target Date Review

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
2015							
	Great-West Lifetime 2015 Trust	0.83	5.99	7.49	6.08	6.31	0.43
	Morningstar Lifetime Mod 2015 TR USD	0.73	5.91	6.34	5.15	5.87	
	Benchmark +/-	0.10	0.08	1.15	0.93	0.44	
2025							
	Great-West Lifetime 2025 Trust	1.06	7.62	9.74	7.26	7.82	0.43
	Morningstar Lifetime Mod 2025 TR USD	0.87	7.45	8.60	6.28	7.33	
	Benchmark +/-	0.19	0.17	1.14	0.98	0.49	
2035							
	Great-West Lifetime 2035 Trust	1.4	10.03	12.76	8.69	9.13	0.44
	Morningstar Lifetime Mod 2035 TR USD	1.16	9.81	11.96	7.69	8.91	
	Benchmark +/-	0.24	0.22	0.80	1.00	0.22	
2045							
	Great-West Lifetime 2045 Trust	1.52	11.23	14.22	9.29	10.11	0.44
	Morningstar Lifetime Mod 2045 TR USD	1.22	10.96	13.57	8.30	9.40	
	Benchmark +/-	0.30	0.27	0.65	0.99	0.71	
2055							
	Great-West Lifetime 2055 Trust	1.29	11.23	14.34	9.19	10.04	0.45
	Morningstar Lifetime Mod 2055 TR USD	1.08	10.98	13.72	8.26	9.27	
	Benchmark +/-	0.21	0.25	0.62	0.93	0.77	

*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 8 - Exhibit B

County of Fresno 457 DC Plan Watch List

As of: 06/30/2018

Current Lineup Status

Asset Class		Current Status	Placed On Watch
US Large Cap			
aspzx	Alger Spectra Z	Pass	-
cddyx	Columbia Dividend Income Y	Pass	-
02cff1	Blackrock Equity Index Fund	Index	-
US Mid Cap			
hfcix	Hennessy Focus Funds Institutional	Pass	-
03cff2	Blackrock Mid Cap Equity Index Fund	Index	-
US Small Cap			
nclex	Nicholas Limited Edition I	Pass	-
jdsnx	Perkins Small Cap Value N	Pass	-
03cff3	Blackrock Russell 2000 Index Fund	Index	-
Foreign Stocks			
iincx	Ivy International Core Equity R6	Pass	-
odvix	Oppenheimer Developing Markets I	Pass	-
10cff5	Blackrock Eafe Equity Index Fund	Index	-
Fixed Income			
samzx	RidgeWorth Seix Total Return Bond IS	Pass	-
fbnrx	Templeton Global Bond R6	Pass	-
04cff4	Blackrock US Debt Index Fund	Index	-
Specialty Options			
frirx	Fidelity AdvisorReal Estate Income I	Pass	-
fufrx	Franklin Utilities R6	Pass	-
oakbx	Oakmark Equity & Income I	Pass	-
fressv	County Of Fresno Stable Value Fund	Pass	-
Target Date			
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
All Investments				
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

County of Fresno Stable Value Search Summary

Departure of long-time Great West fixed income manager, Cathe Tocher, Initiated RFP to ensure stable value services are consistent with the current market place

Northwest Capital Management (NWCM) issued a Request for Proposal (RFP) seeking proposals from qualified stable value managers on behalf of the County of Fresno's 457 Deferred Compensation Management Committee (DCMC). The intent of the RFP was to evaluate the stable value product delivered by the incumbent provider, Great-West, following the departure of long-time fixed income manager, Cathe Tocher. Additionally, to ensure that the DCMC is receiving stable value investment management services consistent with the current marketplace.

After a filtering process, 4 finalists remained: ICMA-RC, Goldman Sachs, Great-West and T. Rowe Price. Scoring of finalists across multiple quantitative and qualitative characteristics resulted in the options of retaining Great-West or selecting T. Rowe Price.

A total of 14 responses were received. After an initial screening and removal of those providers that invest primarily in General Investment Contracts (GICs), we were left with a total of 10 responses. We further screened out providers whose market-to-book value fell in the bottom half of all respondents. Lastly, we screened out those respondents whose portfolios' crediting rates fell in the bottom-half of the range on a 5-year annualized basis. This process yielded four finalists: ICMA-RC, Goldman Sachs, Great-West and T. Rowe Price.

After scoring the finalists, the following two options emerged:

1. Retain Great-West

2. Select T. Rowe Price as a replacement

Filtering Process of 14 Respondents

Filter	Remaining
Remove GICs	10
2008 MV/BV > 50th Percentile	7
5yr Crediting Rate > 50th Percentile	4

Finalists Remaining

ICMA -RC	Goldman Sachs
Great-West	T. Rowe Price

Source: RFP Responses

Fund Evaluation

Category	TRP	GS	GW	ICMA
Organization	90	84	80	95
Experience	80	71	42	74
Approach	220	220	216	173
Performance	231	217	208	222
Transition	90	90	85	90
Administrative	50	45	43	30
Fees	113	134	150	128
Total	**874**	**861**	**824**	**812**

T. Rowe Price (TRP); Goldman Sachs (GS); Great-West (GW)

NWCM Recommendation

Both Great-West and T. Rowe Price are appropriate investment options. Although T. Rowe Price provides a compelling option, NWCM recommends retaining Great West for the Stable Value mandate.

Both the Great-West (GW) and T. Rowe Price (TRP) Stable Value Funds are appropriate investment options for the County of Fresno's 457 Deferred Compensation Plan. After surveying the stable value marketplace utilizing NWCM's rigorous review process, **NWCM is recommending Great West be retained for the Stable Value mandate.**

T. Rowe Price provided a compelling solution based upon their management team's experience, the products diversification of underlying securities, and the firm's collective experience in the stable value industry; however, the logistical challenges of establishing a separate account investment "hybrid" to amortize the market-to-book losses proved problematic with the timeline for this meeting. Additionally, it was determined that Nationwide would require a 0.01% fee to record to record keep TRP's separate account product. This nominal fee would be eliminated with maturity of the five-year GIC and the transition of all stable value assets into the Collective Trust Account.

Trailing Performance

Return (%)	3-Mo	YTD	1-Yr	3-Yr
GW	0.51	1.00	2.01	2.06
TRP	0.53	1.03	2.00	1.92
Peer Performance by Percentile				
5th	0.61	1.19	2.29	2.18
25th	0.51	0.99	1.95	1.80
50th	0.44	0.85	1.64	1.49
75th	0.38	0.72	1.39	1.24

Source: Morningstar, Great-West. As of 6/30/18
Great-West (GW); T. Rowe Price (TRP)
Collective Trust Class B
Morningstar Category: SA/CITs – Stable Value

As the incumbent provider, Great-West has provided sufficient returns relative to peers with a more restrictive investment policy. GW, as a firm, has extensive experience managing stable value solutions with approximately $6.2 billion in public sector assets as of 6/30/18. Jack Brown, Great West's Lead Stable Value Portfolio Manager, has strong experience of working in a credit-oriented / risk management portfolio where investment policy statement revisions may give him more flexibility to increase the crediting rate and/or cushion the market-to-book value. Under his tenure, Brown has produced returns in the top quartile relative to peers for the trailing 3-months, year-to-date and the trailing year, respectively.

Taking into consideration that GW's stable value solution received one of the highest scores in our evaluation process, the challenges with transition logistics within this timeline, and the fact that County will be conducting a recordkeeping RFP in Q1 of 2019, NWCM recommends retaining the Great West Stable Value product and would recommend the DCMC consider their proposed investment policy changes at the next DCMC meeting.

Alternative Action

If the DCMC determines that T. Rowe Price remains the appropriate decision despite the logistical challenges and minimal additional recordkeeping fee assessed by Nationwide, NWCM will continue to work with County Staff, Nationwide, and T. Rowe to facilitate the process. With the approval to go with TRP's collective trust product, there would be a transition phase for a portion of the assets that are currently below market-to-book value.

Portfolio Transition

In the event the DCMC chooses to proceed with the "alternative action", T. Rowe Price provides two (2) options for transitioning the current Great-West separate account to the T. Rowe Price Stable Value. Collective Trust.

If selected, the process of transitioning to T. Rowe Price involves two (2) options that differ in timing but allow portfolio and wrap diversification.

Option #1: T. Rowe Price will be replacing Great-West as the separate account manager where the portfolio will remain outside of the collective trust until a market-to-book ratio over 100% can be achieved.

Option #2 To ensure the timing of the transition into the collective trust, TRP will utilize an Equalizer GIC.

Both options provide portfolio diversification by investing in the underlying T. Rowe Price fixed income strategies with multiple wrap providers.

Transition Recommendation

In the event the DCMC chooses to proceed with the "alternative action", NWCM recommends option #2 with approximately 80% of assets invested in the T. Rowe Price Stable Value Common Trust Fund and the remaining 20% of assets invested in a high-quality Equalizer GIC to amortize the market-to-book value loss. This option ensures the timing of the transition by mitigating the impact of future interest rate movements. The equalizer GIC remains portable over its term, if the County elected to exercise its 12-month put provision. Lastly, the 0.01% Nationwide recordkeeping fee would be eliminated when the GIC assets mature and are transferred to the Collective Trust product.

Item 10

Fresno County

457 Deferred Compensation Plan

Quarterly Dashboard – June 30, 2018

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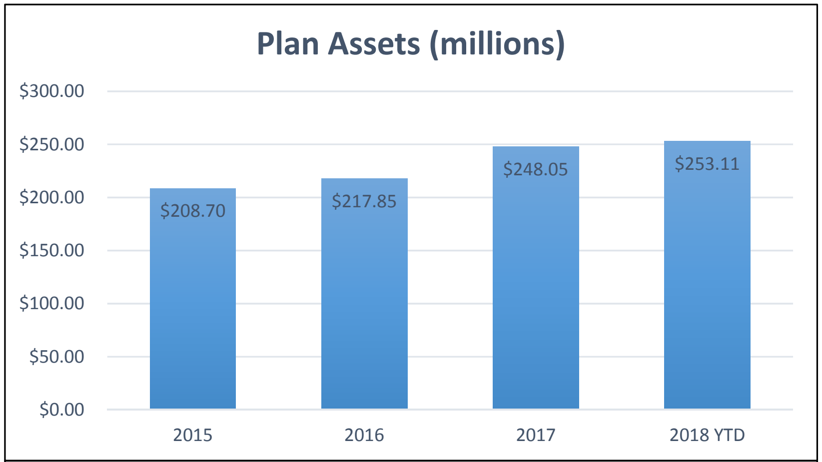

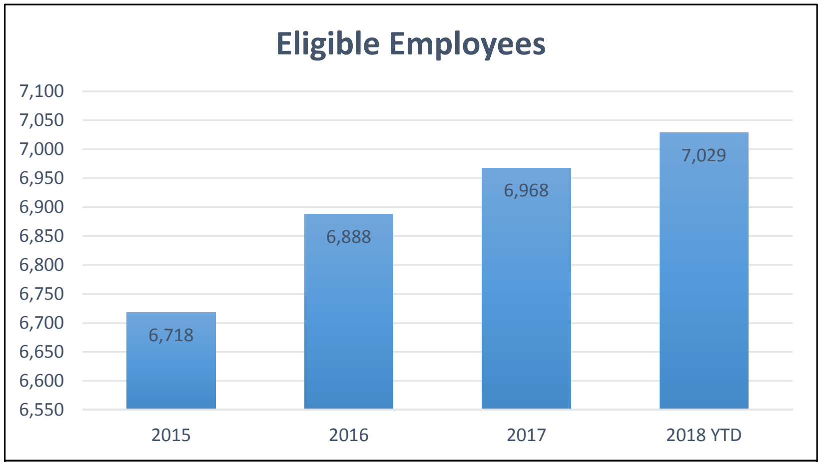

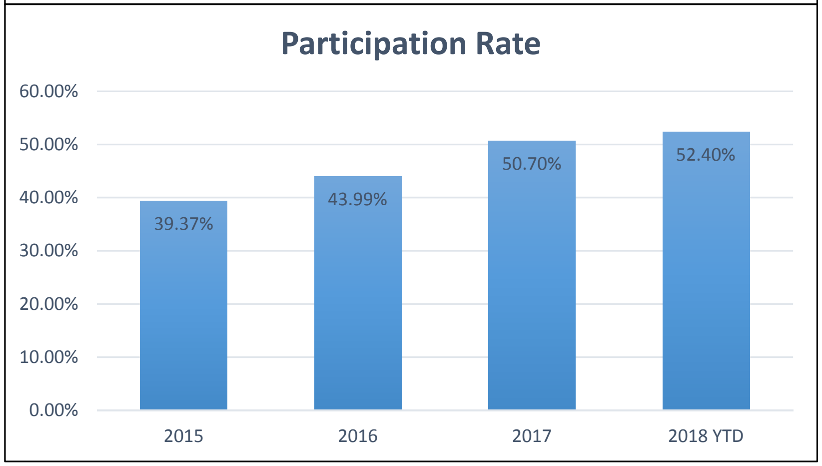

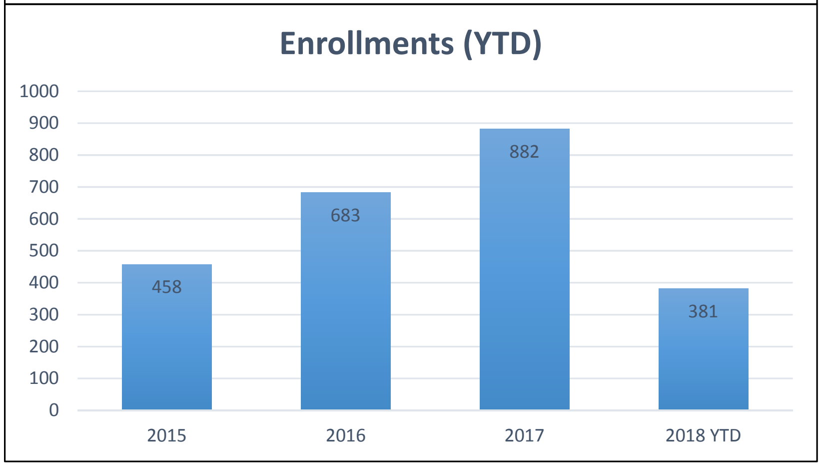

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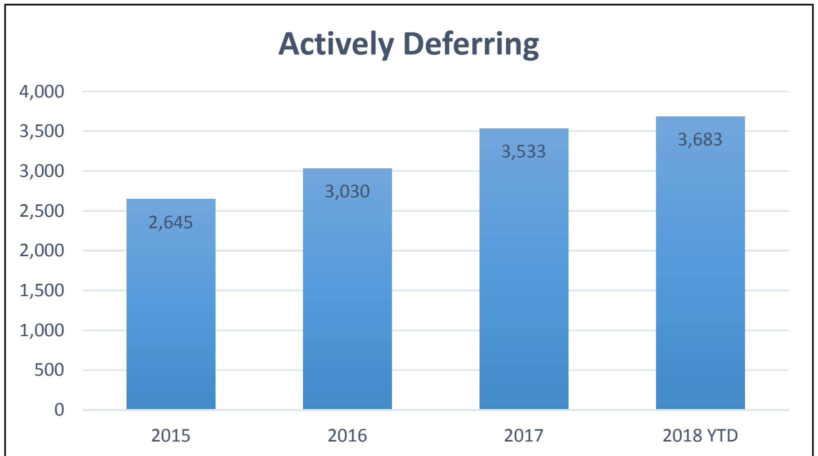
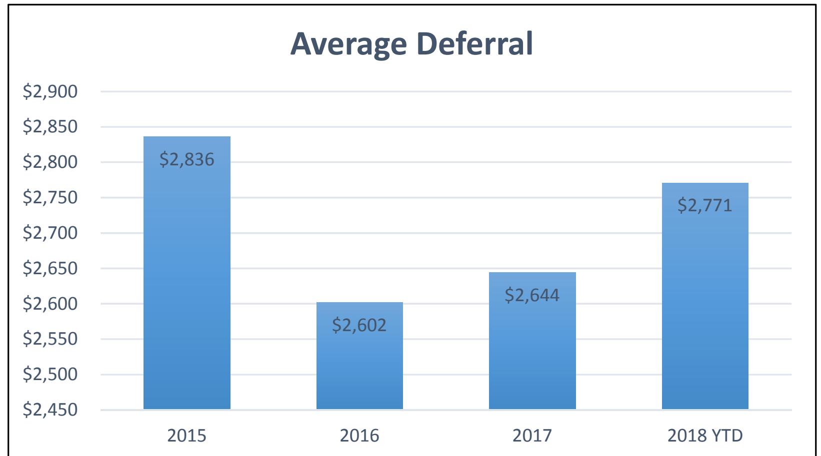
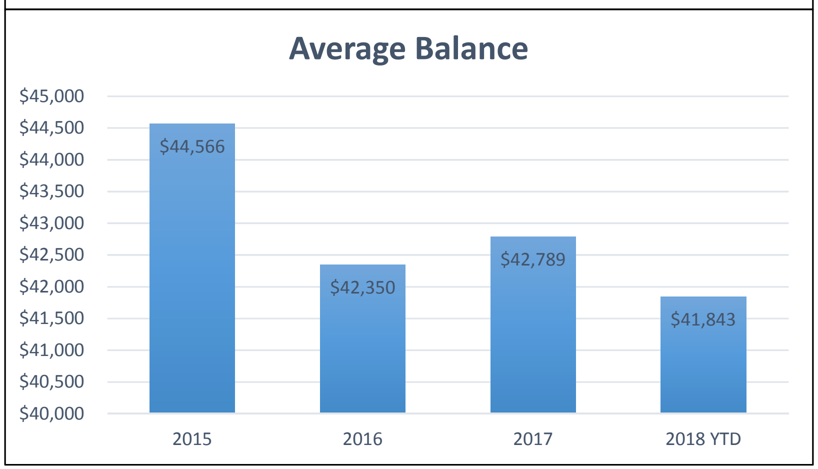
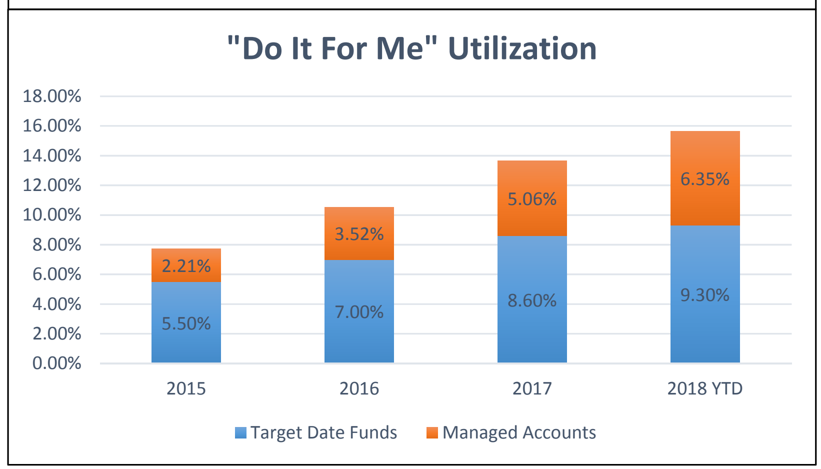
Section 1   Executive Summary









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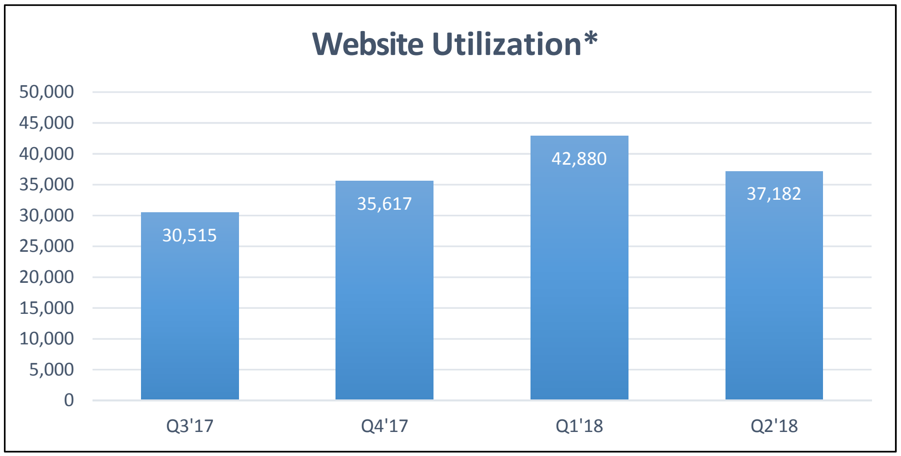
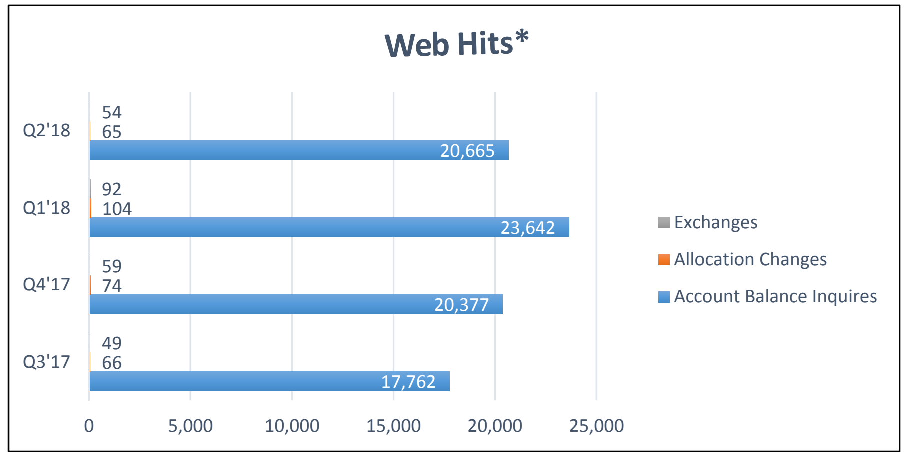
Section 1 Executive Summary





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

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Section 2 Retirement Readiness

Fresno County, CA
Retirement Readiness Report

Plan-level summary of all participants' retirement readiness

Q2 2018

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

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

Plan Participants

What is the status of all 6,049 participants enrolled in your plan?

3,683
Actively Deferring[1]

2,044
Inactive[2]

322
Payout[3]

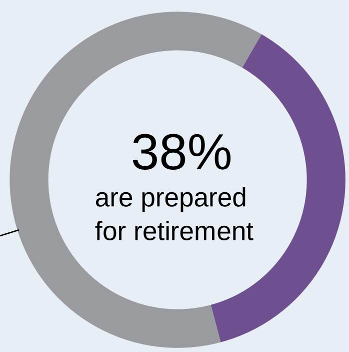
Retirement Readiness

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

6,049
total participants

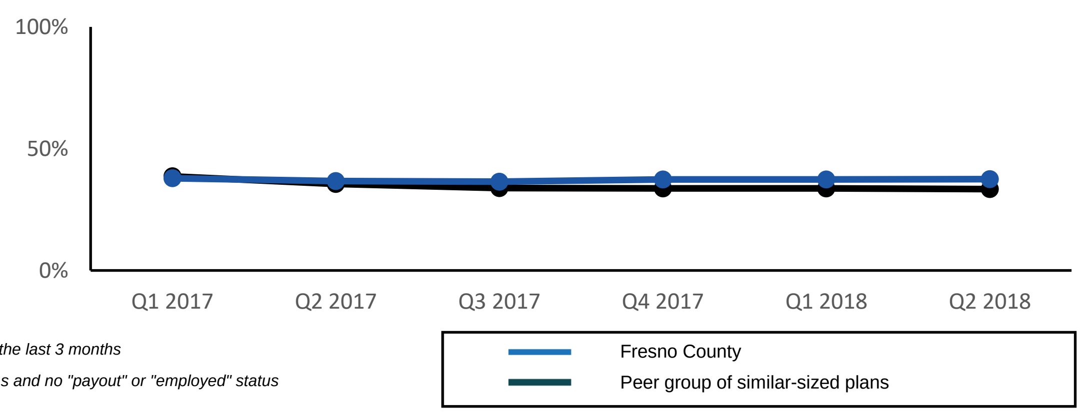
2,824
have an online account

1,119
engaged with their retirement readiness online



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

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



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

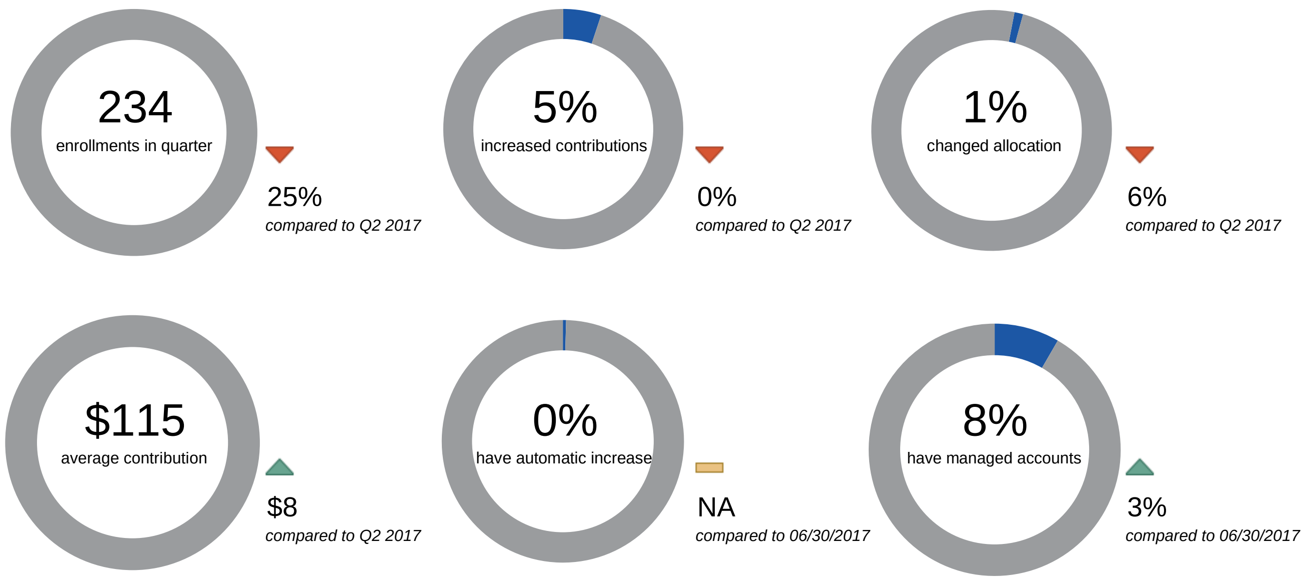
[2] *Participant with a balance but no contribution in previous 3 months and no "payout" or "employed" status*

[3] *Participant with a balance and "payout" status*

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

Account Activity

What key activities are the 6,049 participants taking to educate themselves and increase their retirement readiness?



Top Opportunities

Encourage online account usage

47% of participants have set up an online account. By establishing an online account, participants can access their personalized Retirement Readiness Report and take action to improve their readiness.

Encourage increased contributions

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

Encourage enrollment

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

Encourage ProAccount enrollment

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

Section 3 Plan Participation Rate

County of Fresno Participation Rate Comparison
as of 6/30/18

Entity	Eligibles	Actively Deferring	Participation Rate (%)*	Assets in Millions	Total Pts
District #1	800	643	80	$161.00	1,012
Authority #1	1,300	1,006	77	$216.10	1,641
County #1	4,100	3,015	74	$417.40	5,552
District #2	668	477	71	$113.00	915
City #1	3,681	2,594	70	$392.10	4,382
Authority #2	1,283	870	68	$113.30	1,598
City #2	2,530	1,694	67	$251.30	2,847
County #2	2,089	1,166	56	$247.80	2,374
County #3	2,082	1,130	54	$104.70	1,940
County #4	2,700	1,423	53	$124.40	2,201
County of Fresno	7,029	3,683	52	$253.10	6,049
County #5**	18,202	8,207	45	$682.00	13,091

*Participation rate is measured by comparing actively deferring participants versus eligible employees.

**Multi-vendor Plan

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Section 4 Gauging Success Report

Gauging Success

PLAN REVIEW
Fresno County, CA

As of June 30, 2018

Nationwide® is on your side

WELCOME

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

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

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

$100 million - $1 billion

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EXECUTIVE SUMMARY

Plan Contribution Limits for 2018

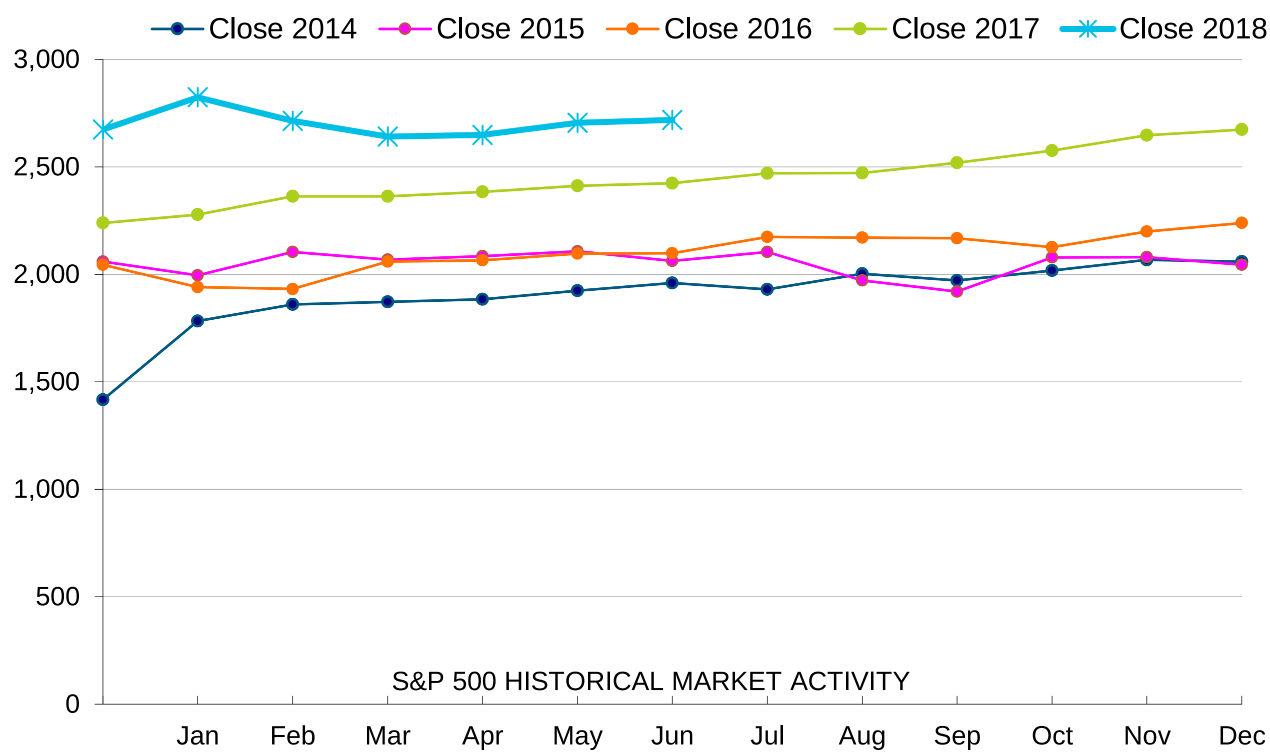
Regular Limit:	$18,500
50+ Catch-Up:	$24,500
3-Year Catch-Up:	$37,000

Quick Plan Facts

	Actual as of 06/30/18	% Chng from 1 year ago
Total Participant Count	6,049	9.3%
Total New Enrollments YTD Count	381	-26.4%
Total Plan Assets (millions)	$253.11	9.1%
Total Deferrals YTD (millions)	$5.94	18.1%
Total Rollovers-In YTD (thousands)	$307.84	-52.1%
ProAccount Assets (thousands)	$16,070.62	60.2%
ProAccount Participant Count	505	53.5%

Market Activity

S&P 500 CHANGE YTD: 1.7%



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

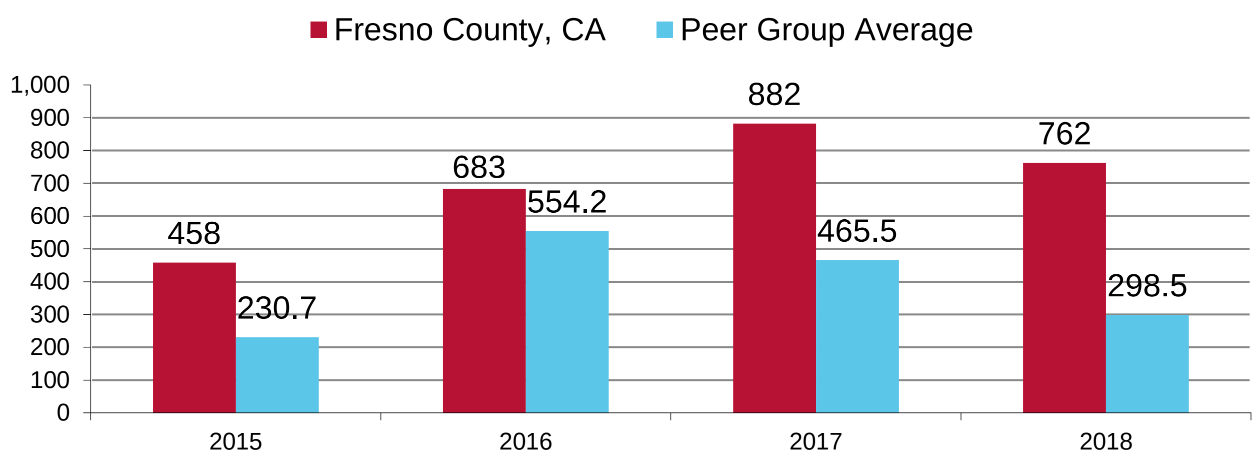
PLAN PARTICIPATION

Participant Status

	12/31/15	12/31/16	12/31/17	6/30/18	% Chng from 1 year ago
# of Participants Actively Deferring	2,645	3,030	3,533	3,683	8.9%
# of Inactive Participants*	1,795	1,843	1,955	2,044	9.2%
# of Participants in Payout	243	271	309	322	13.4%
Total Participants	**4,683**	**5,144**	**5,797**	**6,049**	**9.3%**

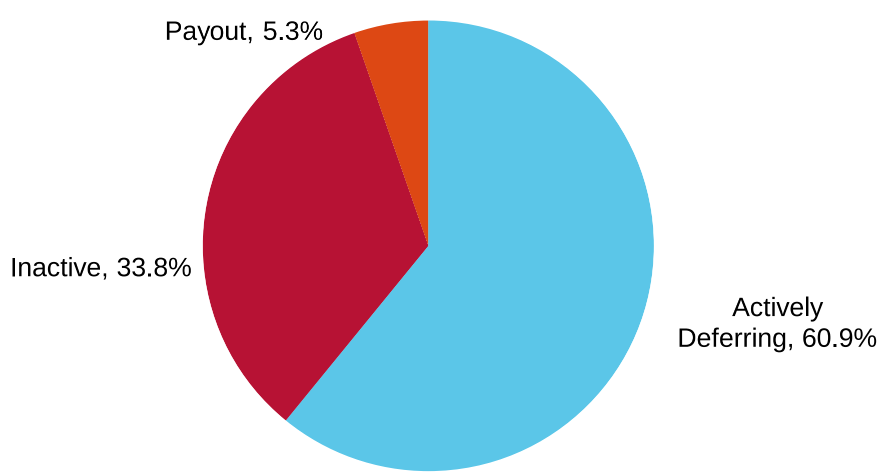
* Inactive participants are those with a balance, not deferring and not in payout

New Participant Count



2018 numbers are annualized

Total Participants as of 06/30/18

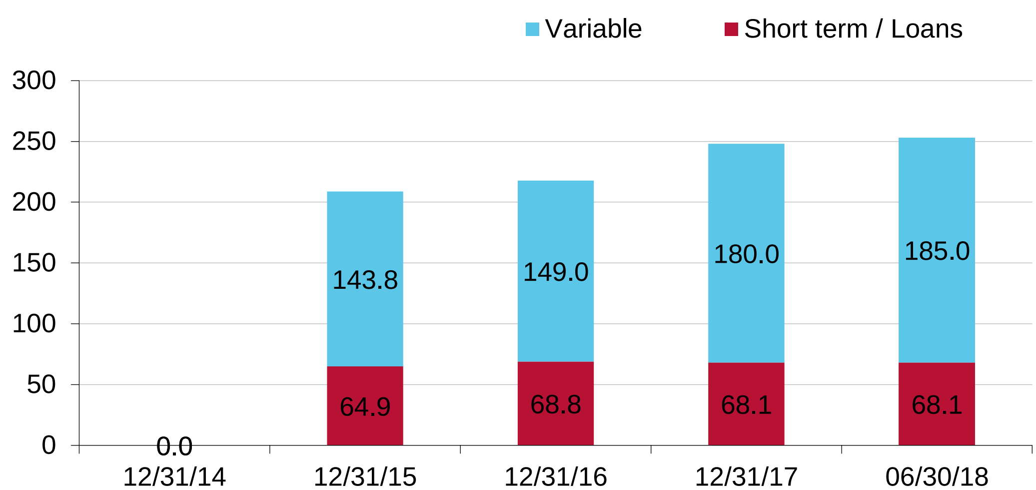


PLAN ASSETS

Total Plan Assets (Millions)

	12/31/14	12/31/15	12/31/16	12/31/17	6/30/18	% Chng from 1 year ago
	$0.0	$208.7	$217.8	$248.0	$253.1	9.1%

Plan Assets Summary (Millions)



Plan Assets by Investment Class (Millions)

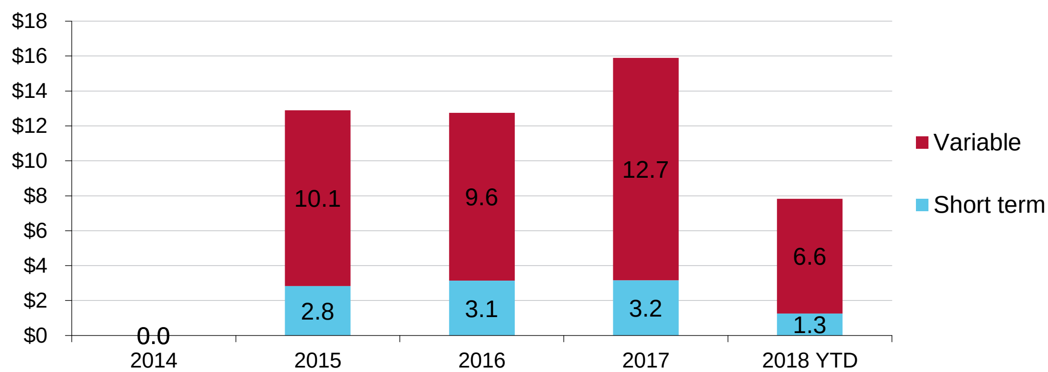
Investment Class	12/31/16	12/31/17	06/30/18	% of Total
Asset Allocation	$15.29	$21.28	$23.62	9.3%
International	$10.91	$15.60	$15.32	6.1%
Small Cap	$8.86	$10.42	$11.06	4.4%
Mid Cap	$12.76	$14.11	$13.93	5.5%
Large Cap	$87.14	$102.15	$104.65	41.3%
Balanced	$2.08	$2.41	$2.19	0.9%
Bonds	$6.78	$8.86	$9.76	3.9%
Short term	$64.29	$63.22	$63.35	25.0%
SDO	$0.00	$0.00	$0.00	0.0%
Specialty	$5.21	$5.17	$4.43	1.8%
Loan	$4.52	$4.84	$4.80	1.9%
Total	**$217.85**	**$248.05**	**$253.11**	**100.0%**

PLAN CONTRIBUTIONS

Total Contributions by Year (Millions)

	2014	2015	2016	2017	2018 YTD	% Chng from 1 year ago
Deferrals	$0.0	$7.4	$8.6	$10.2	$5.9	18.1%
Rollovers-In	$0.0	$1.1	$0.7	$1.5	$0.3	-52.1%
Other	$0.0	$4.4	$3.5	$4.3	$1.6	-39.1%
Total	$0.0	$12.9	$12.8	$15.9	$7.8	-5.3%

Plan Contributions Summary (Millions)



Plan Contributions by Investment Class (Thousands)

Investment Class	2016	2017	2018 YTD	% Total
Asset Allocation	$2,490.60	$4,059.30	$2,246.96	28.7%
International	$918.34	$1,107.23	$696.04	8.9%
Small Cap	$515.02	$618.55	$378.81	4.8%
Mid Cap	$955.29	$920.21	$466.75	6.0%
Large Cap	$3,742.77	$4,790.41	$2,137.43	27.3%
Balanced	$58.59	$70.47	$64.57	0.8%
Bonds	$428.31	$808.52	$377.59	4.8%
Short term	$3,138.36	$3,161.64	$1,266.37	16.2%
SDO	$0.00	$0.00	$0.00	0.0%
Specialty	$510.73	$359.24	$191.72	2.4%
Loan	$0.00	$0.00	$0.00	0.0%
Total	**$12,758.01**	**$15,895.56**	**$7,826.25**	**100.0%**

IN SUMMARY

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

1. Identify your top three areas of focus.

2. Consider which of the following suggestions would work best for your plan:

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

3. Discuss your plan with your Nationwide Representative.

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

YOUR PROVEN PARTNER

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

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

- Our average client tenure is 19 years
- We partner with more than 7,800 clients * and have a 99% plan retention rate
- We provide education and service to more than 1.7 million participants *
- We manage over $94 billion in assets *
- We have been featured in the top 10 most trusted companies for privacy by TRUSTe and Ponemon Institute *for the past nine years.*
- We offer recordkeeping, administration and investment products for:
  - 457(b) Deferred compensation plans serving city, county, special district and state employees
  - 401(a) and grandfathered 401(k) Defined employer-contribution plans serving city, county, special district and state employees
  - PEHP® Tax–free investment plan for post-employment health care expenses

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

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

*As of 06/30/18

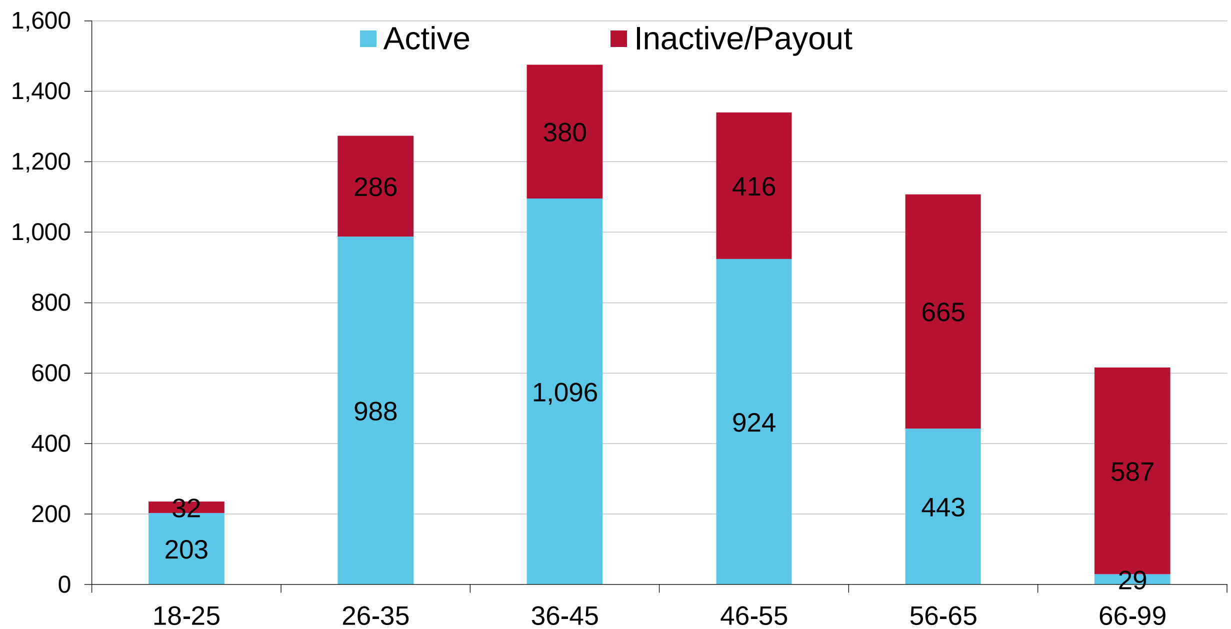
APPENDIX

PLAN PARTICIPATION

Participant Counts by Age as of 06/30/18

Age Group	Total Participant Count	Male Participant Count	Female Participant Count	Actively Def Participant Count	Inactive / Payout Count
18-25	235	88	147	203	32
26-35	1,274	545	729	988	286
36-45	1,476	671	805	1,096	380
46-55	1,340	584	756	924	416
56-65	1,108	468	640	443	665
66-99	616	336	280	29	587
Total	**6,049**	**2,692**	**3,357**	**3,683**	**2,366**

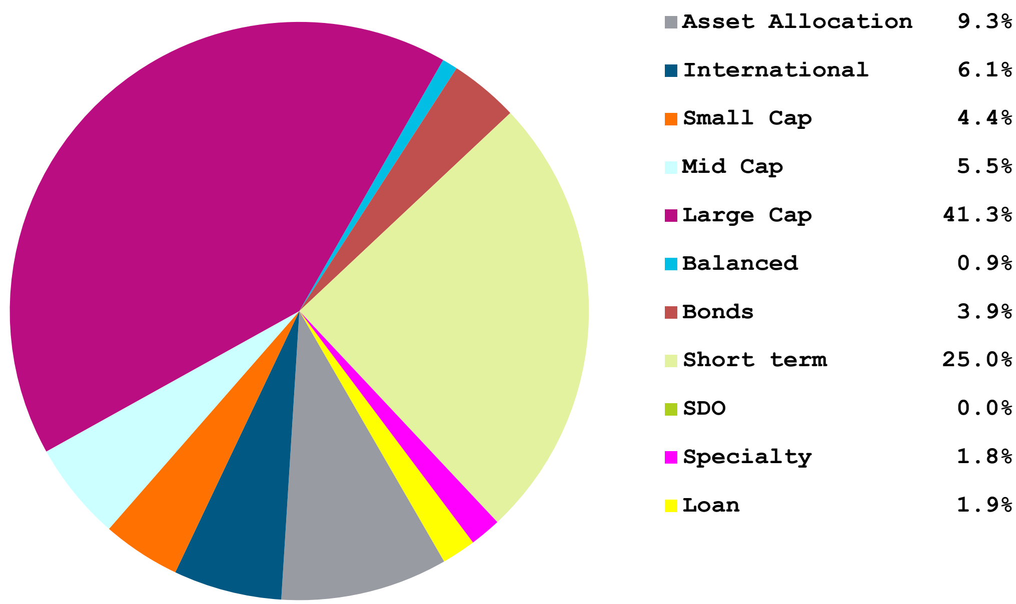
Participant Counts by Age as of 06/30/18



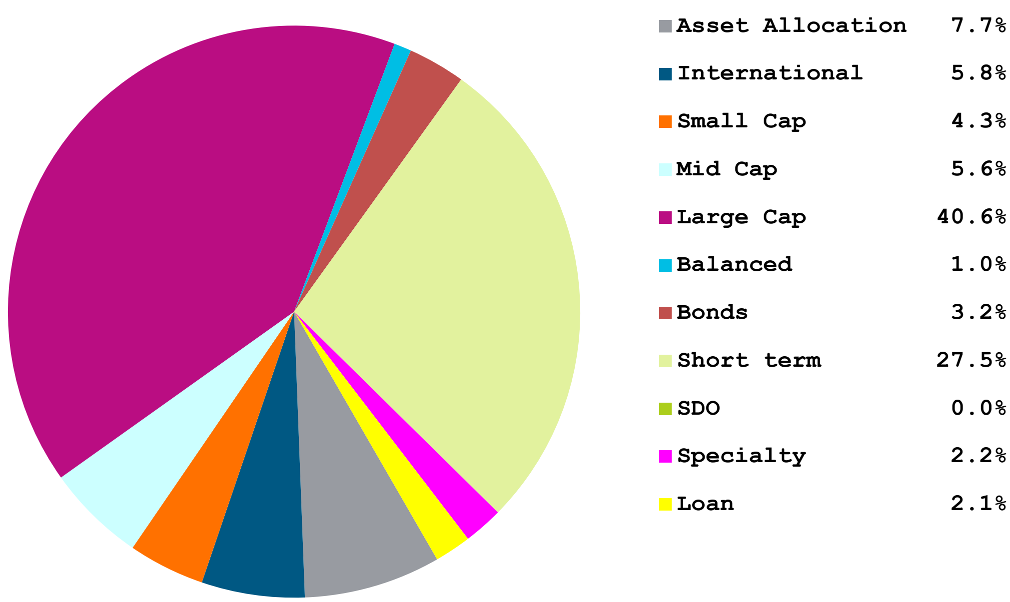
PLAN ASSETS

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

Fresno County, CA Asset Allocation as of 06/30/18

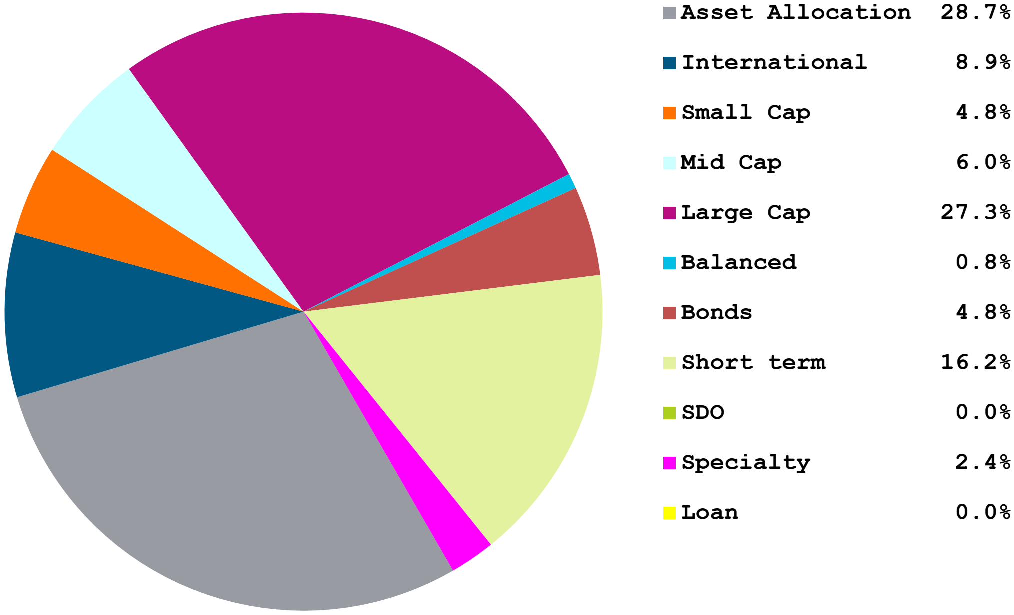


Fresno County, CA Asset Allocation as of 06/30/17

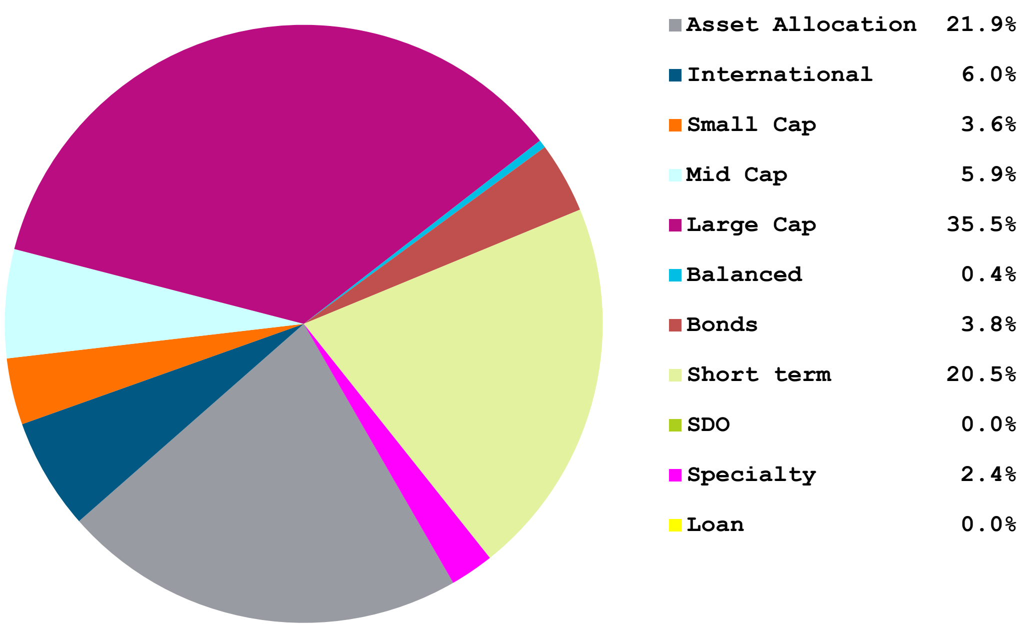


PLAN CONTRIBUTIONS

Fresno County, CA Contribution Allocation 2018 YTD



Fresno County, CA Contribution Allocation 2017 YTD



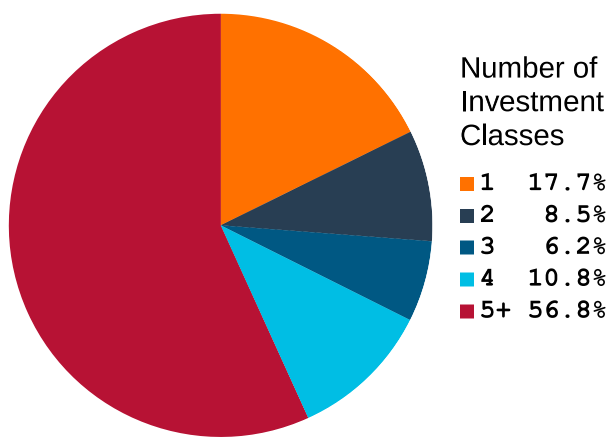
PEER COMPARISONS

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

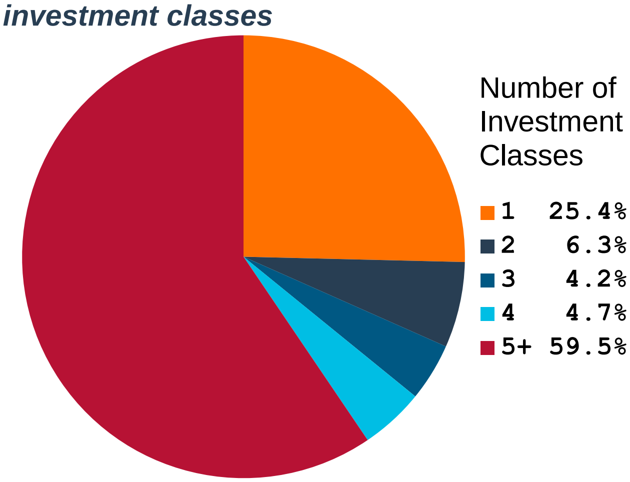
	Fresno County, CA	**Peer Group**	**Recommended**
Average # of asset classes	3.9	3.9	5.0
Average annualized deferrals	$2,771	$5,764	
Average assets	$41,843	$71,956	

Asset Allocation Summary as of 06/30/18

percentage of participants by number of investment classes



Fresno County, CA



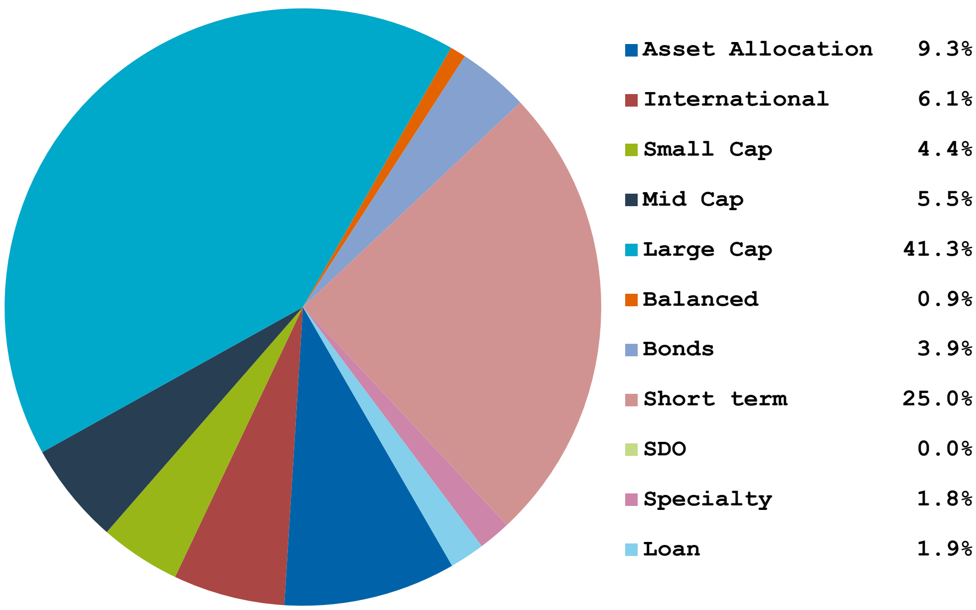
Peer Group

Average Account Balance and Annualized Deferrals by Age Group as of 06/30/18

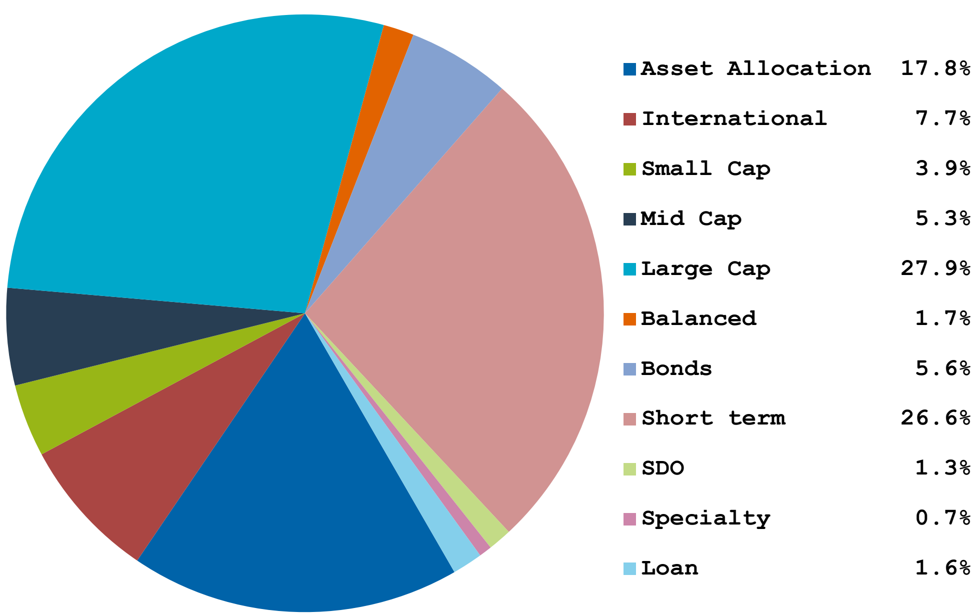
Age Group	**Fresno County, CA**	**Peer Group**	**Fresno County, CA**	**Peer Group**
	Account Balance		Annualized Deferrals	
18-25	$1,635	$4,960	$1,446	$2,948
26-35	$4,885	$14,425	$1,969	$3,746
36-45	$19,948	$42,772	$2,463	$4,911
46-55	$49,643	$83,808	$3,423	$6,679
56-65	$80,463	$110,701	$4,306	$8,294
66-99	$99,648	$121,625	$6,773	$10,631

PEER COMPARISONS

Fresno County, CA Asset Allocation as of 06/30/18

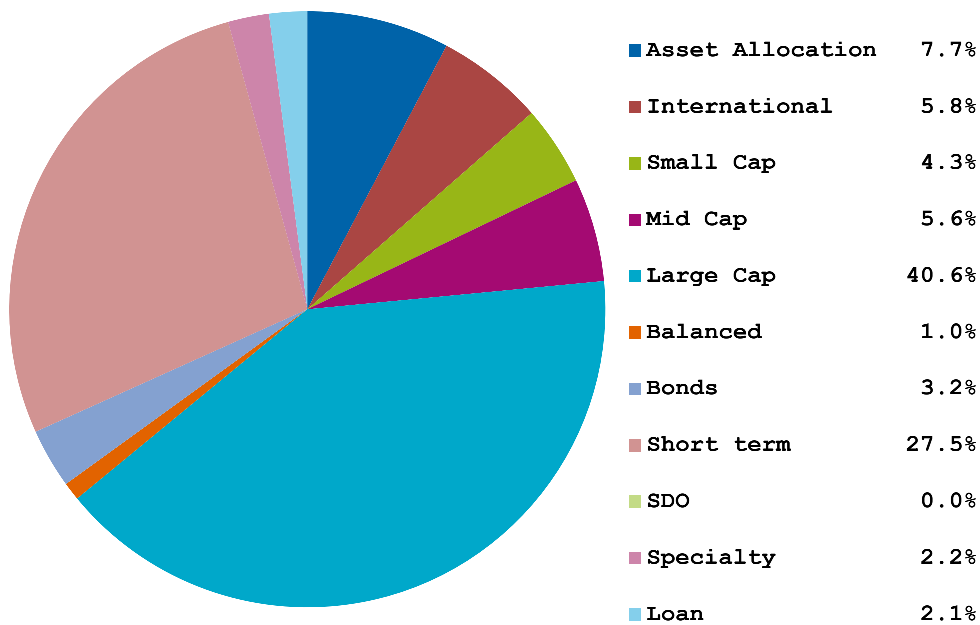


Peer Group Asset Allocation as of 06/30/18

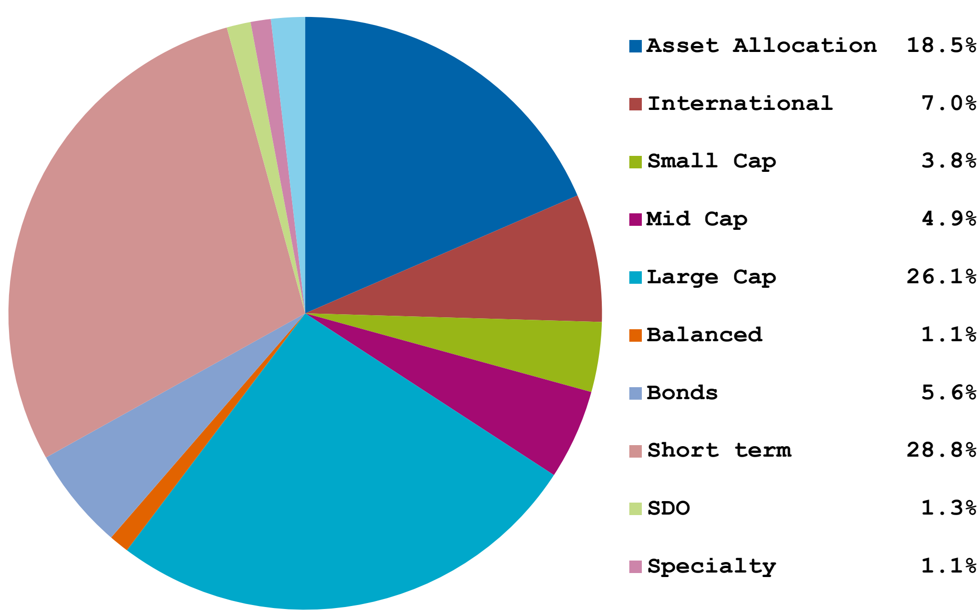


PEER COMPARISONS

Fresno County, CA Asset Allocation as of 06/30/17



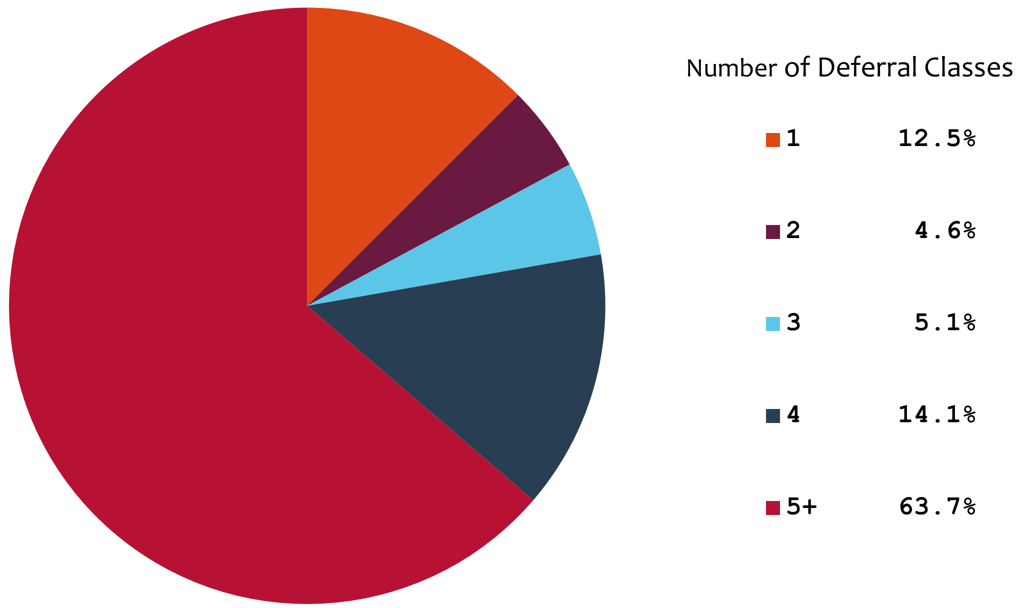
Peer Group Asset Allocation as of 06/30/17



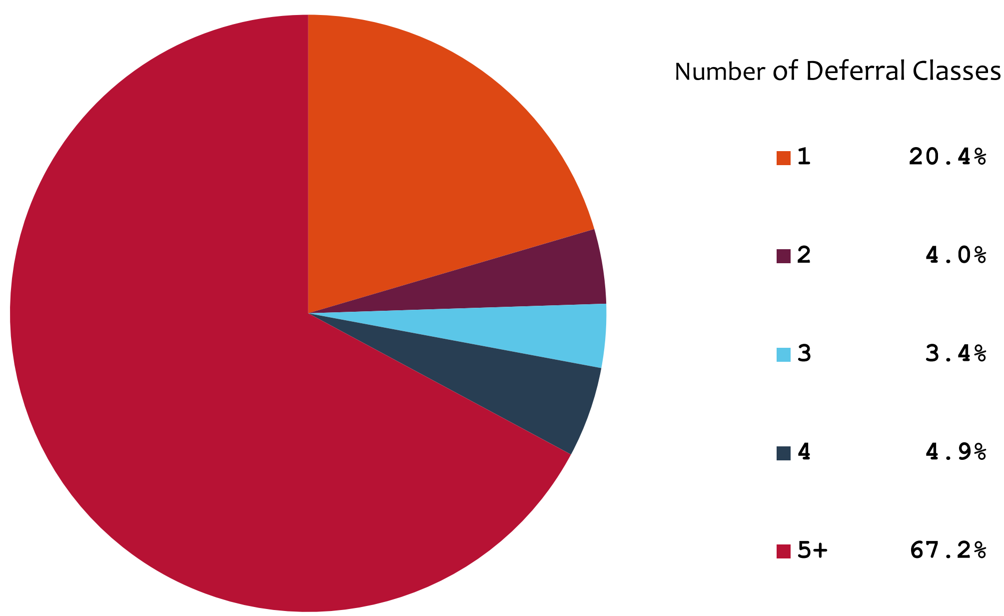
PEER COMPARISONS

Deferral allocation summary: percentage of participants by number of deferral investment classes

Fresno County, CA 2018 YTD

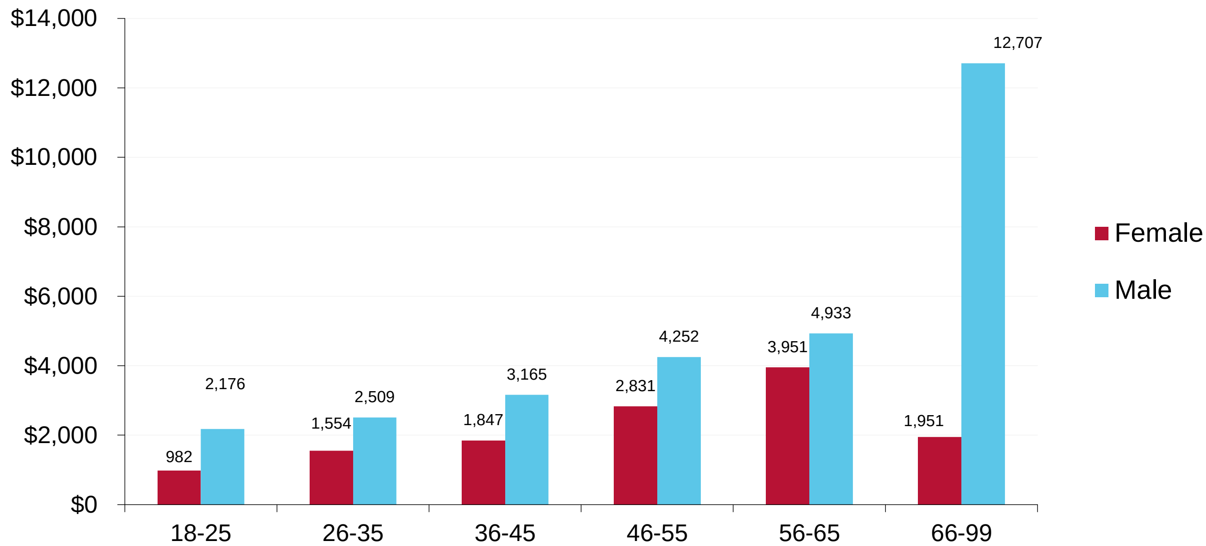


Peer Group 2018 YTD

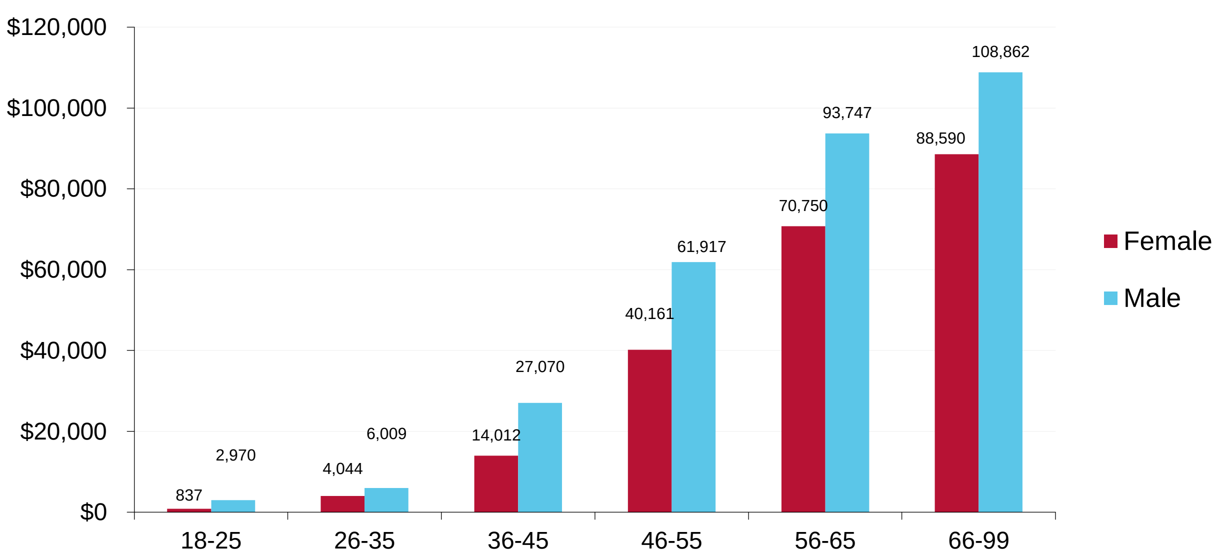


PARTICIPANT DEMOGRAPHICS

Male/Female Average Deferrals by Age

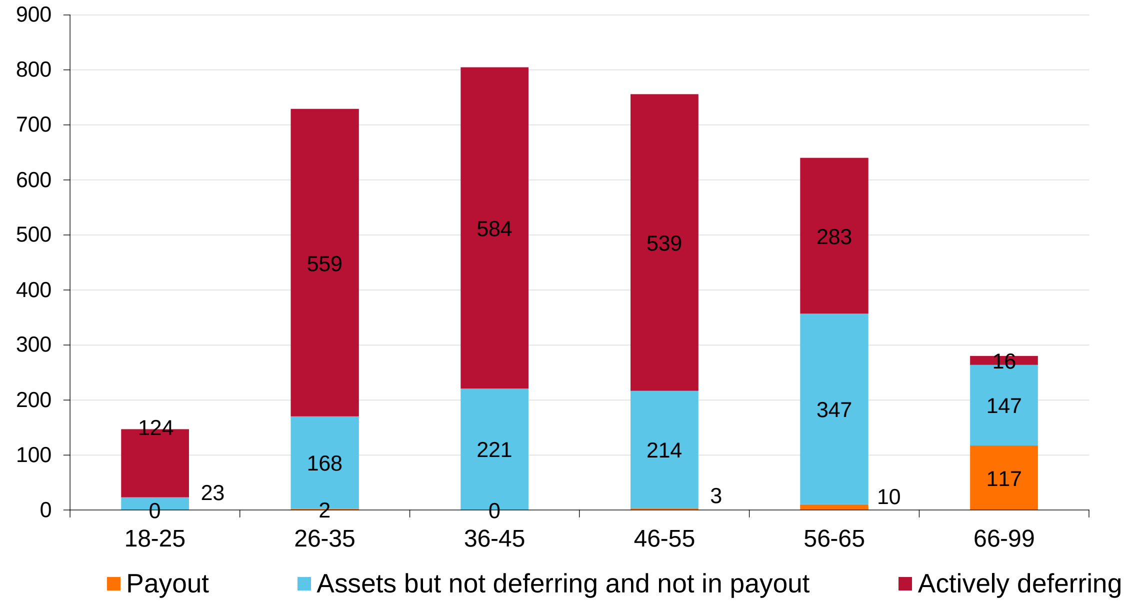


Male/Female Average Account Balance by Age as of 06/30/18

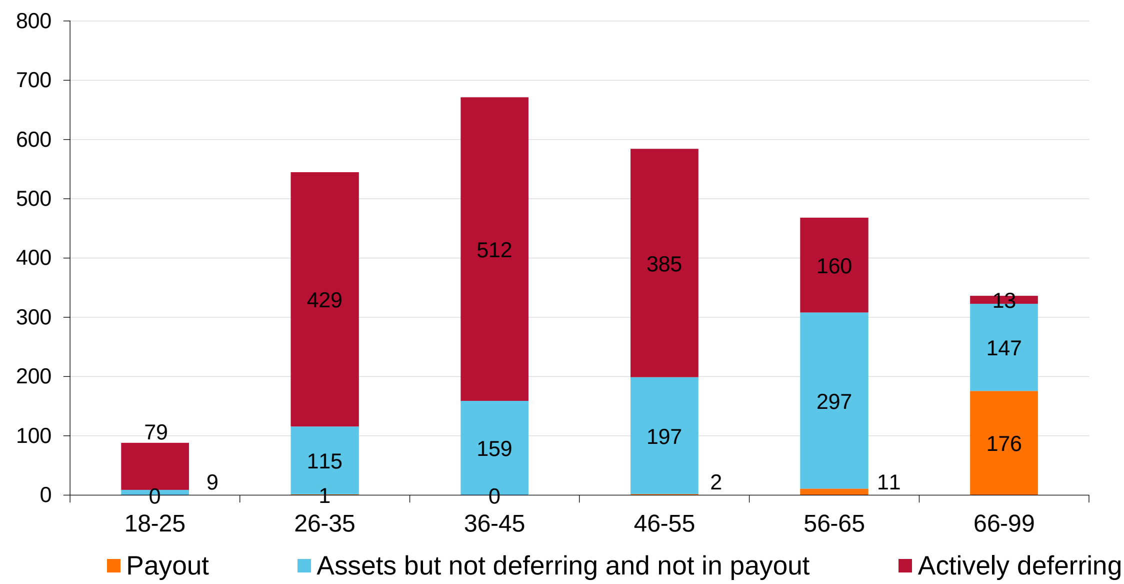


PARTICIPANT DEMOGRAPHICS

Female Participant Count by Age and Status as of 06/30/18



Male Participant Count by Age and Status as of 06/30/18



PLAN ASSETS

as of 06/30/18

Fund	Asset Value	% of Assets	Count / % of Participants	
Asset Allocation				
Great-West Lifetime 2015 Trust	3,431,495.08	1.4%	176	2.9%
Great-West Lifetime 2025 Trust	7,807,590.74	3.1%	376	6.2%
Great-West Lifetime 2035 Trust	5,132,663.91	2.0%	590	9.8%
Great-West Lifetime 2045 Trust	5,022,588.87	2.0%	824	13.6%
Great-West Lifetime 2055 Trust	2,228,646.99	0.9%	897	14.8%
Sub-Total Asset Allocation	**23,622,985.59**	**9.3%**		
Balanced				
Oakmark Equity and Income Fund (The) - Class I	2,187,717.90	0.9%	230	3.8%
Sub-Total Balanced	**2,187,717.90**	**0.9%**		
Bonds				
BlackRock US Debt Index Fund W	4,539,304.79	1.8%	775	12.8%
Templeton Global Bond Fund - Class R6	1,591,240.70	0.6%	672	11.1%
Virtus Seix Total Return Bond Fund - Class R6	3,630,158.86	1.4%	950	15.7%
Sub-Total Bonds	**9,760,704.35**	**3.9%**		
International				
BlackRock EAFE Equity Index Fund T	3,241,449.28	1.3%	799	13.2%
Ivy International Core Equity Fund - Class N	9,979,573.29	3.9%	1,527	25.2%
Oppenheimer Developing Markets I	2,094,454.47	0.8%	968	16.0%
Sub-Total International	**15,315,477.04**	**6.1%**		
Large Cap				
Alger Spectra Fund - Class Z	45,341,406.01	17.9%	2,337	38.6%
BlackRock Equity Index Fund M	45,959,635.84	18.2%	2,130	35.2%
Columbia Dividend Income Fund - Class Y	13,352,786.67	5.3%	1,481	24.5%
Sub-Total Large Cap	**104,653,828.52**	**41.3%**		
Loan				
Loan Outstanding Principal Balance	4,799,248.77	1.9%	794	13.1%

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

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

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

PLAN ASSETS

as of 06/30/18

Fund	Asset Value	% of Assets	Count / % of Participants	
Sub-Total Loan	**4,799,248.77**	**1.9%**		
Mid Cap				
BlackRock Mid Capitalzation Equity Index Fund M	8,896,912.72	3.5%	1,018	16.8%
Hennessy Focus Fund Institutional Class	5,030,974.48	2.0%	452	7.5%
Sub-Total Mid Cap	**13,927,887.20**	**5.5%**		
Short Term Investments				
Fresno County Stable Value Fund	63,346,369.13	25.0%	1,895	31.3%
Sub-Total Short Term Investments	**63,346,369.13**	**25.0%**		
Small Cap				
BlackRock Russell 2000 Index Fund M	3,915,077.18	1.5%	1,026	17.0%
Janus Henderson Small Cap Value Fund - Class N	1,320,937.10	0.5%	859	14.2%
Nicholas Limited Edition Fund - Institutional Class	5,828,700.09	2.3%	480	7.9%
Sub-Total Small Cap	**11,064,714.37**	**4.4%**		
Specialty				
Fidelity Advisor Real Estate Income Fund - Institutional Class	994,778.41	0.4%	157	2.6%
Franklin Utilities Fund - Class R6	3,435,449.07	1.4%	342	5.7%
Sub-Total Specialty	**4,430,227.48**	**1.8%**		
Total	**253,109,160.35**			

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

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Section 5 Explicit Asset Fee Summary

1079 - Explicit Asset Fee Report

Accounting Group:	**21**		
Plan Sponsor Name:	**COUNTY OF FRESNO CA**	Process Date:	30-Jun-2018
Plan Name:	**COUNTY OF FRESNO CA**	Report Date:	1-Jul-2018
Plan ID:	**0051910 - 001**	Report Period:	01 April-2018 to 30-June-2018
IRS Code:	**457**		Page: 177
Payee:	**Plan Sponsor/NRS**		

	Plan Sponsor Fee Amount	NRS Fee Amount
April	$19,120.77	$21,246.54
May	$18,867.51	$20,965.00
June	$18,349.71	$20,389.95
Q2 2018 Revenue Total	**$56,337.99**	**$62,601.49**

Section 6 Fee Normalization Calculation

Fee Normalization Calculation

Plan Sponsor Name: **COUNTY OF FRESNO CA**

Plan ID: **0051910001**

IRS Code: **457**

Report Period: **01-Apr-2018 to 30-Jun-2018**

Fund Name	Fund	Ticker	04/30/2018 Account Value	05/31/2018 Account Value	06/30/2018 Account Value	Apr-2018 Annual Fund Srvc Fee Rate	May-2018 Annual Fund Srvc Fee Rate	Jun-2018 Annual Fund Srvc Fee Rate	2Q2018 Fund Service Fee Payment Amount
Alger Spectra Fund - Class Z	NTV263	ASPZX	43,107,758	45,469,404	45,341,406	0.000%	0.000%	0.000%	0.00
BlackRock EAFE Equity Index Fund T	NTV194	BLKAX	3,446,102	3,249,141	3,241,449	0.000%	0.000%	0.000%	0.00
BlackRock Equity Index Fund M	NTV195	BLKBX	44,734,541	45,733,780	45,959,636	0.000%	0.000%	0.000%	0.00
BlackRock Mid Capitalzation Equity Index Fund M	NTV196	BLKCX	8,330,261	8,677,124	8,896,913	0.000%	0.000%	0.000%	0.00
BlackRock Russell 2000 Index Fund M	NTV197	BLKDX	3,390,377	3,614,487	3,915,077	0.000%	0.000%		0.00
BlackRock US Debt Index Fund W	NTV198	BLKEX	4,281,603	4,365,513	4,539,305	0.000%	0.000%	0.000%	0.00
Columbia Dividend Income Fund - Class Y	NTV264	CDDYX	12,923,545	13,264,479	13,352,787	0.000%	0.000%	0.000%	0.00
Fidelity Advisor Real Estate Income Fund - Institutional Class	NTV265	FRIRX	974,460	968,733	994,778	0.250%	0.250%	0.250%	610.33
Franklin Utilities Fund - Class R6	NTV266	FUFRX	3,454,994	3,393,296	3,435,449	0.000%	0.000%	0.000%	0.00
Fresno County Stable Value Fund	NTG004		63,557,883	63,419,756	63,346,369	0.000%	0.000%	0.000%	0.00
Great-West Lifetime 2015 Trust	NTV354		3,403,917	3,432,874	3,431,495	0.000%	0.000%	0.000%	0.00
Great-West Lifetime 2025 Trust	NTV355		7,651,266	7,708,789	7,807,591	0.000%	0.000%	0.000%	0.00
Great-West Lifetime 2035 Trust	NTV356		4,952,990	5,047,097	5,132,664	0.000%	0.000%	0.000%	0.00
Great-West Lifetime 2045 Trust	NTV357		4,767,261	4,931,281	5,022,589	0.000%	0.000%	0.000%	0.00
Great-West Lifetime 2055 Trust	NTV358		2,035,494	2,108,648	2,228,647	0.000%	0.000%	0.000%	0.00
Hennessy Focus Fund Institutional Class	NTV162	HFCIX	5,038,964	5,094,255	5,030,974	0.100%	0.100%	0.100%	1,260.32
Ivy International Core Equity Fund - Class N	NTV267	IINCX	10,529,758	10,225,444	9,979,573	0.000%	0.000%	0.000%	0.00
Janus Henderson Small Cap Value Fund - Class N	NTV269	JDSNX	1,216,730	1,282,250	1,320,937	0.000%	0.000%	0.000%	0.00
Loan	LXM001		4,850,345	4,848,232	4,799,249	0.000%	0.000%	0.000%	0.00
Nicholas Limited Edition Fund - Institutional Class	NTV268	NCLEX	5,527,027	5,703,852	5,828,700	0.000%	0.000%	0.000%	0.00
Oakmark Equity and Income Fund (The) - Class I	NTV01F	OAKBX	2,195,394	2,222,909	2,187,718	0.300%	0.300%	0.300%	1,647.16
Oppenheimer Developing Markets I	NTV08X	ODVIX	2,008,176	2,073,796	2,094,454	0.000%	0.000%	0.000%	0.00
Templeton Global Bond Fund - Class R6	NTV262	FBNRX	1,559,819	1,539,417	1,591,241	0.000%	0.000%	0.000%	0.00
Virtus Seix Total Return Bond Fund - Class R6	NTV270	SAMZX	3,446,167	3,514,868	3,630,159	0.000%	0.000%	0.000%	0.00
Total			**247,384,831**	**251,889,424**	**253,109,160**				**3,517.81**