



## Item 9

DATE: September 23, 2021

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

### Capital Markets

Name	YTD (07/31/2021)	Q2 2021	1-Year (07/31/2021)
S&P 500 TR USD	17.99	8.55	36.45
S&P MidCap 400 TR	18.00	3.64	46.99
S&P SmallCap 600 TR USD	20.61	4.51	56.95
MSCI EAFE NR USD	9.65	5.17	30.31
MSCI EM NR USD	0.22	5.05	20.64
BBgBarc US Agg Bond TR USD	-0.50	1.83	-0.70

	7/30/2021	6/30/2021	7/31/2020
10-Year Treasury Yield	1.24%	1.45%	0.55%

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

The COVID pandemic has resulted in a series of surprising demand surges and supply shortages. The start of the pandemic saw high demand for toilet paper, yeast, and home goods. As the economy re-opens, housing, automobiles, and travel are the new must-haves. The Case-Shiller U.S. National Home Price Index rose 14.6% on an annual basis in April, the highest result in more than 30 years. And prices for lumber futures increased earlier this year to a record high of over \$1,700 per thousand board feet. Although, it appears the lumber bubble may have begun to burst, as lumber futures fell below \$750 by the end of June. Purchased mortgage applications have also declined to the lowest level in a year, following an uptick in mortgage rates. Auto demand has remained strong but the semiconductor shortage, among other factors, has resulted in a short supply. In April the average price of used cars increased by 11% in a single month and 34% year-over-year. Many vehicles remain backordered, and gasoline and oil prices have increased. Air travel, which was down over 90% at the peak of the pandemic, is now seeing a surge in flight bookings. United Airlines signed the largest airplane order in history in June from both Boeing and Airbus. GDP expanded at 6.5% annualized rate this quarter, consumer loans have soared to record highs, and inflation for the past year reached 5%. Although some demand has slowed, the bipartisan infrastructure bill, a still accommodative Fed, and labor shortages have fueled

inflation. But despite all this, the stock market continues to beat earning expectations, with the S&P 500 Index up 8.6% for the past three months.

- **U.S. Equities** delivered positive results for the quarter. The S&P 500 returned 8.6%. Large cap growth rallied, outperforming large cap value 11.9% to 5.0%. The S&P 500 Index sectors were led by REITs, technology, and energy. Small cap underperformed large cap by 4.0% in the second quarter but have outperformed over the trailing year.
- In **International Equities**, the MSCI EAFE Index gained 5.2%, underperforming the S&P 500. Despite a slightly strong Euro, EAFE was negatively impacted by a slower vaccine rollout and additional lockdowns. The MSCI Emerging Markets Index, impacted by similar factors, gained 5.1% in the second quarter.
- In **Fixed Income**, the Bloomberg Barclays U.S. Aggregate Bond Index, aided by long duration Treasuries and corporates, gained 1.8% for the quarter but remains down 1.6% for the year. The 10-year treasury bond yield fell from 1.7% to 1.4%, due to comments made by the Fed regarding potential interest rate hikes in 2023. The ICE BOFA U.S. High Yield Index earned 0.9% as the index yields offset the losses from increased interest rates.

### Economic Factors

- U.S. GDP increased by 6.4% in the first quarter, benefiting from increased vaccinations and the economic re-opening. If second quarter projections are correct, the U.S. could surpass the pre-pandemic GDP peak of nearly \$19.3 trillion. In May, the OECD increased their 2021 estimated global GDP growth from 4.2% to 5.8%.
- U.S. unemployment rates continued to decline, dropping to 6% at the end of December. Despite these gains, employment is still 8.4 million less than at its peak in February 2020 and April's employment gains fell below expectations. While the broader economy continues to recover it may take longer for employment to return to pre-pandemic levels.
- U.S. unemployment rates continued to decline, dropping to 5.9% at the end of June. Despite these gains, employment is still 6.8 million less than pre-pandemic levels. Job gains in leisure and hospitality outpaced gains in other sectors, but labor shortages remain an issue.

### Investments

- Janus Henderson Small Cap Value N scored a four this quarter due to recent underperformance.
- Nicholas Limited Edition I scored a four this quarter due to recent underperformance.
- Columbia Dividend Income fund is being monitored due to the departure of one of the fund's three portfolio managers in Q1 2021.
- The remaining investment options are compliant with the County's investment policy performance criteria.
- An updated fund watch report has been included as **Exhibit B**.
- NWCM is conducting ongoing research on Janus Henderson Small Cap Value, Nicholas Limited Edition I, Columbia Dividend Income, and the County's index funds. A short memo has been provided as **Exhibit C**.
- NWCM has conducted an analysis of the passive target date suite for the Plan's qualified default investment alternative has been included as **Exhibit D**.

### Recommended Actions

- 1. Approve placement of Janus Henderson Small Cap Value N on the watch list.**
- 2. Direct Northwest Capital Management to conduct manager searches to find potential replacements for Nicholas Limited Edition I, Janus Henderson Small Cap Value and the BlackRock International Index funds.**
- 3. Provide direction to Northwest Capital Management on whether to conduct a formal manager search to find a potential replacement for the Great-West target date funds.**

# Item 9 - Exhibit A

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## Market Overview

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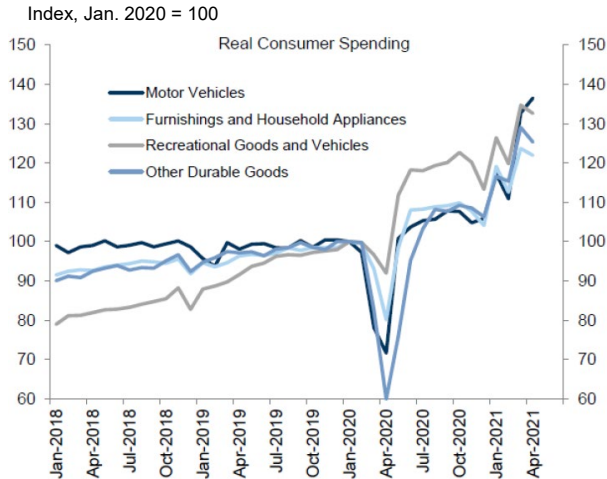
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# Market Overview

## Ah one, ah two, and a.....

### Potential Spending of \$2 Trillion Infrastructure Package



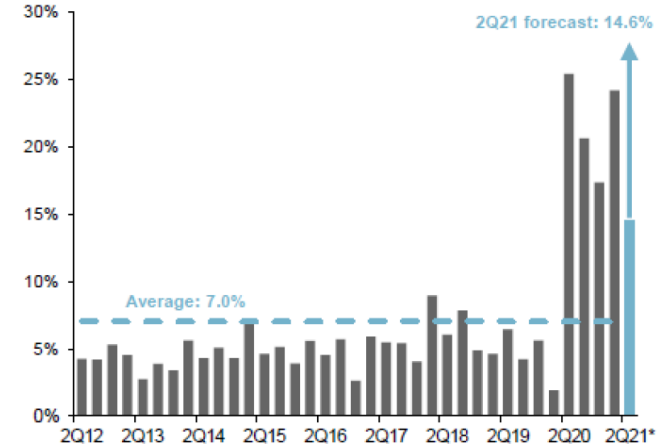
After a dozen years of fighting deflation, COVID has created a series of (not so) “tiny bubbles” reminiscent of the old Lawrence Welk Show. The market is in a perpetual state of everyone wanting the same things at the same time. During the throes of the pandemic, it was toilet paper, yeast, and home organization items in highest demand. Now, with vaccinations spurring the reopening of the U.S. economy, housing, automobiles, and travel are the new must-haves.

The most recent Case-Schiller home price index showed a 14.6% increase year-over-year in April, which was the highest result in 30 years of data. In conjunction with this demand for housing, lumber futures soared to \$1,700 per thousand board feet versus \$500 pre-pandemic. An uptick in mortgage rates, lack of inventory, and the higher prices is already softening demand for lumber. By the end of June, lumber futures fell below \$750 and purchased mortgage applications declined to the lowest level in a year.

After being housebound for a year and with many city dwellers choosing to decamp outside of urban areas, auto demand skyrocketed. The lack of semiconductors, worsened by the 25% Chinese tariffs in 2018, created such a shortage that in April the average price of used cars increased by 11% in a single month and 34% year-over-year. Inventory is in short supply. Many vehicles are

### Earnings Surprise

S&P 500 companies



backordered and oil prices topped \$73 at the end of the quarter versus \$40 a year ago.

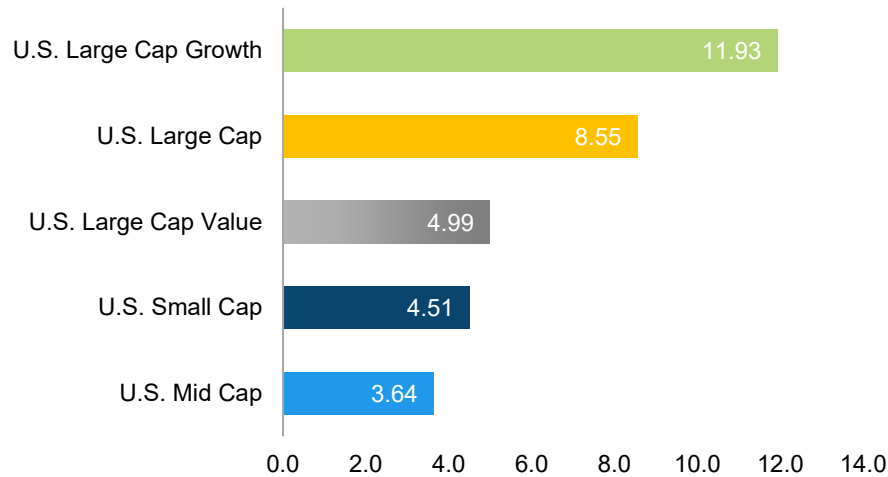
Airlines were decimated by COVID, with traffic down over 90% at one point. Although video conference calls may permanently replace 10-15% of business travel, planes are filled with vacationers. United Airlines just signed the largest airplane order in history this month: 273 total planes from both Boeing and Airbus. This airplane order had a total (list) price of \$30 billion.

All this frenzy has boomed GDP, with 2021 expectations for the U.S. topping 6.5%. Vaccinations lead to mobility which lead to economic activity. Consumer loans have also soared to record highs and inflation for the past year reached 5%. The adage “the cure for high prices is high price” rings true. Some demand has slowed, but the bipartisan \$973 billion infrastructure bill, a still accommodative Federal Reserve, and labor shortages shows inflation is still the number one concern. That is, except for the stock market, which continues to beat earnings expectations with the S&P 500 Index up 8.6% for the past three months.

# Markets at a Glance

## U.S. Equity Quarterly Performance

% Total Return USD

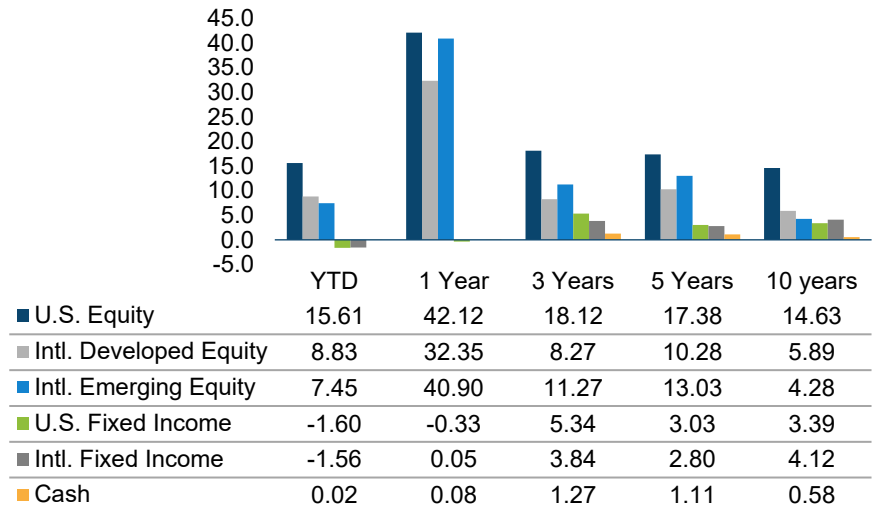


**U.S. Equities:** The S&P 500 Index, representing U.S. Large Cap equities, gained 8.6% in the second quarter. Large cap growth rallied in June, outperforming large cap value for the quarter 11.9% to 5.0%, but still trailed value 14.3% to 16.3% year to date. The S&P 500 Index sectors were led by REITs with a 13.2% return. Energy also benefitted from the report-opening of the economy with a 11.3% plus gain. The performance for Technology jumped in June, gaining 11.6% in the second quarter after only seeking out a 1.6% advance in the first three months. Small cap equities underperformed the large cap index by 4.0% in the second quarter but have outperformed over the trailing year.

**International Equities:** The MSCI EAFE Index gained 5.2%, 3.4% less than the performance of the S&P 500 Index. EAFE was negatively impacted by slower vaccination rates than the US, despite benefiting from a slightly stronger Euro. Emerging markets equities were impacted by similar factors, with the MSCI Emerging Markets Index gaining 5.1% the most recent quarter.

## Trailing Returns

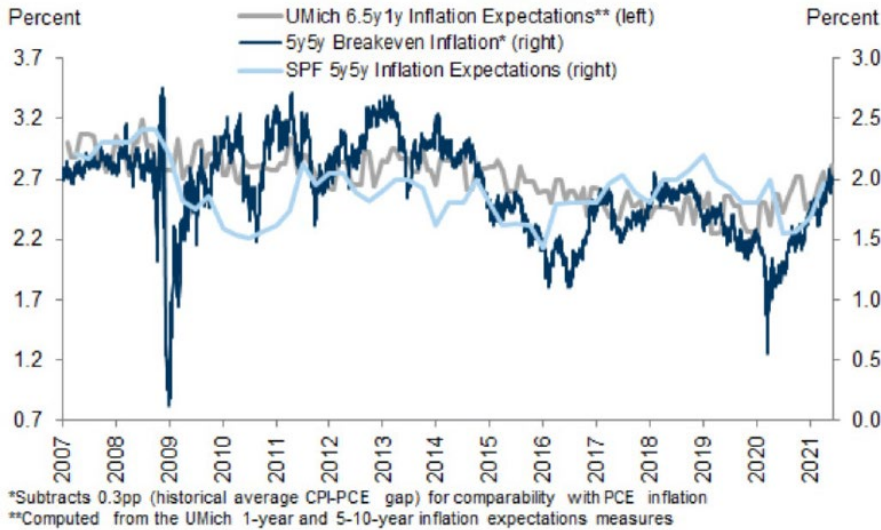
% Total Return USD



**Fixed Income:** The Bloomberg Barclays Aggregate Bond Index gained 1.8%, still leaving the benchmark down 1.6% for the year. Long duration Treasuries and corporates aided results. The yield on the 10-year treasury bond dropped from 1.7% to 1.4%. This drop was based on the Federal Reserve's more hawkish comments on increasing interest rates in 2023, as well as a reduced infrastructure package in the last three months as the fiscal stimulus and expected economic gains boosted rates. At the end of 2019, the 10-year Treasury rate was even higher, yielding 1.92%. The ICE BOFA U.S. High Yield Index earned 0.9% as the index yields offset the losses from increased interest rates.

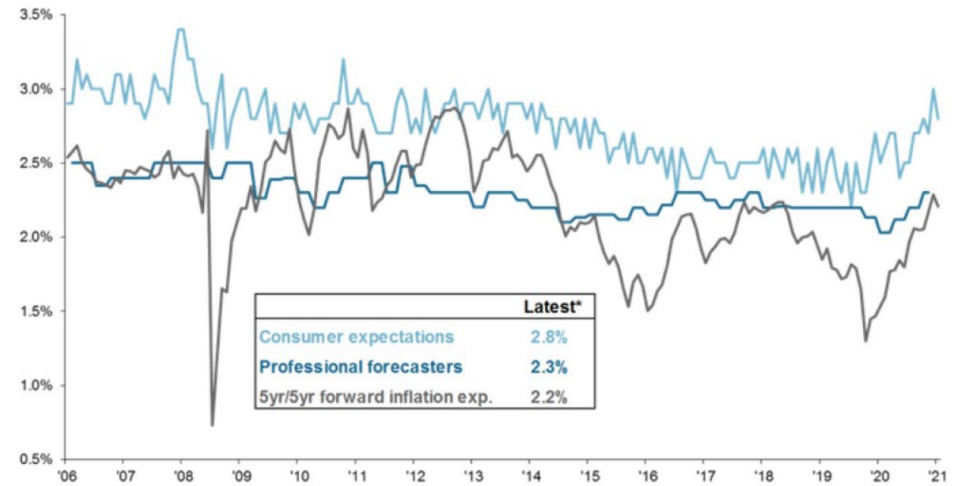
# Pace of Recovery Accelerates

## Forward Inflation Expectations Are Consistent with 2% PCE Inflation



## Inflation expectations, next 10 years

Percent, not seasonally adjusted



**GDP:** GDP increased by 6.4% in the first quarter, higher than the fourth quarter's 4.3% gain, as the economy benefited from increased vaccinations and the accompanying economic re-opening. With the expected continued gains in the second quarter, the U.S. should pass the pre-pandemic GDP of \$19.3 trillion when results are released later in July. In May, the OECD increased their 2021 estimated global GDP growth to 5.8% which would be the highest rate since 1973.

**Labor Market:** The unemployment rate continued its decline, dropping to 5.9% in June from 6.0% at the end of March. Even with June's 850,000 job gains, total jobs remain 6.8 million fewer than pre-pandemic levels. Job gains for the Hospitality and Leisure segment totaled 367,000 for the month, but labor shortages remain as the economy reopens. It will likely take the remainder of 2021 to recover all the jobs lost during COVID.

**Inflation:** In May, CPI-U rose a seasonally adjusted 0.6%, bringing the last 12 months total inflation to 5%. Removing food and energy, the change in May's core CPI was even higher at 0.7%, and 3.8% for the last 12 months. Though the Federal Reserve uses the Personal Consumer Expenditures (PCE) to guide its rate hikes, that measure is expected to reach its 2% target as well.



# Plan Legislative and Regulatory Update

## Department of Labor (DOL) Releases Cybersecurity Guidance

On April 14<sup>th</sup>, the DOL released new guidance for plan fiduciaries, recordkeepers, and plan participants on cybersecurity best practices.<sup>1</sup> The goal of this guidance is to provide clarity and tips on maintaining and protecting online retirement accounts. The guidance was provided in three forms:

- [Tips for Hiring a Service Provider with Strong Cybersecurity Practices](#) – provides guidance to plan sponsors on hiring service providers and monitoring their cybersecurity policies.
- [Cybersecurity Program Best Practices](#) – provides plan sponsors and recordkeepers with guidance on protecting participants' online retirement accounts and managing cybersecurity risk.
- [Online Security Tips](#) – provides plan participants and beneficiaries guidance on how to protect their online retirement accounts.

NWCM recently hosted a cybersecurity best practices webinar with a guest IT expert. Click [here](#) to view this on-demand webinar.

**Action Item:** Review the DOL guidance and educate staff on cybersecurity best practices.

## SECURE 2.0 Update

On May 5, 2021, the House Ways and Means Committee unanimously passed the [Securing a Strong Retirement Act of 2021](#) (also known as the "SECURE 2.0").<sup>2</sup> The bill is now eligible to be considered by the full House chamber and companion legislation has been introduced in the Senate. The legislation has strong bipartisan support in both the House and Senate and is seen as likely to be signed into law in 2021.<sup>3</sup> Key proposals of SECURE 2.0 include the following:

- Mandatory automatic enrollment and escalation
- Changes to required minimum distribution (RMD) rules
- The authorization of student loan matching contributions
- The expansion of part-time worker eligibility
- Increased catch-up contributions

**Action Item:** While it is possible that the provisions may be adjusted before a final bill is passed, plan sponsors may want to begin reviewing the provisions now and consider a strategy for implementation.

## DOL Agenda

On June 11, 2021, the DOL released its federal regulatory agenda for Spring 2021, outlining its priorities for the upcoming months.<sup>4</sup> This was the first such release under the new Biden Administration.

According to Acting Assistant Secretary Ali Khawar, the DOL will issue a new rule on environmental, social, and corporate governance (ESG) retirement investing this September and will revise its Fiduciary rule by the end of the year.<sup>5</sup>

Other retirement related agenda items include the following:

- Further details on the implementation of consolidated Form 5500 filings
- A final rule on Lifetime Income Illustrations
- Amendments to the Voluntary Fiduciary Correction Program

The DOL's agenda can be viewed in full [here](#). It is important to note that the regulatory agenda is subject to change and may not be all inclusive. NWCM will continue to keep plan sponsors apprised of any relevant developments.

**Action Item:** If you have questions about any of the guidance, regulatory agenda items, or proposed legislation please feel free to contact your NWCM advisor.

Check out the latest in our ongoing series on [Plan Sponsor Best Practices here](#).



# Plan Legislative and Regulatory Update

## Upcoming Plan Document Deadlines

Date	Legislation	Description
July 31 <sup>st</sup> , 2022	Cycle 3 Post-PPA Restatement	Every 6 years pre-approved 401(k) plan documents must be restated to incorporate legislative changes. By this date, all pre-approved 401(k) plans must be restated onto a post-PPA document. <b>Reach out to your recordkeeper to confirm that your plan document is being restated.</b>
December 31 <sup>st</sup> , 2022	CARES Act	If Coronavirus-Related Distributions or Loans were issued during the 2020 plan year, a retroactive plan amendment must be completed by December 31 <sup>st</sup> , 2022 (or by the end of 2024 for governmental plans).
December 31 <sup>st</sup> , 2022	SECURE Act	The required amendments for any of the optional retirement plan changes in the SECURE Act (such as qualified birth and adoption distributions) must be completed by December 31 <sup>st</sup> , 2022 (or by the end of 2024 for governmental plans and collectively bargained plans).

Note: Plan amendments for SECURE Act and CARES Act changes aren't due until December 31<sup>st</sup>, 2022. However, if you made discretionary changes to your qualified retirement plan in 2021 unrelated to the SECURE Act or CARES Act, plan amendments documenting those changes must be adopted by December 31<sup>st</sup>, 2021 (for calendar-year plans).

Check out the latest in our ongoing series on Plan Sponsor Best Practices [here](#).

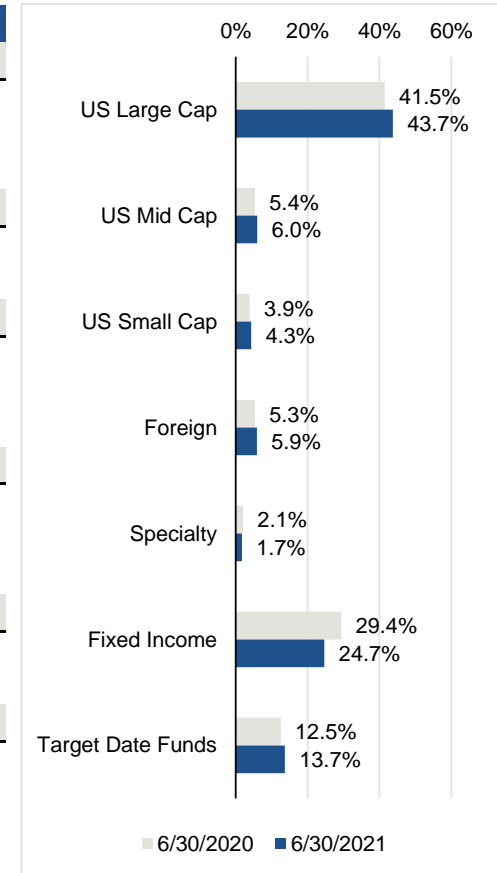


# County of Fresno 457 DC Plan

## Summary of Assets

As of 06/30/2021

Asset Class	Ticker	%	6/30/2020	Net Increases/Decreases	6/30/2021	%
<b>US Large Cap</b>		<b>41.47%</b>	<b>\$115,312,647</b>	<b>\$35,409,344</b>	<b>\$150,721,992</b>	<b>43.72%</b>
BlackRock Equity Index Fund M	02cff1	17.76%	\$49,394,464	\$13,081,430	\$62,475,894	18.12%
Alger Spectra Y	aspyx	18.61%	\$51,759,316	\$16,997,926	\$68,757,243	19.95%
Columbia Dividend Income Inst3	cddyx	5.09%	\$14,158,867	\$5,329,988	\$19,488,855	5.65%
<b>US Mid Cap</b>		<b>5.36%</b>	<b>\$14,894,090</b>	<b>\$5,767,207</b>	<b>\$20,661,297</b>	<b>5.99%</b>
BlackRock Mid Capitalization Equity Index Fund M	03cff2	2.87%	\$7,975,716	\$3,828,643	\$11,804,359	3.42%
T. Rowe Price Mid-Cap Growth I	rptix	2.49%	\$6,918,374	\$1,938,564	\$8,856,938	2.57%
<b>US Small Cap</b>		<b>3.89%</b>	<b>\$10,813,892</b>	<b>\$3,994,432</b>	<b>\$14,808,325</b>	<b>4.30%</b>
BlackRock Russell 2000 Index Fund M	03cff3	1.35%	\$3,759,348	\$1,896,569	\$5,655,917	1.64%
Nicholas Limited Edition I	nclex	2.11%	\$5,870,854	\$1,653,526	\$7,524,380	2.18%
Janus Henderson Small Cap Value N	jdsnx	0.43%	\$1,183,691	\$444,337	\$1,628,028	0.47%
<b>Foreign</b>		<b>5.32%</b>	<b>\$14,799,994</b>	<b>\$5,506,457</b>	<b>\$20,306,451</b>	<b>5.89%</b>
BlackRock EAFE Equity Index Fund T	10cff5	1.13%	\$3,143,648	\$1,178,501	\$4,322,149	1.25%
T. Rowe Price Overseas Stock I	troix	3.43%	\$9,549,772	\$2,661,899	\$12,211,671	3.54%
Invesco Developing Markets R6	odvix	0.76%	\$2,106,574	\$1,666,057	\$3,772,630	1.09%
<b>Specialty</b>		<b>2.06%</b>	<b>\$5,729,352</b>	<b>\$171,872</b>	<b>\$5,901,224</b>	<b>1.71%</b>
Fidelity Advisor Real Estate Income I	frirx	0.64%	\$1,778,700	\$680,636	\$2,459,336	0.71%
Franklin Utilities R6	fufrx	1.42%	\$3,950,652	(\$508,763)	\$3,441,888	1.00%
<b>Fixed Income</b>		<b>29.38%</b>	<b>\$81,692,273</b>	<b>\$3,406,043</b>	<b>\$85,098,316</b>	<b>24.69%</b>
BlackRock US Debt Index Fund W	04cff4	2.21%	\$6,132,411	\$1,931,703	\$8,064,114	2.34%
Metropolitan West Total Return Bd Plan	mwtsx	2.06%	\$5,719,535	\$1,415,714	\$7,135,249	2.07%
Vanguard Total Intl Bd Idx Admiral	vtabx	0.80%	\$2,212,817	(\$372,145)	\$1,840,672	0.53%
Fresno County Stable Value	fressv	24.32%	\$67,627,510	\$430,771	\$68,058,281	19.74%
<b>Target Date Funds</b>		<b>12.53%</b>	<b>\$34,830,388</b>	<b>\$12,398,208</b>	<b>\$47,228,597</b>	<b>13.70%</b>
Great-West Lifetime 2015 Trust	grwl15	1.53%	\$4,260,390	\$40,422	\$4,300,812	1.25%
Great-West Lifetime 2020 Trust	grwl20	0.00%	\$4,791	\$191,945	\$196,737	0.06%
Great-West Lifetime 2025 Trust	grwl25	3.93%	\$10,916,065	\$3,122,414	\$14,038,479	4.07%
Great-West Lifetime 2030 Trust	grwl30	0.16%	\$441,969	\$404,806	\$846,775	0.25%
Great-West Lifetime 2035 Trust	grwl35	2.64%	\$7,343,161	\$2,825,590	\$10,168,751	2.95%
Great-West Lifetime 2040 Trust	grwl40	0.00%	\$11,259	\$139,821	\$151,081	0.04%
Great-West Lifetime 2045 Trust	grwl45	2.59%	\$7,212,758	\$2,801,834	\$10,014,592	2.91%
Great-West Lifetime 2050 Trust	grwl50	0.02%	\$47,513	\$104,003	\$151,516	0.04%
Great-West Lifetime 2055 Trust	grwl55	1.65%	\$4,592,481	\$2,767,373	\$7,359,854	2.13%
<b>Total</b>		<b>100%</b>	<b>\$278,072,637</b>	<b>\$66,653,564</b>	<b>\$344,726,202</b>	<b>100%</b>



# County of Fresno 457 DC Plan

## Investment Summary

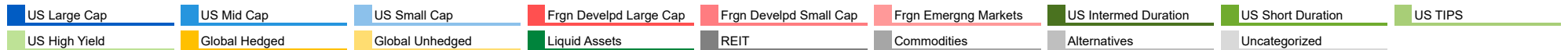
As of 6/30/2021

### Passively-Managed and Cash Funds

Investment	Ticker	Equities						Fixed Income						Liquid	Other				Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr								
		US			Foreign			US			Foreign				R	C	A	U																	
		L	M	S	L	S	E	I	S	T	Y	H	U																						
BlackRock Equity Index Fund M	02cff1	100																								0.02	8.56	15.27	40.84	23.08	18.73	17.63	17.68	14.56	
BlackRock Mid Capitalization Equity Index Fund M	03cff2		100																								0.03	3.63	17.60	53.27	19.66	13.22	13.31	14.35	12.22
BlackRock Russell 2000 Index Fund M	03cff3			100																							0.03	4.29	17.57	62.22	23.08	13.61	14.64	16.60	12.27
BlackRock EAFE Equity Index Fund T	10cff5				100																						0.10	5.29	9.02	32.70	12.38	8.59	8.25	10.61	6.16
BlackRock US Debt Index Fund W	04cff4							100																			0.04	1.84	-1.62	-0.31	4.69	5.75	4.19	3.29	3.56
Vanguard Total Intl Bd Idx Admiral	VTABX											100															0.11	0.25	-2.07	0.03	2.01	3.91	3.73	2.84	
Fresno County Stable Value	fressv												100														0.34	0.50	1.08	2.26	2.22	2.21	2.16	2.13	2.24

### 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	86	8		2									3				1	0.57	5.88	15.35	36.18	17.02	15.70	14.31	14.38	13.22
Growth	Alger Spectra Y	ASPYX	68	20	2	4		1											5	1.05	10.68	9.20	39.20	30.64	23.44	23.59		
Growth	T. Rowe Price Mid-Cap Growth I	RPTIX	21	58	9	2		1							2				7	0.61	6.62	9.89	39.07	20.29	18.87	17.77	18.25	15.05
Utilities	Franklin Utilities R6	FUFRX	42	46	5	6									1					0.50	0.24	3.53	15.53	5.10	9.88	8.13	7.11	10.31
Blend	Janus Henderson Small Cap Value N	JDSNX		13	84		1								2					0.86	1.48	17.02	43.57	8.84	6.16	6.85	9.84	9.07
Growth	Nicholas Limited Edition I	NCLEX		23	63	3	8								3					0.86	4.72	7.44	37.59	18.68	15.71	15.59	16.89	12.37
Blend	T. Rowe Price Overseas Stock I	TROIX	1			93		2											4	0.66	3.84	10.06	35.73	14.94	8.65	8.51	11.19	6.45
Emerging Gr	Invesco Developing Markets R6	ODVIX				23		72							3				2	0.82	5.66	6.57	37.34	16.20	11.67	11.91	14.01	6.14
Intermediate	Metropolitan West Total Return Bd Plan	MWTSX							67	15		6	5	5				1	1	0.38	1.82	-1.15	1.36	5.20	6.21	4.57	3.72	4.33
Real Estate	Fidelity Advisor Real Estate Income I	FRIRX	5	7	11				3			25	1	8	9			30	1	0.74	6.37	12.82	28.26	8.61	9.05	7.41	7.43	8.16



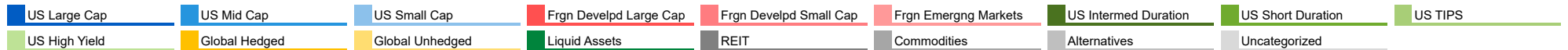
# County of Fresno 457 DC Plan

## Investment Summary









As of 6/30/2021

### Target-Date Funds

Style	Investment	Ticker	Equities						Fixed Income						Liquid	Other				Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
			US			Foreign			US			Foreign				R	C	A	U									
			L	M	S	L	S	E	I	S	T	Y	H	U														
Target Date	Great-West Lifetime 2015 Trust	GRWL15	17	8	4	10	3	20	8	13	5	5		4	3					0.40	3.94	5.61	17.97	11.26	9.59	8.68	8.75	7.09
Target Date	Great-West Lifetime 2020 Trust	GRWL20	19	8	5	12	4	21	6	9	5	5		3	3					0.40	4.13	6.15	19.68	11.61	9.92	9.08	9.31	
Target Date	Great-West Lifetime 2025 Trust	GRWL25	22	9	6	14	5	19	5	6	5	4		2	3					0.40	4.43	6.87	22.28	13.01	10.85	10.04	10.41	8.34
Target Date	Great-West Lifetime 2030 Trust	GRWL30	25	11	7	17	6	16	3	4	4	3		1	3					0.41	4.86	8.04	25.61	13.98	11.21	10.60	11.23	
Target Date	Great-West Lifetime 2035 Trust	GRWL35	29	12	8	21	7	11	1	2	2	2		1	4					0.41	5.32	9.34	29.76	15.66	12.55	11.91	12.63	9.61
Target Date	Great-West Lifetime 2040 Trust	GRWL40	30	13	10	23	9	8	1		2	1			3					0.41	5.76	10.60	33.47	16.72	12.76	12.30	13.16	
Target Date	Great-West Lifetime 2045 Trust	GRWL45	31	13	10	24	10	6			1	1			4					0.41	5.97	11.28	35.69	17.39	13.51	12.94	13.79	10.41
Target Date	Great-West Lifetime 2050 Trust	GRWL50	30	13	11	25	10	5			1	1			4					0.41	6.08	11.54	36.57	17.61	13.15	12.68	14.56	
Target Date	Great-West Lifetime 2055 Trust	GRWL55	29	13	11	25	11	5			1	1			4					0.42	6.09	11.54	36.89	17.49	13.50	12.93	13.83	10.27
Target Date	Great-West Lifetime 2060 Trust	GRWL60	29	13	11	25	11	5			1	1			4					0.42								



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

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

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

Summary of Fund Compliance

**Passively-Managed and Cash Funds**

Type	Assets 03-31	Fund Name	Ticker
LC Index	17.81%	BlackRock Equity Index Fund M	02cff1
MC Index	3.32%	BlackRock Mid Capitalization Equity Index Fund M	03cff2
SC Index	1.42%	BlackRock Russell 2000 Index Fund M	03cff3
GI Index	1.24%	BlackRock EAFE Equity Index Fund T	10cff5
TB Index	2.48%	BlackRock US Debt Index Fund W	04cff4
Int'l Index	0.51%	Vanguard Total Intl Bd Idx Admiral	VTABX
Stable Value	21.02%	Fresno County Stable Value	fressv

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

**Actively-Managed Funds**

Underperforming ◀ ● ○ ● ▶ Outperforming

Status	Assets 03-31	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Watch	5.47%	Columbia Dividend Income Inst3	CDDYX	●	●	●	●	●
Pass	19.61%	Alger Spectra Y	ASPYX	●	●	●	○	●
Pass	2.61%	T. Rowe Price Mid-Cap Growth I	RPTIX	○	●	●	●	●
Pass	1.05%	Franklin Utilities R6	FUFRX	●	●	○	●	●
Watch	0.33%	Janus Henderson Small Cap Value N	JDSNX	●	●	●	●	●
Watch	2.27%	Nicholas Limited Edition I	NCLEX	●	●	●	●	●
Pass	3.64%	T. Rowe Price Overseas Stock I	TROIX	●	●	○	●	●
Pass	1.06%	Invesco Developing Markets R6	ODVIX	●	●	●	●	●
Pass	2.17%	Metropolitan West Total Return Bd Plan	MWTSX	●	●	●	●	●
Pass	0.66%	Fidelity Advisor Real Estate Income I	FRIRX	○	●	●	●	●

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



# County of Fresno 457 DC Plan

Fund Policy Compliance

As of 6/30/2021

## Target-Date Funds

Underperforming ◀ (Yellow) (White) (Light Green) (Dark Green) ▶ Outperforming

Status	Assets 03-31	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.36%	Great-West Lifetime 2015 Trust	GRWL15	Light Green	Light Green	Light Green	Light Green	Dark Green
Pass	0.06%	Great-West Lifetime 2020 Trust	GRWL20	Light Green	Light Green	White	Light Green	Yellow
Pass	4.02%	Great-West Lifetime 2025 Trust	GRWL25	Light Green	Dark Green	Light Green	Light Green	Dark Green
Pass	0.17%	Great-West Lifetime 2030 Trust	GRWL30	Light Green	Light Green	Light Green	Light Green	Yellow
Pass	2.82%	Great-West Lifetime 2035 Trust	GRWL35	Light Green	Light Green	Light Green	Light Green	Dark Green
Pass	0.04%	Great-West Lifetime 2040 Trust	GRWL40	Light Green	Light Green	Light Green	Dark Green	Yellow
Pass	2.78%	Great-West Lifetime 2045 Trust	GRWL45	Light Green	Light Green	Light Green	Light Green	Dark Green
Pass	0.04%	Great-West Lifetime 2050 Trust	GRWL50	Light Green	Light Green	Light Green	Dark Green	Yellow
Pass	2.02%	Great-West Lifetime 2055 Trust	GRWL55	White	Light Green	Light Green	Light Green	Dark Green
	n/a	Great-West Lifetime 2060 Trust*	GRWL60					

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

Passively-Managed and Cash Funds

Type of Fund	Assets 03-31	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				LC Index	17.81%	02cff1	BlackRock Equity Index Fund M	21	20	19	19	16	13	45	45	31	26	27	39	42
MC Index	3.32%	03cff2	BlackRock Mid Capitalization Equity Index Fund M	43	33	26	54	43	31	72	69	61	16	16	15	74	75	67	1	5
SC Index	1.42%	03cff3	BlackRock Russell 2000 Index Fund M	19	8	24	21	9	28	55	55	61	28	18	25	43	41	66	2	5
GI Index	1.24%	10cff5	BlackRock EAFE Equity Index Fund T	51	41	33	49	32	30	37	35	42	58	49	40	44	36	41	5	5
TB Index	2.48%	04cff4	BlackRock US Debt Index Fund W	1	1	1	29	19	5	85	85	81	12	7	12	48	50	49	1	5
Int'l Index	0.51%	VTABX	Vanguard Total Intl Bd Idx Admiral	62	50		12	14		9	13		79	74		22	33		2	8
table Valu	21.02%	fressv	Fresno County Stable Value	1	1	1	1	1	1	5	5	6	1	1	1	1	1	1	44	6

Actively-Managed Funds

Overall Fund Score	Assets 03-31	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				9	5.47%	CDDYX	Columbia Dividend Income Inst3	7	11	3	1	1	1	8	8	9	73	78	81	7
6	19.61%	ASPYX	Alger Spectra Y	41			46			61			40			46			60	6
6	2.61%	RPTIX	T. Rowe Price Mid-Cap Growth I	69	73	33	55	57	9	18	16	11	82	80	64	38	35	14	7	29
6	1.05%	FUFRX	Franklin Utilities R6	34	56	20	38	55	18	77	80	65	19	5	12	60	75	56	15	17
4	0.33%	JDSNX	Janus Henderson Small Cap Value N	85	81	72	71	47	23	5	4	5	96	95	93	6	4	2	16	8
4	2.27%	NCLEX	Nicholas Limited Edition I	69	76	78	47	48	34	2	2	3	95	95	94	2	4	6	16	14
6	3.64%	TROIX	T. Rowe Price Overseas Stock I	50	23	22	62	34	23	75	73	61	21	18	26	85	78	47	22	15
7	1.06%	ODVIX	Invesco Developing Markets R6	44	30	23	37	19	19	16	15	17	67	61	66	26	13	18	12	14
8	2.17%	MWTSX	Metropolitan West Total Return Bd Plan	23	35	13	9	13	1	22	18	16	55	60	45	19	24	16	14	22
5	0.66%	FRIRX	Fidelity Advisor Real Estate Income I	74	32	76	70	21	3	24	7	3	92	94	97	8	5	1	18	2

County of Fresno 457 DC Plan

Fund Policy Compliance

As of 6/30/2021

Target-Date Funds

Overall Fund Score	Assets 03-31	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
				6	1.36%	GRWL15	Great-West Lifetime 2015 Trust	27	34	49	33	34	31	52	52	51	38	45	50	45
6	0.06%	GRWL20	Great-West Lifetime 2020 Trust	33	29		41	33		70	71		37	39		57	48		26	
7	4.02%	GRWL25	Great-West Lifetime 2025 Trust	31	30	32	28	17	17	43	37	36	45	46	63	41	29	31	28	5
5	0.17%	GRWL30	Great-West Lifetime 2030 Trust	53	42		46	30		47	47		53	53		42	37		26	
6	2.82%	GRWL35	Great-West Lifetime 2035 Trust	39	31	38	37	21	27	47	38	41	59	51	66	41	37	37	27	5
5	0.04%	GRWL40	Great-West Lifetime 2040 Trust	61	37		62	36		48	45		61	52		46	44		25	
6	2.78%	GRWL45	Great-West Lifetime 2045 Trust	49	34	31	51	34	34	42	39	41	57	50	48	44	38	39	26	5
5	0.04%	GRWL50	Great-West Lifetime 2050 Trust	68	16		63	20		43	52		66	20		49	44		24	
5	2.02%	GRWL55	Great-West Lifetime 2055 Trust	60	43	53	55	40	54	46	45	45	60	45	59	52	43	48	26	5
	n/a	GRWL60	Great-West Lifetime 2060 Trust *																30	

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

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

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

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



Northwest Capital Management, Inc. 08/26/2021

Trustee / Committee Member Date

**BlackRock Equity Index Fund 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	8.56%	40.84%	18.73%	17.68%	14.56%
S&P 500 TR USD	8.55%	40.80%	18.68%	17.65%	14.84%
<b>Out/(Under) Performing</b>	<b>0.01%</b>	<b>0.04%</b>	<b>0.05%</b>	<b>0.03%</b>	<b>-0.29%</b>
<b>Peer Group Ranking</b>	24	42	21	20	19

**BlackRock Mid Capitalization Equity Index Fund M (03cff2)**

Fund Type: MC Index

US Mid Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff2	3.63%	53.27%	13.22%	14.35%	12.22%
S&P MidCap 400 TR	3.64%	53.22%	13.15%	14.29%	12.40%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.05%</b>	<b>0.07%</b>	<b>0.06%</b>	<b>-0.18%</b>
<b>Peer Group Ranking</b>	81	25	43	33	26

**BlackRock Russell 2000 Index Fund 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	4.29%	62.22%	13.61%	16.60%	12.27%
Russell 2000 TR USD	4.30%	62.02%	13.51%	16.46%	12.33%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.20%</b>	<b>0.10%</b>	<b>0.14%</b>	<b>-0.07%</b>
<b>Peer Group Ranking</b>	47	34	19	8	24

**BlackRock EAFE Equity Index Fund T (10cff5)**

Fund Type: GI Index

Frgn Developd Large Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
10cff5	5.29%	32.70%	8.59%	10.61%	6.16%
MSCI ACWI Ex USA NR USD	5.47%	35.72%	9.38%	11.08%	5.45%
<b>Out/(Under) Performing</b>	<b>-0.18%</b>	<b>-3.01%</b>	<b>-0.79%</b>	<b>-0.47%</b>	<b>0.71%</b>
<b>Peer Group Ranking</b>	41	56	51	41	33

**BlackRock US Debt Index Fund W (04cff4)**

Fund Type: TB Index

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	1.84%	-0.31%	5.75%	3.29%	3.56%
BBgBarc US Govt Interm TR USD	0.62%	-1.13%	3.95%	1.94%	2.13%
<b>Out/(Under) Performing</b>	<b>1.22%</b>	<b>0.82%</b>	<b>1.81%</b>	<b>1.34%</b>	<b>1.43%</b>
<b>Peer Group Ranking</b>	1	27	1	1	1

**Vanguard Total Intl Bd Idx Admiral (VTABX)**

Fund Type: Int'l Index

Global Hedged

The investment seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. It is non-diversified.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
VTABX	0.25%	0.03%	3.91%	2.84%	
BBgBarc Gbl Agg x USD FI Aj RIC TR HUSD	0.26%	0.16%	4.12%	3.02%	
<b>Out/(Under) Performing</b>	<b>-0.01%</b>	<b>-0.13%</b>	<b>-0.22%</b>	<b>-0.17%</b>	
<b>Peer Group Ranking</b>	85	95	62	50	

**Fresno County Stable Value (fressv)**

Fund Type: Stable Value

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.50%	2.26%	2.21%	2.13%	2.24%
ICE BofA 0-3 M US Trsy Bill TR USD	0.00%	0.09%	1.27%	1.11%	0.58%
<b>Out/(Under) Performing</b>	<b>0.50%</b>	<b>2.17%</b>	<b>0.94%</b>	<b>1.02%</b>	<b>1.66%</b>
<b>Peer Group Ranking</b>	1	1	1	1	1

**Columbia Dividend Income Inst3 (CDDYX)**

Fund Score: 9 (Status: Watch)

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	5.88%	36.18%	15.70%	14.38%	13.22%
S&P 500 Value TR USD	4.98%	39.53%	13.13%	12.54%	11.85%
<b>Out/(Under) Performing</b>	<b>0.89%</b>	<b>-3.34%</b>	<b>2.57%</b>	<b>1.84%</b>	<b>1.37%</b>
<b>Peer Group Ranking</b>	31	73	7	11	3

Columbia Dividend Income returned 5.9% in Q2 2021, compared to 5.0% for its benchmark (the S&P 500 Value). For the trailing year, the fund returned 36.2%, underperforming its benchmark which returned 39.5%. Performance this quarter was led by an underweight to industrials and an overweight to real estate, while the financial services and health care sectors detracted. On an individual stock basis, an overweight position in Exxon was the leading contributor. Exxon accounts for 3.3% of the portfolio's holding, as of quarter end. The leading detractor was Intel, shares of which underperformed in part due to ongoing chip problems under Intel's new CEO Pat Gelsinger. The negative impact of the health care sector was largely offset by an overweight to Eli Lilly, which is viewed as a more growth-oriented biopharmaceutical company, which is currently preferred by the market. Management maintains focused on sustainable free cash flow from operations, profit margins, capital discipline and strong balance sheets. The fund has been placed on watch due to the departure of Peter Santoro, one of the fund's three portfolio managers. The fund continues to be managed by remaining portfolio managers Scott Davis and Michael Barclay. The fund currently scores a 9 under our scoring methodology and its risk-adjusted returns rank in the top quartile of its peers over the trailing 3-, 5- and 10-year periods.

**Alger Spectra Y (ASPYX)**

Fund Score: 6 (Status: Pass)

US Large Cap

The investment seeks long-term capital appreciation.

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPYX	10.68%	39.20%	23.44%		
S&P 500 Growth TR USD	11.94%	41.35%	23.09%	21.83%	17.29%
<b>Out/(Under) Performing</b>	<b>-1.26%</b>	<b>-2.16%</b>	<b>0.35%</b>		
<b>Peer Group Ranking</b>	49	61	41		

Alger Spectra returned 10.7% for the quarter, compared to 11.9% for the benchmark (S&P 500 Growth Index). For the trailing year, the fund returned 39.2%, compared to 41.4% for the benchmark. The portfolio's largest sector overweight during the quarter, consumer discretionary, was one of the most significant detractors to performance and the relative weight has since been cut back. Stock allocations to Discovery, Inc. and DraftKings were among the top detractors to performance, though positions are still held in the portfolio as management holds onto conviction in both stocks. Looking forward, management expects cloud computing to grow and anticipates a robust new pipeline in health care products. For our part, we are concerned with performance and will continue to monitor the fund, which scores a 6 under out scoring methodology. The fund's three-year risk adjusted return ranks above median relative to peers.

**T. Rowe Price Mid-Cap Growth I (RPTIX)**

Fund Score: 6 (Status: Pass)

US Mid Cap

The investment seeks long-term capital appreciation.

The fund normally invests at least 80% of its net assets (including any borrowings for investment purposes) in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. The advisor defines mid-cap companies as those whose market capitalization falls within the range of either the S&P MidCap 400 Index or the Russell Midcap Growth Index. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
RPTIX	6.62%	39.07%	18.87%	18.25%	15.05%
S&P MidCap 400 Growth TR USD	3.44%	45.45%	14.23%	15.25%	12.63%
<b>Out/(Under) Performing</b>	<b>3.19%</b>	<b>-6.38%</b>	<b>4.63%</b>	<b>2.99%</b>	<b>2.42%</b>
<b>Peer Group Ranking</b>	65	79	69	73	33

T. Rowe Price Mid-Cap Growth returned 6.6% in Q2 2021 compared to 3.4% for its benchmark (S&P MidCap 400 Growth). For the trailing four quarter period, the fund returned 39.1% compared to 45.5% for the benchmark. The most positive contribution to performance this quarter relative to the benchmark was the fund's ownership of high-achieving technology equities. These included names like DocuSign Inc, which continues to benefit from elevated business activity and expansion of uses with existing customers, Marvell Technology Inc, and Fortinet Inc. All three companies benefited from the COVID-accelerated digitization of the economy. Other tailwinds included investments in industrials (like Textron and Equifax), basic materials (Avantor), and communication services (Match Group). Negatively, the fund missed out on energy and real estate due to its underweight allocation positioning. It was also weighed down by stock selections in the healthcare sector. For example, Hologic was hurt by the decline in COVID-19 testing sales due to decreased testing volume and customer "de-stocking." Management's outlook on healthcare, which they maintain an overweight position, remains positive, believing that the rapid pace of scientific advances will lead to safer and more effective drugs, coupled with an aging U.S. population and consumers' willingness to spend more on healthcare, will see continued growth in the sector. The fund's score rose to a 6 under our methodology. Its returns rank in the top half relative to its peers for the trailing ten-year periods.

**Franklin Utilities R6 (FUFRX)**

Fund Score: 6 (Status: Pass)

US Large Cap

The investment seeks capital appreciation and current income.

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FUFRX	0.24%	15.53%	9.88%	7.11%	10.31%
MSCI World/Utilities NR USD	-0.68%	14.19%	9.08%	6.75%	6.19%
<b>Out/(Under) Performing</b>	<b>0.93%</b>	<b>1.34%</b>	<b>0.80%</b>	<b>0.36%</b>	<b>4.12%</b>
<b>Peer Group Ranking</b>	61	75	34	56	20

**Janus Henderson Small Cap Value N (JDSNX)**

Fund Score: 4 (Status: Watch)

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	1.48%	43.57%	6.16%	9.84%	9.07%
Russell 2000 Value TR USD	4.56%	73.28%	10.27%	13.62%	10.85%
<b>Out/(Under) Performing</b>	<b>-3.08%</b>	<b>-29.71%</b>	<b>-4.12%</b>	<b>-3.78%</b>	<b>-1.79%</b>
<b>Peer Group Ranking</b>	91	95	85	81	72

Janus Henderson Small Cap returned 1.5% in Q2 2021, compared to 4.6% for its benchmark (the Russell 2000 Value Index). For the trailing year, the fund returned 43.6%, underperforming its benchmark which returned 73.3%. The fund's underweight position and poor stock selection in communication services and energy detracted from relative performance this quarter. On an individual stock basis, positions in Cracker Barrel Old Country Store and cabinet manufacturer American Woodmark underperformed, in part due to intensifying inflation concerns. Stag Industrial was the top contributor this quarter, as the industrial REIT has benefited from a trend toward reshoring driven by supply chain disruptions. Management notes that the fund's recent underperformance has largely been the result of the rise of speculative, short interest covering investing. Management intends to use what it sees as a disconnect between stock prices and fundamentals to its advantage, by finding attractive buying opportunities in sectors such as health care. The fund currently scores a 4 under our scoring methodology and has been placed on watch due to its recent underperformance. The fund's risk-adjusted returns rank above median relative to peers over the trailing five- and ten-year periods.

**Nicholas Limited Edition I (NCLEX)**

Fund Score: 4 (Status: Watch)

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	4.72%	37.59%	15.71%	16.89%	12.37%
Russell 2000 Growth TR USD	3.91%	51.37%	15.95%	18.77%	13.53%
<b>Out/(Under) Performing</b>	<b>0.80%</b>	<b>-13.78%</b>	<b>-0.24%</b>	<b>-1.88%</b>	<b>-1.15%</b>
<b>Peer Group Ranking</b>	51	93	69	76	78

Nicholas Limited Edition returned 4.7% in Q2 2021, overperforming its benchmark at 3.9% (the Russell 2000 Growth Index). For the trailing year, the fund returned 37.6%, compared to the benchmark coming in at 51.4%. The positive return this quarter was due to the fund's health care, technology, and financial services investments. Heavy hitters in the fund's portfolio included InMode (healthcare), Rapid7 (technology), and Cohen & Steers (financial). InMode provides non-invasive surgical treatment solutions and has developed technology for plastic surgery and dermatology. Rapid7, on the other hand, is a data security and analytic solutions provider, and Cohen & Steers is a specialist asset manager based out of New York. All three had healthy quarters, which helped boost the fund above the benchmark. Negatively, stock selection in consumer cyclical and consumer defensive companies drug down overall returns (La-Z-Boy and ePlus, for example), and the fund's allocation strategies to the communication services and industrials sectors also hurt performance. The fund's score remains a 4 under our scoring methodology and is on watch. Risk adjusted returns for the fund rank above median relative to peers over the trailing 3-, 5-, and 10-year periods.

**T. Rowe Price Overseas Stock I (TROIX)**

Fund Score: 6 (Status: Pass)

Frgn Developd Large Cap

The investment seeks long-term growth of capital through investments in the common stocks of non-U.S. companies.

The manager expects to invest significantly outside the U.S. and to diversify broadly among developed market and, to a lesser extent, emerging market countries throughout the world. It normally invests at least 80% of its net assets (including any borrowings for investment purposes) in non-U.S. stocks and at least 65% of its net assets in stocks of large-cap companies. The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
TROIX	3.84%	35.73%	8.65%	11.19%	6.45%
MSCI ACWI Ex USA NR USD	5.47%	35.72%	9.38%	11.08%	5.45%
<b>Out/(Under) Performing</b>	<b>-1.64%</b>	<b>0.01%</b>	<b>-0.73%</b>	<b>0.12%</b>	<b>1.00%</b>
<b>Peer Group Ranking</b>	87	36	50	23	22

T. Rowe Price Overseas Stock I returned 3.8% in Q2 2021, compared to 5.5% for its benchmark (the MSCI ACWI Ex USA Index). For the trailing year, the fund returned 35.7%, matching its benchmark. Underperformance this quarter was primarily due to negative selection within the financials and information technology sectors, while selection within communication services contributed to relative returns. From a regional perspective, negative stock selection was the primary driver of the fund's underperformance this quarter. An overweight to Japan also detracted from results, although the effects of this were largely offset by positive selection. Japan's economy shrank more than expected in the first quarter and the country has lagged compared to other countries and regions globally. On an individual stock basis, key contributors this quarter included Nestle, Roche Holding, and ASML Holding, while Koninklijke Philips, Munich Re, and Antofagasta were key detractors. Health care was the most overweight sector at quarter-end, and the total allocation stayed broadly unchanged in absolute terms. Management has been selective when it comes to adding or selling positions, in order to position the fund to take advantage of medium-term opportunities that arise as pandemic restrictions lift. Looking forward, management expects the gradual economic reopening to continue across all economies, including among emerging countries. Management also remains alert to looming risks such as inflation, vaccine resistance variants, and ongoing tension with China. The fund currently scores a 6 under our methodology. The fund's returns rank in the top quartile of its peers over the trailing five- and ten-year periods.



**Invesco Developing Markets R6 (ODVIX)**

Fund Score: 7 (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, and in derivatives and other instruments that have economic characteristics similar to such securities.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ODVIX	5.66%	37.34%	11.67%	14.01%	6.14%
MSCI EM NR USD	5.05%	40.91%	11.28%	13.04%	4.29%
<b>Out/(Under) Performing</b>	<b>0.61%</b>	<b>-3.58%</b>	<b>0.39%</b>	<b>0.97%</b>	<b>1.85%</b>
<b>Peer Group Ranking</b>	38	72	44	30	23

Invesco Developing Markets returned 5.7% in Q2 2021 compared to 5.1% for its benchmark (the MSCI Emerging Markets Index). For the last 12 months, the fund returned 37.3% compared to 40.9% for the benchmark. Regionally, the fund's overweight position in France was a major tailwind to performance. Kering, the world's second largest luxury goods conglomerate (with brands like Gucci and YSL) is based out of Paris, France, and was the fund's leading contributor this quarter. Additionally, overweight allocations to Russia and Switzerland contributed to performance. The portfolio's biggest net negative was stock selection of financial services, such as Ping An Insurance and Kotak Mahindra Bank. The fund, which recently dropped the Oppenheimer part of its name, has been run by Justin Leverenz since 2007. He uses a moderate growth approach and encourages his analysts to use their imagination to consider what new possibilities might arise. He continues to hold conviction that the fund's Latin America investments will outperform due to a rise in commodity prices and that emerging markets will see a 'V-shaped' recovery at some point. The fund score remains a 7 under NWCM's methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing five-year and ten-year periods.

**Metropolitan West Total Return Bd Plan (MWTSX)**

Fund Score: 8 (Status: Pass)

US Intermed Duration

The investment seeks to maximize long-term total return.

The fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in investment grade fixed income securities or unrated securities determined by the Adviser to be of comparable quality. Up to 20% of the fund's net assets may be invested in securities rated below investment grade or unrated securities determined by the Adviser to be of comparable quality. The fund also invests at least 80% of its net assets plus borrowings for investment purposes in fixed income securities it regards as bonds.

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
MWTSX	1.82%	1.36%	6.21%	3.72%	4.33%
BBgBarc US Agg Bond TR USD	1.83%	-0.33%	5.35%	3.03%	3.40%
<b>Out/(Under) Performing</b>	<b>-0.02%</b>	<b>1.69%</b>	<b>0.86%</b>	<b>0.69%</b>	<b>0.93%</b>
<b>Peer Group Ranking</b>	65	57	23	35	13

Metropolitan West Total Return returned 1.8% for the trailing quarter, slightly underperforming the benchmark's (BBgBarc US Agg Bond Index) return by 1bps. For the trailing 12 months, the fund returned 1.4%, compared to -0.3% for the benchmark. Management was underweight to corporate credit and overweight to residential agency MBS, both of which detracted from relative performance. At quarter-end, the duration position of the fund was 0.5 years shorter than the index due to the reversal of rate moves. Looking forward, management has the portfolio positioned more defensively with comfortable levels of liquidity in preparation for future volatility. For our part, we are satisfied with performance being in line with the benchmark. The fund scores an 8 under our scoring methodology and risk adjusted returns for the trailing 3-, 5-, and 10-year periods have ranked in the top quartile among peers.

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

Fund Score: 5 (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	6.37%	28.26%	9.05%	7.43%	8.16%
FTSE Nareit Equity REITs TR USD	12.02%	38.03%	9.94%	6.22%	9.36%
<b>Out/(Under) Performing</b>	<b>-5.65%</b>	<b>-9.78%</b>	<b>-0.89%</b>	<b>1.22%</b>	<b>-1.21%</b>
<b>Peer Group Ranking</b>	88	83	74	32	76

**Great-West Lifetime 2015 Trust (GRWL15)**

Fund Score: 6 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL15	3.94%	17.97%	9.59%	8.75%	7.09%
DJ Target 2015 TR USD	2.21%	7.35%	5.57%	4.46%	4.45%
<b>Out/(Under) Performing</b>	<b>1.73%</b>	<b>10.62%</b>	<b>4.02%</b>	<b>4.28%</b>	<b>2.64%</b>
<b>Peer Group Ranking</b>	45	37	27	34	49

**Great-West Lifetime 2020 Trust (GRWL20)**

Fund Score: 6 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL20	4.13%	19.68%	9.92%	9.31%	
DJ Target 2020 TR USD	2.64%	10.27%	6.56%	5.66%	5.38%
<b>Out/(Under) Performing</b>	<b>1.50%</b>	<b>9.41%</b>	<b>3.36%</b>	<b>3.65%</b>	
<b>Peer Group Ranking</b>	51	38	33	29	

**Great-West Lifetime 2025 Trust (GRWL25)**

Fund Score: 7 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL25	4.43%	22.28%	10.85%	10.41%	8.34%
DJ Target 2025 TR USD	3.24%	14.65%	7.79%	7.20%	6.45%
<b>Out/(Under) Performing</b>	<b>1.20%</b>	<b>7.63%</b>	<b>3.06%</b>	<b>3.21%</b>	<b>1.89%</b>
<b>Peer Group Ranking</b>	63	42	31	30	32

**Great-West Lifetime 2030 Trust (GRWL30)**

Fund Score: 5 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL30	4.86%	25.61%	11.21%	11.23%	
DJ Target 2030 TR USD	3.92%	19.87%	9.16%	8.97%	7.57%
<b>Out/(Under) Performing</b>	<b>0.94%</b>	<b>5.75%</b>	<b>2.04%</b>	<b>2.26%</b>	
<b>Peer Group Ranking</b>	72	50	53	42	

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

Fund Score: 6 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL35	5.32%	29.76%	12.55%	12.63%	9.61%
DJ Target 2035 TR USD	4.63%	25.42%	10.48%	10.61%	8.55%
<b>Out/(Under) Performing</b>	<b>0.68%</b>	<b>4.34%</b>	<b>2.07%</b>	<b>2.03%</b>	<b>1.06%</b>
<b>Peer Group Ranking</b>	83	59	39	31	38

**Great-West Lifetime 2050 Trust (GRWL50)**

Fund Score: 5 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL50	6.08%	36.57%	13.15%	14.56%	
DJ Target 2050 TR USD	6.22%	38.19%	13.28%	13.71%	10.25%
<b>Out/(Under) Performing</b>	<b>-0.14%</b>	<b>-1.62%</b>	<b>-0.13%</b>	<b>0.85%</b>	
<b>Peer Group Ranking</b>	87	63	68	16	

**Great-West Lifetime 2040 Trust (GRWL40)**

Fund Score: 5 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL40	5.76%	33.47%	12.76%	13.16%	
DJ Target 2040 TR USD	5.30%	30.75%	11.69%	12.04%	9.37%
<b>Out/(Under) Performing</b>	<b>0.46%</b>	<b>2.72%</b>	<b>1.06%</b>	<b>1.12%</b>	
<b>Peer Group Ranking</b>	81	54	61	37	

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

Fund Score: 5 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL55	6.09%	36.89%	13.50%	13.83%	10.27%
DJ Target 2055 TR USD	6.36%	39.24%	13.53%	13.87%	10.33%
<b>Out/(Under) Performing</b>	<b>-0.28%</b>	<b>-2.35%</b>	<b>-0.03%</b>	<b>-0.03%</b>	<b>-0.05%</b>
<b>Peer Group Ranking</b>	88	65	60	43	53

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

Fund Score: 6 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL45	5.97%	35.69%	13.51%	13.79%	10.41%
DJ Target 2045 TR USD	5.85%	35.22%	12.66%	13.11%	9.96%
<b>Out/(Under) Performing</b>	<b>0.11%</b>	<b>0.48%</b>	<b>0.85%</b>	<b>0.68%</b>	<b>0.45%</b>
<b>Peer Group Ranking</b>	86	59	49	34	31

**Great-West Lifetime 2060 Trust (GRWL60)**

Fund Score: 9 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL60	6.09%	36.89%	13.50%	13.83%	10.27%
DJ Target 2060 TR USD	6.36%	39.24%	13.53%	13.87%	10.33%
<b>Out/(Under) Performing</b>	<b>-0.28%</b>	<b>-2.35%</b>	<b>-0.03%</b>	<b>-0.03%</b>	<b>-0.05%</b>
<b>Peer Group Ranking</b>	88	65	60	43	53



# County of Fresno 457 DC Plan

Expense Ratio Report (Entity)

As of 6/30/2021

## Passively-Managed and Cash Funds

Investment	Ticker	Expense Ratio▲	Peer Rank	Range of Peer Group Expense Ratios							
				0%	0.5%	1%	1.5%	2%	2.5%	3%	
62,475,894 BlackRock Equity Index Fund M	02cff1	0.02%	2	▲							
11,804,359 BlackRock Mid Capitalization Equity Index Fund M	03cff2	0.03%	1	▲							
5,655,917 BlackRock Russell 2000 Index Fund M	03cff3	0.03%	2	▲							
4,322,149 BlackRock EAFE Equity Index Fund T	10cff5	0.10%	5	▲							
8,064,114 BlackRock US Debt Index Fund W	04cff4	0.04%	1	▲							
1,840,672 Vanguard Total Intl Bd Idx Admiral	VTABX	0.11%	2	▲							
68,058,281 Fresno County Stable Value	fressv	0.34%	44	▲							

## Actively-Managed Funds

19,488,855 Columbia Dividend Income Inst3	CDDYX	0.57%	16	▲							
68,757,243 Alger Spectra Y	ASPYX	1.05%	60	▲							
8,856,938 T. Rowe Price Mid-Cap Growth I	RPTIX	0.61%	7	▲							
3,441,888 Franklin Utilities R6	FUFRX	0.50%	15	▲							
1,628,028 Janus Henderson Small Cap Value N	JDSNX	0.86%	16	▲							
7,524,380 Nicholas Limited Edition I	NCLEX	0.86%	16	▲							
12,211,671 T. Rowe Price Overseas Stock I	TROIX	0.66%	22	▲							
3,772,630 Invesco Developing Markets R6	ODVIX	0.82%	12	▲							
7,135,249 Metropolitan West Total Return Bd Plan	MWTSX	0.38%	14	▲							
2,459,336 Fidelity Advisor Real Estate Income I	FRIRX	0.74%	18	▲							

## Target-Date Funds

4,300,812 Great-West Lifetime 2015 Trust	3RWL15	0.40%	32	▲							
196,737 Great-West Lifetime 2020 Trust	3RWL20	0.40%	26	▲							
14,038,479 Great-West Lifetime 2025 Trust	3RWL25	0.40%	28	▲							
846,775 Great-West Lifetime 2030 Trust	3RWL30	0.41%	26	▲							
10,168,751 Great-West Lifetime 2035 Trust	3RWL35	0.41%	27	▲							
151,081 Great-West Lifetime 2040 Trust	3RWL40	0.41%	25	▲							
10,014,592 Great-West Lifetime 2045 Trust	3RWL45	0.41%	26	▲							
151,516 Great-West Lifetime 2050 Trust	3RWL50	0.41%	24	▲							
7,359,854 Great-West Lifetime 2055 Trust	3RWL55	0.42%	26	▲							
Great-West Lifetime 2060 Trust	3RWL60	0.42%	30	▲							

344,726,2020

Expense Ratio Averages

0.44%

19

Average Gross Expense Ratio: 0.44%

## Your Plan

Expense Ratio	Average	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
0.44%	77.8%(21)	18.5%(5)	3.7%(1)	-	-

# County of Fresno 457 DC Plan

As of: 06/30/2021

## Investment Fund Performance Report

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
2015	Great-West Lifetime 2015 Trust	3.94	17.97	11.26	9.59	8.75	0.4
	Morningstar Lifetime Mod 2015 TR USD	4.99	17.73	11.44	9.91	8.47	
	Benchmark +/-	-1.05	0.24	-0.18	-0.32	0.28	
2020	Great-West Lifetime 2020 Trust	4.13	19.68	11.61	9.92	9.31	0.4
	Morningstar Lifetime Mod 2020 TR USD	5.38	19.56	12.27	10.53	9.21	
	Benchmark +/-	-1.25	0.12	-0.66	-0.61	0.10	
2025	Great-West Lifetime 2025 Trust	4.43	22.28	13.01	10.85	10.41	0.4
	Morningstar Lifetime Mod 2025 TR USD	5.71	22.14	13.17	11.13	10.11	
	Benchmark +/-	-1.28	0.14	-0.16	-0.28	0.30	
2030	Great-West Lifetime 2030 Trust	4.86	25.61	13.98	11.21	11.23	0.41
	Morningstar Lifetime Mod 2030 TR USD	5.99	25.93	14.25	11.76	11.18	
	Benchmark +/-	-1.13	-0.32	-0.27	-0.55	0.05	
2035	Great-West Lifetime 2035 Trust	5.32	29.76	15.66	12.55	12.63	0.41
	Morningstar Lifetime Mod 2035 TR USD	6.19	30.55	15.33	12.32	12.18	
	Benchmark +/-	-0.87	-0.79	0.33	0.23	0.45	
2040	Great-West Lifetime 2040 Trust	5.76	33.47	16.72	12.76	13.16	0.41
	Morningstar Lifetime Mod 2040 TR USD	6.36	34.74	16.25	12.76	12.89	
	Benchmark +/-	-0.60	-1.27	0.47	0.00	0.27	
2045	Great-West Lifetime 2045 Trust	5.97	35.69	17.39	13.51	13.79	0.41
	Morningstar Lifetime Mod 2045 TR USD	6.47	37.39	16.80	13.00	13.23	
	Benchmark +/-	-0.50	-1.70	0.59	0.51	0.56	
2050	Great-West Lifetime 2050 Trust	6.08	36.57	17.61	13.15	14.56	0.41
	Morningstar Lifetime Mod 2050 TR USD	6.50	38.42	16.97	13.05	13.30	
	Benchmark +/-	-0.42	-1.85	0.64	0.10	1.26	
2055	Great-West Lifetime 2055 Trust	6.09	36.89	17.49	13.5	13.83	0.42
	Morningstar Lifetime Mod 2055 TR USD	6.51	38.71	16.99	13.01	13.30	
	Benchmark +/-	-0.42	-1.82	0.50	0.49	0.53	
2060	Great-West Lifetime 2060 Trust	6.09	36.89	17.49	13.5	13.83	0.42
	Morningstar Lifetime Mod 2060 TR USD	6.50	38.83	16.95	12.95	13.25	
	Benchmark +/-	-0.41	-1.94	0.54	0.55	0.58	

\* Returns are annualized after 1 year

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

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

\*\*\*\* The following Lifetime Trusts were added in Q3 2019: 2020, 2030, 2040, 2050

\*\*\*\*\* The following Lifetime Trusts were added in Q2 2021: 2060

**Current Lineup Status**

Asset Class		Current Status	Placed On Watch	Asset Class		Current Status	Placed On Watch
<b>US Large Cap</b>				<b>Fixed Income</b>			
02cff1	BlackRock Equity Index Fund M□	Pass	-	04cff4	BlackRock US Debt Index Fund W□	Pass	-
ASPYX	Alger Spectra Y	Pass	-	MWTSX	Metropolitan West Total Return Bd Plan	Pass	-
CDDYX	Columbia Dividend Income Inst3	Watch	2021 - Q2	VTABX	Vanguard Total Intl Bd Idx Admiral	Pass	-
<b>US Mid Cap</b>				<b>Target Date Funds</b>			
03cff2	BlackRock Mid Capitalization Equity Index Fund M	Pass	-	fressv	Fresno County Stable Value	Pass	-
RPTIX	T. Rowe Price Mid-Cap Growth I	Pass	-	GRWL15	Great-West Lifetime 2015 Trust	Pass	-
<b>US Small Cap</b>				GRWL20	Great-West Lifetime 2020 Trust	Pass	-
03cff3	BlackRock Russell 2000 Index Fund M□	Pass	-	GRWL25	Great-West Lifetime 2025 Trust	Pass	-
NCLEX	Nicholas Limited Edition I	Watch	2021 - Q1	GRWL30	Great-West Lifetime 2030 Trust	Pass	-
JDSNX	Janus Henderson Small Cap Value N	Watch	2021 - Q2	GRWL35	Great-West Lifetime 2035 Trust	Pass	-
<b>Foreign</b>				GRWL40	Great-West Lifetime 2040 Trust	Pass	-
10cff5	BlackRock EAFE Equity Index Fund T □	Pass	-	GRWL45	Great-West Lifetime 2045 Trust	Pass	-
TROIX	T. Rowe Price Overseas Stock I	Pass	-	GRWL50	Great-West Lifetime 2050 Trust	Pass	-
ODVIX	Invesco Developing Markets R6	Pass	-	GRWL55	Great-West Lifetime 2055 Trust	Pass	-
<b>Specialty</b>				GRWL60	Great-West Lifetime 2060 Trust	Pass	-
FRIRX	Fidelity Advisor Real Estate Income I	Pass	-				
FUFRX	Franklin Utilities R6	Pass	-				

**Watch List History**

		Status	Most Recent Time on Watch Placed	Most Recent Time on Watch Removed	Previous Time on Watch Placed	Previous Time on Watch Removed	Previous Time on Watch Placed	Previous Time on Watch Removed
JDSNX	Janus Henderson Small Cap Value N	In Plan	2021 - Q2	-				
NCLEX	Nicholas Limited Edition N	In Plan	2021 - Q1	-	2016 - Q2	2017 - Q1	2013 - Q4	2015 - Q2
CDDYX	Columbia Dividend Income Z	In Plan	2021 - Q2	-	2013 - Q4	2014 - Q4		
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	Removed	2019 - Q4	2020 - Q2	2016 - Q2	2017 - Q1		
IINCX	Ivy International Core Equity R6	Removed	2019 - Q2	2020 - Q2				
HFCIX	Hennessy Focus Institutional	Removed	2018 - Q3	2019 - Q2				
OAKBX	Oakmark Equity and Income Investor	Removed	2018 - Q3	2019 - Q2	2012 - Q1	2012 - Q3		
SAMZX	Virtus Seix Total Return Bond R6	Removed	2018 - Q3	2019 - Q2	2013 - Q4	2015 - Q2		
SEGSX	Sentinel Government Securities A	Removed	2014 - Q2	2015 - Q2				
JMCVX	Perkins Mid Cap Value T	Removed	2013 - Q4	2015 - Q2	2012 - Q1	2012 - Q3		
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				
NBGNX	Neuberger Berman Genesis Inv	Removed	2012 - Q1	2012 - Q3				
SDGTX	Deutsche Capital Growth I	Removed	2012 - Q1	2012 - Q3				

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

# County of Fresno – Fund Reviews

## SUMMARY

County of Fresno is currently undergoing a handful of fund reviews. This includes an index provider comparison, target date fund strategy review, as well as analysis of actively managed funds that have been flagged for investment policy compliance reasons. The funds were reviewed and, while the current investment funds used by the County are prudent, NWCM will be recommending a few fund changes at the December meeting.

## INDEX FUNDS

County of Fresno is currently invested in six index funds: five with Wells Fargo/BlackRock and one with Vanguard. NWCM compared the five Wells Fargo/BlackRock investment options (US Large, Mid, and Small Cap Equities, Non-US Equities, and US Fixed Income) with similar Vanguard investment options. The Vanguard Total International Bond Index Fund Admiral (VTABX) was compared with a similar option offered by Fidelity, as Wells Fargo/BlackRock did not have a comparable offering. The twelve funds were compared according to benchmark selection, performance, cost, tracking precision, and securities lending. **After reviewing the passively managed funds, NWCM will be making a recommendation for a manager change for the Non-US Equity index coverage. The replacement fund offers better performance and tracking error at a less expensive cost.**

## TARGET DATE FUNDS

County of Fresno is currently invested in Great-West Lifetime Trusts, which is a hybrid strategy (meaning it is both actively and passively managed). NWCM compared the three target date fund management styles: active, passive, and hybrid. The five largest target date providers manage 78% of target-date assets in the industry and of these assets, 63% is managed passively, 34% managed actively, and 3% managed blended. Fee competition among providers has grown fierce in recent years, leading to an industry trending towards passive management. Active management can offer strong returns and active risk mitigation, but does so with higher fees than all passive strategies.. Passive management can offer attractive fees, and comparable returns, though the off-hands approach may introduce external risks. Hybrid management is relatively new to the industry, with fees swinging less/more expensive depending on the provider, for adequate returns often ranking in the second and third quartile relative to industry peers. From an investment philosophy perspective, NWCM believes a hybrid/blend approach (combing both active and passively manage funds) is optimal over a long-time horizon. That said, the industry is currently hyper focused on fees related to target date fund suites. **We recommend that NWCM conducts a formal target date fund comparison for the DCMC's review.**

## WATCH LIST FUNDS

County of Fresno currently has two investment funds 'on watch' and a third recommended to be placed 'on watch' according to NWCM's Fund Policy Compliance, which looks at factors such as fund returns, risk, and other metrics relative to peers. Three funds have been flagged for various reasons: Columbia Dividend Income, Janus Henderson Small Cap Value, and Nicholas Limited Edition. **After reviewing the funds on watch, NWCM is recommending no changes for Columbia Dividend Income and is currently conducting manager searches for Janus Henderson Small Cap Value and Nicholas Limited Edition.**

[Columbia Dividend Income](#)



Columbia Dividend Income is on watch for portfolio manager (PM) turnover on the investment team. Effective March 9th, 2021, Peter Santoro departed from the firm for a PM role at Invesco. Santoro had been co-manager on the strategy since 2014. His contributions to the strategy were primarily consumer discretionary sector coverage, which accounted for 8.14% of the portfolio as of March 31, 2021. Santoro's portfolio management responsibilities at Columbia were spread across three funds, while co-managers Scott Davis and Michael Barclay have been historically dedicated to the Dividend Income fund. Davis and Barclay have been on the strategy together for over a decade, with Davis involved since inception. The two will continue to act as primary decision makers for the fund, heavily supported by 20+ analysts within Columbia's Central Research Team. The investment team have filled Peter's position, though the formal announcement is expected in September. NWCM believes coverage is sufficient and recommends no action.

### Janus Henderson Small Cap Value

Janus Henderson Small Cap Value is on watch for returns ranking in the bottom quartile relative to small cap value peers over the trailing three- and five-year time periods. The fund is also on watch for up capture ranking in the bottom decile relative to peers for the three, five, and ten-year trailing time periods. The strategy has long been subadvised by Perkins Investment Management, though as of May 2021 Perkins became fully integrated within Janus Henderson. The investment team is led by two portfolio managers, with an average tenure of 8 years on the strategy. The strategy seeks to invest in high quality companies with durable competitive advantages. The investment approach is very much risk-conscious, resulting in a concentrated portfolio with strong downside protection. Despite the attractive risk profile, there is little return trade off with the strategy's weak upside capture. The fund expense ratio is attractive, though there are other investment options within the small cap value universe offering stronger returns and comparable fees. NWCM recommends conducting a manager search, comparing other managers in the universe to potentially replace the fund with a manager that has a more attractive risk and return profile.

### Nicholas Limited Edition

Nicholas Limited Edition is on watch for returns ranking in the bottom quartile relative to small cap growth peers over the trailing five- and ten-year time periods. The fund is also on watch for up capture ranking in the bottom decile relative to peers for the three, five, and ten-year trailing time periods. Nicholas is an independently owned boutique investment firm and fund's investment team is led by two portfolio managers, with an average tenure of 14 years on the strategy. The investment approach looks for companies with competitive advantages and investable attributes, such as special situations or secular themes, resulting in a concentrated portfolio with low turnover. The process has been successful at providing portfolio stability against adverse market conditions. The fund's standard deviation ranks in the top 2-3% relative to peers over the trailing three, five, and ten-year time periods. While the risk profile is very attractive, there are other investment options within the small cap value universe offering stronger returns and similar risk measures. NWCM recommends conducting a manager search, comparing other managers in the universe to potentially replace the fund with a manager that has more attractive risk and return profile.

Passive vs Active Target Date Funds

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**County of Fresno**

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Northwest Capital Management  
August 2021



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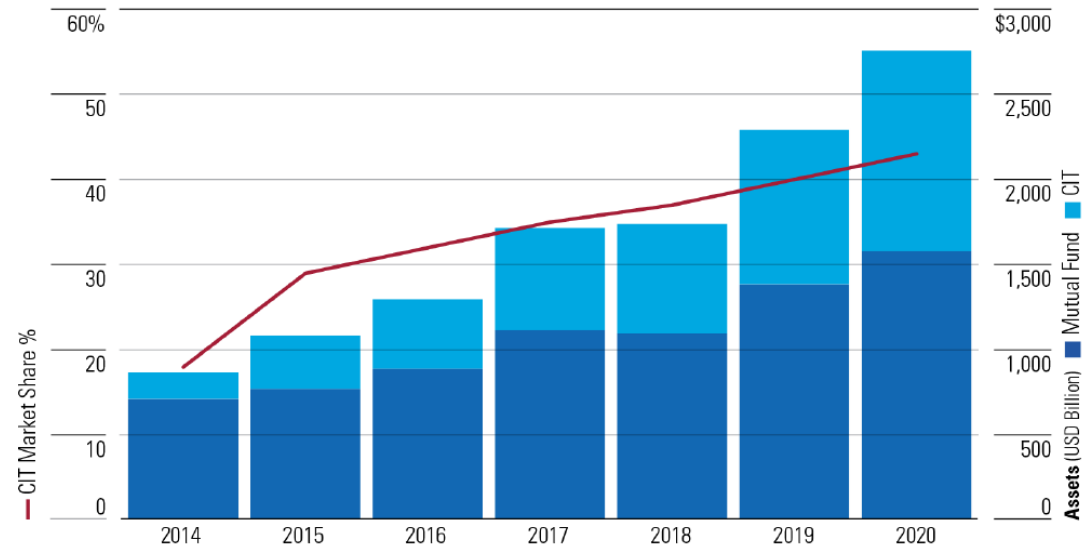
I	Target Date Trends
II	Recent Inflows to Passive
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V	Glidepath Methodology
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# Target Date Fund Trends

## Morningstar 2021 Target Date Landscape Report

- Total assets in target date strategies stood at approximately \$2.8 trillion, up from \$2.3 trillion at the end of 2019.
- Target date fund assets in Commingled Investment Trusts (CIT) have increasingly grown in recent years, crossing the \$1 trillion threshold for the first time and now making up 43% of total target date strategy assets.
- The COVID-19 pandemic curtailed retirement savers' contributions. Investors contributed an estimated \$52.3 billion to target date strategies, with CITs taking in approximately \$59 billion and mutual funds experiencing net outflows of \$6.7 billion. That is a drop in net contributions of 59% from the estimated \$128 billion in 2019.
- The top five asset managers manage approximately 78% of target-date assets, in line with 2019.
- Fee competition continues to be fierce among target date providers; the bulk of contributions to mutual funds in 2020 went to share classes in the cheapest decile.
- Regulators in 2020 restricted sustainable investments in target date assets and opened the door for more alternatives, like private equities. The Department Of Labor announced in March 2021 that it would not seek to enforce the sustainable investments restriction rule.

**Total Target Date Fund Assets**



Source: Morningstar Direct, author's calculations, and surveyed data. Data as of 12/31/2020.

# Universe Inflows Into Passive

This trend of flows into passively managed funds has been consistent through out the industry, as the top three target date fund series by net inflows were passive options (sourced from the Morningstar 2021 Target Date Landscape Report), likely due to fierce fee competition in the target date fund industry.

## Top Five Series by Net Inflows (Mutual Funds and CITs)

Series Name	Net Inflows (USD Billions)		
	Mutual Funds	CITs	Total
<b>Passive</b> – BlackRock LifePath Index	5.2	16.6	21.8
<b>Passive</b> – Fidelity Freedom Index	15.6	4.2	19.8
<b>Passive</b> – Vanguard Target Retirement	2.7	16.8	19.5
<b>Active</b> – American Funds Target Date Retirement	13.5	2.5	16.0
<b>Blend</b> – JPMorgan SmartRetirement Blend	4.4	9.6	13.9

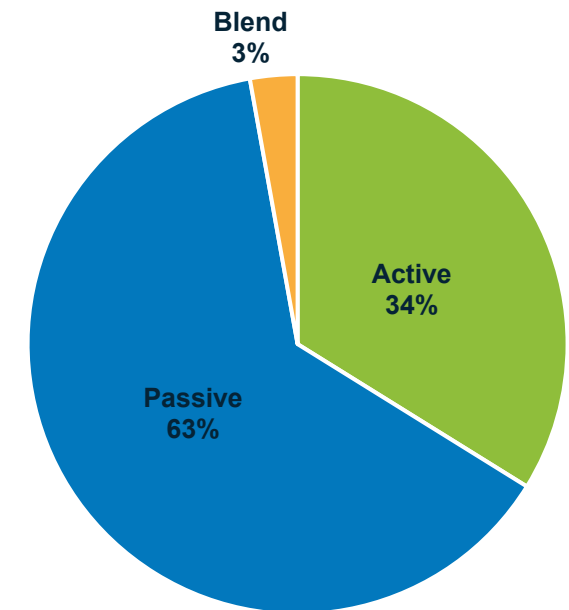
# Majority of Universe Assets are in Passive

The five largest target date providers managers manage approximately 78% of target-date assets in the industry. Of this 78% of assets, 63% is managed passively, 34% managed actively, and 3% managed with a blended strategy.

## Five Largest Target Date Providers (Assets)

Firm	Target-Date Fund Series	Assets (USD in Billions)		Total TDF	Market Share 2020
		Mutual Fund	CIT		
<b>Vanguard</b>				<b>1007</b>	<b>36.7%</b>
	Vanguard Target Retirement	589	418		
<b>Fidelity</b>				<b>365</b>	<b>13.3%</b>
	Fidelity Freedom	212	—		
	Fidelity Freedom Index	70	23		
	Fidelity Freedom Blend	7	33		
	Fidelity Advisor Freedom	20	—		
<b>T. Rowe Price</b>				<b>318</b>	<b>11.6%</b>
	T. Rowe Price Retirement	171	123		
	T. Rowe Price Target	3	1		
	T. Rowe Price Retirement Hybrid	—	15		
	T. Rowe Price Retirement Blend	—	5		
<b>BlackRock</b>				<b>262</b>	<b>9.5%</b>
	BlackRock LifePath Index	50	208		
	BlackRock LifePath Index Conservative	—	3		
	BlackRock LifePath Dynamic	1	—		
	BlackRock LifePath ESG Index	<1	—		
<b>American Funds</b>				<b>198</b>	<b>7.2%</b>
	American Funds Target Date Retirement	192	6		

## Five Largest Target Date Providers (% Management Strategy)



# Strong Long Term Relative Returns by Active Strategies

When looking at longer-term returns (ten-year trailing), six of the top ten target date fund strategies with the best performance relative to the benchmark were actively managed strategies. Of the top two strategies ranked over the ten-year trailing time period, one of them was a passively managed strategy.

## Top Ten Series by Ten-Year Relative Performance

Name	1-Year			3-Year			5-Year			10-Year		
	12/31/20	12/31/19	Rank Change	12/31/20	12/31/19	Rank Change	12/31/20	12/31/19	Rank Change	12/31/20	12/31/19	Rank Change
<b>Active</b> – American Funds Target Date Retirement	26	51	25	19	12	-7	17	9	-8	3	4	1
<b>Passive</b> – TIAA-CREF Lifecycle Index	22	18	-4	10	9	-1	11	5	-6	4	9	5
<b>Active</b> – T. Rowe Price Retirement	10	17	7	8	7	-1	8	5	-3	6	5	-1
<b>Active</b> – TIAA-CREF Lifecycle	27	20	-7	37	14	-23	20	7	-13	8	6	-2
<b>Active</b> – John Hancock Multimanager Lifetime	8	32	24	18	35	17	11	27	16	20	24	4
<b>Passive</b> – Vanguard Target Retirement	43	44	1	34	28	-6	34	29	-5	21	17	-4
<b>Passive</b> – Voya Index Solution	40	38	-2	32	34	2	36	30	-6	24	33	9
<b>Active</b> – Principal LifeTime	31	19	-12	32	22	-10	45	46	1	33	25	-8
<b>Blend</b> – Great-West Lifetime	61	41	-20	60	51	-9	45	36	-9	34	25	-9
<b>Active</b> – MFS Lifetime	71	22	-49	43	21	-22	39	14	-25	34	23	-11

### Legend

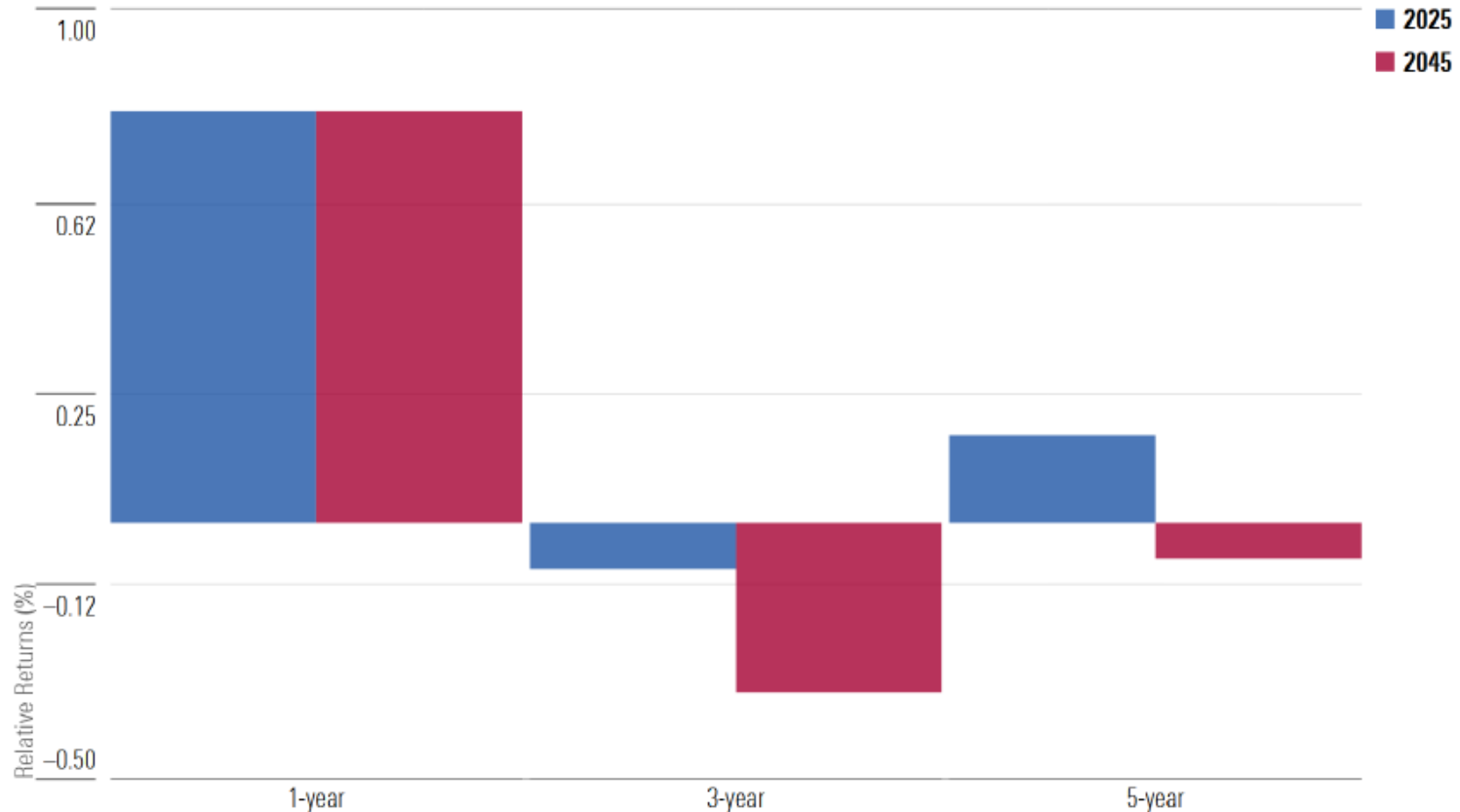
- Positive
- Negative

# Same Glide Path, Different Management Strategy

Morningstar compared target date fund providers that offer active and passive strategies that use the same glide path and discovered that for the rollercoaster year of 2020, both active vintages outperformed passive counterparts. Over longer-term periods, the higher fees associated with active strategies compound and can hinder relative performance. The 2025 vintage, nearer to retirement, has a higher bond allocation which often benefits significantly under active management opposed to being passively managed.

## Median Performance of In-House Active Based vs. Index Based

Relative performance of each firm's active based series minus its index based series over the one, three, and five-year trailing time periods. Positive Relative Returns (%) indicates the active series outperformed the index series, and vice versa.





# Same Glide Path, Different Management Strategy

The table to the right shows some of the target date fund providers that offer active and passive strategies that use the same glide path. Looking at the Since Common Inception time period, returns between the active and index-based strategies are relatively in line with one another.

As stated in the Morningstar 2021 Landscape report, “*Net of fees, no series outperformed its sibling by more than 0.50% annualized for either the 2025 or 2045 vintages over their common track record through the end of 2020.*”

Fidelity and TIAA-CREF have the longest common track records, both dating back to Fall 2009. Fidelity’s 2025 and 2045 vintage years outperformed the passive counterparts since common inception by 37 and 24 basis points (bps), respectively. Active outperformed passive for TIAA-CREF 2045 vintage by 6 bps, though active underperformed passive for the 2025 vintage by 15 bps.

On average, fees are 36 bps higher for active management opposed to passive for the strategies shown, with fee differences ranging from 18-63 bps.

## Series Level Returns for Active and Index Based Series

Active outperformed

Passive outperformed

Year	Inception Date	Expense Ratio %	Return %				Since Common Inception
			1 Year	3 Year	5 Year	10 Year	
<b>BlackRock</b>							
BlackRock LifePath Dynamic 2025	6/30/10	0.40	13.17	8.99	9.91	7.72	7.34
BlackRock LifePath Index 2025	5/31/11	0.09	12.42	8.39	9.27		7.49
BlackRock LifePath Dynamic 2045	6/30/08	0.40	14.54	10.11	12.14	9.51	9.02
BlackRock LifePath Index 2045	5/31/11	0.09	14.64	10.21	11.91		9.33
<b>Fidelity</b>							
Fidelity Freedom 2025	11/6/03	0.65	14.65	8.83	10.11	8.16	9.12
Fidelity Freedom Index 2025	10/2/09	0.12	13.55	9.08	9.94	7.89	8.75
Fidelity Freedom 2045	6/1/06	0.75	18.15	10.51	12.36	9.63	10.64
Fidelity Freedom Index 2045	10/2/09	0.12	16.42	10.84	12.43	9.47	10.40
<b>John Hancock</b>							
JHancock Multimanager 2025 Lifetime	9/1/11	0.57	15.76	9.14	10.39	8.52	8.10
JHancock Multi-Index 2025 Lifetime	11/7/13	0.39	13.00	8.58	10.05		7.93
JHancock Multimanager 2045 Lifetime	3/1/12	0.59	20.45	11.08	12.63	9.91	9.72
JHancock Multi-Index 2045 Lifetime	11/7/13	0.36	16.23	10.03	12.09		9.40
<b>TIAA-CREF</b>							
TIAA-CREF Lifecycle 2025	1/17/07	0.66	13.23	8.12	9.57	8.37	10.94
TIAA-CREF Lifecycle Index 2025	9/30/09	0.35	13.69	8.94	9.75	8.46	11.09
TIAA-CREF Lifecycle 2045	11/30/07	0.45	17.31	10.11	12.26	10.33	9.00
TIAA-CREF Lifecycle Index 2045	9/30/09	0.10	17.02	11.08	12.67	10.65	8.94
<b>Voya</b>							
Voya Solution 2025 Port	4/29/05	0.74	13.85	8.39	9.34	7.87	6.25
Voya Index Solution 2025 Port	3/10/08	0.39	13.05	8.48	9.45	7.99	6.37
Voya Solution 2045 Port	10/3/11	0.80	16.57	9.22	11.04	9.28	7.14
Voya Index Solution 2045 Port	10/3/11	0.39	15.78	9.92	11.62	9.67	7.39

# Best of Both Worlds

Managers have taken the middle path, actively managing select asset classes where they can outperform the index and going passive in areas where there they do not see substantial benefit from active management. The “blend” or “hybrid” approach has gained more traction in recent years as investors continue to trend towards inexpensive options while still getting active management where best suited. Typically, in blended strategies managers go passive in U.S. Large Cap Equity (where active managers can often struggle) and active in Core Fixed Income (for value add).

		Top quartile ●●●●●●●●●● Bottom quartile										
		YTD		1 year		3 year		5 year		10 year		
Net Expense Ratio %	Target date fund name	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Strategy Average Active Exposure
US FUND TARGET-DATE 2025												
0.26	Fidelity Freedom® Blind 2025 Premier	7.49	24	25.51	11	–	–	–	–	–	–	69%
0.49	Great-West Lifetime 2025 Instl	7.17	34	23.09	35	10.49	49	10.07	48	8.42	28	58%
0.19	JPMorgan SmartRetirement® Blend 2025 R6	6.11	70	21.46	56	9.91	68	9.48	69	–	–	34%
0.36	PIMCO RealPath Blend 2025 Institutional	6.73	52	22.73	39	11.63	13	10.42	33	–	–	34%
0.34	Principal LifeTime Hybrid 2025 R6	7.62	17	24.16	22	10.92	36	10.24	36	–	–	34%
	TOTAL FUNDS IN CATEGORY	–	222	–	212	–	194	–	152	–	89	
	S&P Target Date 2025 TR USD*	6.92	–	21.67	–	10.06	–	9.76	–	8.07	–	
US FUND TARGET-DATE 2045												
0.29	Fidelity Freedom® Blind 2045 Premier	12.26	32	40.36	6	–	–	–	–	–	–	
0.57	Great-West Lifetime 2045 Instl	11.97	41	37.72	34	13.13	66	13.37	52	10.16	40	
0.19	JPMorgan SmartRetirement® Blend 2045 R6	12.05	38	37.40	39	13.31	58	12.95	71	–	–	
0.18	PIMCO RealPath Blend 2045 Institutional	11.56	57	34.67	72	13.56	52	12.86	75	–	–	
0.39	Principal LifeTime Hybrid 2045 R6	11.53	59	35.75	57	13.44	55	13.20	66	–	–	
	TOTAL FUNDS IN CATEGORY	–	215	–	205	–	191	–	149	–	85	
	S&P Target Date 2045 TR USD*	11.66	–	35.51	–	12.97	–	12.99	–	10.10	–	

## Pros and Cons of Active, Passive, and Hybrid TDFs

Strategy	Pros	Cons
Active	<ul style="list-style-type: none"> <li>• Four of the five strategies with the best long term return rankings are active</li> <li>• Active risk mitigation during volatile markets can be beneficial</li> </ul>	<ul style="list-style-type: none"> <li>• Universe target date flows are trending away from active management</li> <li>• Expensive fees that may not be compensated for with long term performance, and can hinder long term relative net of fees performance</li> </ul>
Passive	<ul style="list-style-type: none"> <li>• Universe target date flows are trending towards passive management</li> <li>• Majority of the investment universe sits in passive management</li> <li>• Attractive fees</li> <li>• Comparable returns to active for strategies with the same glide path</li> </ul>	<ul style="list-style-type: none"> <li>• Hands off approach can introduce external risks, which can be a headwind for returns in periods of market volatility</li> </ul>
Hybrid	<ul style="list-style-type: none"> <li>• Attractive fees considering active management is being partially used</li> <li>• Utilizes active management where there is value potential, with the benefit of low fees where passive management is preferred</li> </ul>	<ul style="list-style-type: none"> <li>• Hybrid strategies represents a very small portion of the overall target date universe</li> <li>• Depending on the TDF suite, investment fees can be as expensive as other fully active options</li> <li>• The adoption of TDFs using a hybrid approach has been gaining traction over the past few years, thus most suites have relatively recent inception dates. Over the past 5 years, hybrid strategies have experienced median returns, as passive strategies have been in favor during this period.</li> </ul>