

Executive Summary  
Period Ending March 31, 2019

# Town of Palm Beach Retirement System DC

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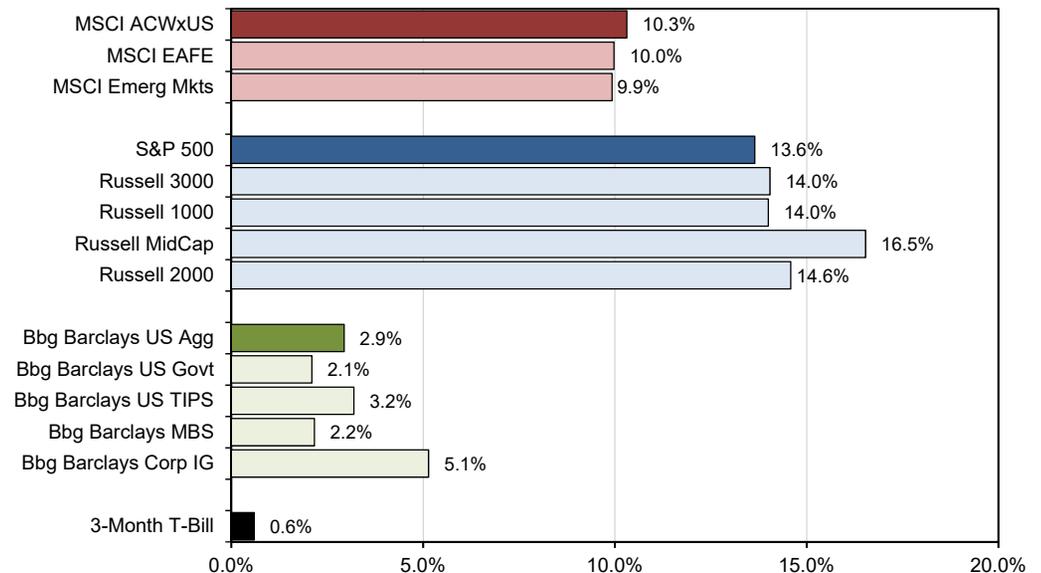


# 1st Quarter 2019 Market Environment

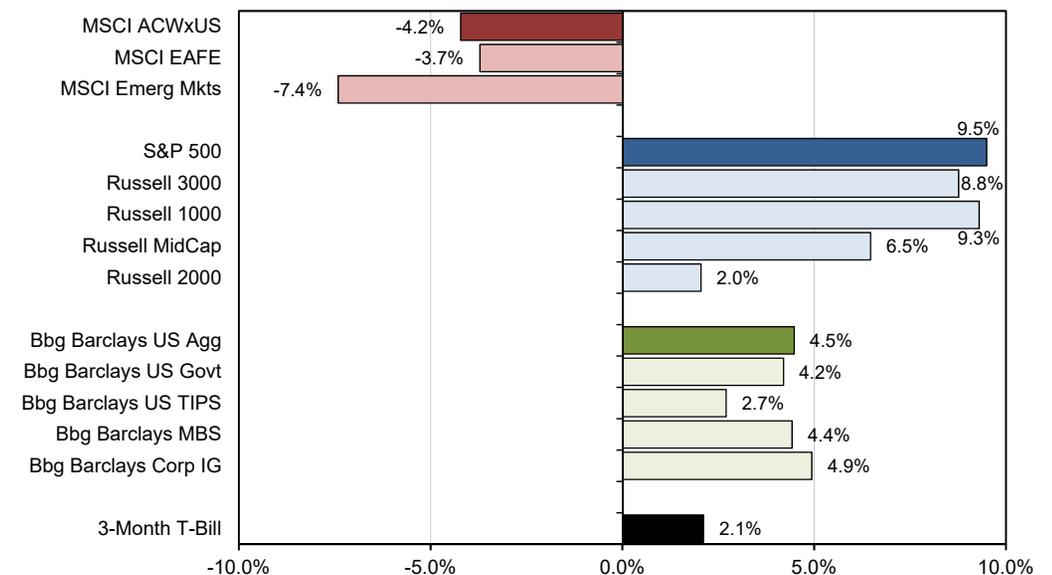


- After a difficult end to 2018, markets rebounded strongly during the 1<sup>st</sup> quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter. Within equities, domestic stocks outperformed international markets. US markets pushed higher as the US Federal Reserve (Fed) shifted their stance on monetary policy toward a more accommodative posture, the US and China moved closer to a resolution of their ongoing trade dispute and the partial government shutdown that began in December came to an end. The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. US equity returns over the 1-year period are positive with the S&P 500 appreciating 9.5% while the Russell 2000 posted a more modest gain of 2.0%.
- Similar to US markets, international equity investors were encouraged by a general easing in central bank monetary policy, including new stimulus measures in Europe and China, as well as the de-escalation of trade tensions with the US. Despite the continued softening in global macroeconomic data and the lack of certainty around Brexit, international equity index returns finished the quarter in positive territory with the MSCI ACWI ex US Index returning 10.3%. The developed market MSCI EAFE Index and the MSCI Emerging Markets Index had similar performance during the 1<sup>st</sup> quarter returning 10.0% and 9.9% respectively. Despite the strong quarter, returns over the 1-year period remain negative with developed markets falling -3.7%, outperforming emerging markets which fell -7.4%.
- Fixed income securities underperformed equities to start 2019 with the broad market Bloomberg Barclays Aggregate Index returning 2.9%. Interest rates fell for all maturities across the US Treasury Yield Curve as Fed guidance signaled a pause in monetary policy tightening through 2019. Interest rates in the middle of the curve saw the greatest declines causing the curve to invert with shorter-term maturities paying higher interest rates than those in the middle of the curve. This has historically preceded a recession by 6-24 months. Investment grade corporate issues were the best performing securities this quarter, outperforming Treasury and securitized issues. The Bloomberg Barclays Corporate IG Index returned 5.1% for the period, as corporate credit had tailwinds due to its greater interest rate sensitivity, higher yields and tightening credit spreads. Corporate issues also outperformed the other major fixed income sectors over the 1-year period, returning 4.9% versus a 4.5% return for the Bloomberg Barclays Aggregate Index.

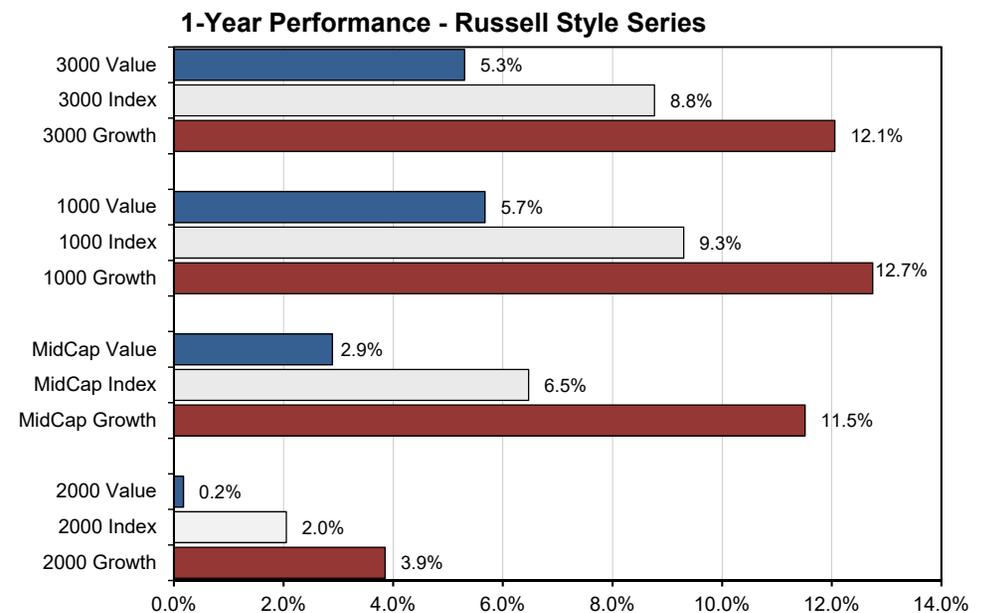
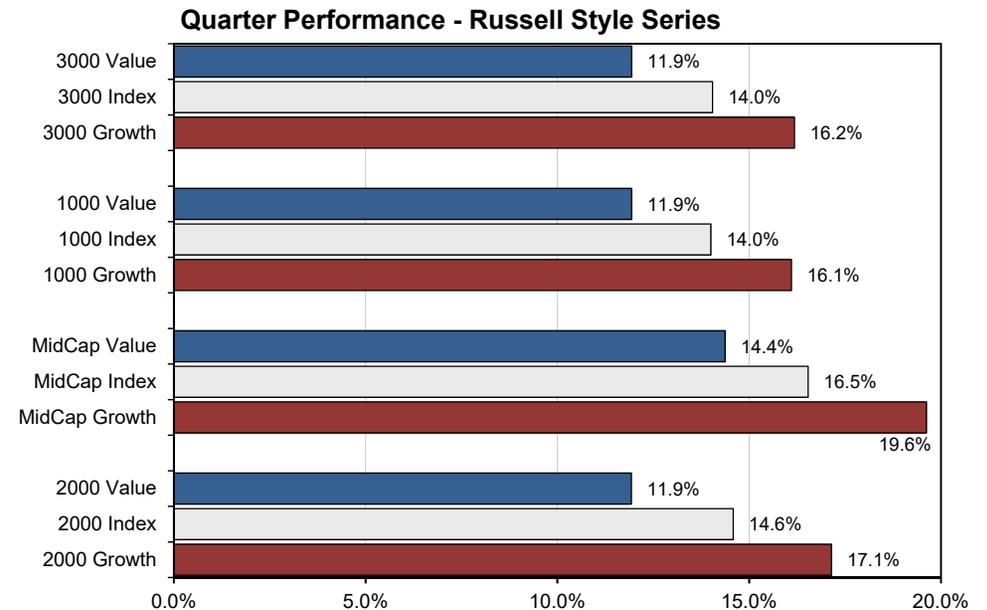
### Quarter Performance



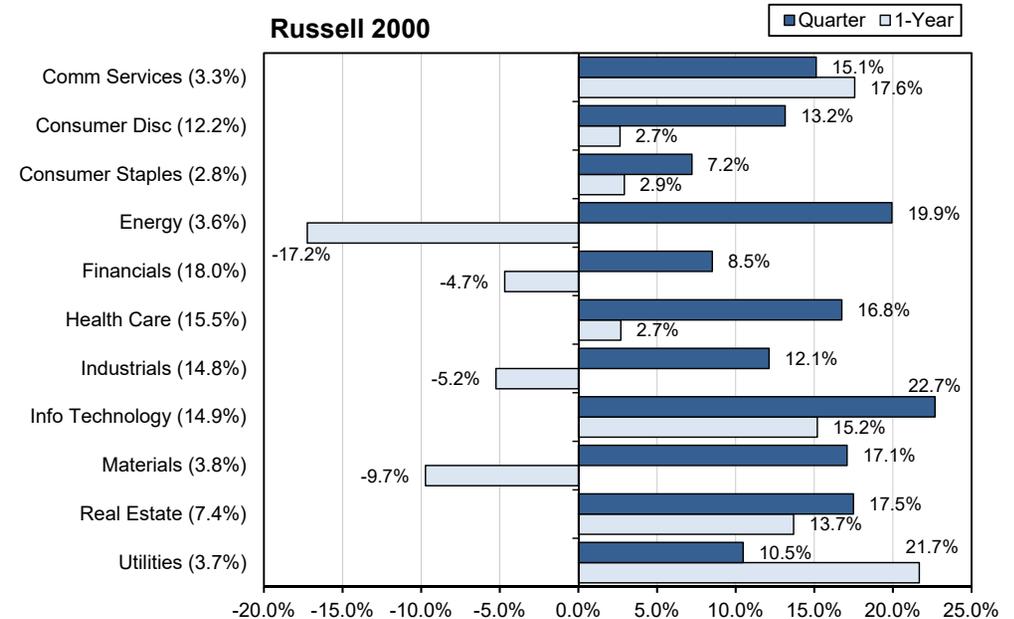
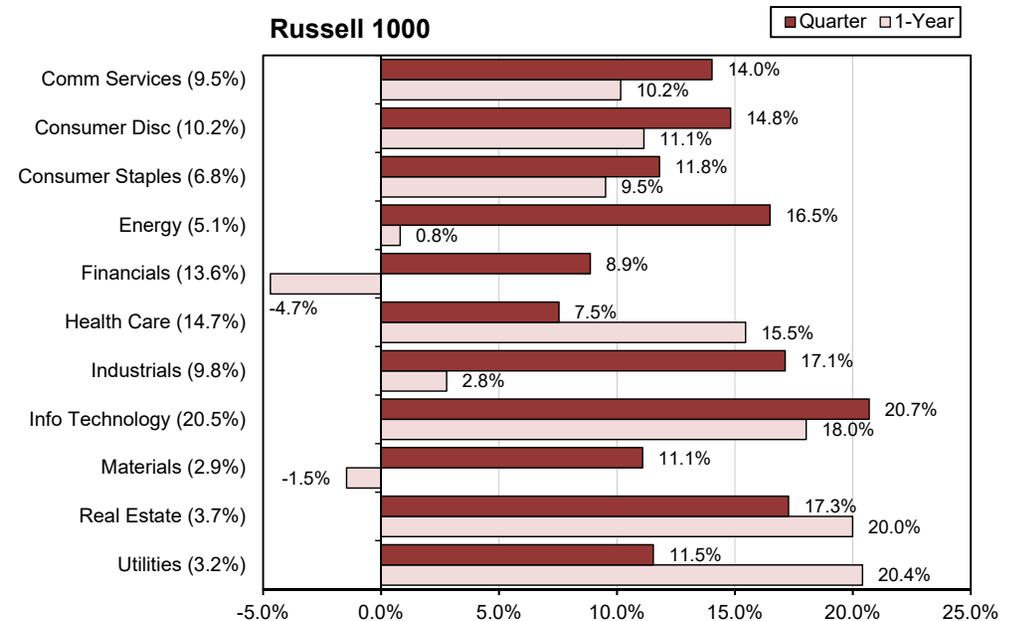
### 1-Year Performance



- US equity index returns were strongly positive across the style and capitalization spectrum to start the year with all indices posting double digit returns. Macroeconomic data released during the quarter was mixed with disappointing data released late in the quarter for GDP and employment being particularly notable. Even though earnings reported during the period were viewed favorably, many companies provided negative forward earnings guidance due to slowing global growth, trade concerns and the fading effects of US tax reform. However, investor concerns over the economy were overshadowed by positive developments in trade negotiations with China and an accommodative shift in Fed monetary policy. With regards to trade, President Trump delayed the implementation of new Chinese tariffs scheduled for March 1<sup>st</sup> citing substantial progress in ongoing discussions. Stocks also rallied on Fed guidance to put further monetary policy tightening on hold as they lowered projections for growth and inflation. Lastly, we saw the end of the partial government shutdown that began in December due to a partisan disagreement over funds for the construction of a border wall with Mexico. While the spending bill that passed did not budget for the wall, President Trump declared a national state of emergency later in the quarter in order to secure the needed funding.
- During the quarter, mid cap stocks were the best performers while small cap stocks outperformed large cap equities across growth, value and core indices. The Russell MidCap Index gained 16.5% during the period versus a 14.6% return for the small cap Russell 2000 Index and a 14.0% gain on the large cap Russell 1000 Index. Part of the reason for strength in small cap names is the projected hold on interest rate increases that occurred over 2018 as small and mid-cap companies typically maintain higher percentages of debt than their large cap peers. Small and mid-cap companies are usually more domestically focused which will serve as a tailwind in periods where the US economy is on stronger footing than international markets. It is also not unusual for smaller market cap stocks to outperform in risk-on market environments. When viewed over the most recent 1-year period, large cap stocks outperformed relative to small cap stocks. The Russell 1000 returned 9.3% for the year while the Russell 2000 gained only 2.0%.
- Growth indices outperformed value indices across the market cap spectrum during the 1<sup>st</sup> quarter. Growth stocks have outperformed value in all but one quarter over the last two years. The Russell MidCap Growth Index was the best performing style index for the period, returning 19.6% for the quarter. The large cap and small cap value indices had the lowest relative returns, both gaining 11.9%. The trend of growth outperformance is also visible over the 1-year period as growth indices have benefitted from larger exposures to technology which has been a large driver of index performance over the last year, as well as a meaningful underweight to financials which has been a relative detractor.



- Sector performance was broadly positive across large cap sectors for the 1<sup>st</sup> quarter. There were strong gains for all sectors within the Russell 1000 Index during for the period with five sectors outpacing the return of the index. While the rally was broad with nine of eleven sectors posting double digit returns, cyclical sectors such as technology, industrials and energy were some of the best performers through the quarter returning 20.7%, 17.1% and 16.5% respectively. Technology stocks rose on strong earnings and attractive valuations following their 4<sup>th</sup> quarter 2018 sell off. Energy companies benefitted from a large rebound in oil prices which increased by over 30% during the quarter following an OPEC led supply cut and US sanctions against Iran and Venezuela. Industrial stocks, among others, gained on hopes that trade tensions between the US and China would continue to abate. REITs also had a particularly strong quarter, returning 17.3% as the prospect of lower interest rates acted as a tailwind. Financials and health care stocks were the worst performers during the period returning 8.9% and 7.5% respectively. Health care stocks faced uncertainty around the potential for future regulation following congressional hearings on drug pricing while the prospect of lower earnings due to a muted interest rate environment weighed on financial stocks. Returns over the 1-year period were positive with nine out of eleven sectors posting gains, six of which were over 10%. Utilities, REITs and information technology were the best performers returning 20.4%, 20.0% and 18.0% respectively. Financials and materials posted negative results at -4.7% and -1.5% while energy was only slightly positive at 0.8%.
- Quarterly results for small cap sectors were mixed relative to their large capitalization counterparts with six of eleven sectors outperforming their corresponding large cap equivalents. Like large caps, all eleven sectors produced gains during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter and nine returning over 10.0%. Similar to large caps, cyclical sectors performed well with technology, energy and materials returning 22.7%, 19.9% and 17.1% respectively. Real estate also did well returning 17.5%. The largest detractors over the period were consumer staples, financials and utilities which still produced gains of 7.2%, 8.5% and 10.5%. Over the trailing 1-year period, returns varied significantly with four sectors posting double digit gains and four losing value. Despite a very strong quarter, energy stocks were the worst performers over the 1-year period, falling a considerable -17.2%, while the defensive utilities sector produced the greatest gains, appreciating 21.7%.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of March 31, 2019

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.42%	20.9%	14.9%	Information Technology
Microsoft Corp	3.39%	16.6%	30.8%	Information Technology
Amazon.com Inc	2.78%	18.6%	23.0%	Consumer Discretionary
Facebook Inc A	1.50%	27.2%	4.3%	Communication Services
Berkshire Hathaway Inc B	1.48%	-1.6%	0.7%	Financials
Johnson & Johnson	1.42%	9.0%	12.1%	Health Care
Alphabet Inc C	1.36%	13.3%	13.7%	Communication Services
Alphabet Inc A	1.33%	12.6%	13.5%	Communication Services
Exxon Mobil Corp	1.30%	19.8%	12.9%	Energy
JPMorgan Chase & Co	1.27%	4.6%	-5.6%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Versum Materials Inc	0.02%	81.9%	34.7%	Information Technology
Coty Inc Class A	0.02%	77.3%	-34.3%	Consumer Staples
Nabors Industries Ltd	0.00%	72.5%	-48.7%	Energy
Sage Therapeutics Inc	0.03%	66.0%	-1.3%	Health Care
Wayfair Inc Class A	0.03%	64.8%	119.8%	Consumer Discretionary
Chipotle Mexican Grill Inc Class A	0.07%	64.5%	119.8%	Consumer Discretionary
Universal Display Corp	0.02%	63.5%	51.7%	Information Technology
Xerox Corp	0.02%	63.1%	15.7%	Information Technology
Floor & Decor Holdings Inc	0.01%	59.2%	-20.9%	Consumer Discretionary
bluebird bio Inc	0.03%	58.6%	-7.9%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Uniti Group Inc	0.01%	-27.8%	-23.8%	Real Estate
PG&E Corp	0.03%	-25.1%	-59.5%	Utilities
The Kraft Heinz Co	0.07%	-23.2%	-45.1%	Consumer Staples
Realogy Holdings Corp	0.01%	-21.8%	-57.3%	Real Estate
Nu Skin Enterprises Inc Class A	0.01%	-21.5%	-33.7%	Consumer Staples
Biogen Inc	0.18%	-21.4%	-13.7%	Health Care
Centennial Resource Development A	0.01%	-20.2%	-52.1%	Energy
CenturyLink Inc	0.04%	-19.3%	-19.0%	Communication Services
Qurate Retail Inc Class A	0.03%	-18.1%	-36.5%	Consumer Discretionary
Macy's Inc	0.03%	-18.0%	-15.2%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Etsy Inc	0.40%	41.3%	139.6%	Consumer Discretionary
Five Below Inc	0.33%	21.4%	69.4%	Consumer Discretionary
The Trade Desk Inc A	0.32%	70.6%	298.9%	Information Technology
Integrated Device Technology Inc	0.31%	1.2%	60.3%	Information Technology
HubSpot Inc	0.30%	32.2%	53.5%	Information Technology
Planet Fitness Inc A	0.30%	28.2%	81.9%	Consumer Discretionary
Cree Inc	0.29%	33.8%	41.9%	Information Technology
Ciena Corp	0.26%	10.1%	44.2%	Information Technology
Primerica Inc	0.26%	25.4%	27.7%	Financials
Array BioPharma Inc	0.25%	71.1%	49.4%	Health Care

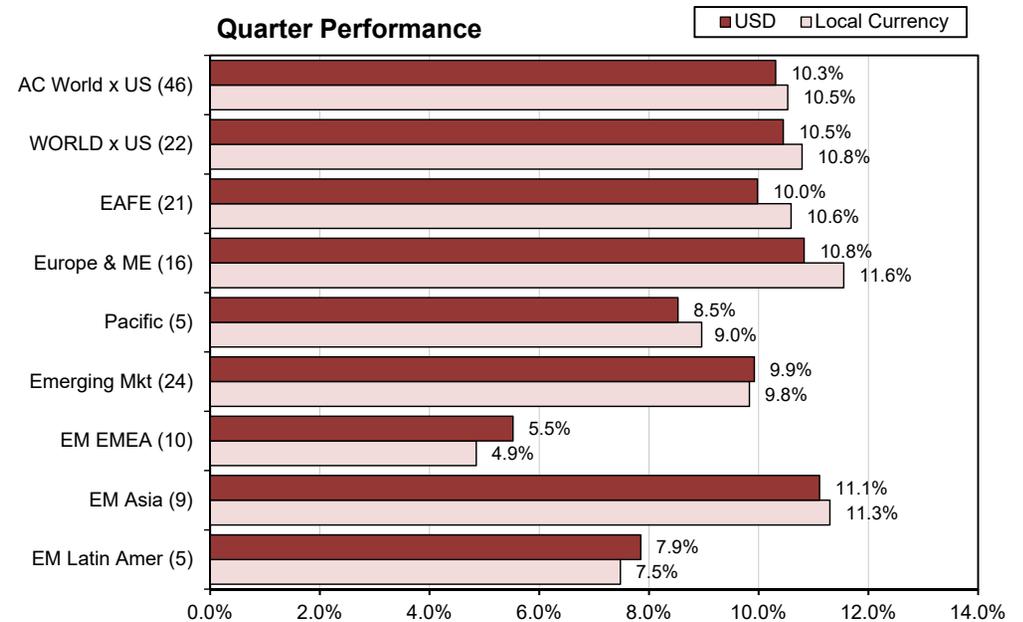
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Immune Design Corp	0.01%	350.0%	77.3%	Health Care
Diebold Nixdorf Inc	0.04%	344.6%	-28.1%	Information Technology
Constellation Pharmaceuticals Inc	0.01%	237.9%	N/A	Health Care
Flotek Industries Inc	0.01%	197.2%	-46.9%	Materials
Spark Therapeutics Inc	0.18%	191.0%	71.0%	Health Care
Magenta Therapeutics Inc	0.01%	188.9%	N/A	Health Care
ION Geophysical Corp	0.01%	178.8%	-46.7%	Energy
Catalyst Pharmaceuticals Inc	0.02%	165.6%	113.4%	Health Care
VirnetX Holding Corp	0.02%	163.8%	60.3%	Information Technology
Rockwell Medical Inc	0.01%	151.8%	9.2%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Zomedica Pharmaceuticals Corp	0.00%	-77.0%	-84.2%	Health Care
Aptinyx Inc	0.00%	-75.5%	N/A	Health Care
Alta Mesa Resources Inc Class A	0.00%	-73.5%	-96.7%	Energy
Novavax Inc	0.01%	-70.1%	-73.8%	Health Care
Maxar Technologies Inc	0.01%	-66.3%	-91.0%	Industrials
Solid Biosciences Inc	0.01%	-65.7%	22.7%	Health Care
Achaogen Inc	0.00%	-62.9%	-96.5%	Health Care
EP Energy Corp A	0.00%	-62.9%	-80.6%	Energy
Proteostasis Therapeutics Inc	0.00%	-61.1%	-73.5%	Health Care
Approach Resources Inc	0.00%	-59.4%	-86.4%	Energy

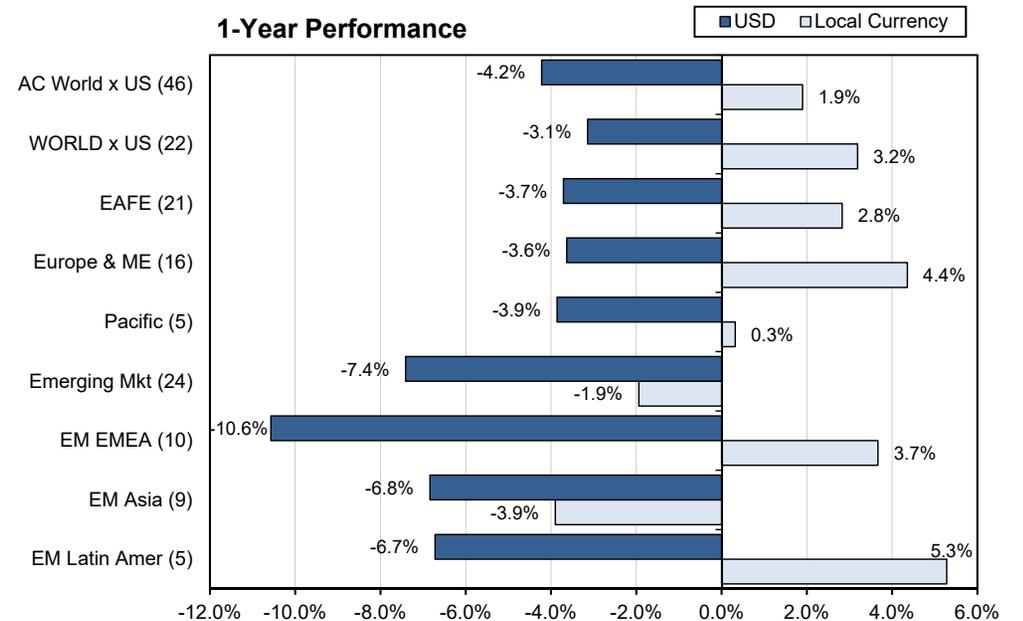


- Broad international equity returns were positive for the quarter in both local currency and USD terms. The MSCI ACWI ex US Index gained 10.5% in local currency terms and 10.3% in USD terms during the 1<sup>st</sup> quarter. Similar to US markets, international equity investors were encouraged by central bank responses to slowing global growth as they shifted towards more accommodative policies and the improvement in dialogue around global trade. Returns in local currency typically outperformed USD returns in the developed markets, as the USD continued to strengthen against most major developed currencies. While the currency effect was detrimental in developed markets, it acted as a slight tailwind in emerging markets. The USD strength is particularly noticeable over the 1-year period where local currency returns on the MSCI ACWI ex US Index were 1.9%, but after accounting for foreign exchange, translated to a loss of -4.2% for a USD investor.
- Fourth quarter results for developed market international indices were positive in both local currency and USD terms with the MSCI EAFE Index returning 10.6% and 10.0% respectively. Ongoing weakness in global economic reporting pushed major central banks to move toward less restrictive postures around monetary policy. In Europe, the European Central Bank (ECB) announced plans for additional stimulus while putting any future interest rate increases on hold until 2020. The Bank of England (BoE) left policy unchanged as uncertainties around Brexit coincided with a slowing economy. Prime Minister Theresa May held two votes on her withdrawal plan, both of which failed, forcing her to request an extension to the March 29<sup>th</sup> withdrawal deadline. Data from Japan drew concerns that the country's economy is contracting as corporate earnings, exports, manufacturing, retail sales and inflation all hinted at an economic slowdown. The MSCI EAFE Index returned 2.8% and -3.7% for the last twelve months in local currency and USD terms respectively.
- Emerging markets slightly underperformed relative to developed markets for the 1<sup>st</sup> quarter, but still appreciated in both local currency and USD terms with the MSCI Emerging Markets Index returning 9.8% and 9.9% respectively. A major tailwind for equity markets was the improvement in trade relations between the US and China. As Chinese economic data appeared to be slowing, the Chinese government also announced continued stimulus in the form of tax cuts, infrastructure investment and lowered the reserve requirement for banks in order to encourage lending. We also saw commodity prices rise over the quarter which is generally beneficial to emerging market countries with rising oil prices helping Russian and Colombian equity returns. In Brazil, President Jair Bolsonaro officially took office. Bolsonaro announced his plan to reform the country's debt laden pension system and promised market friendly economic reforms. One year returns for the MSCI Emerging Market Index were -1.9% in local currency terms and -7.4% in USD terms.

**Quarter Performance**



**1-Year Performance**



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of March 31, 2019

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	4.3%	-4.5%
Consumer Discretionary	11.0%	7.5%	-10.4%
Consumer Staples	11.8%	12.4%	3.3%
Energy	5.9%	10.4%	4.6%
Financials	18.9%	6.9%	-12.7%
Health Care	11.3%	11.2%	7.4%
Industrials	14.4%	10.6%	-5.4%
Information Technology	6.3%	15.3%	-3.8%
Materials	7.5%	13.2%	-3.0%
Real Estate	3.9%	14.0%	4.2%
Utilities	3.7%	9.0%	8.7%
<b>Total</b>	<b>100.0%</b>	<b>10.0%</b>	<b>-3.7%</b>

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	6.9%	-1.8%
Consumer Discretionary	11.1%	11.2%	-10.3%
Consumer Staples	9.9%	11.2%	1.6%
Energy	7.4%	12.4%	5.2%
Financials	21.6%	7.7%	-9.4%
Health Care	8.4%	11.0%	4.4%
Industrials	11.7%	10.2%	-4.9%
Information Technology	8.4%	14.7%	-7.3%
Materials	7.6%	11.3%	-3.6%
Real Estate	3.5%	14.4%	2.8%
Utilities	3.3%	8.2%	6.1%
<b>Total</b>	<b>100.0%</b>	<b>10.3%</b>	<b>-4.2%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	12.3%	9.5%	-3.3%
Consumer Discretionary	13.4%	20.8%	-13.2%
Consumer Staples	6.4%	5.3%	-8.4%
Energy	8.1%	12.2%	9.4%
Financials	24.2%	7.2%	-6.0%
Health Care	2.6%	3.6%	-23.4%
Industrials	5.4%	4.8%	-7.6%
Information Technology	14.6%	12.8%	-10.8%
Materials	7.4%	6.9%	-6.2%
Real Estate	3.2%	15.6%	-2.1%
Utilities	2.5%	4.2%	-2.7%
<b>Total</b>	<b>100.0%</b>	<b>9.9%</b>	<b>-7.4%</b>

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1-Year Return
Japan	24.0%	16.1%	6.7%	-7.8%
United Kingdom	17.1%	11.5%	11.9%	-0.1%
France	11.3%	7.6%	10.7%	-3.7%
Switzerland	8.9%	6.0%	13.1%	7.5%
Germany	8.6%	5.8%	6.9%	-13.7%
Australia	6.9%	4.7%	11.4%	4.5%
Hong Kong	4.1%	2.8%	15.6%	8.0%
Netherlands	3.6%	2.4%	13.6%	-2.3%
Spain	3.0%	2.0%	7.0%	-8.8%
Sweden	2.6%	1.8%	7.4%	-5.1%
Italy	2.4%	1.6%	14.6%	-10.6%
Denmark	1.8%	1.2%	12.8%	-3.2%
Singapore	1.3%	0.9%	6.2%	-6.4%
Finland	1.0%	0.7%	8.0%	-3.6%
Belgium	1.0%	0.7%	16.2%	-15.5%
Norway	0.7%	0.5%	7.0%	-4.4%
Ireland	0.5%	0.4%	11.4%	-11.6%
Israel	0.5%	0.4%	10.1%	9.9%
Austria	0.2%	0.2%	8.4%	-23.0%
New Zealand	0.2%	0.2%	16.7%	18.1%
Portugal	0.2%	0.1%	10.2%	-4.9%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>67.1%</b>	<b>10.0%</b>	<b>-3.7%</b>
Canada		6.8%	15.4%	3.1%
<b>Total Developed Countries</b>		<b>73.9%</b>	<b>10.5%</b>	<b>-3.1%</b>
China		8.6%	17.7%	-6.2%
Korea		3.4%	4.9%	-16.7%
Taiwan		3.0%	9.0%	-6.1%
India		2.4%	7.2%	6.8%
Brazil		1.9%	8.1%	-4.2%
South Africa		1.5%	4.4%	-18.0%
Russia		1.0%	12.2%	2.2%
Mexico		0.7%	5.5%	-11.7%
Thailand		0.6%	7.4%	-6.9%
Indonesia		0.6%	4.3%	2.0%
Malaysia		0.6%	0.3%	-13.1%
Poland		0.3%	-0.6%	-5.7%
Philippines		0.3%	7.9%	1.8%
Chile		0.3%	4.1%	-17.5%
Qatar		0.2%	-3.5%	22.2%
United Arab Emirates		0.2%	8.7%	1.3%
Turkey		0.1%	-3.2%	-40.3%
Colombia		0.1%	24.8%	5.3%
Peru		0.1%	11.0%	2.2%
Hungary		0.1%	6.0%	0.5%
Greece		0.1%	12.8%	-23.6%
Czech Republic		0.0%	3.8%	-6.8%
Egypt		0.0%	15.8%	-10.2%
Pakistan		0.0%	8.3%	-36.6%
<b>Total Emerging Countries</b>		<b>26.1%</b>	<b>9.9%</b>	<b>-7.4%</b>
<b>Total ACWIxUS Countries</b>		<b>100.0%</b>	<b>10.3%</b>	<b>-4.2%</b>

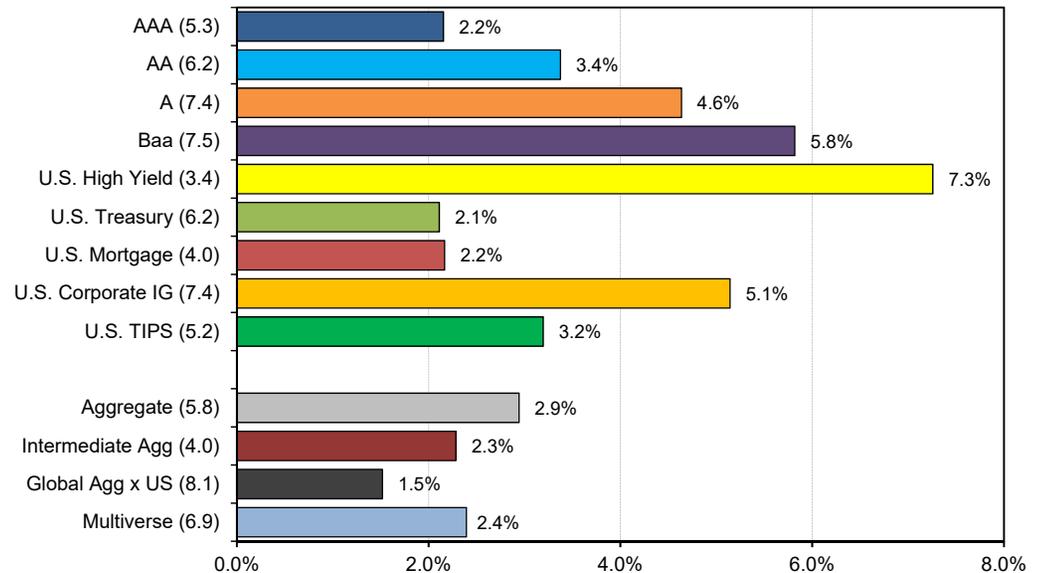
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

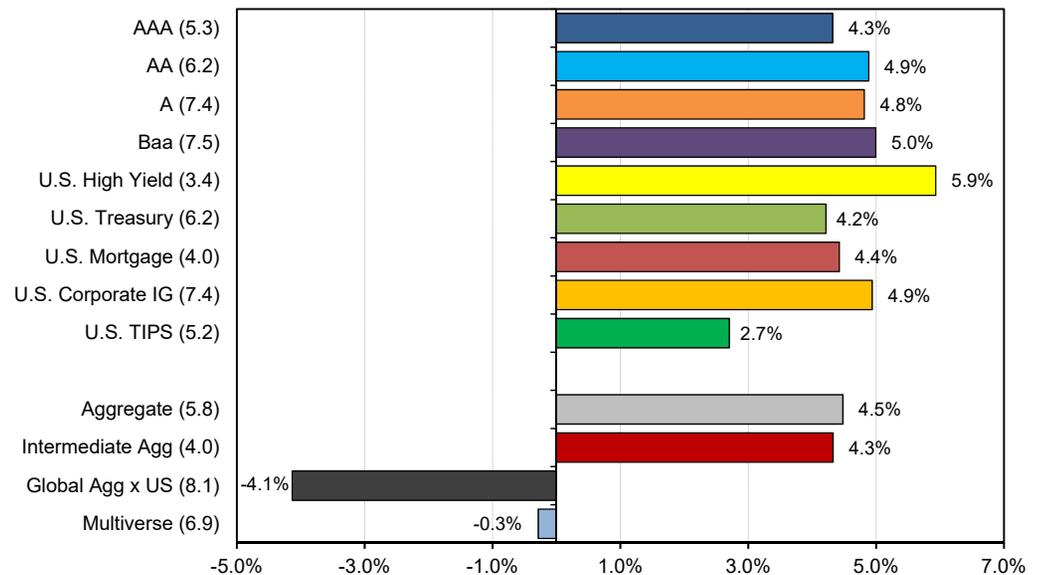


- Broad fixed income benchmarks were positive to start 2019. Following the late 2018 market volatility, the Federal Open Market Committee (FOMC) issued dovish guidance after their January meeting stating that they would be patient in determining future interest rate adjustments. The FOMC also commented on the ongoing balance sheet reduction program, stating that they would be open to changes to the program if market conditions warranted them. Later in March, Fed Chair Jerome Powell communicated that the FOMC is no longer projecting any further interest rate increases through 2019. He also stated that they would begin tapering the roll off from the balance sheet reduction program in May with a plan to halt the program entirely in September. The stoppage of the balance sheet reduction program represents an easing of monetary policy. Interest rates fell across all maturities on the US Treasury Yield Curve with the greatest declines occurring in the mid- and long-term issues. This caused continued inversion in the yield curve with short-term maturities paying higher interest rates than issues in the mid- to long-end of the curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.14% with the 30-day T-Bill yielding more than the 10-year bond by 0.02%. Historically, an inverted yield curve has been a leading indicator of a recession in the next 6-24 months. The bellwether Bloomberg Barclays US Aggregate Index posted positive returns for both the 1<sup>st</sup> quarter and the 1-year period, returning 2.9% and 4.5% respectively.
- Within investment grade credit, lower quality issues outperformed higher quality issues as investors gravitated toward higher risk securities during the quarter. Lower quality issues also benefitted from their higher durations. On an absolute basis, without negating the duration differences in the sub-indices, Baa rated credit was the best performing investment grade credit quality segment returning 5.8% for the quarter, while AAA was the worst performing, returning 2.2%. Despite their relatively low durations, high yield securities posted very strong returns for the quarter, gaining 7.3%, as spreads tightened by 135 basis points on these issues. When viewed over the 1-year period, returns for the various quality segments generally show lower quality securities outperforming higher quality issues by a small margin.
- During the 1<sup>st</sup> quarter, investment grade corporates outperformed the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors. Investment grade corporate credit returned 5.1%, as the drop in interest rates benefitted these securities to a greater degree and credit spreads tightened considerably since the end of 2018. This quarter's performance carried through to the 1-year period as corporate credit outperformed both Treasuries and mortgage backed securities. Corporate issues returned 4.9% versus a 4.4% return for mortgages and 4.2% gain on Treasury securities.

**Quarter Performance**

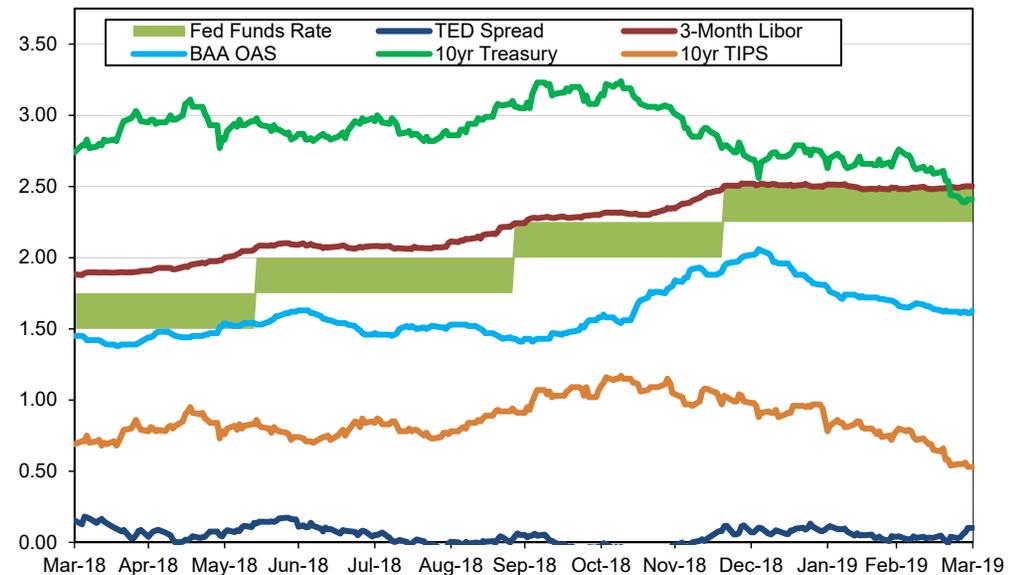


**1-Year Performance**

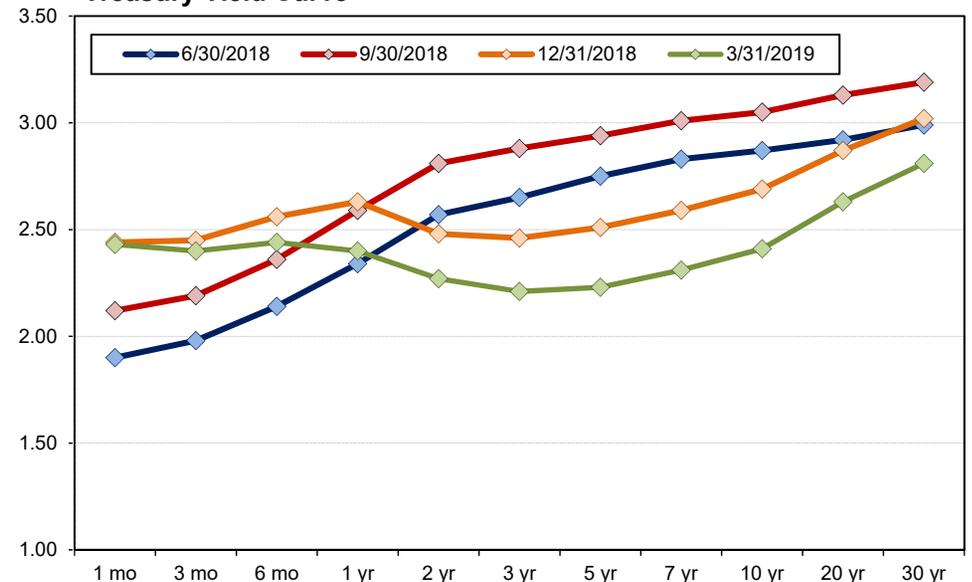


- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 1<sup>st</sup> quarter. These indices have lower, or in some cases (Germany, Japan), negative yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. The USD has appreciated against most other developed currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was 1.5% and -4.1% for the quarter and 1-year period respectively. As global growth has shown signs of stalling, several international central banks have started to step back from more restrictive postures. Notably, the ECB announced a program to extend loans to European banks in an effort to increase lending and pledged to keep interest rates steady through the end of 2019. China also announced new stimulus to help spur its economy. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell from recent high's greater than 3.0%, to yields below 2.5% to end the first quarter. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4<sup>th</sup> quarter of 2018 as investors moved to higher quality assets during the quarter's risk-off environment. Subsequently, spreads dropped steadily over the 1<sup>st</sup> quarter of 2019. This spread tightening is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. These credit spreads have tightened by about 34 basis points over the last three months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate due to the tightening of US monetary policy during 2018. As mentioned, the Fed's current guidance is for zero rate increases in 2019.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. The downward shift of interest rates as well as a general flattening of the yield curve are clearly visible over the last quarter. As mentioned, the yield curve continues to invert as yields on shorter-term maturities fell less than interest rates in the middle- to long-end of the curve.

1-Year Trailing Market Rates



Treasury Yield Curve



**Asset Allocation**  
**Total 457 and 401a Plans**  
**As of March 31, 2019**

Asset Allocation Attributes	Mar-2019		Dec-2018		Sep-2018		Jun-2018	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
	<b>Total 457 &amp; 401a Plans</b>	<b>51,888,944</b>	<b>100.00</b>	<b>47,589,756</b>	<b>100.00</b>	<b>52,320,220</b>	<b>100.00</b>	<b>49,737,006</b>
457 Plan- 300786	38,339,276	73.89	35,081,669	73.72	38,492,184	73.57	36,606,824	73.60
401a Plan- 106397	11,063,286	21.32	10,101,190	21.23	11,127,360	21.27	10,527,584	21.17
401a General DROP- 108334	-	0.00	9,239	0.02	15,357	0.03	20,730	0.04
401a Police DROP- 108335	-	0.00	72,837	0.15	72,456	0.14	72,091	0.14
401a Fire Share-106796	2,475,340	4.77	2,280,001	4.79	2,568,270	4.91	2,465,399	4.96
401a Fire Old DROP- 108552	11,041	0.02	44,821	0.09	44,593	0.09	44,380	0.09



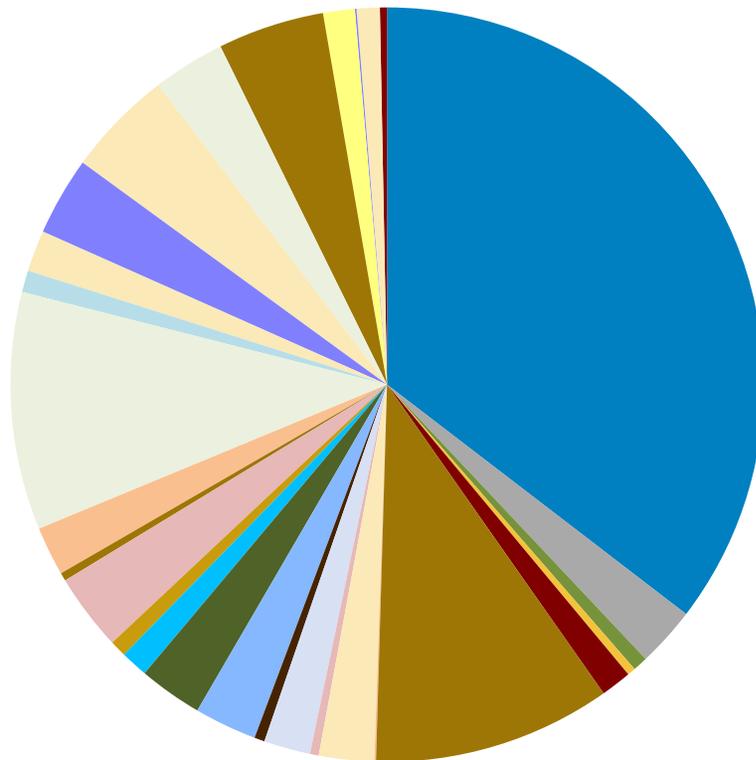
**Asset Allocation**  
**Total Fund RHS Plans**  
As of March 31, 2019

Asset Allocation Attributes	Mar-2019		Dec-2018		Sep-2018		Jun-2018	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
	<b>Total RHS Plans</b>	<b>3,843,572</b>	<b>100.00</b>	<b>3,381,651</b>	<b>100.00</b>	<b>3,759,570</b>	<b>100.00</b>	<b>3,592,293</b>
RHS Old Plan	498,359	12.97	468,696	13.86	523,296	13.92	516,469	14.38
RHS Current Plan- 803116	3,345,213	87.03	2,912,955	86.14	3,236,273	86.08	3,075,824	85.62



December 31, 2018 : \$35,081,669

**Allocation**

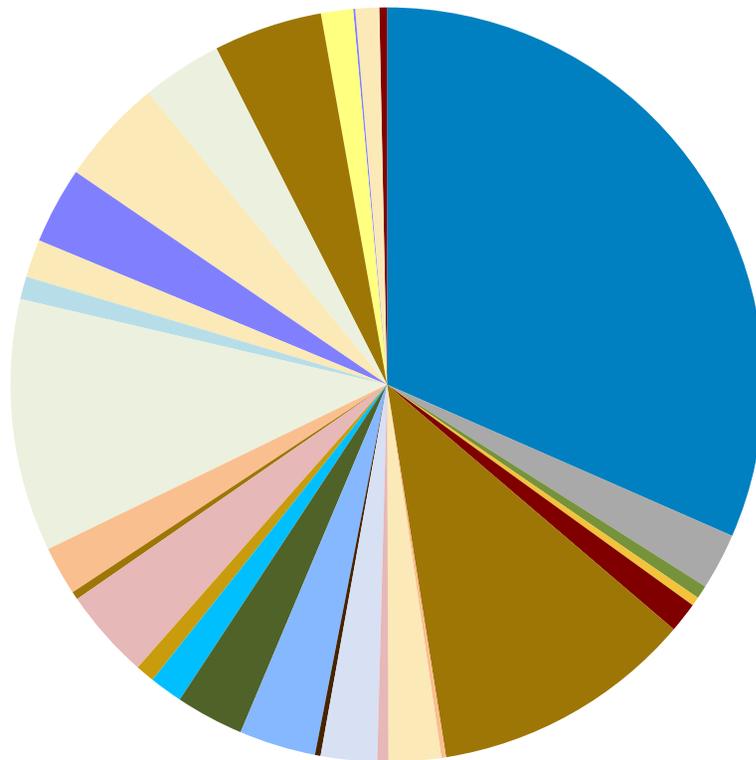


	Market Value	Allocation
Vantage Trust Plus Fund	12,419,209	35.4
TCW Total Return Bond Fund (TGLMX)	897,099	2.6
VT Vantagepoint Inflt'n Focused	221,400	0.6
Neuberger Berman High Yeild Fixed Income (NHILX)	122,828	0.4
VT Retirement Income Advantage	460,979	1.3
Vanguard 500 Index Fund (VFIAX)	3,583,444	10.2
VT Parnassus Core Equity (PRBLX)	25,075	0.1
VT Vantagepoint Equity Income	831,354	2.4
VT Invesco Diversified Dividend Fund (LCEYX)	131,619	0.4
VT Fidelity Diversified Intl (FDIVX)	700,287	2.0
VT Victory Sycamore Est Value (VEVYX)	154,285	0.4
Vanguard Mid Cap Index (VIMAX)	941,997	2.7
VT TimesSquare Mid Cap Growth (TMDPX)	957,072	2.7
VT Vantagepoint Discovery	411,304	1.2
Vanguard Small Cap Index (VSMAX)	248,750	0.7
VT Oppenheimer Discovery Fund (ODIYX)	1,157,538	3.3
Templeton Inst. Global Equity (TGESX)	123,191	0.4
Vanguard Total Int'l Stock Index (VTIAX)	737,770	2.1
VT Fidelity Contrafund (FCNTX)	3,573,187	10.2
VT Nuveen Real Estate Secs (FARCX)	326,182	0.9
Vanguard Target Retirement Income (VTINX)	619,257	1.8
Vanguard Target Retirement 2015 (VTXVX)	1,181,501	3.4
Vanguard Target Retirement 2020 (VTWNX)	1,609,137	4.6
Vanguard Target Retirement 2025 (VTTVX)	1,086,484	3.1
Vanguard Target Retirement 2030 (VTHRX)	1,604,620	4.6
Vanguard Target Retirement 2035 (VTTHX)	476,931	1.4
Vanguard Target Retirement 2040 (VFORX)	24,967	0.1
Vanguard Target Retirement 2045 (VTIVX)	347,269	1.0
Vanguard Target Retirement 2050 (VFIFX)	106,932	0.3



March 31, 2019 : \$38,339,276

Allocation



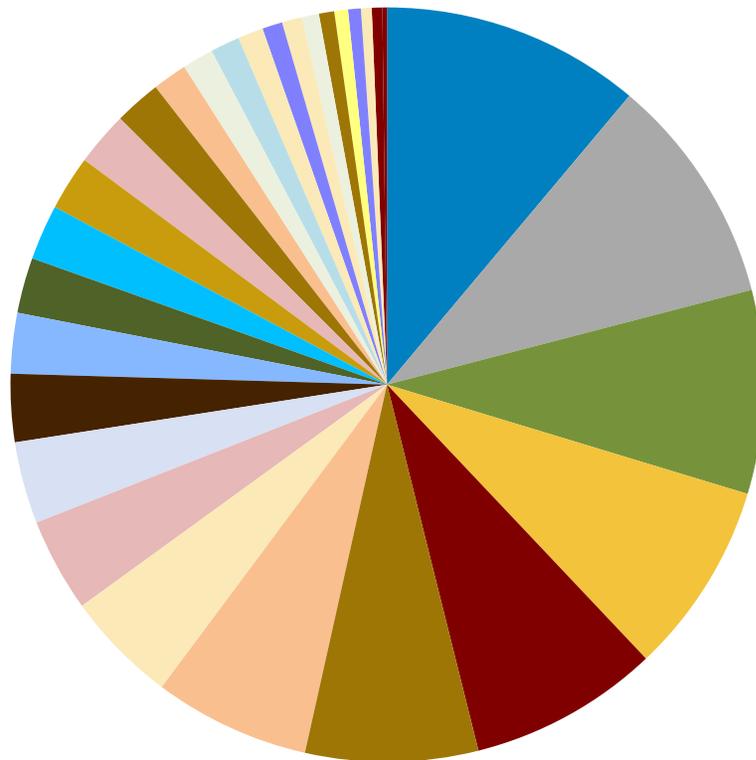
	Market Value	Allocation
Vantage Trust Plus Fund	12,101,968	31.6
TCW Total Return Bond Fund (TGLMX)	928,811	2.4
VT Vantagepoint Inflt'n Focused	217,532	0.6
Neuberger Berman High Yeild Fixed Income (NHILX)	146,378	0.4
VT Retirement Income Advantage	496,155	1.3
Vanguard 500 Index Fund (VFIAX)	4,319,161	11.3
VT Parnassus Core Equity (PRBLX)	75,341	0.2
VT Vantagepoint Equity Income	862,584	2.2
VT Invesco Diversified Dividend Fund (LCEYX)	180,435	0.5
VT Fidelity Diversified Intl (FDIVX)	924,971	2.4
VT Victory Sycamore Est Value (VEVYX)	92,319	0.2
Vanguard Mid Cap Index (VIMAX)	1,262,199	3.3
VT TimesSquare Mid Cap Growth (TMDPX)	1,119,835	2.9
VT Vantagepoint Discovery	545,065	1.4
Vanguard Small Cap Index (VSMAX)	311,123	0.8
VT Oppenheimer Discovery Fund (ODIYX)	1,481,587	3.9
Templeton Inst. Global Equity (TGESX)	132,809	0.3
Vanguard Total Int'l Stock Index (VTIAX)	802,439	2.1
VT Fidelity Contrafund (FCNTX)	4,151,333	10.8
VT Nuveen Real Estate Secs (FARCX)	374,323	1.0
Vanguard Target Retirement Income (VTINX)	621,538	1.6
Vanguard Target Retirement 2015 (VTXVX)	1,260,255	3.3
Vanguard Target Retirement 2020 (VTWNX)	1,744,414	4.5
Vanguard Target Retirement 2025 (VTTVX)	1,316,791	3.4
Vanguard Target Retirement 2030 (VTHRX)	1,789,131	4.7
Vanguard Target Retirement 2035 (VTTHX)	529,836	1.4
Vanguard Target Retirement 2040 (VFORX)	31,812	0.1
Vanguard Target Retirement 2045 (VTIVX)	392,044	1.0
Vanguard Target Retirement 2050 (VFIFX)	127,085	0.3



**Asset Allocation By Manager**  
**401a Plan- 106397**  
**As of March 31, 2019**

December 31, 2018 : \$10,101,190

**Allocation**



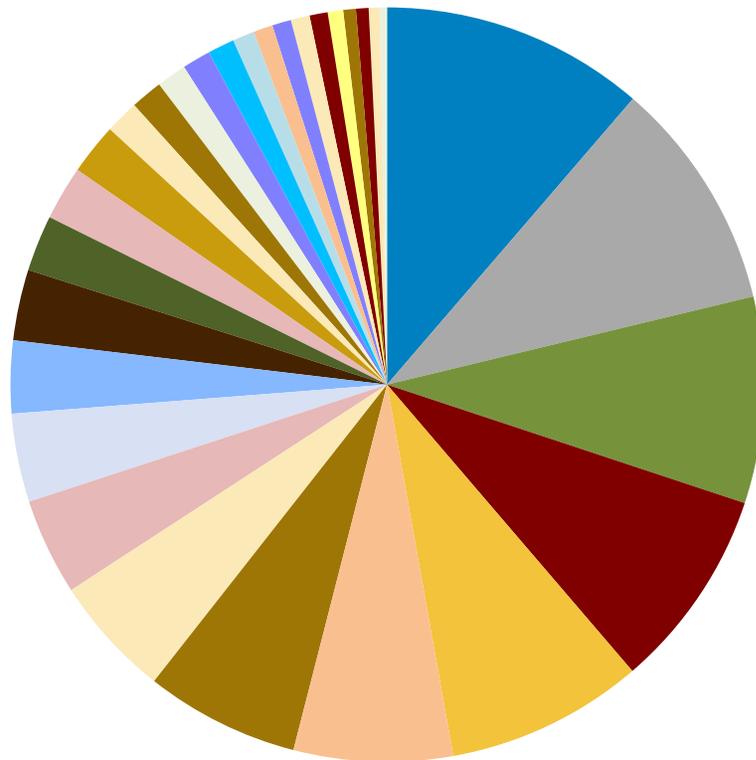
	Market Value	Allocation
Vantage Trust Plus Fund	747,947	7.4
Vantage Trust Cash Management (DPCXX)	239,462	2.4
TCW Total Return Bond Fund (TGLMX)	237,031	2.3
VT Vantagepoint Inflt'n Focused	87,179	0.9
Neuberger Berman High Yeild Fixed Income (NHILX)	66,366	0.7
VT Retirement Income Advantage	55,105	0.5
Vanguard 500 Index Fund (VFIAX)	824,602	8.2
VT Parnassus Core Equity (PRBLX)	20,511	0.2
VT Vantagepoint Equity Income	110,862	1.1
VT Invesco Diversified Dividend Fund (LCEYX)	45,441	0.4
VT Fidelity Contrafund (FCNTX)	233,747	2.3
VT Victory Sycamore Est Value (VEVYX)	75,356	0.7
Vanguard Mid Cap Index (VIMAX)	262,335	2.6
VT TimesSquare Mid Cap Growth (TMDPX)	59,239	0.6
VT Vantagepoint Discovery	85,944	0.9
Vanguard Small Cap Index (VSMAX)	201,872	2.0
VT Oppenheimer Discovery Fund (ODIYX)	487,349	4.8
Templeton Inst. Global Equity (TGESX)	126,792	1.3
Vanguard Total Int'l Stock Index (VTIAX)	405,233	4.0
VT Fidelity Diversified Intl (FDIVX)	239,906	2.4
VT Nuveen Real Estate Secs (FARCX)	135,714	1.3
Vanguard Target Retirement Income (VTINX)	46,513	0.5
Vanguard Target Retirement 2015 (VTXVX)	149,261	1.5
Vanguard Target Retirement 2020 (VTWNX)	993,130	9.8
Vanguard Target Retirement 2025 (VTTVX)	880,730	8.7
Vanguard Target Retirement 2030 (VTHR)	1,123,665	11.1
Vanguard Target Retirement 2035 (VTTHX)	834,474	8.3
Vanguard Target Retirement 2040 (VFORX)	676,950	6.7
Vanguard Target Retirement 2045 (VTIVX)	354,760	3.5
Vanguard Target Retirement 2050 (VFIFX)	293,712	2.9



**Asset Allocation By Manager**  
**401a Plan- 106397**  
**As of March 31, 2019**

March 31, 2019 : \$11,063,286

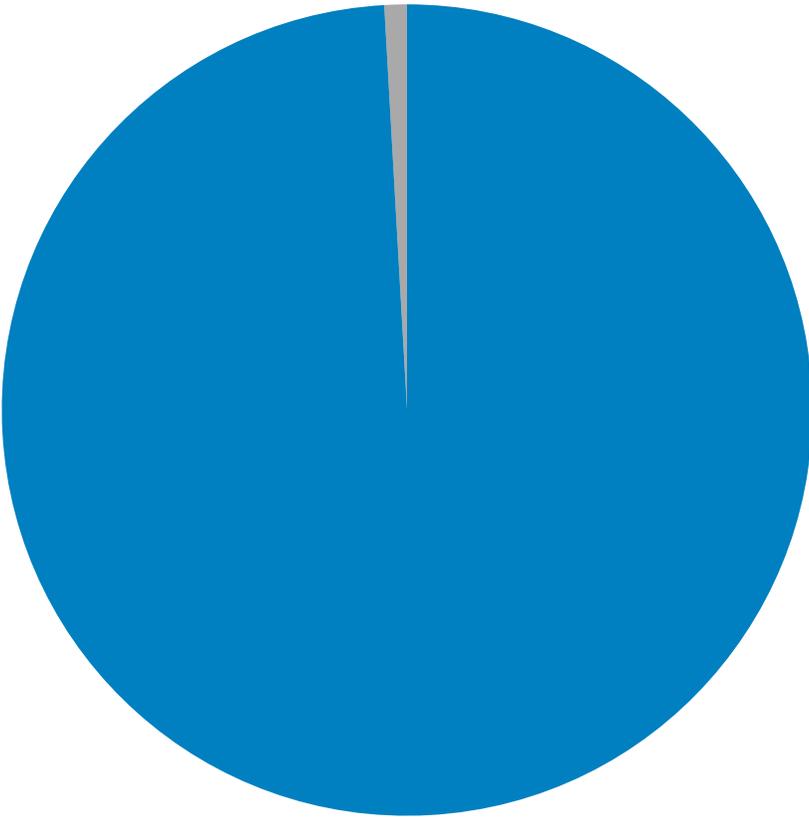
**Allocation**



	Market Value	Allocation
Vantage Trust Plus Fund	731,342	6.6
Vantage Trust Cash Management (DPCXX)	127,032	1.1
TCW Total Return Bond Fund (TGLMX)	243,223	2.2
VT Vantagepoint Inflt'n Focused	89,944	0.8
Neuberger Berman High Yeild Fixed Income (NHILX)	60,352	0.5
VT Retirement Income Advantage	134,474	1.2
Vanguard 500 Index Fund (VFIAX)	954,857	8.6
VT Parnassus Core Equity (PRBLX)	86,489	0.8
VT Vantagepoint Equity Income	89,825	0.8
VT Invesco Diversified Dividend Fund (LCEYX)	59,534	0.5
VT Fidelity Contrafund (FCNTX)	256,376	2.3
VT Victory Sycamore Est Value (VEVYX)	35,646	0.3
Vanguard Mid Cap Index (VIMAX)	344,002	3.1
VT TimesSquare Mid Cap Growth (TMDPX)	72,724	0.7
VT Vantagepoint Discovery	159,951	1.4
Vanguard Small Cap Index (VSMAX)	151,119	1.4
VT Oppenheimer Discovery Fund (ODIYX)	578,060	5.2
Templeton Inst. Global Equity (TGESX)	103,196	0.9
Vanguard Total Int'l Stock Index (VTIAX)	457,891	4.1
VT Fidelity Diversified Intl (FDIVX)	265,777	2.4
VT Nuveen Real Estate Secs (FARCX)	142,438	1.3
Vanguard Target Retirement Income (VTINX)	50,996	0.5
Vanguard Target Retirement 2015 (VTXVX)	92,676	0.8
Vanguard Target Retirement 2020 (VTWNX)	1,097,484	9.9
Vanguard Target Retirement 2025 (VTTVX)	978,840	8.8
Vanguard Target Retirement 2030 (VTHR)	1,252,121	11.3
Vanguard Target Retirement 2035 (VTTHX)	937,064	8.5
Vanguard Target Retirement 2040 (VFORX)	753,994	6.8
Vanguard Target Retirement 2045 (VTIVX)	419,992	3.8
Vanguard Target Retirement 2050 (VFIFX)	335,864	3.0



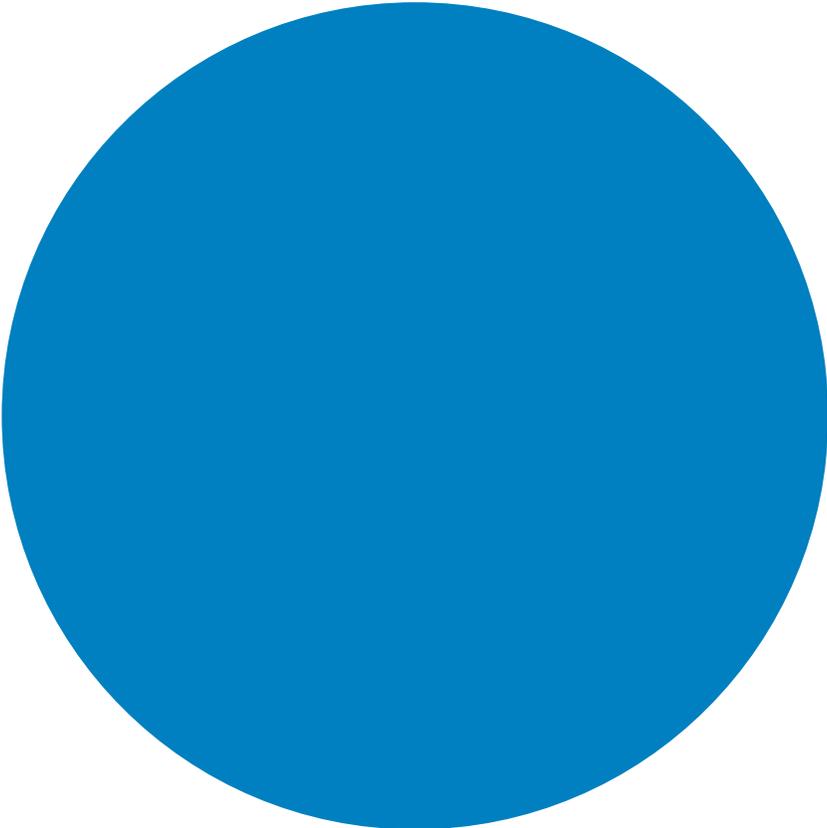
December 31, 2018 : \$9,239



Allocation	Market Value	Allocation
■ Vantage Trust Plus Fund	83	0.9
■ Vanguard Target Retirement Income (VTINX)	9,155	99.1



December 31, 2018 : \$72,837

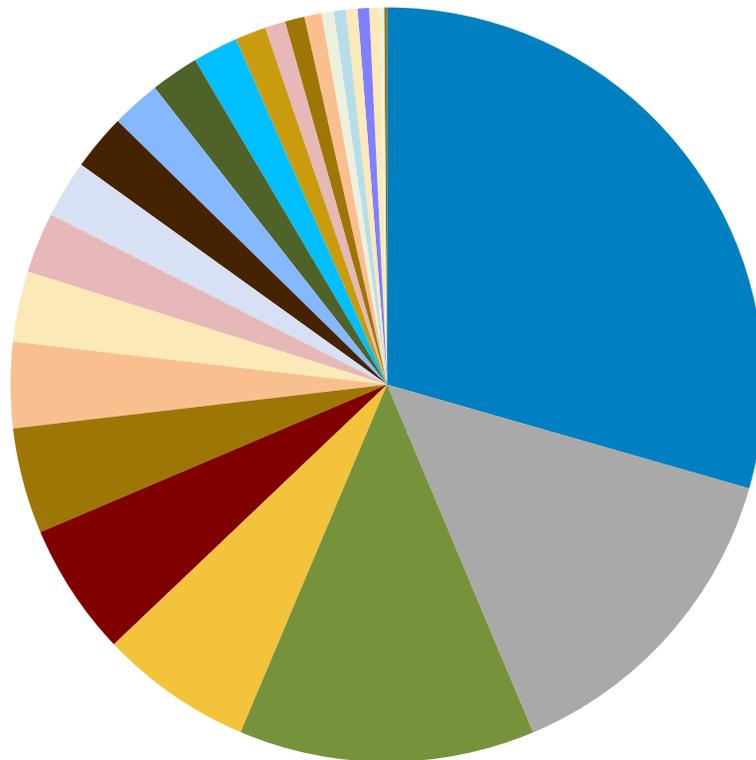


Allocation	Market Value	Allocation
■ Vantage Trust Plus Fund	72,837	100.0



December 31, 2018 : \$2,280,001

Allocation



	Market Value	Allocation
Vantage Trust Plus Fund	671,128	29.4
TCW Total Return Bond Fund (TGLMX)	30,141	1.3
VT Vantagepoint Inflt'n Focused	16,602	0.7
Neuberger Berman High Yeild Fixed Income (NHILX)	11,989	0.5
Vanguard 500 Index Fund (VFIAX)	149,444	6.6
VT Vantagepoint Equity Income	19,261	0.8
VT Invesco Diversified Dividend Fund (LCEYX)	4,360	0.2
VT Fidelity Contrafund (FCNTX)	289,462	12.7
VT Victory Sycamore Est Value (VEVYX)	2,883	0.1
Vanguard Mid Cap Index (VIMAX)	129,801	5.7
VT TimesSquare Mid Cap Growth (TMDPX)	47,062	2.1
VT Vantagepoint Discovery	20,028	0.9
Vanguard Small Cap Index (VSMAX)	103,471	4.5
VT Oppenheimer Discovery Fund (ODIYX)	324,417	14.2
Templeton Inst. Global Equity (TGESX)	11,759	0.5
Vanguard Total Int'l Stock Index (VTIAX)	83,774	3.7
VT Fidelity Diversified Intl (FDIVX)	48,015	2.1
VT Nuveen Real Estate Secs (FARCX)	69,042	3.0
Vanguard Target Retirement Income (VTINX)	10,185	0.4
Vanguard Target Retirement 2020 (VTWNX)	11,203	0.5
Vanguard Target Retirement 2025 (VTTVX)	59,098	2.6
Vanguard Target Retirement 2030 (VTHR30)	11,410	0.5
Vanguard Target Retirement 2035 (VTTH35)	44,336	1.9
Vanguard Target Retirement 2040 (VFORX)	56,292	2.5
Vanguard Target Retirement 2045 (VTIV35)	54,837	2.4
VT Parnassus Core Equity (PRBLX)	-	0.0



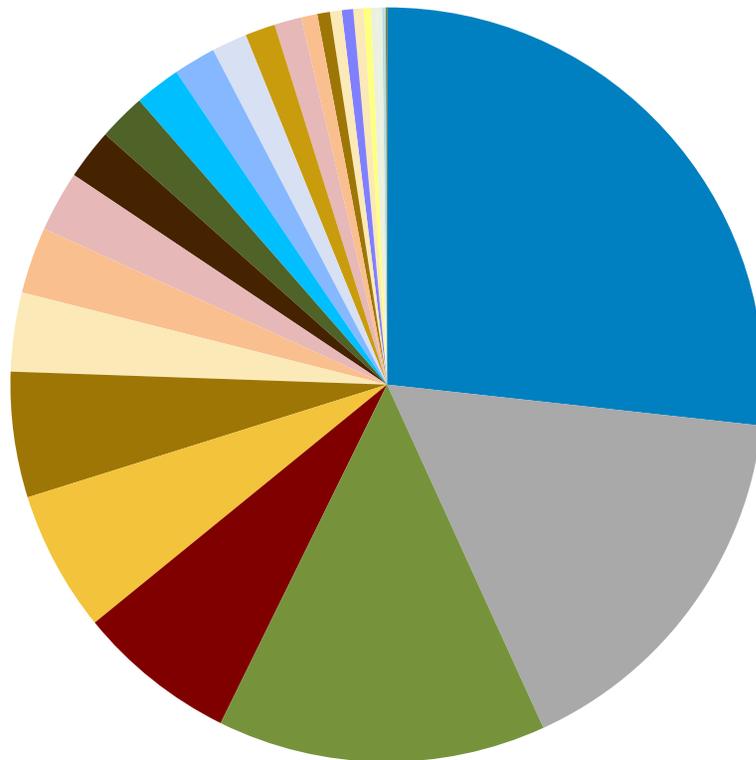
**Asset Allocation By Manager**

**401a Fire Share-106796**

**As of March 31, 2019**

**March 31, 2019 : \$2,475,340**

**Allocation**



	<b>Market Value</b>	<b>Allocation</b>
Vantage Trust Plus Fund	661,780	26.7
TCW Total Return Bond Fund (TGLMX)	32,004	1.3
VT Vantagepoint Inflt'n Focused	17,157	0.7
Neuberger Berman High Yeild Fixed Income (NHILX)	5,187	0.2
Vanguard 500 Index Fund (VFIAX)	149,284	6.0
VT Vantagepoint Equity Income	13,435	0.5
VT Invesco Diversified Dividend Fund (LCEYX)	6,458	0.3
VT Fidelity Contrafund (FCNTX)	348,842	14.1
VT Victory Sycamore Est Value (VEVYX)	1,490	0.1
Vanguard Mid Cap Index (VIMAX)	169,691	6.9
VT TimesSquare Mid Cap Growth (TMDPX)	50,217	2.0
VT Vantagepoint Discovery	28,835	1.2
Vanguard Small Cap Index (VSMAX)	133,234	5.4
VT Oppenheimer Discovery Fund (ODIYX)	407,336	16.5
Templeton Inst. Global Equity (TGESX)	3,858	0.2
Vanguard Total Int'l Stock Index (VTIAX)	70,579	2.9
VT Fidelity Diversified Intl (FDIVX)	44,863	1.8
VT Nuveen Real Estate Secs (FARCX)	83,682	3.4
Vanguard Target Retirement Income (VTINX)	10,741	0.4
Vanguard Target Retirement 2020 (VTWNX)	12,075	0.5
Vanguard Target Retirement 2025 (VTTVX)	64,285	2.6
Vanguard Target Retirement 2030 (VTHR)	12,494	0.5
Vanguard Target Retirement 2035 (VTTHX)	48,841	2.0
Vanguard Target Retirement 2040 (VFORX)	37,564	1.5
Vanguard Target Retirement 2045 (VTIVX)	53,530	2.2
VT Parnassus Core Equity (PRBLX)	7,880	0.3

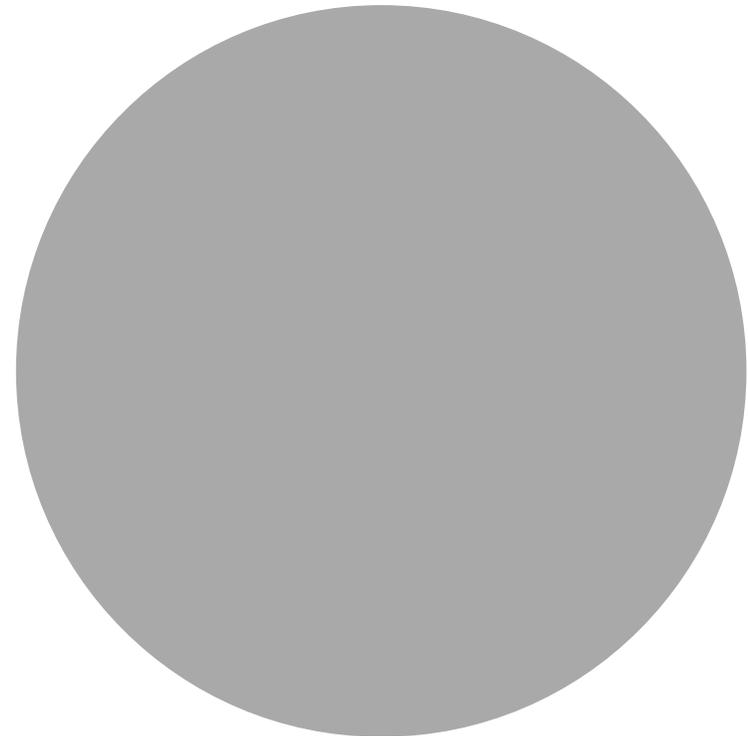
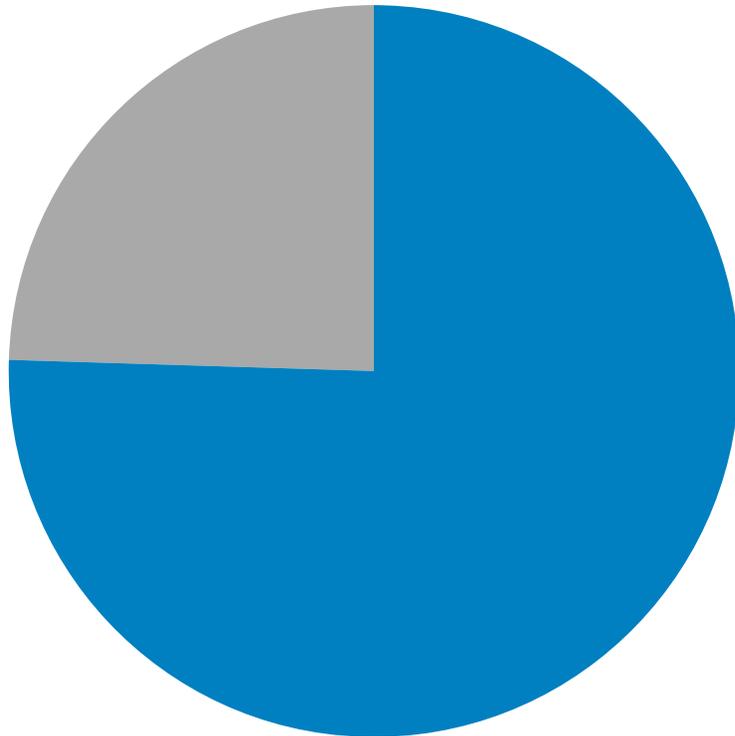


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December 31, 2018 : \$44,821

March 31, 2019 : \$11,041



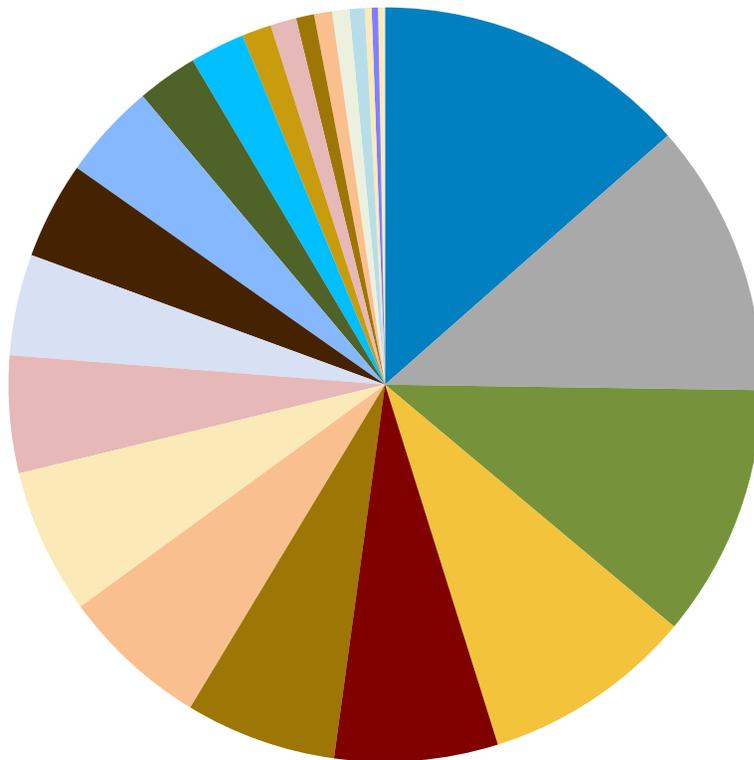
Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Vantage Trust Plus Fund	33,834	75.5	■ Vantage Trust Plus Fund	-	0.0
■ Vantage Trust Cash Management (DPCXX)	10,986	24.5	■ Vantage Trust Cash Management (DPCXX)	11,041	100.0



**Asset Allocation By Manager**  
**Total RHS Old Plan**  
**As of March 31, 2019**

December 31, 2018 : \$468,696

**Allocation**



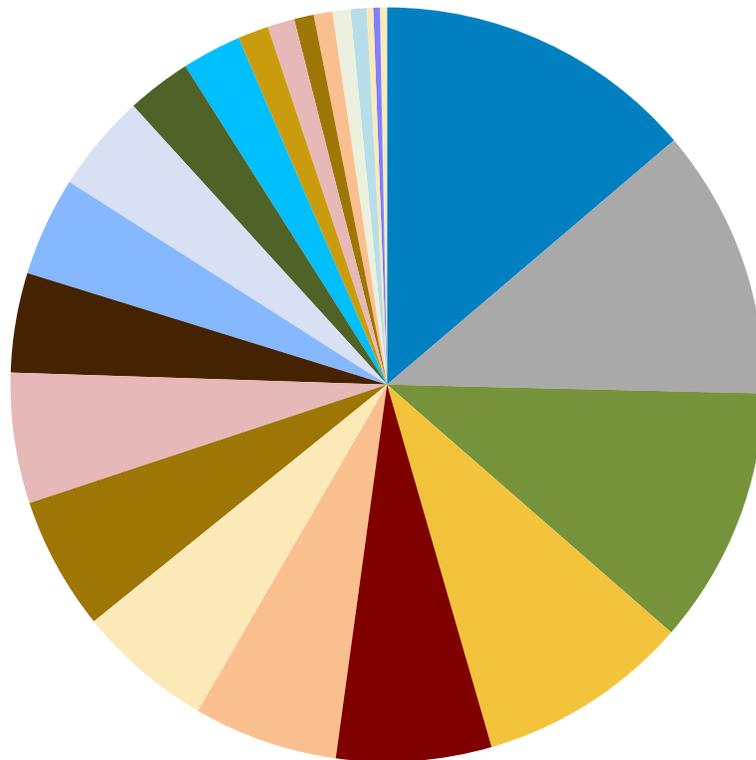
	Market Value	Allocation
Vantagepoint PLUS Fund S3	30,399	6.5
VT II VP Low Duration Bond Fund	314	0.1
VT II VP Core Bond Index	1,390	0.3
VT II VP Inflation Focused Fund	20,317	4.3
VT II VP 500 Stock Index	12,178	2.6
VT II VP Broad Market Index	50,836	10.8
VT II VP Equity Income Fund	1,269	0.3
VT II VP Growth Fund	11,049	2.4
VT II VP Mid/Small Company Index	3,637	0.8
VT II VP Aggressive Opp Fund	23,553	5.0
VT II VP Overseas Equity Index	3,620	0.8
VT II VP Milestone Retirement Income Fund	54,889	11.7
VT II VP Milestone 2010	29,698	6.3
VT II VP Milestone 2015	42,573	9.1
VT II VP Milestone 2020	32,831	7.0
VT II VP Milestone 2025	63,369	13.5
VT II VP Milestone 2030	19,302	4.1
VT II VP Milestone 2035	5,236	1.1
VT II VP Milestone 2040	1,096	0.2
VT II VP Milestone 2045	3,460	0.7
VT II VP MP Conservative Growth Fund	29,209	6.2
VT II VP MP Traditional Growth Fund	19,521	4.2
VT II VP MP Long-Term Growth Fund	5,916	1.3
VT II VP MP Global Equity Growth Fund	3,036	0.6



**Asset Allocation By Manager**  
**Total RHS Old Plan**  
**As of March 31, 2019**

March 31, 2019 : \$498,359

**Allocation**

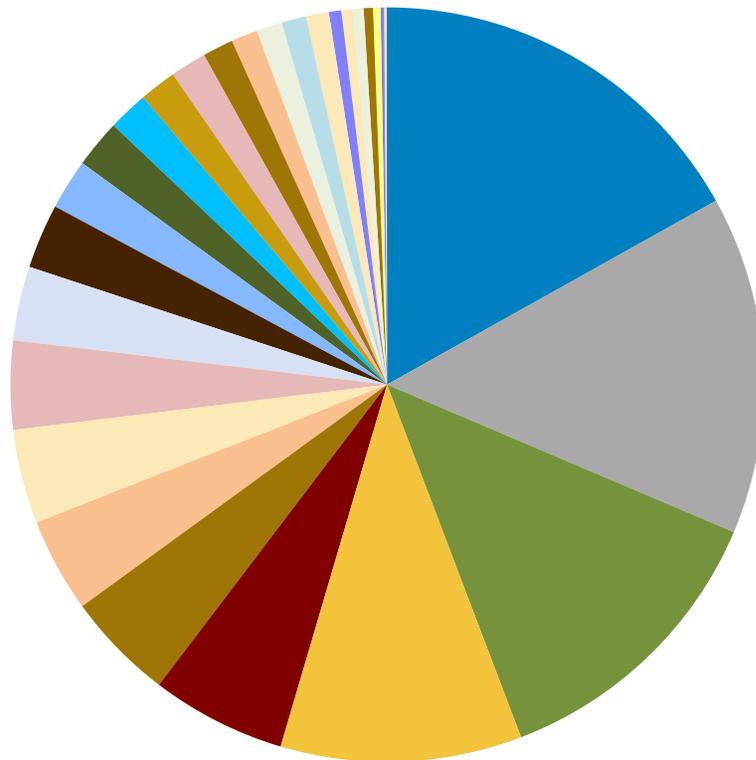


	Market Value	Allocation
Vantagepoint PLUS Fund S3	28,469	5.7
VT II VP Low Duration Bond Fund	312	0.1
VT II VP Core Bond Index	1,426	0.3
VT II VP Inflation Focused Fund	20,950	4.2
VT II VP 500 Stock Index	13,801	2.8
VT II VP Broad Market Index	55,007	11.0
VT II VP Equity Income Fund	1,405	0.3
VT II VP Growth Fund	12,722	2.6
VT II VP Mid/Small Company Index	4,202	0.8
VT II VP Aggressive Opp Fund	27,885	5.6
VT II VP Overseas Equity Index	3,979	0.8
VT II VP Milestone Retirement Income Fund	57,747	11.6
VT II VP Milestone 2010	30,885	6.2
VT II VP Milestone 2015	45,445	9.1
VT II VP Milestone 2020	33,155	6.7
VT II VP Milestone 2025	68,680	13.8
VT II VP Milestone 2030	21,157	4.2
VT II VP Milestone 2035	5,785	1.2
VT II VP Milestone 2040	1,205	0.2
VT II VP Milestone 2045	3,857	0.8
VT II VP MP Conservative Growth Fund	29,037	5.8
VT II VP MP Traditional Growth Fund	21,291	4.3
VT II VP MP Long-Term Growth Fund	6,558	1.3
VT II VP MP Global Equity Growth Fund	3,401	0.7



December 31, 2018 : \$2,912,955

Allocation

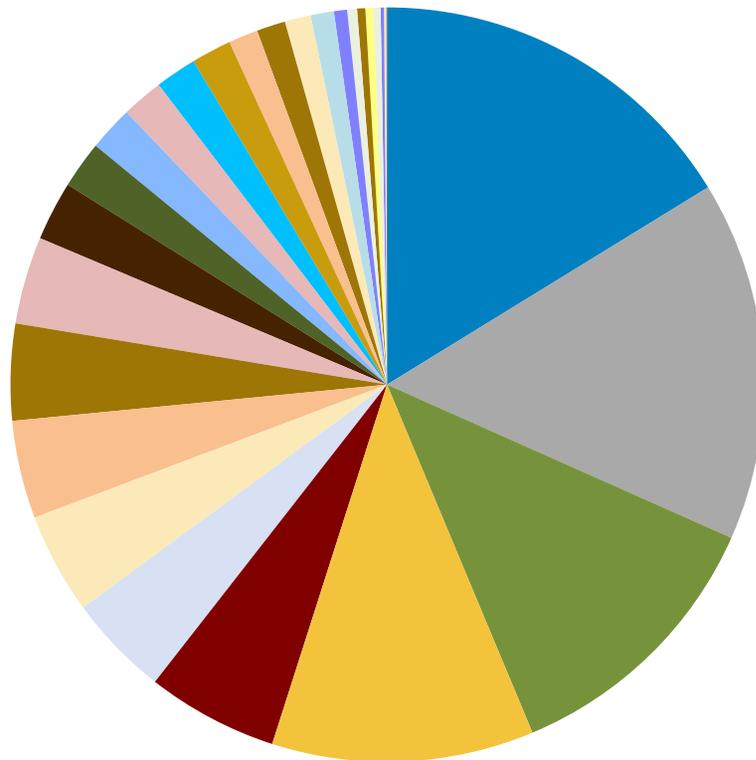


	Market Value	Allocation
Vantagepoint PLUS Fund S3	92,619	3.2
VT II VP Low Duration Bond Fund	11,608	0.4
VT II VP Core Bond Index	31,017	1.1
VT II VP Inflation Focused Fund	13,589	0.5
VT II VP High Yield	321	0.0
VT II VP 500 Stock Index	168,854	5.8
VT II VP Broad Market Index	45,032	1.5
VT II VP Growth & Income Fund	15,567	0.5
VT II VP Equity Income Fund	60,327	2.1
VT II VP Growth Fund	117,526	4.0
VT II VP Mid/Small Company Index	38,667	1.3
VT II VP Aggressive Opp Fund	33,091	1.1
VT II VP Discovery Fund	28,530	1.0
VT II VP International Fund	9,353	0.3
VT II VP Overseas Equity Index	2,940	0.1
VT II VP Emerging Markets	13,911	0.5
VT II VP Milestone Retirement Income Fund	80,679	2.8
VT II VP Milestone 2010	62,991	2.2
VT II VP Milestone 2015	135,478	4.7
VT II VP Milestone 2020	373,437	12.8
VT II VP Milestone 2025	492,101	16.9
VT II VP Milestone 2030	422,280	14.5
VT II VP Milestone 2035	301,476	10.3
VT II VP Milestone 2040	110,544	3.8
VT II VP Milestone 2045	117,689	4.0
VT II VP Milestone 2050	50,247	1.7
VT II VP Milestone 2055	46,213	1.6
VT II VP MP Conservative Growth Fund	4,497	0.2
VT II VP MP Traditional Growth Fund	31,971	1.1
VT II VP MP Long-Term Growth Fund	402	0.0



March 31, 2019 : \$3,345,213

Allocation



	Market Value	Allocation
Vantagepoint PLUS Fund S3	146,145	4.4
VT II VP Low Duration Bond Fund	11,878	0.4
VT II VP Core Bond Index	33,525	1.0
VT II VP Inflation Focused Fund	13,989	0.4
VT II VP High Yield	415	0.0
VT II VP 500 Stock Index	188,504	5.6
VT II VP Broad Market Index	59,521	1.8
VT II VP Growth & Income Fund	18,898	0.6
VT II VP Equity Income Fund	67,709	2.0
VT II VP Growth Fund	144,828	4.3
VT II VP Mid/Small Company Index	41,341	1.2
VT II VP Aggressive Opp Fund	42,342	1.3
VT II VP Discovery Fund	37,257	1.1
VT II VP International Fund	10,882	0.3
VT II VP Overseas Equity Index	3,362	0.1
VT II VP Emerging Markets	267	0.0
VT II VP Milestone Retirement Income Fund	85,174	2.5
VT II VP Milestone 2010	64,555	1.9
VT II VP Milestone 2015	138,314	4.1
VT II VP Milestone 2020	402,667	12.0
VT II VP Milestone 2025	543,177	16.2
VT II VP Milestone 2030	515,758	15.4
VT II VP Milestone 2035	376,008	11.2
VT II VP Milestone 2040	125,293	3.7
VT II VP Milestone 2045	140,478	4.2
VT II VP Milestone 2050	59,425	1.8
VT II VP Milestone 2055	57,568	1.7
VT II VP MP Conservative Growth Fund	4,589	0.1
VT II VP MP Traditional Growth Fund	10,866	0.3
VT II VP MP Long-Term Growth Fund	482	0.0



**Comparative Performance**  
**Total 457 and 401a Plans**  
As of March 31, 2019

Comparative Performance	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
<b>Stable Value/Cash Management Funds</b>														
Vantage Trust Plus Fund	0.58		0.58		2.49		2.48		2.43		2.40		2.39	
90 Day U.S. Treasury Bill	0.60		0.60		2.12		1.62		1.17		0.90		0.73	
Difference	-0.02		-0.02		0.37		0.86		1.26		1.50		1.66	
VT Cash Management	0.50	(59)	0.50	(59)	1.70	(61)	1.20	(58)	0.82	(57)	0.61	(59)	0.49	(59)
90 Day U.S. Treasury Bill	0.60	(11)	0.60	(11)	2.12	(11)	1.62	(11)	1.17	(12)	0.90	(12)	0.73	(12)
Difference	-0.10		-0.10		-0.42		-0.42		-0.35		-0.29		-0.24	
IM U.S. Taxable Money Market (MF) Median	0.52		0.52		1.80		1.28		0.88		0.67		0.54	
<b>Bond Funds</b>														
TCW Total Return Bond Fund (TGLMX)	2.50	(91)	2.50	(91)	4.62	(13)	2.95	(23)	2.06	(55)	2.01	(35)	2.71	(30)
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	2.94	(72)	4.48	(20)	2.83	(30)	2.03	(57)	2.01	(35)	2.74	(28)
Difference	-0.44		-0.44		0.14		0.12		0.03		0.00		-0.03	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		3.23		4.09		2.63		2.13		1.86		2.49	
VT Vantagepoint Inftn Focused	3.14	(51)	3.14	(51)	2.16	(49)	1.47	(45)	1.48	(53)	1.33	(45)	1.47	(30)
Bloomberg Barclays U.S. TIPS Index	3.19	(44)	3.19	(44)	2.70	(12)	1.81	(19)	1.70	(33)	1.65	(19)	1.94	(9)
Difference	-0.05		-0.05		-0.54		-0.34		-0.22		-0.32		-0.47	
IM U.S. TIPS (MF) Median	3.15		3.15		2.13		1.34		1.51		1.25		1.23	
Neuberger Berman High Yeild Fixed Income (NHILX)	6.84	(51)	6.84	(51)	5.48	(19)	3.70	(60)	6.87	(54)	4.00	(55)	3.41	(54)
ICE BofAML High Yield Master II	7.40	(23)	7.40	(23)	5.93	(11)	4.81	(11)	8.69	(9)	5.37	(7)	4.70	(7)
Difference	-0.56		-0.56		-0.45		-1.11		-1.82		-1.37		-1.29	
IM U.S. High Yield Bonds (MF) Median	6.86		6.86		4.56		3.88		6.99		4.11		3.48	
<b>Lifetime Income Fund</b>														
VT Retirement Income Advantage	8.51	(4)	8.51	(4)	-0.81	(99)	3.46	(65)	4.98	(42)	3.33	(36)	3.81	(31)
Retirement Income Advantage	9.44	(1)	9.44	(1)	7.78	(1)	8.33	(1)	8.99	(1)	N/A		N/A	
Difference	-0.93		-0.93		-8.59		-4.87		-4.01		N/A		N/A	
IM Mixed-Asset Target Alloc Consv (MF) Median	6.07		6.07		2.82		3.76		4.77		3.05		3.32	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



**Comparative Performance  
Total 457 and 401a Plans**

As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
<b>US Stock Funds</b>														
Vanguard 500 Index Fund (VFIAX)	13.65	(32)	13.65	(32)	9.46	(22)	11.68	(27)	13.47	(23)	10.42	(12)	10.87	(13)
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	0.00		0.00		-0.04		-0.04		-0.04		-0.04		-0.04	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	
VT Parnassus Core Equity (PRBLX)	13.32	(43)	13.32	(43)	13.41	(5)	12.40	(16)	12.37	(50)	9.91	(24)	10.46	(23)
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	-0.33		-0.33		3.91		0.68		-1.14		-0.55		-0.45	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	
VT Vantagepoint Equity Income	11.28	(56)	11.28	(56)	0.83	(87)	4.90	(82)	8.98	(83)	5.41	(83)	5.67	(87)
Russell 1000 Value Index	11.93	(40)	11.93	(40)	5.67	(33)	6.31	(54)	10.45	(47)	7.32	(36)	7.72	(32)
Difference	-0.65		-0.65		-4.84		-1.41		-1.47		-1.91		-2.05	
IM U.S. Large Cap Value Equity (MF) Median	11.56		11.56		4.23		6.51		10.28		6.73		7.12	
VT Invesco Diversified Dividend Fund (LCEYX)	11.60	(49)	11.60	(49)	7.03	(18)	4.53	(86)	6.79	(99)	6.39	(60)	7.19	(48)
Russell 1000 Value Index	11.93	(40)	11.93	(40)	5.67	(33)	6.31	(54)	10.45	(47)	7.32	(36)	7.72	(32)
Difference	-0.33		-0.33		1.36		-1.78		-3.66		-0.93		-0.53	
IM U.S. Large Cap Value Equity (MF) Median	11.56		11.56		4.23		6.51		10.28		6.73		7.12	
VT Fidelity Contrafund (FCNTX)	14.54	(86)	14.54	(86)	8.78	(80)	16.03	(59)	15.89	(54)	11.89	(48)	12.20	(57)
Russell 1000 Growth Index	16.10	(55)	16.10	(55)	12.75	(41)	16.92	(48)	16.53	(42)	12.86	(28)	13.50	(24)
Difference	-1.56		-1.56		-3.97		-0.89		-0.64		-0.97		-1.30	
IM U.S. Large Cap Growth Equity (MF) Median	16.26		16.26		12.03		16.72		16.08		11.75		12.46	
Vanguard Mid Cap Index (VIMAX)	16.77	(8)	16.77	(8)	5.98	(16)	9.10	(16)	11.59	(23)	7.39	(22)	8.85	(13)
Vanguard Mid Cap Hybrid	16.79	(6)	16.79	(6)	5.99	(15)	9.13	(14)	11.63	(22)	7.42	(21)	8.89	(12)
Difference	-0.02		-0.02		-0.01		-0.03		-0.04		-0.03		-0.04	
IM U.S. Mid Cap Core Equity (MF) Median	14.58		14.58		2.76		5.37		9.32		5.34		6.19	
VT Victory Sycamore Est Value (VEVYX)	13.75	(41)	13.75	(41)	3.54	(12)	6.31	(3)	11.26	(5)	8.44	(1)	9.53	(1)
Russell Midcap Index	16.54	(1)	16.54	(1)	6.47	(2)	9.30	(1)	11.82	(2)	7.62	(2)	8.81	(1)
Difference	-2.79		-2.79		-2.93		-2.99		-0.56		0.82		0.72	
IM U.S. Mid Cap Value Equity (MF) Median	13.37		13.37		-1.14		3.02		7.96		4.18		5.05	
VT TimesSquare Mid Cap Growth (TMDPX)	16.53	(83)	16.53	(83)	8.40	(64)	13.07	(73)	13.50	(68)	8.34	(59)	8.76	(70)
Russell Midcap Growth Index	19.62	(43)	19.62	(43)	11.51	(31)	15.55	(35)	15.06	(43)	9.75	(38)	10.89	(27)
Difference	-3.09		-3.09		-3.11		-2.48		-1.56		-1.41		-2.13	
IM U.S. Mid Cap Growth Equity (MF) Median	19.23		19.23		9.47		14.29		14.52		8.72		9.66	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



Comparative Performance

Total 457 and 401a Plans

As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT Vantagepoint Discovery	15.94	(4)	15.94	(4)	5.19	(7)	9.02	(5)	14.08	(11)	6.66	(37)	6.70	(41)
Russell 2000 Index	14.58	(14)	14.58	(14)	2.05	(15)	6.81	(14)	12.92	(13)	6.77	(36)	7.05	(39)
Difference	1.36		1.36		3.14		2.21		1.16		-0.11		-0.35	
IM U.S. Small Cap Core Equity (MF) Median	11.60		11.60		-0.66		3.91		10.15		5.61		5.98	
Vanguard Small Cap Index (VSMAX)	16.18	(4)	16.18	(4)	5.58	(7)	8.66	(5)	12.78	(13)	7.43	(27)	7.91	(19)
Vanguard Small Cap Hybrid	16.21	(4)	16.21	(4)	5.61	(7)	8.66	(5)	12.77	(13)	7.42	(27)	7.89	(19)
Difference	-0.03		-0.03		-0.03		0.00		0.01		0.01		0.02	
IM U.S. Small Cap Core Equity (MF) Median	11.60		11.60		-0.66		3.91		10.15		5.61		5.98	
VT Oppenheimer Discovery Fund (ODIYX)	19.18	(12)	19.18	(12)	10.63	(33)	17.06	(24)	18.22	(38)	10.32	(33)	9.83	(30)
Russell 2000 Growth Index	17.14	(19)	17.14	(19)	3.85	(57)	11.00	(46)	14.87	(50)	7.52	(38)	8.41	(34)
Difference	2.04		2.04		6.78		6.06		3.35		2.80		1.42	
IM U.S. Small Cap Growth Equity (MF) Median	13.82		13.82		4.74		10.55		14.77		6.26		6.51	
<b>International/Global Funds</b>														
Templeton Inst. Global Equity (TGESX)	8.86	(89)	8.86	(89)	-4.75	(85)	2.69	(87)	6.97	(77)	2.59	(84)	1.60	(86)
MSCI World (net)	12.48	(52)	12.48	(52)	4.01	(37)	8.70	(39)	10.68	(35)	6.97	(31)	6.78	(33)
Difference	-3.62		-3.62		-8.76		-6.01		-3.71		-4.38		-5.18	
IM Global Equity (MF) Median	12.60		12.60		2.14		7.56		9.39		5.55		5.60	
Vanguard Total Int'l Stock Index (VTIAX)	10.24	(56)	10.24	(56)	-5.23	(35)	5.32	(45)	8.06	(40)	3.75	(42)	2.77	(46)
FTSE Global ex USA All Cap Index (Net)	10.21	(57)	10.21	(57)	-4.81	(31)	5.41	(44)	7.99	(40)	3.76	(41)	2.84	(45)
Difference	0.03		0.03		-0.42		-0.09		0.07		-0.01		-0.07	
IM International Equity (MF) Median	10.53		10.53		-7.09		4.99		7.21		3.25		2.55	
VT Fidelity Diversified Intl (FDIVX)	11.25	(38)	11.25	(38)	-4.06	(25)	5.18	(48)	5.81	(73)	2.75	(60)	2.96	(43)
MSCI EAFE (Net) Index	9.98	(62)	9.98	(62)	-3.71	(22)	5.14	(48)	7.27	(50)	3.16	(53)	2.33	(55)
Difference	1.27		1.27		-0.35		0.04		-1.46		-0.41		0.63	
IM International Equity (MF) Median	10.53		10.53		-7.09		4.99		7.21		3.25		2.55	
<b>Real Estate</b>														
VT Nuveen Real Estate Secs (FARCX)	16.58	(7)	16.58	(7)	18.41	(2)	7.62	(70)	5.85	(61)	5.40	(27)	8.84	(1)
Wilshire U.S. REIT Index	16.02	(11)	16.02	(11)	19.34	(1)	7.23	(73)	5.45	(70)	5.28	(29)	9.00	(1)
Difference	0.56		0.56		-0.93		0.39		0.40		0.12		-0.16	
IM Global Real Estate (MF) Median	14.96		14.96		12.29		8.84		6.14		4.41		6.25	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



**Comparative Performance**  
**Total 457 and 401a Plans**  
As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
<b>Target Date Funds</b>														
Vanguard Target Retirement Income (VTINX)	5.50	(69)	5.50	(69)	3.92	(19)	4.63	(22)	4.87	(47)	3.74	(23)	4.13	(22)
Vanguard Target Income Composite Index	5.60	(66)	5.60	(66)	4.06	(18)	4.81	(18)	5.04	(39)	3.91	(19)	4.31	(19)
Difference	-0.10		-0.10		-0.14		-0.18		-0.17		-0.17		-0.18	
IM Mixed-Asset Target Alloc Conserv (MF) Median	6.07		6.07		2.82		3.76		4.77		3.05		3.32	
Vanguard Target Retirement 2015 (VTXVX)	6.49	(76)	6.49	(76)	3.87	(31)	5.57	(22)	6.28	(48)	4.52	(34)	4.98	(23)
Vanguard Target 2015 Composite Index	6.53	(73)	6.53	(73)	4.06	(28)	5.73	(19)	6.44	(37)	4.70	(17)	5.16	(9)
Difference	-0.04		-0.04		-0.19		-0.16		-0.16		-0.18		-0.18	
IM Mixed-Asset Target 2015 (MF) Median	7.11		7.11		3.32		5.05		6.24		4.26		4.49	
Vanguard Target Retirement 2020 (VTWVX)	7.82	(38)	7.82	(38)	3.82	(30)	6.37	(11)	7.39	(19)	5.19	(8)	5.65	(4)
Vanguard Target 2020 Composite Index	7.88	(34)	7.88	(34)	4.08	(24)	6.58	(6)	7.57	(13)	5.39	(4)	5.86	(1)
Difference	-0.06		-0.06		-0.26		-0.21		-0.18		-0.20		-0.21	
IM Mixed-Asset Target 2020 (MF) Median	7.35		7.35		3.14		5.29		6.51		4.31		4.48	
Vanguard Target Retirement 2025 (VTTVX)	8.82	(26)	8.82	(26)	3.83	(35)	6.97	(16)	8.20	(23)	5.68	(13)	6.07	(5)
Vanguard Target 2025 Composite Index	8.87	(24)	8.87	(24)	4.12	(22)	7.18	(8)	8.38	(16)	5.88	(3)	6.28	(1)
Difference	-0.05		-0.05		-0.29		-0.21		-0.18		-0.20		-0.21	
IM Mixed-Asset Target 2025 (MF) Median	8.48		8.48		3.29		6.02		7.46		4.90		5.02	
Vanguard Target Retirement 2030 (VTHR30)	9.54	(49)	9.54	(49)	3.71	(32)	7.38	(24)	8.87	(31)	6.04	(20)	6.39	(11)
Vanguard Target 2030 Composite Index	9.58	(46)	9.58	(46)	4.02	(23)	7.62	(16)	9.06	(24)	6.26	(10)	6.60	(6)
Difference	-0.04		-0.04		-0.31		-0.24		-0.19		-0.22		-0.21	
IM Mixed-Asset Target 2030 (MF) Median	9.52		9.52		3.16		6.66		8.27		5.26		5.37	
Vanguard Target Retirement 2035 (VTH35)	10.20	(59)	10.20	(59)	3.55	(28)	7.80	(29)	9.52	(36)	6.38	(27)	6.69	(16)
Vanguard Target 2035 Composite Index	10.30	(51)	10.30	(51)	3.89	(22)	8.03	(22)	9.73	(26)	6.61	(15)	6.92	(10)
Difference	-0.10		-0.10		-0.34		-0.23		-0.21		-0.23		-0.23	
IM Mixed-Asset Target 2035 (MF) Median	10.30		10.30		3.00		7.28		9.12		5.81		5.92	
Vanguard Target Retirement 2040 (VFORX)	10.96	(52)	10.96	(52)	3.38	(33)	8.20	(25)	10.20	(26)	6.72	(24)	6.96	(16)
Vanguard Target 2040 Composite Index	11.03	(49)	11.03	(49)	3.73	(23)	8.43	(21)	10.38	(20)	6.96	(11)	7.21	(7)
Difference	-0.07		-0.07		-0.35		-0.23		-0.18		-0.24		-0.25	
IM Mixed-Asset Target 2040 (MF) Median	10.98		10.98		2.82		7.48		9.48		5.90		6.02	
Vanguard Target Retirement 2045 (VTIVX)	11.48	(50)	11.48	(50)	3.27	(40)	8.35	(30)	10.43	(27)	6.87	(21)	7.08	(16)
Vanguard Target 2045 Composite Index	11.57	(46)	11.57	(46)	3.63	(27)	8.60	(24)	10.62	(19)	7.12	(12)	7.34	(8)
Difference	-0.09		-0.09		-0.36		-0.25		-0.19		-0.25		-0.26	
IM Mixed-Asset Target 2045 (MF) Median	11.46		11.46		2.89		7.73		9.83		6.16		6.38	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



**Comparative Performance**  
**Total 457 and 401a Plans**  
**As of March 31, 2019**

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Vanguard Target Retirement 2050 (VFIFX)	11.50	(53)	11.50	(53)	3.27	(36)	8.35	(30)	10.43	(29)	6.88	(21)	7.08	(16)
Vanguard Target 2050 Composite Index	11.57	(47)	11.57	(47)	3.63	(26)	8.60	(25)	10.62	(19)	7.12	(13)	7.34	(9)
Difference	-0.07		-0.07		-0.36		-0.25		-0.19		-0.24		-0.26	
IM Mixed-Asset Target 2050 (MF) Median	11.52		11.52		2.84		7.74		9.83		6.18		6.22	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



**Comparative Performance**  
**Total RHS Plans**  
**As of March 31, 2019**

Comparative Performance	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
<b>Stable Value/Cash Management Funds</b>														
Vantagepoint PLUS Fund S3	0.54	(39)	0.54	(39)	2.44	(1)	2.46	(1)	2.41	(1)	2.38	(1)	2.38	(1)
90 Day U.S. Treasury Bill	0.60	(11)	0.60	(11)	2.12	(11)	1.62	(11)	1.17	(12)	0.90	(12)	0.73	(12)
Difference	-0.06		-0.06		0.32		0.84		1.24		1.48		1.65	
IM U.S. Taxable Money Market (MF) Median	0.52		0.52		1.80		1.28		0.88		0.67		0.54	
<b>Bond Funds</b>														
VT II VP Low Duration Bond Fund	1.52	(44)	1.52	(44)	2.62	(60)	1.48	(79)	N/A		N/A		N/A	
ICE BofAML 1-3 Yr. Gov/Corp	1.22	(64)	1.22	(64)	3.06	(29)	1.66	(68)	1.34	(80)	1.27	(65)	1.24	(56)
Difference	0.30		0.30		-0.44		-0.18		N/A		N/A		N/A	
IM U.S. Short Term Investment Grade (MF) Median	1.44		1.44		2.75		1.87		1.72		1.41		1.29	
VT II VP Core Bond Index	2.82	(82)	2.82	(82)	3.82	(66)	2.17	(78)	N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	2.94	(72)	4.48	(20)	2.83	(30)	2.03	(57)	2.01	(35)	2.74	(28)
Difference	-0.12		-0.12		-0.66		-0.66		N/A		N/A		N/A	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		3.23		4.09		2.63		2.13		1.86		2.49	
VT II VP Inflation Focused Fund	3.12	(52)	3.12	(52)	1.94	(65)	1.21	(62)	N/A		N/A		N/A	
Bloomberg Barclays U.S. TIPS Index	3.19	(44)	3.19	(44)	2.70	(12)	1.81	(19)	1.70	(33)	1.65	(19)	1.94	(9)
Difference	-0.07		-0.07		-0.76		-0.60		N/A		N/A		N/A	
IM U.S. TIPS (MF) Median	3.15		3.15		2.13		1.34		1.51		1.25		1.23	
VT II VP High Yield	6.71	(57)	6.71	(57)	4.33	(58)	N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	2.94	(98)	2.94	(98)	4.48	(54)	2.83	(88)	2.03	(100)	2.01	(100)	2.74	(81)
Difference	3.77		3.77		-0.15		N/A		N/A		N/A		N/A	
IM U.S. High Yield Bonds (MF) Median	6.86		6.86		4.56		3.88		6.99		4.11		3.48	
<b>US Stock Funds</b>														
VT II VP 500 Stock Index	13.47	(39)	13.47	(39)	8.85	(33)	11.07	(41)	N/A		N/A		N/A	
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	-0.18		-0.18		-0.65		-0.65		N/A		N/A		N/A	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	
VT II VP Broad Market Index	13.95	(25)	13.95	(25)	8.29	(42)	10.70	(46)	N/A		N/A		N/A	
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	0.30		0.30		-1.21		-1.02		N/A		N/A		N/A	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



Comparative Performance

Total RHS Plans

As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Growth & Income Fund	14.05	(23)	14.05	(23)	6.16	(68)	10.73	(46)	N/A		N/A		N/A	
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	0.40		0.40		-3.34		-0.99		N/A		N/A		N/A	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	
VT II VP Equity Income Fund	11.28	(56)	11.28	(56)	0.65	(89)	4.62	(85)	N/A		N/A		N/A	
Russell 1000 Value Index	11.93	(40)	11.93	(40)	5.67	(33)	6.31	(54)	10.45	(47)	7.32	(36)	7.72	(32)
Difference	-0.65		-0.65		-5.02		-1.69		N/A		N/A		N/A	
IM U.S. Large Cap Value Equity (MF) Median	11.56		11.56		4.23		6.51		10.28		6.73		7.12	
VT II VP Growth Fund	15.26	(76)	15.26	(76)	11.07	(65)	16.35	(55)	N/A		N/A		N/A	
Russell 1000 Growth Index	16.10	(55)	16.10	(55)	12.75	(41)	16.92	(48)	16.53	(42)	12.86	(28)	13.50	(24)
Difference	-0.84		-0.84		-1.68		-0.57		N/A		N/A		N/A	
IM U.S. Large Cap Growth Equity (MF) Median	16.26		16.26		12.03		16.72		16.08		11.75		12.46	
VT II VP Mid/Small Company Index	15.72	(27)	15.72	(27)	4.00	(33)	7.78	(29)	N/A		N/A		N/A	
Russell Midcap Index	16.54	(11)	16.54	(11)	6.47	(11)	9.30	(11)	11.82	(19)	7.62	(17)	8.81	(14)
Difference	-0.82		-0.82		-2.47		-1.52		N/A		N/A		N/A	
IM U.S. Mid Cap Core Equity (MF) Median	14.58		14.58		2.76		5.37		9.32		5.34		6.19	
VT II VP Aggressive Opp Fund	18.44	(64)	18.44	(64)	8.67	(62)	12.41	(76)	N/A		N/A		N/A	
Russell Midcap Growth Index	19.62	(43)	19.62	(43)	11.51	(31)	15.55	(35)	15.06	(43)	9.75	(38)	10.89	(27)
Difference	-1.18		-1.18		-2.84		-3.14		N/A		N/A		N/A	
IM U.S. Mid Cap Growth Equity (MF) Median	19.23		19.23		9.47		14.29		14.52		8.72		9.66	
VT II VP Discovery Fund	15.83	(4)	15.83	(4)	4.96	(7)	8.75	(5)	N/A		N/A		N/A	
Russell 2000 Index	14.58	(14)	14.58	(14)	2.05	(15)	6.81	(14)	12.92	(13)	6.77	(36)	7.05	(39)
Difference	1.25		1.25		2.91		1.94		N/A		N/A		N/A	
IM U.S. Small Cap Core Equity (MF) Median	11.60		11.60		-0.66		3.91		10.15		5.61		5.98	
<b>International/Global Funds</b>														
VT II VP International Fund	9.94	(42)	9.94	(42)	-4.92	(60)	5.00	(39)	N/A		N/A		N/A	
MSCI EAFE (Net) Index	9.98	(41)	9.98	(41)	-3.71	(53)	5.14	(38)	7.27	(28)	3.16	(32)	2.33	(22)
Difference	-0.04		-0.04		-1.21		-0.14		N/A		N/A		N/A	
IM International Equity Income (MF) Median	9.32		9.32		-3.08		4.27		6.05		2.46		1.16	
VT II VP Overseas Equity Index	9.96	(41)	9.96	(41)	-4.28	(59)	4.81	(43)	N/A		N/A		N/A	
MSCI EAFE (Net) Index	9.98	(41)	9.98	(41)	-3.71	(53)	5.14	(38)	7.27	(28)	3.16	(32)	2.33	(22)
Difference	-0.02		-0.02		-0.57		-0.33		N/A		N/A		N/A	
IM International Equity Income (MF) Median	9.32		9.32		-3.08		4.27		6.05		2.46		1.16	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



**Comparative Performance**  
**Total RHS Plans**  
As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Emerging Markets	9.78	(60)	9.78	(60)	-9.12	(49)	N/A		N/A		N/A		N/A	
MSCI AC World ex USA	10.44	(50)	10.44	(50)	-3.74	(11)	6.15	(44)	8.61	(60)	3.97	(49)	3.05	(51)
Difference	-0.66		-0.66		-5.38		N/A		N/A		N/A		N/A	
IM Emerging Markets Equity (MF) Median	10.38		10.38		-9.38		5.64		9.40		3.91		3.08	
<b>Target Date Funds</b>														
VT II VP Milestone Retirement Income Fund	5.55	(67)	5.55	(67)	2.42	(66)	3.70	(54)	N/A		N/A		N/A	
Dow Jones U.S. Conservative Index	4.50	(92)	4.50	(92)	4.75	(11)	3.94	(44)	3.59	(87)	2.89	(59)	3.56	(39)
Difference	1.05		1.05		-2.33		-0.24		N/A		N/A		N/A	
IM Mixed-Asset Target Alloc Conserv (MF) Median	6.07		6.07		2.82		3.76		4.77		3.05		3.32	
VT II VP Milestone 2010	5.99	(70)	5.99	(70)	2.50	(84)	3.93	(85)	N/A		N/A		N/A	
Dow Jones U.S. Target 2010 Index	4.57	(100)	4.57	(100)	4.80	(2)	4.04	(76)	3.77	(95)	3.03	(86)	3.76	(67)
Difference	1.42		1.42		-2.30		-0.11		N/A		N/A		N/A	
IM Mixed-Asset Target 2010 (MF) Median	6.26		6.26		3.33		4.64		5.66		3.91		4.08	
VT II VP Milestone 2015	6.77	(58)	6.77	(58)	2.35	(90)	4.30	(89)	N/A		N/A		N/A	
Dow Jones U.S. Target 2015 Index	5.11	(100)	5.11	(100)	4.95	(3)	4.42	(82)	4.44	(95)	3.50	(80)	4.27	(59)
Difference	1.66		1.66		-2.60		-0.12		N/A		N/A		N/A	
IM Mixed-Asset Target 2015 (MF) Median	7.11		7.11		3.32		5.05		6.24		4.26		4.49	
VT II VP Milestone 2020	7.33	(52)	7.33	(52)	2.48	(75)	4.92	(70)	N/A		N/A		N/A	
Dow Jones U.S. Target 2020 Index	6.11	(91)	6.11	(91)	5.44	(1)	5.27	(51)	5.57	(78)	4.25	(54)	5.02	(23)
Difference	1.22		1.22		-2.96		-0.35		N/A		N/A		N/A	
IM Mixed-Asset Target 2020 (MF) Median	7.35		7.35		3.14		5.29		6.51		4.31		4.48	
VT II VP Milestone 2025	8.66	(38)	8.66	(38)	2.41	(82)	5.39	(78)	N/A		N/A		N/A	
Dow Jones U.S. Target 2025 Index	7.58	(85)	7.58	(85)	5.76	(1)	6.17	(46)	6.96	(68)	5.14	(35)	5.91	(9)
Difference	1.08		1.08		-3.35		-0.78		N/A		N/A		N/A	
IM Mixed-Asset Target 2025 (MF) Median	8.48		8.48		3.29		6.02		7.46		4.90		5.02	
VT II VP Milestone 2030	9.78	(32)	9.78	(32)	2.19	(81)	5.83	(79)	N/A		N/A		N/A	
Dow Jones U.S. Target 2030 Index	9.23	(59)	9.23	(59)	6.13	(1)	7.11	(33)	8.38	(46)	5.96	(22)	6.73	(4)
Difference	0.55		0.55		-3.94		-1.28		N/A		N/A		N/A	
IM Mixed-Asset Target 2030 (MF) Median	9.52		9.52		3.16		6.66		8.27		5.26		5.37	
VT II VP Milestone 2035	10.75	(33)	10.75	(33)	2.07	(80)	6.30	(87)	N/A		N/A		N/A	
Dow Jones U.S. Target 2035 Index	10.91	(28)	10.91	(28)	6.48	(1)	7.99	(23)	9.70	(28)	6.73	(11)	7.49	(3)
Difference	-0.16		-0.16		-4.41		-1.69		N/A		N/A		N/A	
IM Mixed-Asset Target 2035 (MF) Median	10.30		10.30		3.00		7.28		9.12		5.81		5.92	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



Comparative Performance

Total RHS Plans

As of March 31, 2019

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Milestone 2040	11.25	(36)	11.25	(36)	1.85	(81)	6.79	(77)	N/A		N/A		N/A	
Dow Jones U.S. Target 2040 Index	12.43	(4)	12.43	(4)	6.78	(1)	8.73	(14)	10.81	(7)	7.38	(4)	8.12	(1)
Difference	-1.18		-1.18		-4.93		-1.94		N/A		N/A		N/A	
IM Mixed-Asset Target 2040 (MF) Median	10.98		10.98		2.82		7.48		9.48		5.90		6.02	
VT II VP Milestone 2045	11.68	(41)	11.68	(41)	1.83	(80)	7.13	(79)	N/A		N/A		N/A	
Dow Jones U.S. Target 2045 Index	13.52	(1)	13.52	(1)	6.91	(1)	9.22	(10)	11.55	(1)	7.81	(4)	8.53	(1)
Difference	-1.84		-1.84		-5.08		-2.09		N/A		N/A		N/A	
IM Mixed-Asset Target 2045 (MF) Median	11.46		11.46		2.89		7.73		9.83		6.16		6.38	
VT II VP Milestone 2050	11.85	(38)	11.85	(38)	1.74	(79)	7.21	(72)	N/A		N/A		N/A	
Dow Jones U.S. Target 2050 Index	14.12	(1)	14.12	(1)	6.95	(1)	9.44	(7)	11.87	(1)	8.01	(2)	8.71	(1)
Difference	-2.27		-2.27		-5.21		-2.23		N/A		N/A		N/A	
IM Mixed-Asset Target 2050 (MF) Median	11.52		11.52		2.84		7.74		9.83		6.18		6.22	
VT II VP Milestone 2055	11.96	(41)	11.96	(41)	2.14	(67)	7.47	(71)	N/A		N/A		N/A	
Dow Jones U.S. Target 2055 Index	14.23	(1)	14.23	(1)	6.95	(1)	9.46	(8)	11.89	(1)	8.02	(2)	8.72	(1)
Difference	-2.27		-2.27		-4.81		-1.99		N/A		N/A		N/A	
IM Mixed-Asset Target 2055 (MF) Median	11.69		11.69		2.84		7.90		10.00		6.31		6.46	
VT II VP MP Conservative Growth Fund	6.56	(41)	6.56	(41)	2.75	(53)	3.92	(45)	N/A		N/A		N/A	
Dow Jones U.S. Conservative Index	4.50	(92)	4.50	(92)	4.75	(11)	3.94	(44)	3.59	(87)	2.89	(59)	3.56	(39)
Difference	2.06		2.06		-2.00		-0.02		N/A		N/A		N/A	
IM Mixed-Asset Target Alloc Consv (MF) Median	6.07		6.07		2.82		3.76		4.77		3.05		3.32	
VT II VP MP Traditional Growth Fund	9.10	(27)	9.10	(27)	3.12	(48)	5.94	(31)	N/A		N/A		N/A	
Dow Jones U.S. Moderate Index	10.09	(5)	10.09	(5)	6.22	(11)	7.35	(9)	8.61	(8)	6.16	(6)	6.84	(5)
Difference	-0.99		-0.99		-3.10		-1.41		N/A		N/A		N/A	
IM Mixed-Asset Target Alloc Moderate (MF) Median	8.24		8.24		2.99		5.30		6.85		4.29		4.46	
VT II VP MP Long-Term Growth Fund	10.90	(87)	10.90	(87)	3.05	(22)	7.10	(65)	N/A		N/A		N/A	
Dow Jones U.S. Aggressive Index	15.62	(1)	15.62	(1)	7.16	(1)	10.15	(5)	12.97	(1)	8.65	(1)	9.39	(1)
Difference	-4.72		-4.72		-4.11		-3.05		N/A		N/A		N/A	
IM Mixed-Asset Target Alloc Aggressive Growth (MF) Median	12.11		12.11		1.52		7.54		9.53		5.68		5.96	
VT II VP MP Global Equity Growth Fund	12.28	(72)	12.28	(72)	1.01	(97)	7.86	(87)	N/A		N/A		N/A	
S&P 500 Index	13.65	(32)	13.65	(32)	9.50	(21)	11.72	(27)	13.51	(22)	10.46	(11)	10.91	(12)
Difference	-1.37		-1.37		-8.49		-3.86		N/A		N/A		N/A	
IM U.S. Large Cap Core Equity (MF) Median	13.12		13.12		7.74		10.47		12.37		8.88		9.37	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.  
# Alger replaced Nuveen 11/1/2014.



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# 2019 Fiduciary Documentation

Quarterly	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr
Review of plan investments and compliance with investment policy statement	✓			
Follow required procedures, including documentation of all meetings and decisions	✓			
Review performance of providers	✓			
Regularly				
Review QDIA selection				
Allocation fund (Target Date or Risk-based) analysis				
Investment policy statement review				
Employee education review				
Plan recordkeeping & administration services review				
Fee analysis				
Other Projects				



# Cybercrime Statistics

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- According to the FBI, every American citizen should expect that all of their personal data has been stolen and is now on the Dark Web.<sup>1</sup>
- More than 90% of successful hacks and data breaches stem from phishing scams.<sup>2</sup>
- According to a University of Maryland study, hacker attacks occur every 39 seconds on average, affecting one in three Americans every year.<sup>3</sup>
- 41% of Americans have encountered fraudulent charges on their credit cards.<sup>4</sup>
- The 5 most cyber-attacked industries over the past 5 years are healthcare, manufacturing, financial services, government, and transportation.<sup>2</sup>

<sup>1</sup> Source: [“Thieves Can Now Nab Your Data in a Few Minutes for a Few Bucks”](#), Wall Street Journal, December 9, 2018

<sup>2</sup> Source: [2019 Cybersecurity Almanac](#)

<sup>3</sup> Source: <https://eng.umd.edu/news/story/study-hackers-attack-every-39-seconds>

<sup>4</sup> Source: [Americans and Cybersecurity](#), Pew Research Center



## Cybersecurity & Recordkeeping – For Participants

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“It is not an overstatement to say that cybersecurity is one of the defining issues of our time.” – former SEC Commissioner Luis A. Aguilar\*

Cybersecurity refers to the processes used to protect the integrity of computers, mobile devices, networks, programs and data from attack, damage or unauthorized access attempts such as Ransomware, Malware, Social Engineering, and Phishing.

A few of the top cybersecurity risks facing participants are:

- Activating unregistered accounts
- Unauthorized loan applicants
- Multiple users on one account
- Post mortem claims
- Changes to Distribution option
  - ACH to Wire
  - Change of mailing address
  - Change of banking institution

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\*Source: [“A Threefold Cord – Working Together to Meet the Pervasive Challenge of Cyber-Crime”](#), SINET Innovation Summit speech, June 25, 2015



## Preventative Measures – For Participants

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Ten suggestions from the Department of Homeland Security to help individuals protect themselves from cyber attacks.\*

1. Never click on links in emails
2. Never open the attachments
3. Do not give out personal information
4. Set secure passwords and don't share them with anyone
5. Keep your operating system, browser, anti-virus and other critical software up to date
6. Verify the authenticity of requests from companies or individuals by contacting them directly
7. Pay close attention to website URLs
8. For e-mail, turn off the option to automatically download attachments
9. Be suspicious of unknown links or requests sent through email or text message
10. Use multifactor authentication when possible

\*Source: "[Protect Myself from Cyber Attacks](#)"; US Department of Homeland Security

Next Quarter's Module Topic: Cybersecurity, Part 2

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<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>Public Market Equivalent (PME)</b>	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

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