



## Item 10

DATE: September 26, 2019

TO: Deferred Compensation Management Council

FROM: Brent Petty, NWCM, Inc.

SUBJECT: Second Quarter Investment Performance Report (Executive Summary)

### Capital Markets

Name	YTD (07/31/2019)	Q2 2019	1-Year (07/31/2019)
S&P 500 TR USD	20.24	4.30	7.99
S&P MidCap 400 TR	19.38	3.05	0.79
S&P SmallCap 600 TR USD	14.98	1.87	-6.75
MSCI EAFE NR USD	12.58	3.68	-2.60
MSCI EM NR USD	9.23	0.61	-2.18
BBgBarc US Agg Bond TR USD	6.35	3.08	8.08

	7/31/2019	6/28/2019	7/31/2018
10-Year Treasury Yield	2.02%	2.00%	2.96%

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

- Markets continued to advance heading into the longest U.S. economic expansion in history. Trade escalation led to volatility, but the quarter concluded with a détente in the U.S.- China trade war.
- U.S. equities** were positive across all market caps and styles. Growth dominated value this quarter, while small caps lagged due to domestic growth concerns.
- International equities** underperformed the U.S., but developed markets posted positive returns. Trade detracted due to the resumption of trade conflicts and questions over policy supports.
- In **fixed income**, declining rates and tightening credit spreads drove fixed income higher. The decline in Federal funds rate expectations drove demands for U.S. Treasury bonds. The U.S. 10-Year Treasury rate ended the quarter at a two-year low.

### Economic Factors

- First quarter GDP grew 3.1%, consumption and investment spending grew by just 1.3%.
- A strong labor market continues with wages growing 3.1% year-over-year. Unemployment ticked up to 3.7%, but the employment-to-population ratio remained steady at 60.6%.
- Overall inflation remains manageable as various headline CPI rose 1.8%. The PCE index remained soft at 1.6% below the Fed's target of 2%.
- Looking ahead, the majority of Fed participants now expect lowering rates this year in order to sustain economic expansion. Markets continue to price in the prospect of a shifting Fed policy.

### Investments

Hennessy Focus Instl, Oakmark Equity and Income, and Virtus Seix Total Return Bond were removed from the Plan on June 17, 2019. The Great-West Lifetime Trusts 2020, 2030, 2040, 2050 will be added on September 16, 2019. Ivy International scored a 4 this quarter due to recent underperformance. An in-depth review is provided later in the report. 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**.
- An in-depth review on Ivy International (IINCX) is included as **Exhibit C**.

### Recommended Actions

1. **Approve placement of the Ivy International Core Equity Fund - Class N on the watch list.**

# Item 10 - Exhibit A

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## Retirement

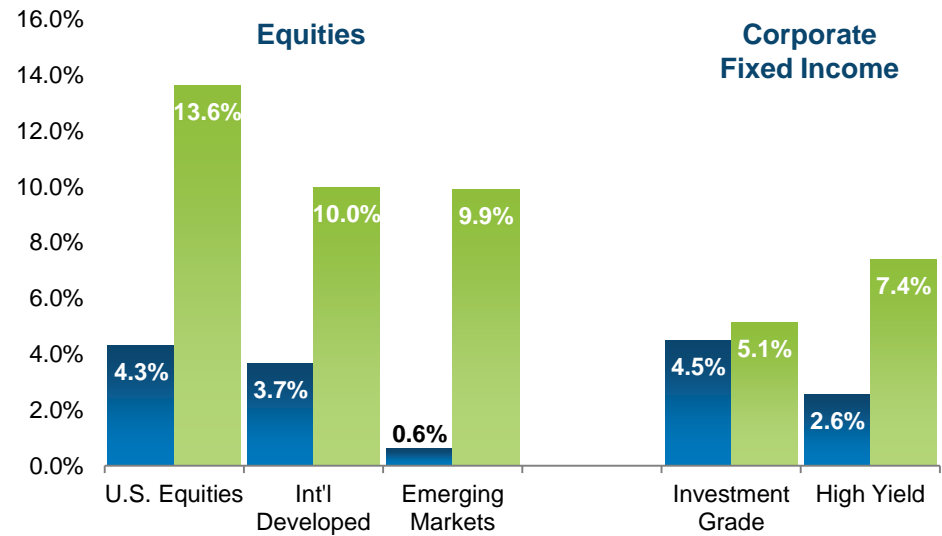
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## Market Overview

# Markets Advance Despite Trade Uncertainty

### Global Equity Quarterly Performance

Total Return USD

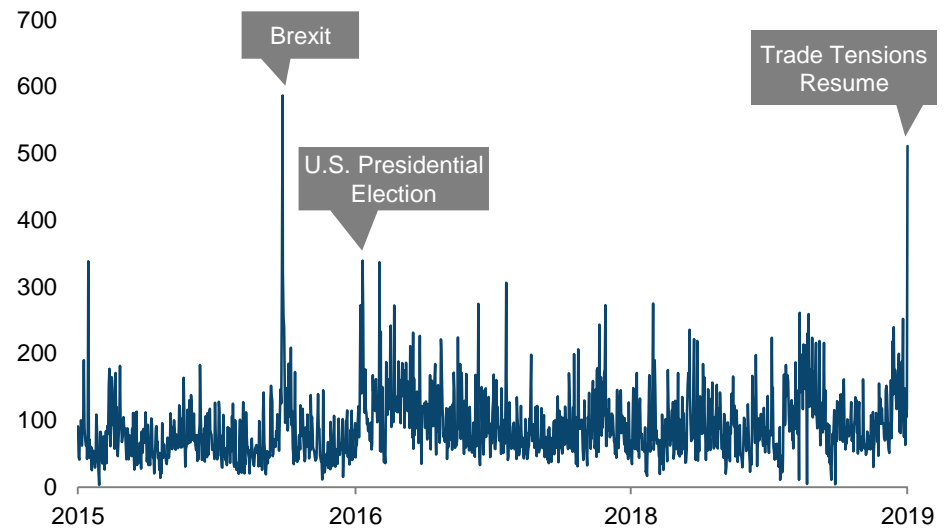


Markets continued their advance during the second quarter while heading into the longest U.S. economic expansion in history. The S&P 500 finished up 4.30% after a zig-zag quarter. Volatility rose following an abrupt Tweet inspired trade escalation that caused the S&P 500 to fall 6.35% in May.

Supportive central banks provided a sharp recovery in June, leaving first half returns for most asset classes above their long-term annual averages. The boost from easier monetary policy drove broad appetite for both “risky” and “safe” assets such as Equities and Treasuries, respectively.

### U.S. Economic Policy Uncertainty Index<sup>1</sup>

Daily News Based Index



Yields on 2- and 10-year Treasuries are revisiting levels last seen in the second half of 2017. In stark contrast, the S&P 500 hit an all-time high following the June Fed meeting. The market is now pricing in a 100% probability of a rate cut in July and a 75% probability of a subsequent cut in September.

The conclusion of the second quarter delivered a welcome détente in the U.S.-China trade war at the G20 summit in Japan. President Trump promised not to impose any new tariffs, and hoped that China will increase imports from the U.S.

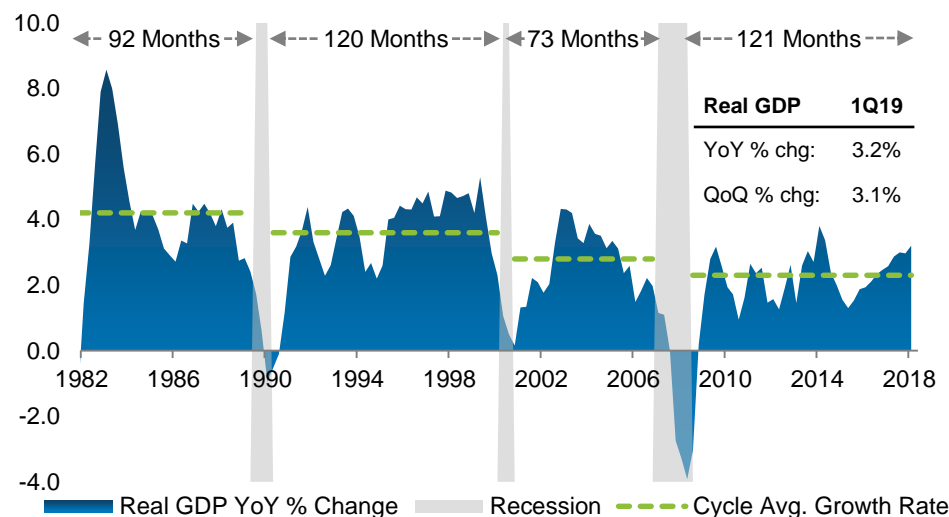
Sources: Bloomberg, Morningstar Direct, as of June 30, 2019. Past performance does not guarantee future results. Asset classes are represented by the following benchmarks: U.S. Equities (S&P 500 Index), International Developed (MSCI EAFE), Emerging Markets (MSCI EM), Investment Grade Corporate (BBgBarc US Corporate IG), High Yield (ICE BofAML US High Yield).

<sup>1</sup>The Baker, Bloom and Davis daily news-based Economic Policy Uncertainty Index is based on newspaper archives from Access World News's NewsBank service. These newspapers range from large national papers like USA Today to small local newspapers across the country. The index is constructed based on the number of articles that contain at least one term from each of 3 sets of categories. The first set is economic or economy. The second is uncertain or uncertainty. The third set is legislation or deficit or regulation or congress or federal reserve or white house.

## Longest Economic Expansion Remains Supported By The Fed

### The Longest U.S. Economic Expansion On Record

% Year-Over-Year

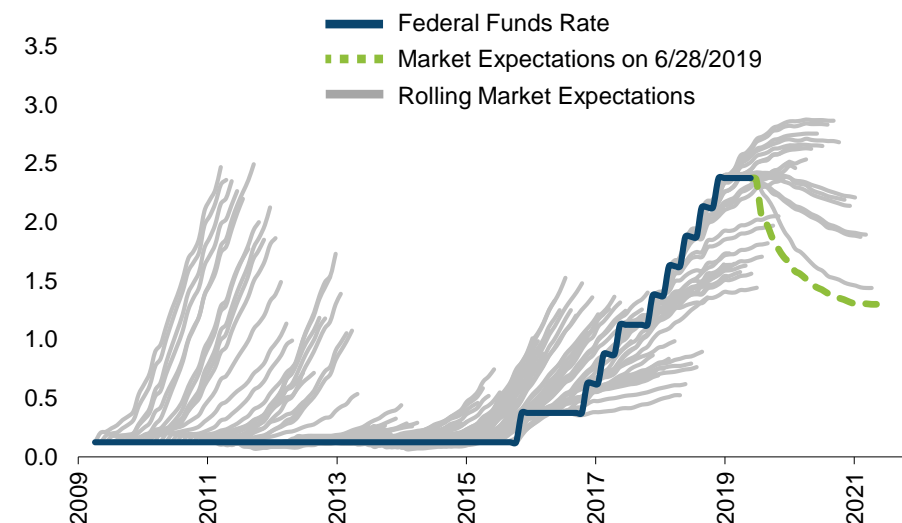


**GDP:** Driven by exports and inventories, first quarter real GDP grew 3.1%. The underlying growth was not as strong as it appeared with consumption and investment spending, which together account for 85% of GDP, grew by a meager 1.3%. Companies continued to build up inventories during the U.S.-China trade ceasefire that ended in March.

**Labor Market:** The labor market continues to be strong as job gains for June handily beat expectations at 224,000, wages grew 3.1% year-over-year, and unemployment ticked up from 3.6% to 3.7%. However, the participation rate moved up to 62.9% leaving the employment-to-population ratio unchanged at 60.6%.

### Federal Funds Rate Expectations

(%)



**Inflation:** Inflation remains manageable, as headline CPI rose 1.8% and core CPI (excluding food and energy) rose 2.0%. The Fed's closely monitored core PCE index remained soft at 1.6% below the Fed's target of 2%.

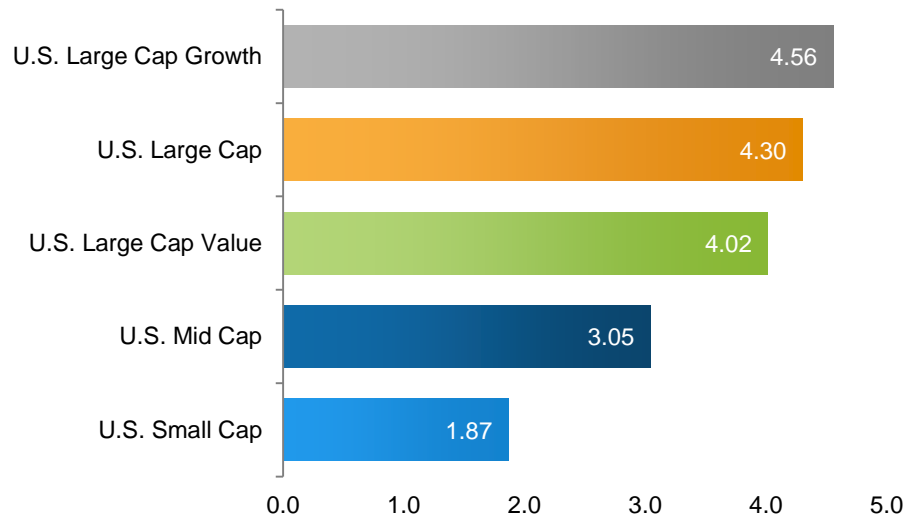
**Fed Speak:** A large majority of Federal Reserve (FOMC) participants now expect lowering rates this year, down from a median projection of zero hikes in March. The June FOMC meeting statement dropped the previous reference to a patient approach to policy, and instead noted that they are closely monitoring downside risks and "will act as appropriate to sustain the expansion." Looking ahead, markets continue to price a dovish path for the Fed as futures are pricing in a full 75 basis points of cuts over the remainder year.

## Asset Class Performance

# Growth Prevails Amid Balanced Gains

### U.S. Equity Quarterly Performance

Total Return USD

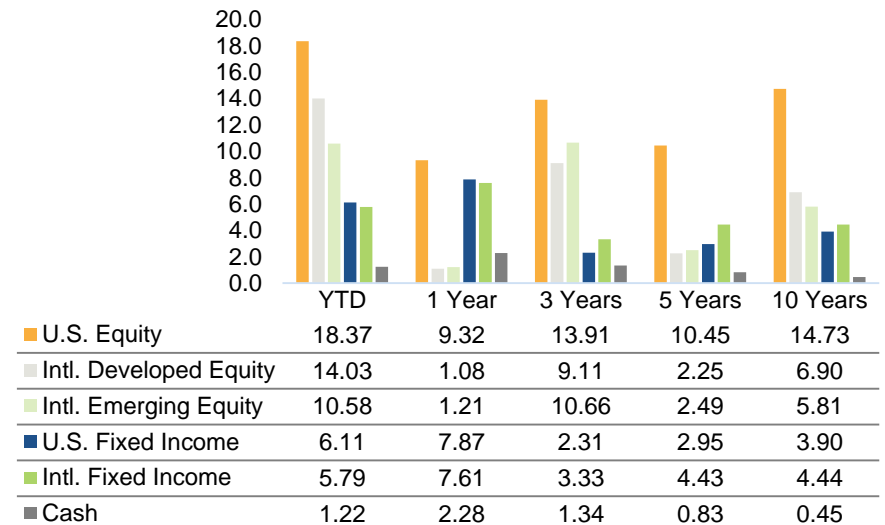


**U.S. Equities:** Domestic equity markets were positive across market capitalizations and styles in the second quarter. Growth resumed to dominate value this quarter, as the S&P 500 Growth Index rallied 4.56% thanks to Microsoft, Amazon, and Facebook. Small Cap stocks lagged due to domestic growth concerns and lack of leverage over suppliers.

**International Equities:** International equities underperformed the U.S. this quarter. Developed markets, rose 3.68% with Japan, United Kingdom, and Hong Kong being the laggards. Trade, in combination with the Brexit and Italian overhang, detracted during this period. The standout laggard for the Emerging markets was China, which fell 4.02%. The resumption of trade conflict and questions over policy supports contributed to relative underperformance.

### Trailing Returns

Total Return USD



**Fixed Income:** The combination of declining interest rates and tightening credit spreads drove fixed income markets higher across the board in the second quarter. The decline in Federal funds rate expectations drove demand for U.S. Treasury bonds. The U.S. 10-Year Treasury rate ended the quarter 50bps lower at 2.0%. This marks a two-year low after a decline of 1.25% from October 2018 highs.

Source: Morningstar Direct as of June 30, 2019. Past performance does not guarantee future results. Asset classes are represented by the following benchmarks: U.S. Equity (S&P 1500 Index), Intl. Developed Equity (MSCI EAFE), Intl. Emerging Equity (MSCI EM), U.S. Large Cap (S&P 500), U.S. Large Cap Growth (S&P 500 Growth), U.S. Large Cap Value (S&P 500 Value), U.S. Mid Cap (S&P MidCap 400), U.S. Small Cap (S&P SmallCap 600), U.S. Fixed Income (BBGBarc US Agg Bond), Intl. Fixed Income (BBGBarc Gbl Agg Ex USD Hdg USD), Cash (ICE BofAML 0-3 M US Trsy Bill). Total Return in USD.



# ERISA Plan Legislative and Regulatory Update

## Secure Act Stalled in Senate



Introduced in March 2019, the Secure Act would lead to significant changes in retirement policy. A few of the key components are:

- more flexibility for small businesses to offer multiple employer plans
- increase the age for required minimum distributions from 70<sup>1/2</sup> to 72
- allow long-term, part-time workers eligibility for retirement benefits

On May 23, 2019, the House of Representatives passed the Secure Act with overwhelming support by 417–3.

The bill then moved to the Senate, where leaders hoped it would pass under “unanimous consent,” exempting it from the standard process of debate and amendment by the full Senate. Despite optimistic expectations, the bill has been stalled due to objections by several senators for reasons unrelated to its retirement provisions.

Supporters of the bill wanted it to be incorporated with the congressional budget agreement reached in July 2019, which would have given it another opportunity to become law without the standard debate process. It was not included.

The Secure Act will now be put to debate in the full Senate, though likely not until September 2019 at the earliest. The bill is expected to pass when it is eventually put to vote.<sup>1,2,3</sup>

## 2019 Q3 Compliance Calendar



**July 31<sup>st</sup>** - Deadline for filing Form 5500 (without extension). Last day to submit Form 5558 to request automatic extension to file Form 5500 October 15<sup>th</sup>.

**August** – No key deadlines.

**September 15<sup>th</sup>** – Extended deadline for filing corporate tax returns and contribution deadline for deductibility.

**September 30<sup>th</sup>** - Deadline for distributing Summary Annual Report (SAR) to participants if Form 5500 submission was not extended. December 15<sup>th</sup> if 5500 extended.

Bell  
vs.



## ATH Holding Company

An excessive fee lawsuit filed by employees of health insurance firm Anthem Inc. recently settled for \$23.7 million.<sup>4</sup> Employees made the following allegations regarding the company's 401(k) plan:

- Plan fiduciaries breached their duties to participants by using more expensive share classes of investments than necessary. For example, the plan utilized retail share classes when asset scale granted institutional pricing availability.
- The plan should have offered a stable value fund rather than a low-yielding money market fund.
- The plan failed to prudently monitor and control recordkeeping compensation, including conducting a competitive bidding process for the Plan's recordkeeping services that would have produced a lower recordkeeping fee for the plan.

### What does this mean for me?

It is important to note that this case has not been adjudicated, meaning no court has ruled on the merits of the allegations above. Still, the following takeaways may be useful to plan sponsors and advisors alike:

- Utilizing the lowest cost share class is a best practice for fiduciaries, though not required by law.
- Fiduciaries should be informed as to whether a recordkeeper is receiving no more than a reasonable fee for the services to the plan.

<sup>1</sup>Manganaro, John. “Advocates Hope Stalled SECURE Act Folds into Budget Negotiations.” *PLANADVISER*, 22 July 2019.

<sup>2</sup>Mattingly, Phil. “Final Details of a Budget Deal Are Emerging but Nothing Is on Paper Yet.” *CNN*, 22 July 2019.

<sup>3</sup>Schoeff, Mark. “Budget Agreement Leaves SECURE Act by Wayside.” *InvestmentNews*, 23 July 2019.

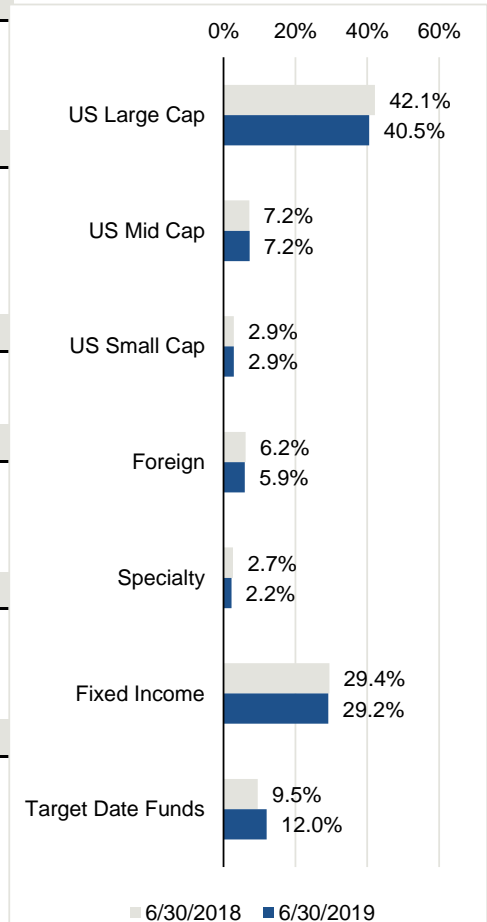
<sup>4</sup>Iacurci, Greg. “401(k) Lawsuit over Vanguard Fees Ends with \$23.7 Million Settlement.” *InvestmentNews*, 10 Apr. 2019.

# County of Fresno 457 DC Plan

## Summary of Assets

As of 06/30/2019

Asset Class	Ticker	%	6/30/2018	Net Increases/Decreases	6/30/2019	%
<b>US Large Cap</b>		<b>42.15%</b>	<b>\$104,653,828</b>	<b>\$1,751,988</b>	<b>\$106,405,817</b>	<b>40.52%</b>
BlackRock Equity Index - Collective M	02cff1	18.51%	\$45,959,636	\$1,980,744	\$47,940,380	18.25%
Alger Spectra Z	aspzx	18.26%	\$45,341,406	(\$961,317)	\$44,380,089	16.90%
Columbia Dividend Income Inst3	cddyx	5.38%	\$13,352,787	\$732,562	\$14,085,348	5.36%
<b>US Mid Cap</b>		<b>7.19%</b>	<b>\$17,842,964</b>	<b>\$1,174,802</b>	<b>\$19,017,767</b>	<b>7.24%</b>
BlackRock MidCap Idx - Collective M	03cff2	3.58%	\$8,896,913	\$6,143	\$8,903,056	3.39%
BlackRock Russell 2000 Index Coll M	03cff3	1.58%	\$3,915,077	\$330,867	\$4,245,944	1.62%
T. Rowe Price Mid-Cap Growth I	rptix	0.00%	\$0	\$5,868,767	\$5,868,767	2.23%
Hennessy Focus Institutional	hfcix	2.03%	\$5,030,974	(\$5,030,974)	\$0	0.00%
<b>US Small Cap</b>		<b>2.88%</b>	<b>\$7,149,637</b>	<b>\$477,903</b>	<b>\$7,627,541</b>	<b>2.90%</b>
Nicholas Limited Edition I	nclex	2.35%	\$5,828,700	\$267,435	\$6,096,135	2.32%
Janus Henderson Small Cap Value N	jdsnx	0.53%	\$1,320,937	\$210,468	\$1,531,406	0.58%
<b>Foreign</b>		<b>6.17%</b>	<b>\$15,315,477</b>	<b>\$241,973</b>	<b>\$15,557,450</b>	<b>5.92%</b>
BlackRock EAFE Equity Index Coll F	10cff5	1.31%	\$3,241,449	\$676,746	\$3,918,195	1.49%
Ivy International Core Equity N	iincx	4.02%	\$9,979,573	(\$495,746)	\$9,483,827	3.61%
Invesco Oppenheimer Developing Mkts R6	odvix	0.84%	\$2,094,455	\$60,974	\$2,155,428	0.82%
<b>Specialty</b>		<b>2.67%</b>	<b>\$6,617,945</b>	<b>-\$864,598</b>	<b>\$5,753,347</b>	<b>2.19%</b>
Fidelity Advisor Real Estate Income I	frirx	0.40%	\$994,778	\$828,218	\$1,822,996	0.69%
Franklin Utilities R6	fufrx	1.38%	\$3,435,449	\$494,902	\$3,930,351	1.50%
Oakmark Equity And Income Investor	oakbx	0.88%	\$2,187,718	(\$2,187,718)	\$0	0.00%
<b>Fixed Income</b>		<b>29.44%</b>	<b>\$73,107,073</b>	<b>\$3,554,951</b>	<b>\$76,662,024</b>	<b>29.19%</b>
BlackRock US Debt Index Fund Coll W	04cff4	1.83%	\$4,539,305	\$264,000	\$4,803,305	1.83%
Virtus Seix Total Return Bond R6	samzx	1.46%	\$3,630,159	(\$3,630,159)	\$0	0.00%
Metropolitan West Total Return Bd Plan	mwtsx	0.00%	\$0	\$4,809,149	\$4,809,149	1.83%
Templeton Global Bond R6	fbnrx	0.64%	\$1,591,241	\$424,001	\$2,015,242	0.77%
Fresno County Stable Value	fressv	25.51%	\$63,346,369	\$1,687,960	\$65,034,329	24.76%
<b>Target Date Funds</b>		<b>9.51%</b>	<b>\$23,622,986</b>	<b>\$7,981,503</b>	<b>\$31,604,489</b>	<b>12.03%</b>
Great-West Lifetime 2015 Trust	grwl15	1.38%	\$3,431,495	\$825,693	\$4,257,188	1.62%
Great-West Lifetime 2025 Trust	grwl25	3.14%	\$7,807,591	\$3,327,898	\$11,135,488	4.24%
Great-West Lifetime 2035 Trust	grwl35	2.07%	\$5,132,664	\$1,651,324	\$6,783,988	2.58%
Great-West Lifetime 2045 Trust	grwl45	2.02%	\$5,022,589	\$985,607	\$6,008,196	2.29%
Great-West Lifetime 2055 Trust	grwl55	0.90%	\$2,228,647	\$1,190,980	\$3,419,627	1.30%
<b>Total</b>		<b>100.0%</b>	<b>\$248,309,912</b>	<b>\$14,318,523</b>	<b>\$262,628,435</b>	<b>100.0%</b>



County of Fresno 457 DC Plan

Investment Summary

As of 6/30/2019

Passively-Managed and Cash Funds

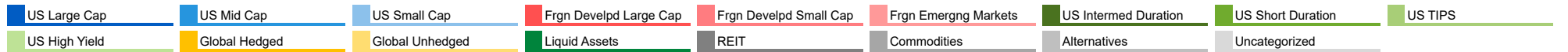
Managed and Cash Funds		Equities						Fixed Income						Liquid	Other							
		US			Foreign			US			Foreign											
		L	M	S	L	S	E	I	S	T	Y	H	U		Exp	Qtr	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Investment	Ticker																					
BlackRock Equity Index - Collective M	02cff1	100																				
BlackRock MidCap Idx - Collective M	03cff2		100																			
BlackRock Russell 2000 Index Coll M	03cff3			100																		
BlackRock EAFE Equity Index Coll F	10cff5				100																	
BlackRock US Debt Index Fund Coll W	04cff4						100															

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	91	3		2									3	1				0.58	4.13	16.65	13.11	11.66	12.65	11.84	10.44	13.73
Growth	Alger Spectra Z	ASPZX	87	8				1							3	1				0.94	5.91	22.23	10.12	17.04	18.45	12.53	12.79	16.76
Utilities	Franklin Utilities R6	FUFRX	68	25		5									2					0.50	4.03	17.15	20.09	11.25	8.47	12.79	9.22	12.48
Growth	T. Rowe Price Mid-Cap Growth I	RPTIX	33	52	3	1									5				6	0.62	6.96	24.31	16.06	15.30	16.90	12.53	12.99	17.04
Blend	Janus Henderson Small Cap Value N	JDSNX		34	54	2	4								2				4	0.81	3.87	16.57	0.98	4.90	10.52	8.29	7.66	11.93
Growth	Nicholas Limited Edition I	NCLEX		38	52	2	3								5					0.86	5.07	19.25	9.99	12.57	15.71	10.45	10.26	14.28
Global Blend	Ivy International Core Equity N	IINCX	4			77		8							5				6	0.79	1.66	12.00	-5.22	-0.19	6.90	1.78	1.54	7.02
Emerging Gr	Invesco Oppenheimer Developing Mkts R6	ODVIX				27		65							2				6	0.85	2.87	15.64	3.14	7.78	12.58	6.46	2.90	8.29
Intermediate	Metropolitan West Total Return Bd Plan	MWTSX						79	9	1	6		3	2						0.37	3.27	6.52	8.26	3.95	2.75	3.25	2.99	5.82
Global Bond	Templeton Global Bond R6	FBNRX						1				71		37					2	0.57	0.80	2.83	5.70	1.91	4.73	2.44	1.65	4.88
Stable Value	Fresno County Stable Value	fressv												100						0.34	0.58	1.13	2.20	2.10	2.07	2.09	2.11	
Real Estate	Fidelity Advisor Real Estate Income I	FRIRX						9	1		28		1	7	31			23		0.75	2.95	11.56	9.93	6.22	6.66	7.56	6.56	10.95

Target-Date 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
Target Date	Great-West Lifetime 2015 Trust	GRWL15	17	8	4	10		3	20	8	13	5	5		4	3				0.40	3.06	10.55	6.32	6.16	7.10	6.14	5.26	
Target Date	Great-West Lifetime 2025 Trust	GRWL25	22	9	6	14		5	19	5	6	5	4		2	3				0.40	3.27	12.35	6.67	7.14	8.71	7.11	6.17	
Target Date	Great-West Lifetime 2035 Trust	GRWL35	29	12	8	21		7	11	1	2	2	2		1	4				0.41	3.49	14.76	6.58	8.29	10.66	8.16	7.11	
Target Date	Great-West Lifetime 2045 Trust	GRWL45	31	13	10	24		10	6			1	1			4				0.41	3.58	16.04	6.14	8.65	11.46	8.49	7.35	
Target Date	Great-West Lifetime 2055 Trust	GRWL55	29	13	11	25		11	5			1	1			4				0.42	3.59	16.09	5.92	8.54	11.46	8.36	7.20	





CALCULATION METHODOLOGY OF OVERALL FUND

1 (Worst) — 10 (Best)

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

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	18.25%	BlackRock Equity Index - Collective M	02cff1
MC Index	3.39%	BlackRock MidCap Idx - Collective M	03cff2
SC Index	1.62%	BlackRock Russell 2000 Index Coll M	03cff3
Global	1.49%	BlackRock EAFE Equity Index Coll F	10cff5
US Debt	1.83%	BlackRock US Debt Index Fund Coll W	04cff4

Actively-Managed Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	5.36%	Columbia Dividend Income Inst3	CDDYX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	16.90%	Alger Spectra Z	ASPZX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	1.50%	Franklin Utilities R6	FUFRX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	2.23%	T. Rowe Price Mid-Cap Growth I	RPTIX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	0.58%	Janus Henderson Small Cap Value N	JDSNX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	2.32%	Nicholas Limited Edition I	NCLEX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Watch	3.61%	Ivy International Core Equity N	IINCX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	0.82%	Invesco Oppenheimer Developing Mkts R6	ODVIX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	1.83%	Metropolitan West Total Return Bd Plan	MWTSX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	0.77%	Templeton Global Bond R6	FBNRX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	24.76%	Fresno County Stable Value	fressv	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	0.69%	Fidelity Advisor Real Estate Income I	FRIRX	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>

Target-Date Funds

Status	Assets %	Fund Name	Ticker	Return (40%)	Risk Adjusted Return (20%)	Risk (30%)	Expense (5%)	Tenure (5%)
Pass	1.62%	Great-West Lifetime 2015 Trust	GRWL15	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	4.24%	Great-West Lifetime 2025 Trust	GRWL25	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	2.58%	Great-West Lifetime 2035 Trust	GRWL35	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	2.29%	Great-West Lifetime 2045 Trust	GRWL45	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Pass	1.30%	Great-West Lifetime 2055 Trust	GRWL55	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>

Passively-Managed and Cash Funds

Type of Fund	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
LC Index	18.25%	02cff1	BlackRock Equity Index - Collective M	14	7	6	16	9	6	38	39	33	19	12	27	37	27	22	1	5
MC Index	3.39%	03cff2	BlackRock MidCap Idx - Collective M	38	19	12	45	23	18	67	64	65	13	6	11	75	68	66	1	5
SC Index	1.62%	03cff3	BlackRock Russell 2000 Index Coll M	14	23	28	21	26	42	61	74	73	11	6	10	50	73	82	2	5
Global	1.49%	10cff5	BlackRock EAFE Equity Index Coll F	14	23	22	7	23	23	26	50	49	30	38	25	23	34	46	5	5
US Debt	1.83%	04cff4	BlackRock US Debt Index Fund Coll W	1	1		12	15		86	84		1	7		50	49		1	5

Actively-Managed Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
9	5.36%	CDDYX	Columbia Dividend Income Inst3	6	1	9	3	1	3	14	13	9	67	50	80	9	7	9	15	10
7	16.90%	ASPZX	Alger Spectra Z	32	32	11	39	36	17	69	69	65	21	21	8	84	71	70	45	9
7	1.50%	FUFRX	Franklin Utilities R6	35	16	24	45	8	21	72	69	24	11	14	38	70	68	21	15	15
8	2.23%	RPTIX	T. Rowe Price Mid-Cap Growth I	37	12	8	15	8	6	10	8	14	63	40	44	14	12	15	6	27
8	0.58%	JDSNX	Janus Henderson Small Cap Value N	12	3	49	3	1	3	3	3	3	88	81	92	3	2	2	12	6
7	2.32%	NCLEX	Nicholas Limited Edition I	54	40	61	22	12	10	1	1	2	92	87	95	4	3	5	17	14
4	3.61%	IINCX	Ivy International Core Equity N	75	63	29	84	65	33	86	80	58	32	29	28	89	77	49	30	8
8	0.82%	ODVIX	Invesco Oppenheimer Developing Mkts R6	8	28	3	7	28	6	35	45	25	32	55	53	20	34	17	12	12
7	1.83%	MWTSX	Metropolitan West Total Return Bd Plan	39	31	7	43	24	6	63	25	71	30	47	11	51	29	17	12	20
6	0.77%	FBNRX	Templeton Global Bond R6	7	40	27	39	49	46	75	74	86	98	93	89	2	2	3	14	9
9	24.76%	fressv	Fresno County Stable Value	1	1		1	1		2	1		1	1		n/a	1		40	6
6	0.69%	FRIRX	Fidelity Advisor Real Estate Income I	13	69	94	5	1	1	3	2	2	94	97	97	6	2	1	17	8

Target-Date Funds

Overall Fund Score	Assets %	Ticker	Fund Name	Return vs Peer Group (40%)			Risk Adjusted Return Sharpe (20%)			Standard Deviation			Risk (30%) Up Capture			Down Capture			Other (10%) Expense Tenure	
				3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Peer Rank %	Avg Yrs
8	1.62%	GRWL15	Great-West Lifetime 2015 Trust	26	5		28	2		47	38		27	32		44	30		24	5
8	4.24%	GRWL25	Great-West Lifetime 2025 Trust	21	1		13	1		44	38		33	31		28	24		18	5
8	2.58%	GRWL35	Great-West Lifetime 2035 Trust	13	5		11	3		46	34		22	28		46	18		20	5
8	2.29%	GRWL45	Great-West Lifetime 2045 Trust	10	7		12	7		52	44		12	14		45	33		19	5
8	1.30%	GRWL55	Great-West Lifetime 2055 Trust	17	12		16	14		53	42		16	12		49	36		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. 07/29/2019

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

Trustee / Committee Member Date





**BlackRock Equity Index - Collective M (02cff1)**

Fund Type: LC Index

US Large Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
02cff1	4.30%	10.51%	14.27%	10.78%	14.79%
S&P 500 TR USD	4.31%	10.42%	14.19%	10.71%	14.70%
<b>Out/(Under) Performing</b>	<b>-0.01%</b>	<b>0.10%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>0.08%</b>
<b>Peer Group Ranking</b>	35	26	14	7	6

**BlackRock MidCap Idx - Collective M (03cff2)**

Fund Type: MC Index

US Mid Cap

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
03cff2	3.04%	1.42%	10.79%	7.87%	14.58%
S&P MidCap 400 TR	3.04%	1.34%	10.90%	8.02%	14.64%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.08%</b>	<b>-0.11%</b>	<b>-0.15%</b>	<b>-0.06%</b>
<b>Peer Group Ranking</b>	50	55	38	19	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	2.10%	-3.20%	12.49%	7.29%	13.68%
Russell 2000 TR USD	2.10%	-3.31%	12.30%	7.06%	13.45%
<b>Out/(Under) Performing</b>	<b>0.00%</b>	<b>0.11%</b>	<b>0.19%</b>	<b>0.23%</b>	<b>0.24%</b>
<b>Peer Group Ranking</b>	54	43	14	23	28

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

Fund Type: Global

Frng 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	3.91%	1.46%	9.50%	2.58%	7.21%
MSCI ACWI Ex USA NR USD	2.98%	1.30%	9.39%	2.16%	6.54%
<b>Out/(Under) Performing</b>	<b>0.94%</b>	<b>0.17%</b>	<b>0.12%</b>	<b>0.41%</b>	<b>0.67%</b>
<b>Peer Group Ranking</b>	23	28	14	23	22

**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	3.08%	7.91%	2.37%	3.07%	
BBgBarc US Govt Interm TR USD	2.34%	6.14%	1.34%	1.94%	2.38%
<b>Out/(Under) Performing</b>	<b>0.74%</b>	<b>1.77%</b>	<b>1.04%</b>	<b>1.13%</b>	
<b>Peer Group Ranking</b>	1	1	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	4.13%	13.11%	12.65%	10.44%	13.73%
S&P 500 Value TR USD	4.01%	8.65%	10.64%	7.92%	13.10%
<b>Out/(Under) Performing</b>	<b>0.11%</b>	<b>4.46%</b>	<b>2.01%</b>	<b>2.52%</b>	<b>0.63%</b>
<b>Peer Group Ranking</b>	25	4	6	1	9

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
ASPZX	5.91%	10.12%	18.45%	12.79%	16.76%
S&P 500 Growth TR USD	4.56%	12.03%	17.26%	13.09%	16.10%
<b>Out/(Under) Performing</b>	<b>1.36%</b>	<b>-1.92%</b>	<b>1.18%</b>	<b>-0.30%</b>	<b>0.66%</b>
<b>Peer Group Ranking</b>	19	49	32	32	11

Alger Spectra returned 5.9% in Q2 2019 compared to 4.6% for its benchmark (S&P 500 Growth). Year to date, the fund returned 22.2% compared to 20.2% for the benchmark. Security selection in the technology sector boosted relative returns, notably Amazon and Visa. The success of Amazon's cloud business supported performance, with the company announcing in May that Volkswagen selected it to build a platform that will combine data for machines, plants and systems for all 122 facilities that the car manufacturer operates. Additionally, a short position in 3M Company contributed to performance as the price of the highly valued stock declined after the company reduced earnings guidance due to slowing demand in its auto and semiconductor related businesses. The fund currently scores a 7 under our methodology. Its returns rank in the top half relative to peers for the trailing three- and five-year periods, and in the top decile for the trailing ten-year period.

**Franklin Utilities R6 (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	4.03%	20.09%	8.47%	9.22%	12.48%
MSCI World/Utilities NR USD	2.53%	14.32%	6.88%	5.14%	6.40%
<b>Out/(Under) Performing</b>	<b>1.51%</b>	<b>5.78%</b>	<b>1.59%</b>	<b>4.08%</b>	<b>6.08%</b>
<b>Peer Group Ranking</b>	12	8	35	16	24

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

Fund Score: 8 (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	6.96%	16.06%	16.90%	12.99%	17.04%
S&P MidCap 400 Growth TR USD	3.56%	1.93%	11.62%	8.94%	15.06%
<b>Out/(Under) Performing</b>	<b>3.40%</b>	<b>14.13%</b>	<b>5.29%</b>	<b>4.05%</b>	<b>1.98%</b>
<b>Peer Group Ranking</b>	32	19	37	12	8

T. Rowe Price Mid-Cap Growth returned 7.0% in Q2 2019 compared to 3.6% for its benchmark (S&P MidCap 400 Growth). Year to date, the fund returned 24.3% compared to 19.0% for the benchmark. Security selection in the healthcare and material sectors was the primary tailwind on Q2 performance relative to the benchmark, with Bruker Corp and The Cooper Companies Inc being the top contributors. Performance also benefited from an underweight to communication services, as the sector underperformed the broader market. The fund currently scores an 8 under our methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing three-year period, and in the top decile for the trailing five- and ten-year periods.

<b>Janus Henderson Small Cap Value N (JDSNX)</b>						<b>Nicholas Limited Edition I (NCLEX)</b>					
Fund Score: 8 (Status: Pass)						Fund Score: 7 (Status: Pass)					
US Small Cap						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.						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."					
<b>Trailing Returns</b>						<b>Trailing Returns</b>					
JDSNX						NCLEX					
Russell 2000 Value TR USD						Russell 2000 Growth TR USD					
<b>Out/(Under) Performing</b>						<b>Out/(Under) Performing</b>					
<b>Peer Group Ranking</b>						<b>Peer Group Ranking</b>					
						Nicholas Limited Edition returned 5.1% compared to 2.8% for its benchmark (Russell 2000 Growth) over the trailing quarter. Year to date, the fund returned 19.2% underperforming its benchmark which returned 20.4%. Stock selection in the technology and financials sectors was a major tailwind, as positions in technology stock I3 Verticals Inc and Financial stock Cohen & Steers significantly contributed to overall performance. For our part, we are satisfied with the fund's effective conservative philosophy as it has continued to perform over the long-term. Under our scoring methodology, the fund scores a 7 and its risk-adjusted returns rank in the top quartile of its peer group for the trailing three-, five- and ten-year periods.					

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

Fund Score: 4 (Status: Watch)

Frgrn Developd Large Cap

The investment seeks to provide capital growth and appreciation.

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
IINCX	1.66%	-5.22%	6.90%	1.54%	7.02%
MSCI ACWI Ex USA NR USD	2.98%	1.30%	9.39%	2.16%	6.54%
<b>Out/(Under) Performing</b>	<b>-1.31%</b>	<b>-6.52%</b>	<b>-2.49%</b>	<b>-0.63%</b>	<b>0.48%</b>
<b>Peer Group Ranking</b>	87	93	75	63	29

Ivy International returned 1.7% in Q2 2019 compared to 3.0% for its benchmark (MSCI ACWI Ex USA). Year to date, the fund returned 12.0% underperforming its benchmark by 1.6%. The fund's willingness to invest in out-of-favor stocks requires patience for intrinsic value to be recognized by the market. This strategy has been a source of recent underperformance relative to its benchmark.

However, over the long-term, we remain confident in the team's ability to add value to shareholders. Given its moderate level of stock diversification and core style classification it remains suitable as a standalone international equity manager. The fund's score dropped to a 4 under our methodology, with its risk-adjusted returns ranking in the bottom half of its peer group over the trailing three- and five-year periods. As such, we recommend placing the fund on watch and will continue to closely monitor performance.

**Invesco Oppenheimer Developing Mkts R6 (ODVIX)**

Fund Score: 8 (Status: Pass)

Frgrn 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	2.87%	3.14%	12.58%	2.90%	8.29%
MSCI EM NR USD	0.61%	1.21%	10.67%	2.49%	5.81%
<b>Out/(Under) Performing</b>	<b>2.27%</b>	<b>1.93%</b>	<b>1.91%</b>	<b>0.40%</b>	<b>2.48%</b>
<b>Peer Group Ranking</b>	23	31	8	28	3

Oppenheimer Developing Markets returned 2.9% in Q2 2019 compared to 0.6% for its benchmark (MSCI Emerging Markets). Year to date, the fund returned 15.7% compared to 10.6% for the benchmark. An overweight position to Russia was the primary tailwind on Q2 performance relative to the benchmark, as the region outperformed the broader market. Additionally, stock selection in China and India enhanced performance relative to the benchmark. Novatek, Meituan and HDFC were the top performing stocks on an absolute basis. Management maintains a positive outlook on emerging market equities and seeks investment opportunities where they see dynamic change and real value being extracted. The fund currently scores an 8 under our methodology. Its risk-adjusted returns rank in the top quartile relative to peers for the trailing three- and ten-year periods, and in the top half for the trailing five-year period. Invesco has completed its purchase of Oppenheimer. Relating to this strategy specifically, the fund's autonomy is significant to its process and Invesco deeply understands this. The Developing Markets fund is viewed as the crown jewel in the takeover and something Invesco does not want to disrupt. As such, we maintain conviction in the strategy and are unconcerned over the closing of the deal.

**Metropolitan West Total Return Bd Plan (MWT SX)**

Fund Score: 7 (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 that are determined by the Adviser to be of similar quality. Up to 20% of the fund's net assets may be invested in securities rated below investment grade. 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
MWT SX	3.27%	8.26%	2.75%	2.99%	5.82%
BBgBarc US Agg Bond TR USD	3.09%	7.88%	2.32%	2.95%	3.90%
<b>Out/(Under) Performing</b>	<b>0.17%</b>	<b>0.37%</b>	<b>0.43%</b>	<b>0.04%</b>	<b>1.92%</b>
<b>Peer Group Ranking</b>	20	13	39	31	7

The MetWest Total Return Bond fund gained 3.3% for the quarter, leading the Bloomberg Barclays Aggregate index by 19bps. Year-to-date, the fund is outperforming with a total return of 6.5% versus 6.1% for its benchmark. Selective excess exposure to corporate credit and collateralized mortgage obligations contributed to relative performance. Given neutral duration positioning, the shift down in the curve had a minimal impact on relative returns. Looking forward, the fund maintains its late-cycle theme by being selective within credit. The fund retains its neutral duration positioning but maintains a slight bias for curve steepening. The fund scores a 7 under our scoring methodology and performance ranks in the top half relative to peers over the trailing 3-, 5- and 10-year periods.

**Templeton Global Bond R6 (FBNRX)**

Fund Score: 6 (Status: Pass)

Global Hedged

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

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FBNRX	0.80%	5.70%	4.73%	1.65%	4.88%
BBgBarc Global Aggregate TR Hdg USD	2.92%	7.79%	2.95%	3.82%	4.23%
<b>Out/(Under) Performing</b>	<b>-2.12%</b>	<b>-2.10%</b>	<b>1.78%</b>	<b>-2.18%</b>	<b>0.66%</b>
<b>Peer Group Ranking</b>	98	59	7	40	27

The Templeton Global Bond fund returned 0.8% for the quarter, relative to 2.9% for the Bloomberg Barclays Global Aggregate U.S. Dollar Hedged Index. Currency positions in Latin America detracted from absolute results. Additionally, negative duration exposure to U.S. Treasuries detracted from absolute fund performance as the yield on the 10-year note decreased 40 bps. Looking forward, management is focused on specific emerging markets that are less vulnerable to trade policy and more domestically driven. The fund currently scores a 7 under our methodology and trailing returns rank in the top half for the trailing three-, five-, and ten-year periods, respectively.

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

Fund Score: 6 (Status: Pass)

REIT

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

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

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
FRIRX	2.95%	9.93%	6.66%	6.56%	10.95%
FTSE Nareit Equity REITs TR USD	1.24%	10.71%	4.04%	7.83%	15.41%
<b>Out/(Under) Performing</b>	<b>1.72%</b>	<b>-0.78%</b>	<b>2.61%</b>	<b>-1.26%</b>	<b>-4.46%</b>
<b>Peer Group Ranking</b>	14	57	13	69	94

**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	3.06%	6.32%	7.10%	5.26%	
DJ Target 2015 TR USD	2.43%	5.33%	3.65%	3.10%	5.91%
<b>Out/(Under) Performing</b>	<b>0.63%</b>	<b>0.99%</b>	<b>3.45%</b>	<b>2.16%</b>	
<b>Peer Group Ranking</b>	27	34	26	5	

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

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL25	3.27%	6.67%	8.71%	6.17%	
DJ Target 2025 TR USD	2.94%	6.02%	6.22%	4.46%	8.20%
<b>Out/(Under) Performing</b>	<b>0.32%</b>	<b>0.64%</b>	<b>2.49%</b>	<b>1.71%</b>	
<b>Peer Group Ranking</b>	37	22	21	1	

**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	3.49%	6.58%	10.66%	7.11%	
DJ Target 2035 TR USD	3.00%	5.62%	9.05%	5.76%	10.22%
<b>Out/(Under) Performing</b>	<b>0.49%</b>	<b>0.96%</b>	<b>1.62%</b>	<b>1.35%</b>	
<b>Peer Group Ranking</b>	29	15	13	5	

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

Fund Score: 8 (Status: Pass)

Uncategorized

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
GRWL45	3.58%	6.14%	11.46%	7.35%	
DJ Target 2045 TR USD	2.97%	5.09%	10.82%	6.51%	11.21%
<b>Out/(Under) Performing</b>	<b>0.61%</b>	<b>1.05%</b>	<b>0.64%</b>	<b>0.84%</b>	
<b>Peer Group Ranking</b>	26	19	10	7	



**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	3.59%	5.92%	11.46%	7.20%	
DJ Target 2055 TR USD	2.95%	4.90%	11.13%	6.65%	11.30%
Out/(Under) Performing	0.64%	1.02%	0.33%	0.54%	
Peer Group Ranking	29	26	17	12	

**Fresno County Stable Value (fressv)**  
Fund Score: 9 (Status: Pass)

Liquid Assets

Trailing Returns	1 Qtr	1 Yr	3 Yr	5 Yr	10 Yr
fressv	0.58%	2.20%	2.07%	2.11%	
ICE BofAML 0-3 M US Trsy Bill TR USD	0.62%	2.27%	1.33%	0.83%	0.45%
Out/(Under) Performing	-0.05%	-0.08%	0.74%	1.28%	
Peer Group Ranking	14	12	1	1	



# County of Fresno 457 DC Plan

## Expense Ratio Report

As of 6/30/2019

### Passively-Managed and Cash Funds

Investment	Ticker	Expense Ratio▲	Peer Rank	Range of Peer Group Expense Ratios
47,940,380 BlackRock Equity Index - Collective M	02cff1	0.02%	1	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
8,903,056 BlackRock MidCap Idx - Collective M	03cff2	0.03%	1	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
4,245,944 BlackRock Russell 2000 Index Coll M	03cff3	0.03%	2	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
3,918,195 BlackRock EAFE Equity Index Coll F	10cff5	0.10%	5	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
4,803,305 BlackRock US Debt Index Fund Coll W	04cff4	0.04%	1	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%

### Actively-Managed Funds

14,085,348 Columbia Dividend Income Inst3	CDDYX	0.58%	15	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
44,380,089 Alger Spectra Z	ASPZX	0.94%	45	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
3,930,351 Franklin Utilities R6	FUFRX	0.50%	15	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
5,868,767 T. Rowe Price Mid-Cap Growth I	RPTIX	0.62%	6	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
1,531,406 Janus Henderson Small Cap Value N	JDSNX	0.81%	12	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
6,096,135 Nicholas Limited Edition I	NCLEX	0.86%	17	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
9,483,827 Ivy International Core Equity N	IINCX	0.79%	30	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
2,155,428 Invesco Oppenheimer Developing Mkts R6	ODVIX	0.85%	12	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
4,809,149 Metropolitan West Total Return Bd Plan	MWTSX	0.37%	12	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
2,015,242 Templeton Global Bond R6	FBNRX	0.57%	14	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
65,034,329 Fresno County Stable Value	fressv	0.34%	40	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
1,822,996 Fidelity Advisor Real Estate Income I	FRIRX	0.75%	17	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%

### Target-Date Funds

4,257,188 Great-West Lifetime 2015 Trust	3RWL15	0.40%	24	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
11,135,488 Great-West Lifetime 2025 Trust	3RWL25	0.40%	18	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
6,783,988 Great-West Lifetime 2035 Trust	3RWL35	0.41%	20	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
6,008,196 Great-West Lifetime 2045 Trust	3RWL45	0.41%	19	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%
3,419,627 Great-West Lifetime 2055 Trust	3RWL55	0.42%	19	▲ 0% 0.5% 1% 1.5% 2% 2.5% 3%

262,628,435

Expense Ratio Averages

0.47%

16

Weighted Average Gross Expense Ratio: 0.43%

### Your Plan

Expense Ratio	Bal Weighted Avg	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
	0.43%	86.4%(19)	13.6%(3)	-	-

# County of Fresno 457 DC Plan

As of: 6/30/2019

## Target Date Review

Retirement Date	Investment	3-Mo	1 Yr	2 Yr *	3 Yr *	5 Yr *	Expense Ratio
2015							
	Great-West Lifetime 2015 Trust	3.06	6.32	6.16	7.10	5.26	0.40
	Morningstar Lifetime Mod 2015 TR USD	3.14	6.92	6.42	6.53	4.52	
	Benchmark +/-	-0.08	-0.60	-0.26	0.57	0.74	
2025							
	Great-West Lifetime 2025 Trust	3.27	6.67	7.14	8.71	6.17	0.40
	Morningstar Lifetime Mod 2025 TR USD	3.41	7.16	7.31	8.12	5.32	
	Benchmark +/-	-0.14	-0.49	-0.17	0.59	0.85	
2035							
	Great-West Lifetime 2035 Trust	3.49	6.58	8.29	10.66	7.11	0.41
	Morningstar Lifetime Mod 2035 TR USD	3.43	6.52	8.16	10.12	6.10	
	Benchmark +/-	0.06	0.06	0.13	0.54	1.01	
2045							
	Great-West Lifetime 2045 Trust	3.58	6.14	8.65	11.46	7.35	0.41
	Morningstar Lifetime Mod 2045 TR USD	3.33	5.75	8.33	10.90	6.26	
	Benchmark +/-	0.25	0.39	0.32	0.56	1.09	
2055							
	Great-West Lifetime 2055 Trust	3.59	5.92	8.54	11.46	7.20	0.42
	Morningstar Lifetime Mod 2055 TR USD	3.27	5.46	8.19	10.90	6.09	
	Benchmark +/-	0.32	0.46	0.35	0.56	1.11	

\*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

# Great-West County of Fresno Separate Account

## STRATEGY

The Great-West County of Fresno Stable Value Separate Account is constructed using a diversified mix of high-quality government and corporate securities where significant effort is dedicated to deep credit research and disciplined risk management. The fund typically generates excess return as a result of security and sector selection and do not generate significant alpha as a result of interest rate or duration calls. The fund holds cash primarily in order to facilitate cash-flow management and intends to keep the portfolio fully invested at all times.

## PUT OPTION DETAILS

No put provision is allowed for separate accounts. Upon 60 days written notice to either, the Group Policyholder or the Company (Great-West Life & Annuity Insurance Company) may terminate the contract and elect to receive market value of the account at any time.

## FUND INFORMATION

AUM (\$mm)	\$65.49	PEER MEDIAN	\$4,693.42
Portfolio manager	Jack Brown		-
Manager tenure	3.9		15
Avg Duration (years)	2.90		2.58
Avg Maturity (years) Avg	3.50		3.62
Credit Quality	AA+		AA
Current Yield	2.74%		2.45%

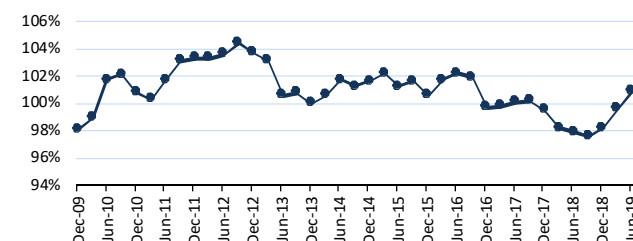
## EXPENSES

Wrap Fee:	0.15%	PEER MEDIAN	0.18%
Inv. Mgmt Fee:	0.19%		0.17%
Trustee Fee/Other:	0.00%		0.00%
Total Expense Ratio	0.34%		0.41%

## PERFORMANCE

QTD:	0.57%	PEER MEDIAN	0.61%
YTD:	1.11%		1.19%
1 Year:	2.17%		2.27%
3 Year:	2.07%		1.95%
5 Year:	2.11%		1.75%
10 Year:	-		2.00%

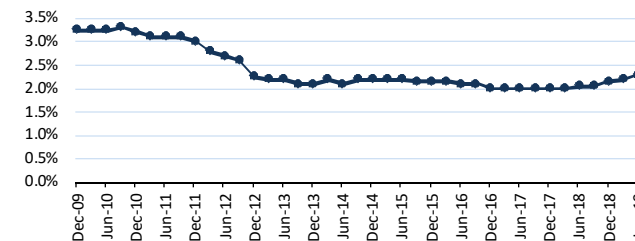
## MARKET-TO-BOOK



Current: 100.90%

Peer Median: 101.13%

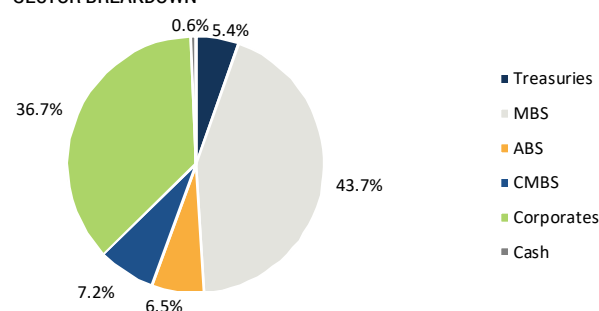
## CREDITING RATE



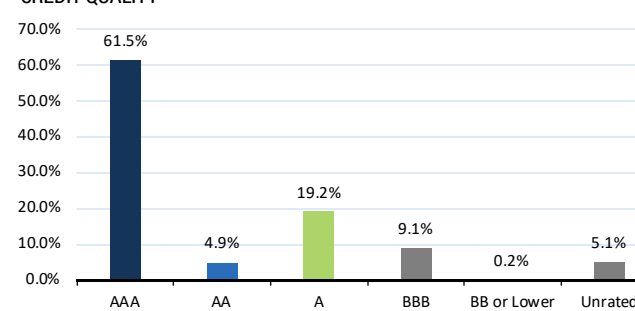
Current: 2.30%

Peer Median: 2.48%

## SECTOR BREAKDOWN



## CREDIT QUALITY



## PORTFOLIO INFORMATION

Crediting Rate Reset Period	Quarterly	PEER MEDIAN	-
Number of Underlying Managers	1		1
Cash Flows QTD	-		\$33,605,991
Cash Flows YTD	-		\$77,717,844
Cash Flows 1Yr	-		\$278,915,869

## High Yield Policy

The guidelines permit only securities rated investment grade or better at time of purchase. Securities downgraded below investment grade will be evaluated on a case by case basis and will be documented in quarterly reporting.

## WRAP PROVIDERS

Provider	Wgt %	Credit Qlty
Great-West Life & Annuity Ins. Co.	100.00%	AA
Total Number of Wrap Providers	1	
% Traditional GIC:	0.00%	-
% Synthetic GIC:	100.00%	AA

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Data supplied by investment advisor/vendor. The information contained herein: (1) is proprietary to Northwest Capital Management (NWCM), and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither NWCM nor investment advisor/vendor are responsible for any damages or losses arising from any use of this information.

**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 - Collective M	Pass	-	04cff4	BlackRock US Debt Index Fund Coll W	Pass	-
ASPZX	Alger Spectra Z	Pass	-	MWTSX	Metropolitan West Total Return Bd Plan	Pass	-
CDDYX	Columbia Dividend Income Inst3	Pass	-	FBNRX	Templeton Global Bond R6	Pass	-
<b>US Mid Cap</b>				fressv	Fresno County Stable Value	Pass	-
03cff2	BlackRock MidCap Idx - Collective M	Pass	-	<b>Target Date Funds</b>			
03cff3	BlackRock Russell 2000 Index Coll M	Pass	-	GRWL15	Great-West Lifetime 2015 Trust	Pass	-
RPTIX	T. Rowe Price Mid-Cap Growth I	Pass	-	GRWL25	Great-West Lifetime 2025 Trust	Pass	-
<b>US Small Cap</b>				GRWL35	Great-West Lifetime 2035 Trust	Pass	-
NCLEX	Nicholas Limited Edition I	Pass	-	GRWL45	Great-West Lifetime 2045 Trust	Pass	-
JDSNX	Janus Henderson Small Cap Value N	Pass	-	GRWL55	Great-West Lifetime 2055 Trust	Pass	-
<b>Foreign</b>							
10cff5	BlackRock EAFE Equity Index Coll F	Pass	-				
IINCX	Ivy International Core Equity N	Watch	2019 - Q2				
ODVIX	Invesco Oppenheimer Developing Mkts R6	Pass	-				
<b>Specialty</b>							
FRIRX	Fidelity Advisor Real Estate Income I	Pass	-				
FUFRX	Franklin Utilities R6	Pass	-				

**Watch List History**

		Status	Most Recent Time on Watch		Previous Time on Watch		Previous Time on Watch	
			Placed	Removed	Placed	Removed	Placed	Removed
IINCX	Ivy International Core Equity R6	In Plan	2019 - Q2	-				
FRESSV	County Of Fresno Stable Value Fund	In Plan	2017 - Q1	2018 - Q1				
GRWL15	Great-West Lifetime 2015 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL25	Great-West Lifetime 2025 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL35	Great-West Lifetime 2035 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL45	Great-West Lifetime 2045 Trust	In Plan	2017 - Q1	2018 - Q1				
GRWL55	Great-West Lifetime 2055 Trust	In Plan	2017 - Q1	2018 - Q1				
FBNRX	Templeton Global Bond R6	In Plan	2016 - Q2	2017 - Q1				
NCLEX	Nicholas Limited Edition N	In Plan	2013 - Q4	2015 - Q2				
CDDYX	Columbia Dividend Income Z	In Plan	2013 - Q4	2014 - Q4				
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

## Ivy Investments: International Core

<b>Date</b>	August 2019	<b>Net expense ratio</b>	0.79
<b>Firm-wide assets</b>	\$57.56 Billion	<b>Asset class</b>	International Equity
<b>Inception year</b>	1997	<b>Most suitable bench</b>	MSCI ACWI Ex USA
<b>Fund assets</b>	\$5.13 Billion	<b>Sub-style exposure</b>	Core
<b>Estimated capacity</b>	\$10 Billion	<b># of equity holdings</b>	73

### OVERVIEW

The strategy benefits from the investment acumen and leadership of lead Portfolio Manager John Maxwell and the support staff of assistant Portfolio Manager, Catherine Murray, and a bench of global sector analysts. The team is tasked with finding companies at reasonable valuations with strong cash flows and exposure to the top-down global investment themes. Using a combined top-down and bottom-up approach to investing, they apply a core-style approach using a 30%-40%-30% combination of country analysis, industry dynamics, and individual stock selection, respectively. The strategy is more focused (60-80 stocks) and conviction-based on sector, country, or theme level bets.

**As of June 2019, the fund's score dropped to a 4 under our methodology. As such, we are placing the fund on watch and will continue to closely monitor performance.** The relative underperformance for the trailing three- and five-year periods has dropped the fund score lower. The long-term prospects remain in tact and we note that its dislocation capture approach requires patience for discount realization. Given its moderate level of stock diversification and core style classification it remains suitable as a standalone international equity manager. Over the long-term, we remain confident in Mr. Maxwell's ability to add value to shareholders.

### INVESTMENT PROCESS

The fund's portfolio managers, John Maxwell and Catherine Murray, follow a combined top-down and bottom-up approach to investing. They look for overseas companies with strong free cash flow in healthy industries that they believe may benefit from their broad top-down themes of the rising incomes of Emerging Market consumers, dividend yielders, global infrastructure, and technological disruptions. Maxwell follows a strict management discipline of investing in primarily large companies and applies a core-style approach using a 30%-40%-30% combination of country analysis, industry dynamics and individual stock selection. The first step, which consists of approximately 30% of the process, is analyzing the region and country for possible global macroeconomic themes, including economic growth and financial leverage, money flows, business cycle, interest rates, political climate, and currencies. After the country and regional overview, the portfolio managers focus on the sector and industry allocation. This represents approximately 40% of the investment process. Sector and industry trends include competitive dynamics, cyclical sensitivity, and economic returns. From this macro-economic analysis, the portfolio managers then employ the bottom-up security selection process within these themes.

The result of this extensive analytical process is a portfolio of 60 to 80 stocks of what they feel are best positioned. No more than 30% of the portfolio may be selected exclusively on the bottom-up analysis, independent of macro themes. The team's philosophy of being early, opportunistic buyers when dislocations present themselves can lead to contrarian bets in the portfolio that require investor patience. The high-quality bias should act as a buffer/margin of safety in these circumstances, but the risk exists

that the strategy will experience periods of underperformance until the market recognizes the opportunity. Returns do not significantly deviate from the benchmark (tracking-error) as a result of portfolio-level risk controls including a 5% max investing in any single stock, various benchmark excess sector and regional exposure constraints, and no more than 15% in emerging markets equities.

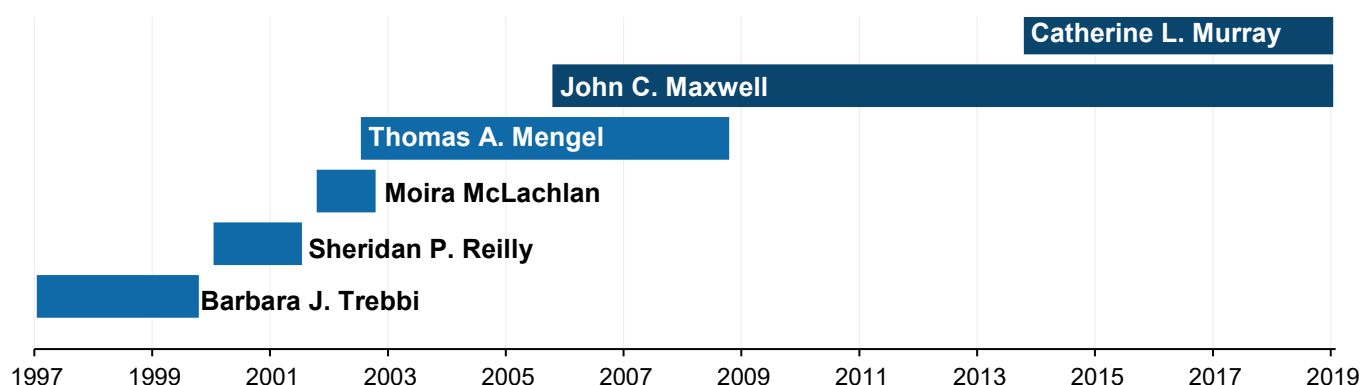
## FUND MANAGEMENT

Founded in 1937, Waddell & Reed (WR) stakes a claim as one of the oldest mutual fund complexes in the country. In 1998, WR became a publicly-traded stock on the New York Stock Exchange (ticker: WDR). In 2002, WR acquired the investment adviser to the Ivy Funds from MacKenzie Investment Management and launched the fund family for the firm's wholesale channel. Both WR Investment Management Company and Ivy Investment Management Company are wholly-owned, indirect subsidiaries of WR Financial. The firm recently went through a renaming/rebranding campaign to combine the entities under the Ivy Investments umbrella. The firm is based in Overland Park, Kansas and manages total assets of approximately ~\$60B across domestic equity, international equity, and fixed income. WR employees own approximately 14% of WDR common stock.

Over the past few years, Ivy has experienced several organizational changes. In May 2016 WR announced the retirement of Henry Hermann, chairman of the board and chief executive officer. WR promoted Philip Sanders, CIO, to succeed Herman. In April 2016, WR announced a 10% reduction in its workforce as a result of declining assets under management. The reduction had a limited impact on the investment division relative to other departments. The firm is now stabilizing and has beefed up its analyst staff under a dedicated research chief, while naming comanagers to most strategies for succession needs.

Portfolio Manager John Maxwell leads the international strategy. He joined Ivy/WR in 1998 as an analyst and joined the international team in 2004. He was named Co-PM on the strategy in mid-2006 along with PM Thomas Mengel. Mengel was formally removed as a named PM on International Core in June 2009. Catherine Murray was named Assistant PM in January of 2014 as Robert Nightingale moved from the role to manage his own strategies (European Opportunities and Global Equity Income). Murray had been a sector analyst with the firm since 2011 and retains research coverage of International Financials. A team of 19 global sector analysts supports all of Ivy's/WR's equity strategies, with 11 of those more focused on the international equity strategies.

### Manager Timeline



## FEES

Based on the N share class (IINCX), Ivy's expense ratio of 0.79 ranks below the peer group average and appears reasonable in relation to the objective of the strategy.



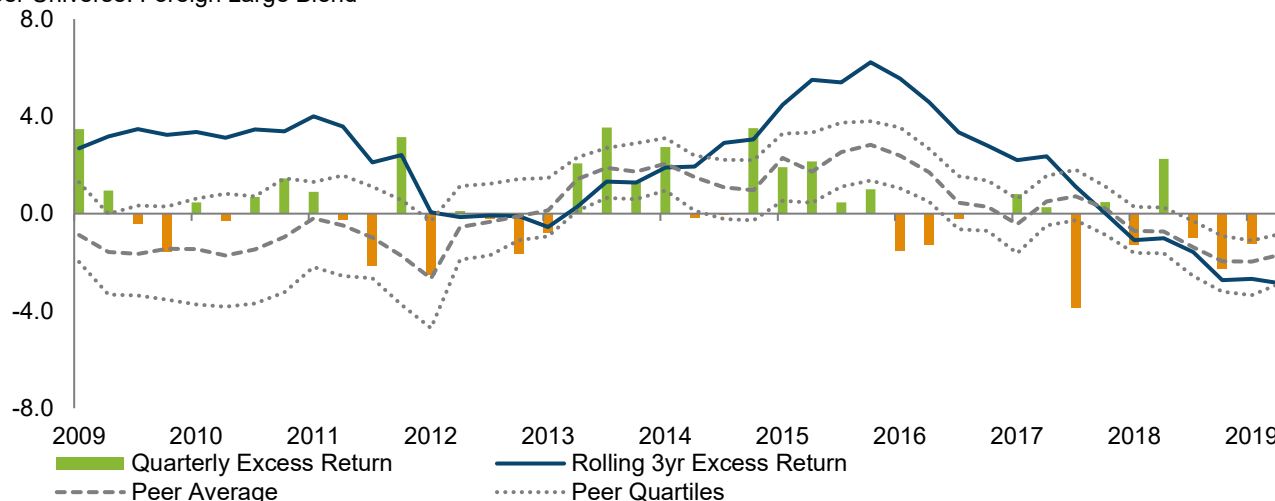
## PERFORMANCE

Over the past 10 years (through June 30, 2019), Ivy International Core was up an annualized 7.02% while ranking in the 30<sup>th</sup> percentile of the Morningstar Foreign Large Blend category peer group. The strategy's performance compared favorably to the MSCI ACWI Ex U.S. (Net) index, which was up an annualized 6.54% over the same period. The fund's disciplined risk management process is reflected in the fund's below peer average tracking error and near benchmark up/down capture over the same period. Since the process drives the team to look for opportunities during market dislocations, the strategy has tended to perform well coming out of market bottoms. The willingness to invest in out-of-favor stocks may require patience for intrinsic value to be recognized by the market. These exposures may influence relative performance.

### Quarterly Excess Return vs. MSCI ACWI Ex USA (Net)

Rolling 3 yr over 10yrs ending June 30 2019

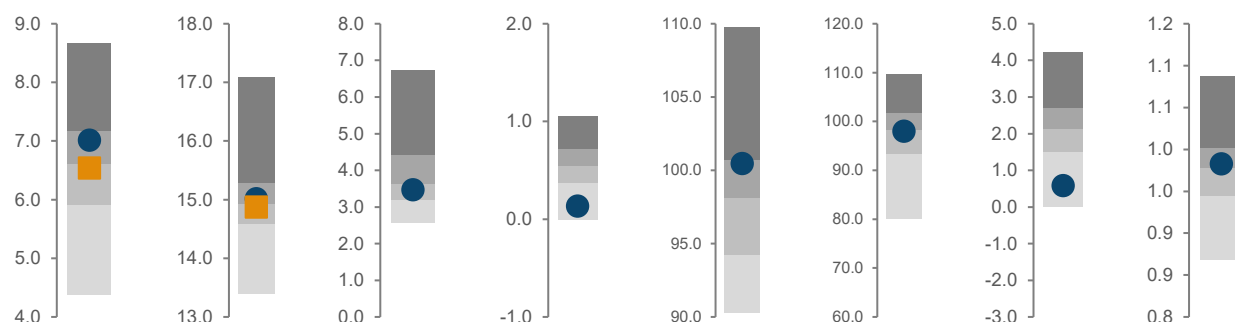
Peer Universe: Foreign Large Blend



### Performance Analytics vs. MSCI ACWI Ex USA (Net)

10 years ending June 30 2019

Peer Universe: Foreign Large Blend



	Return	Std Dev	Tracking Error	Info Ratio	Up Capture	Down Capture	Alpha	Beta
IINCX	7.02	15.02	3.47	0.14	100.49	98.05	0.59	0.98
Index	6.54	14.88	0.00	—	100.00	100.00	0.00	1.00
5th	8.66	17.08	6.74	0.51	109.75	109.67	2.34	1.09
25th	7.17	15.29	4.43	0.18	100.73	101.84	0.81	1.00
50th	6.62	14.93	3.62	0.02	98.16	98.21	0.23	0.98
75th	5.91	14.58	3.20	-0.16	94.23	93.39	-0.38	0.94
95th	4.39	13.40	2.57	-0.54	90.28	80.10	-1.89	0.87
Count	493	493	493	493	493	493	493	493









Source: Morningstar. Extended performance is utilized for periods prior to the share class inception date of 7/31/2014. Extended performance is an estimate based on the performance of the fund's oldest share class adjusted for fees.

## Fund Policy Compliance

Overall Fund Score	Fund Name	Return vs Peer Group			Risk Adjusted Return Sharpe			Risk									Other		Ticker
		Peer Rank (%)			Peer Rank (%)			Standard Deviation			Up Capture			Down Capture			Expense	Tenure	
		3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y	Expense Rank	Avg Mgr Tenure	
4	Ivy Intl Core Equity	75	63	29	84	65	33	86	80	58	32	29	28	89	77	49	30	7.71	IINCX

Fund score less than 5 = Watch

## Fund Compliance Methodology

CALCULATION METHODOLOGY OF OVERALL FUND						1 (Worst) — 10 (Best)	
Factor	Weight	Explanation		Score Calculation			
<b>RETURNS</b>  Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 40% Overall	<b>Absolute Returns</b>  Peer Group Percentile Rankings: 3,5,10 Year Periods		<b>Proportional Score</b> Ranks in the top 75% of Peer Group		<b>No Score</b> Ranks in the bottom 25% of Peer Group	
<b>RISK ADJUSTED RETURNS</b>  Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 20% Overall	<b>Sharpe Ratio</b>  Peer Group Percentile Rankings: 3,5,10 Year Periods		<b>Proportional Score</b> Ranks in top 75% of Peer Group		<b>No Score</b> Ranks in bottom 25% of Peer Group	
<b>RISK</b>  Summary compliance report shows the average peer group quartile rank for all time periods (no credit for bottom quartile performance)	 30% Overall	 10% Overall	<b>Standard Deviation</b>  Peer Group Percentile Rankings: 3,5,10 Year Periods	<b>Proportional Score</b> Ranks in top 75% of Peer Group		<b>No Score</b> Ranks in bottom 25% of Peer Group	
		 20% Overall	<b>Upside/Downside Capture</b>  Peer Group Percentile Rankings: 3,5,10 Year Periods	<b>Proportional Score</b> Ranks in top 75% of Peer Group		<b>No Score</b> Ranks in bottom 25% of Peer Group	
<b>OTHER</b>  Fund expense quartile rank  Manager tenure is greater than 3 years	 10% Overall	 5% Overall	<b>Expense Ratio</b>  For current period	<b>Proportional Score</b> Ranks in top 75% of Peer Group		<b>No Score</b> Ranks in bottom 25% of Peer Group	
		 5% Overall	<b>Average Tenure</b>  Number of years	<b>Full Score</b> Manager Tenure more than 3 years		<b>No Score</b> Manager Tenure less than 3 years	

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

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