

**SAN MATEO COUNTY**  
**DEFERRED COMPENSATION ADVISORY COMMITTEE**  
**AGENDA – AUGUST 27, 2020 (9:00 AM– 12:00 PM)**  
**LOCATION: ZOOM MEETING**  
**Dial-In: 408-638-0968**  
**Meeting ID: 988 3725 2575**  
**Password: 188204**

Committee Members	Appointed As...
Lisa Okada, Chair	Human Resources Director Designee
Tiffany Htwe	Tax Collector-Treasurer Designee
Bridget Love	Non-Management Appointee
Laurel Finnegan	Non-Management Appointee
Robert Raw	Non-Management Appointee
Steve Perry	Non-Management Appointee
Lilibeth Dames	Management Appointee
Michael Wentworth	Management Appointee
Victoria Mejia	Management Appointee

Staff	MassMutual	NFP
Kim Pearson	Bob Gleason	Paul Hackleman
Marife Viola	Patrick Washington	Vince Learned
Jay Castellano	Jeff Blanchard	

**CALL TO ORDER / ANNOUNCEMENTS**

1. Review and Approve Minutes of May 21, 2020
2. Public Comments

**ACTION/DECISION ITEMS**

3. Presentation of Quarterly Investment Review (MassMutual)
4. Presentation of Quarterly Plan Review (MassMutual)
5. Approve 2020 NAGDCA Conference Attendees (NFP)



6. Committee Participation in NAGDCA Connect
7. Approval of Distribution of MassMutual on-line Fraud Prevention Document (MassMutual)
8. Review and Approve Education Policy (All)
9. Review and Accept Report on Special Services (UEWs, Loans, Catch-up, QDROs) (MassMutual)
10. Update on Committee Governance
  - Form 700 / Appointment of Sub-Committee
11. Update on Strategies for Leaving Balances in Rollover Accounts (MassMutual)
12. Approval of 2020 Budget and Workplan (County)
13. Status of MassMutual Renegotiation (County)

INFORMATIONAL ITEMS

14. Legislative Update (NFP and MassMutual)
15. Other Issues



**RECURRING QUARTERLY AGENDA ITEMS**

<p><b>November 5, 2020</b></p> <ul style="list-style-type: none"> <li>• MassMutual Quarterly Plan Review</li> <li>• NFP Annual Investment Review</li> <li>• Investment Policy Review</li> <li>• 2021 Education Plan for Participants</li> <li>• 2021 Education Plan for Committee</li> <li>• 2021 Meeting Dates</li> <li>• NAGDCA Highlights</li> <li>• Cyber Security Update</li> </ul>	<p><b>May, 2021</b></p> <ul style="list-style-type: none"> <li>• Mass Mutual Annual Plan Review</li> <li>• MassMutual Quarterly Investment Review</li> <li>• MassMutual Quarterly Plan Review</li> <li>• Finalize NAGDCA conference attendees</li> <li>• Provider Performance Review</li> <li>• Budget / Workplan</li> <li>• Fund Balance Policy</li> <li>• Reserve Policy</li> </ul>
<p><b>February, 2021</b></p> <ul style="list-style-type: none"> <li>• MassMutual Quarterly Plan Review</li> <li>• MassMutual Quarterly Investment Review</li> <li>• Final Education Plan for Committee and Participants</li> <li>• Plan Document Review</li> <li>• Fiduciary Briefcase</li> <li>• NAGDCA Participation / Award Consideration</li> <li>• RFP vs. Renegotiation</li> </ul>	<p><b>August 27, 2021</b></p> <ul style="list-style-type: none"> <li>• MassMutual Quarterly Plan Review</li> <li>• MassMutual Quarterly Investment Review</li> <li>• Discussion of Survey Topics</li> <li>• Education Policy Review</li> <li>• Due Diligence – Special Services</li> <li>• Next Calendar Year’s Meeting Schedule</li> <li>• Year End Budget Report</li> </ul>
<p><b>Annual Retreat – October 28, 2020</b></p>	



**SAN MATEO COUNTY**  
**DEFERRED COMPENSATION COMMITTEE MEETING**  
**ZOOM Meeting: MAY 21, 2020 MINUTES**

Committee Attendees	Committee Absentees
Lisa Okada, Chair Bridget Love Robert Raw Lilibeth Dames Tiffany Htwe Steve Perry Victoria Mejia Guest: Lucy Dong, Flood District	Laurel Finnegan Michael Wentworth

Staff	MassMutual	NFP
Marife Viola Kim Pearson	Bob Gleason Patrick Washington Jeff Blanchard	Paul Hackleman Bill Tugaw

The Zoom meeting was convened at 9:10.

Description of Item for Discussion	Action Taken by Committee
1. Roll Call / Public Comments	The roll call was taken by voice and it was determined that there were no members of the public on the line.
2. Protocols for Conference Call	Paul notified that members should identify when they have something to say and that any action items will be conducted by roll call instead of general ayes and nays.
3. Minutes	The minutes from both the regular quarterly meeting on February 27, 2020 and the Special Meeting on April 15 were reviewed and both were approved unanimously.
4. Presentation of Quarterly Investment Review	Jeff discussed the general market provisions in the first quarter as well as to-date adjustments. Although the first quarter was very poor because of the global pandemic and markets dropped virtually across the board, April of 2020 was the best month in terms of positive returns in



	<p>nearly 40 years. The month of May also represented a significant up turn and overall the market returned more than half of what was lost in the first quarter.</p> <p>In general, the County's funds performed very well with bonds returning approximately 3%. American Funds International underperformed significantly. Oil traded at significant lows and, for a period, were in negative territory because of the COVID 19 pandemic although they have tripled the return since that negative low.</p> <p>The Committee voted unanimously to accept the MassMutual quarterly investment report.</p>
<p>5. Presentation of Quarterly Plan Review</p>	<p>Bob began with the Executive Summary of the Plan. There was a \$60 million dollar decline in total assets. Loans remained largely flat. Cashflow is strong. A total of \$10 million was contributed to the plan in the first quarter which represented a 10% increase from the first quarter of 2019. Total participation in SAGIC increased from a total of 28% to 32%. Total participation in TDFs is approximately 22%.</p> <p>Bob also reviewed the 401(a) which did not change from the 457(b) plan characteristics significantly. A total of 70% of participants are in the TDF and 19% are in SAGIC. There was no significant change in asset allocation.</p> <p>Patrick discussed providing education in both group and individual "meetings" remotely. Two webinars were held in May on the 20<sup>th</sup> and 21<sup>st</sup> respectively. Patrick anticipates that there may be some return to normal by the end of June.</p>
<p>6. NAGDCA Attendances</p>	<p>NAGDCA has not yet announced what it intends to do for its fall conference. It may cancel the conference, hold it virtually or maintain its current intention to hold the conference face-to-face. Paul encouraged the County to register attendees for both the NAGDCA conference and the hotel in Seattle. Both the conference and hotel have a short amount of time in advance of the conference to terminate if travel restrictions or stay at home</p>



	<p>requirements remain in place. Lisa identified the individuals who tentatively plan to attend and will keep the Committee apprised of the status at the August meeting.</p>
<p>7. Provider Performance Review</p>	<p>Paul summarized MassMutual's provision of meeting / not meeting performance standards. NFP's analysis covered three recommendations:</p> <ol style="list-style-type: none"> <li>1. The phone service standards, as discussed in prior meetings, was not fully met but there was a steady increase in approaching the meeting of this standard. The standard was fully met in the last quarter.</li> <li>2. Participant statements standards had also only partly been met. In the first quarter of 2019, the vast majority of statements were sent out within the timeframe. In quarters 2 and 3, the standards were less well met. In the 4<sup>th</sup> quarter, the standard was fully met.</li> <li>3. In a minor recommendation, Paul noted that the question and standard relating to Educational Seminars which is a transition standard does not need to continue to be part of the review as the transition has passed. Paul requested this reference be deleted from future performance standard discussions.</li> </ol> <p>After further discussion, the Committee unanimously elected to not impose penalties and to approve the NFP report on performance standards.</p>
<p>8. Update on Electronic Enrollment</p>	<p>Bob reported that the total number of individuals who are electronically enrolled in their accounts which is still low. Paul asked that MassMutual continue to aggressively pursue enrollment as one of the first lines of defense in cyber security and asked MassMutual to bring specific recommended strategies to the Committee for its consideration in the August meeting.</p>
<p>9. Appointment of Sub-Committee for Re-Negotiation</p>	<p>The Committee elected to renegotiate the contract with MassMutual rather than pursue a full RFP process. The County will review possible sub-Committee participants to work with NFP on objectives and negotiation priorities.</p>



10. Update on Fiduciary Briefcase Status	Paul notified the Committee that MassMutual, on behalf of the County submitted the Fiduciary Briefcase for consideration of a NAGDCA Award. The Committee members are enrolled and can access this site. Paul asked that the Committee consider any additional items that should be included. There was a question and discussion about whether participants should access this site. NFP indicated that there were many avenues which participants could access information pertinent to their issues but recommended that the site be retained for the use of the Committee. The Committee concurred.
11. Update on Committee Governance	Lisa asked that this item be postponed to the August meeting.
12. Retreat	Paul mentioned that the Committee had previously determined that two items had been determined for the Retreat later this year: Efficient Portfolio and CIT Comparison for the entire County portfolio. To these two items, a third item was added during discussion: how changes in virtual interaction may be leveraged to make improvements to processes or the plan. Subsequent to the retreat, the Committee agreed to hold this Special meeting on October 28 in the morning.
13. Change in Managed Account Services Provider	Bob discussed that MassMutual was changing its Provider of Investment services to Next Capital Advisors effective July 1. This move will reduce fees and will include automatic movement of current participants from the current to the new provider. In this process, Map My Finances will replace Retire Smart as a tool for participants.
14. Legislative Update	Bill provided a brief update on both the SECURE and CARES Acts as both of these have been discussed previously with the Committee and elective changes have been approved.
15. Status of Fund Change	This was an informational item from the previous meeting regard the Small Cap Return of 1.69%. Vince had provided a written explanation of this change.
16. Status of Down-Market Communication	MassMutual had previously prepared a communication on staying the course as a result of the pandemic and the volatile market. Kim reported that the communication had been sent out in May and it appeared from Bob's earlier remarks on the Plan Review that many



	participants had not changed their asset allocations in the transformation.
17. Next Meeting	The next meeting will be held on August 27, 2020.

The Committee adjourned at 11:45.







## Investment Return & Risk

Prepared for

**County of San Mateo**

**as of June 30, 2020**

Section 1

Economic Slides

Section 2

Investment Performance

Section 3

Disclosures

# Quarterly Market Recap

as of 06/30/2020

Quarterly Data Center

## Index Returns (%)

Equities	Level	QTD	YTD	1 Year
S&P 500	3,100.29	20.54	-3.08	7.51
Russell 2000	1,441.37	25.42	-12.98	-6.63
MSCI EAFE	1,780.58	14.88	-11.34	-5.13
MSCI EM	995.10	18.08	-9.78	-3.39
NASDAQ	10,058.77	30.95	12.67	26.94

Fixed Income	YTM	QTD	YTD	1 Year
U.S. Aggregate	1.25	2.90	6.14	8.74
U.S. Corporates	2.15	8.98	5.02	9.50
Barclays U.S. High Yield	6.87	10.18	-3.80	0.03
Citi WGBI Non-USD	0.32	2.98	1.04	0.86

Other / Specialty	Level	QTD	YTD	1 Year
Bloomberg Commodity Index	64.98	5.08	-19.40	-17.38
FTSE NAREIT Equity REIT Index	578.24	11.82	-18.71	-13.04
Gold	1,780.96	12.92	17.38	28.66
Brent Oil	41.15	80.96	-37.65	-36.75

Source: Bloomberg, 06/30/2020

Morningstar Direct, 06/30/2020

Global Market Data	U.S.	EU	Japan	China
GDP Growth (YOY) (%)	-10.30	-15.30	-8.80	9.40
CPI (YOY) (%)	0.40	0.50	0.00	2.70
Unemployment (%)	13.00	8.60	2.80	4.50
Central Bank Rate (Level)	0.25	0.07	-0.10	2.13
10 Year Govt. Yield (%)	0.66	0.21	0.03	2.85

\*Forecasted Q2 2020

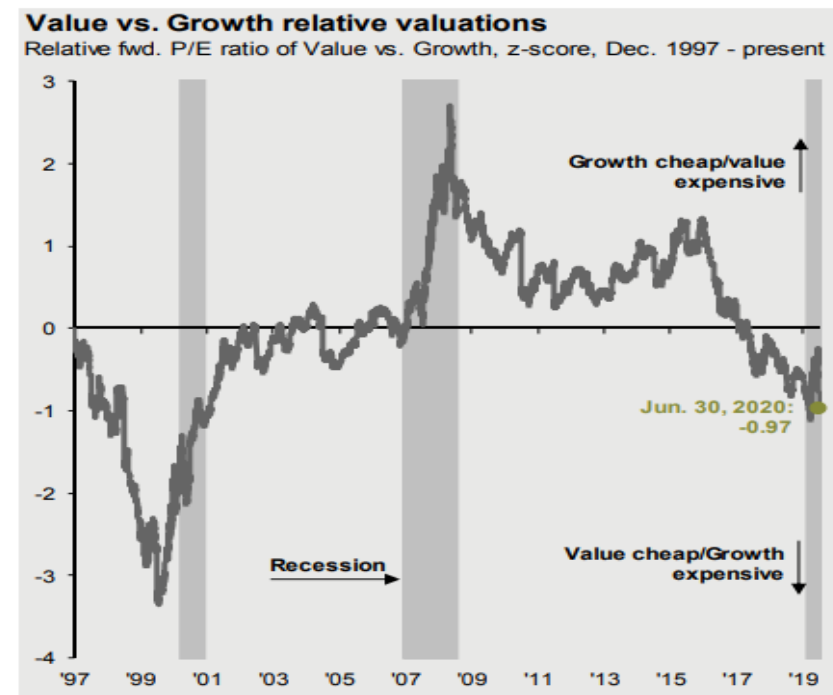


Chart of the Quarter: Source: FactSet, FTSE Russell, NBER, J.P. Morgan Asset Management.



# Asset Class Returns

as of 06/30/2020

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD
Emrg Mrkt Equity 55.82	REITS 31.58	Emrg Mrkt Equity 34.00	REITS 35.06	Emrg Mrkt Equity 39.42	Fixed Income 5.24	Emrg Mrkt Equity 78.51	REITS 27.96	REITS 8.29	Emrg Mrkt Equity 18.22	Small Cap 38.82	REITS 30.14	REITS 3.20	Small Cap 21.31	EM Equity 37.28	Cash 1.82	Large Cap 31.49	Fixed Income 6.14
Small Cap 47.25	Emrg Mrkt Equity 25.55	Comdty 21.36	Emrg Mrkt Equity 32.14	Comdty 16.23	Cash 1.77	High Yield 58.21	Small Cap 26.85	Fixed Income 7.84	REITS 18.06	Large Cap 32.39	Large Cap 13.69	Large Cap 1.38	High Yield 17.13	Int'l Equity 25.03	Fixed Income 0.01	REITS 26.00	Cash 0.49
Int'l Equity 38.59	Int'l Equity 20.25	Int'l Equity 13.54	Int'l Equity 26.34	Int'l Equity 11.17	Asset Allocation -23.27	Int'l Equity 31.78	Emrg Mrkt Equity 18.88	High Yield 4.98	Int'l Equity 17.32	Int'l Equity 22.78	Fixed Income 5.97	Fixed Income 0.55	Large Cap 11.96	Large Cap 21.83	High Yield -2.08	Small Cap 25.52	Large Cap -3.08
REITS 37.13	Small Cap 18.33	REITS 12.16	Small Cap 18.37	Asset Allocation 7.04	High Yield -26.16	REITS 27.99	Comdty 16.83	Large Cap 2.11	Small Cap 16.35	Asset Allocation 13.06	Asset Allocation 4.95	Cash 0.03	Comdty 11.77	Small Cap 14.65	Large Cap -4.38	Int'l Equity 22.01	High Yield -3.80
High Yield 28.97	Asset Allocation 12.28	Asset Allocation 7.86	Large Cap 15.79	Fixed Income 6.97	Small Cap -33.79	Small Cap 27.17	High Yield 15.12	Cash 0.07	Large Cap 16.00	High Yield 7.44	Small Cap 4.89	Int'l Equity -0.81	Emrg Mrkt Equity 11.19	Asset Allocation 13.28	REITS -4.62	EM Equity 18.42	Asset Alloc. -4.34
Large Cap 28.68	High Yield 11.13	Large Cap 4.91	Asset Allocation 14.54	Large Cap 5.49	Comdty -35.65	Large Cap 26.46	Large Cap 15.06	Asset Allocation -0.38	High Yield 15.81	REITS 2.47	High Yield 2.45	Asset Allocation -2.16	REITS 8.52	High Yield 7.50	Asset Alloc. -5.58	Asset Alloc. 18.20	EM Equity -9.78
Asset Allocation 24.83	Large Cap 10.88	Small Cap 4.55	High Yield 11.85	Cash 4.78	Large Cap -37.00	Asset Allocation 23.74	Asset Allocation 12.77	Small Cap -4.18	Asset Allocation 11.25	Cash 0.05	Cash 0.02	Small Cap -4.41	Asset Allocation 7.91	REITS 5.23	Small Cap -11.01	High Yield 14.32	Int'l Equity -11.34
Comdty 23.93	Comdty 9.15	Cash 3.00	Cash 4.80	High Yield 1.87	REITS -37.73	Comdty 18.91	Int'l Equity 7.75	Int'l Equity -12.14	Fixed Income 4.21	Fixed Income -2.02	Emrg Mrkt Equity -2.19	High Yield -4.47	Fixed Income 2.65	Fixed Income 3.54	Comdty -11.25	Fixed Income 8.72	Small Cap -12.98
Fixed Income 4.10	Fixed Income 4.34	High Yield 2.74	Fixed Income 4.33	Small Cap -1.57	Int'l Equity -43.38	Fixed Income 5.93	Fixed Income 6.54	Comdty -13.32	Cash 0.08	Emrg Mrkt Equity -2.60	Int'l Equity -4.90	Emrg Mrkt Equity -14.92	Int'l Equity 1.00	Comdty 1.70	Int'l Equity -13.79	Comdty 7.69	REITS -18.71
Cash 1.03	Cash 1.24	Fixed Income 2.43	Comdty 2.07	REITS -15.69	Emrg Mrkt Equity -53.33	Cash 0.15	Cash 0.13	Emrg Mrkt Equity -18.42	Comdty -1.06	Comdty -9.52	Comdty -17.01	Comdty -24.66	Cash 0.26	Cash 0.82	EM Equity -14.58	Cash 2.21	Comdty -19.4











Source: Morningstar Direct, 06/30/2020. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays High Yield Index, Fixed Income: Barclays Capital Aggregate, REITS: NAREIT Equity REIT Index. The "Asset Allocation" portfolio assumes the following weights (60% Equity, 40% Bonds): 20% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI, 5% in the MSCI EME, 30% in the Barclays Capital aggregate, 5% in the Barclays 1-3m Treasury, 5% in the Barclays High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT index. Balanced portfolio assumes annual rebalancing. All data represents total return for stated period. Past performance is not indicative of future returns.

Past performance does not guarantee future results.



# Key Index Definitions

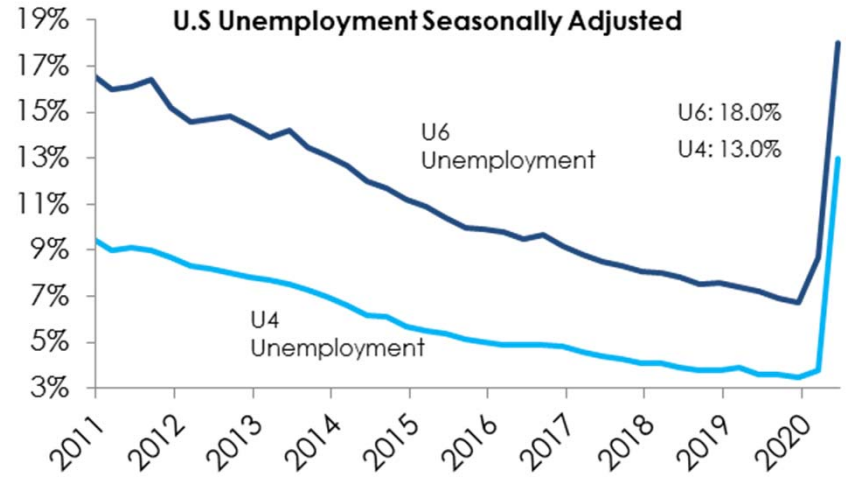
as of 06/30/2020

-  **S&P 500** measures the performance of large capitalization U.S. stocks. The S&P 500 is a market-value-weighted index of 500 stocks. The weightings make each company's influence on the Index performance directly proportional to that company's market value.
-  **MSCI EAFE** is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.
-  **Russell 2000** measures the performance of small capitalization U.S. stocks. The Russell 2000 is a market-value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index.
-  **MSCI Emerging Markets** is a Morgan Stanley Capital International Index that is designed to measure the performance of equity markets in 23 emerging countries around the world.
-  **Barclays Aggregate Bond Index** includes U.S. government, corporate, and mortgage-backed securities with maturities of at least one year.
-  **Barclays 1-3m Treasury** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 12 months. It excludes zero coupon strips.
-  **Barclays High Yield Bond Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.
-  **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities on the commodity markets.
-  **NAREIT Equity REIT Index** a free-float adjusted, market capitalization-weighted index of U.S. Equity REITs and includes all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.
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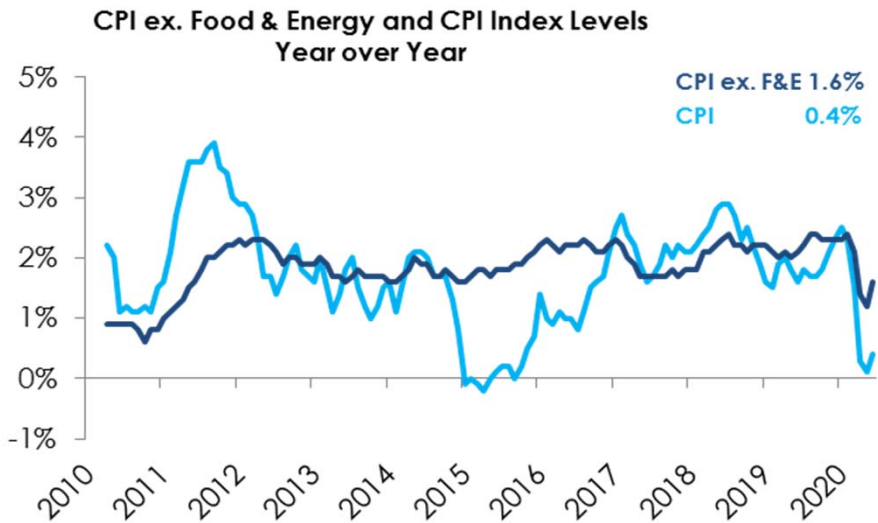
# U.S. Economic Data



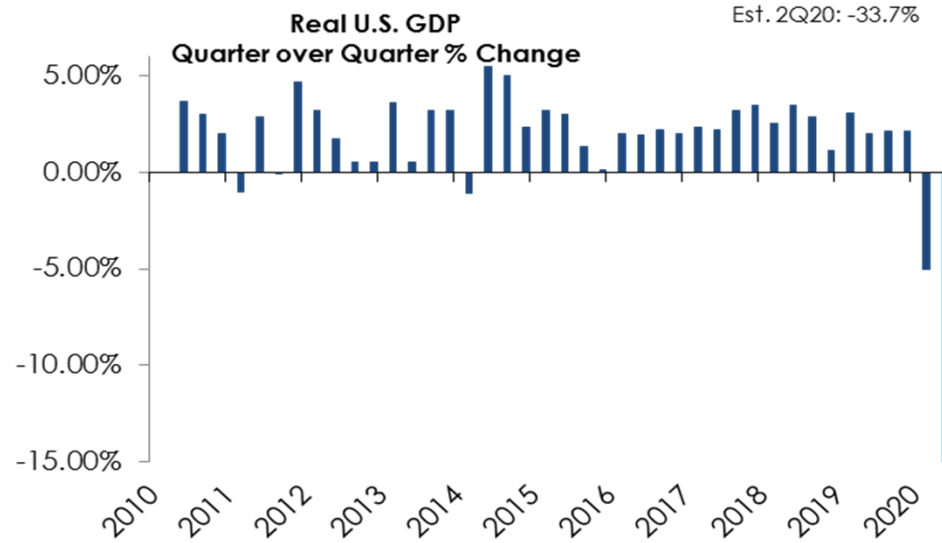
Source: Bloomberg, 06/30/2020



Source: Bloomberg, 06/30/2020



Source: Bloomberg, 06/30/2020



Source: Bloomberg, 6/30/2020

Source: Bloomberg, Bureau of Labor Statistics and Bureau of Economic Analysis.



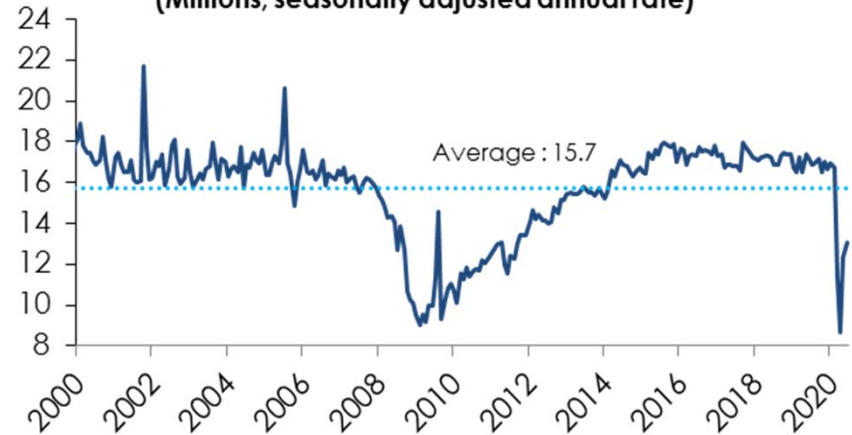
# U.S. Consumer Finances

**U.S. Housing Starts**  
(Thousands, seasonally adjusted annual rate) Est. 2Q20: 1180



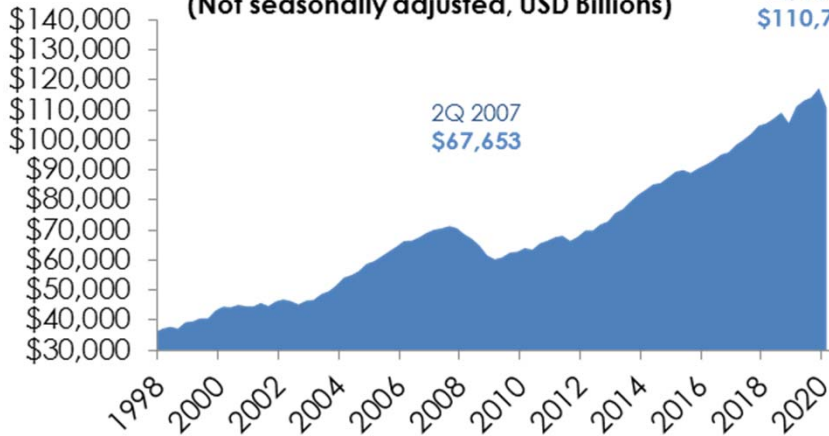
Source: Bloomberg, 06/30/2020

**Light Vehicle Sales**  
(Millions, seasonally adjusted annual rate) 2Q20: 13.05



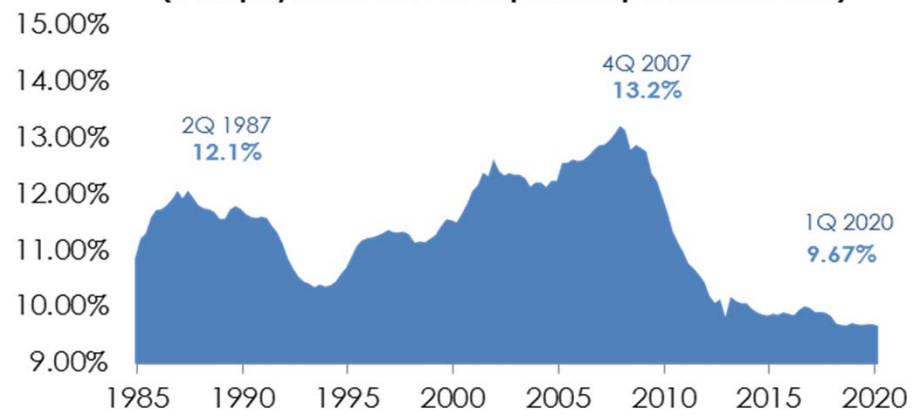
Source: Bloomberg, 06/30/2020

**Household Net Worth**  
(Not seasonally adjusted, USD Billions) 1Q 2020 \$110,787



Source: Bloomberg, 03/31/2020

**Household Debt Service Ratio**  
(Debt payments as % of disposable personal income)



Source: Bloomberg, 03/31/2020

Source: Bloomberg.

Past performance does not guarantee future results.



# Equity Overview



# U.S. Equity Size and Style Returns (%)

as of 06/30/2020

## Quarter 2

	Value	Core	Growth
Large	14.29	21.82	27.84
Mid	19.95	24.61	30.26
Small	18.91	25.42	30.58

## Year To Date

	Value	Core	Growth
Large	-16.26	-2.81	9.81
Mid	-18.09	-9.13	4.16
Small	-23.50	-12.98	-3.06

Key	
	Highest
	Lowest

## 1 Year (Annualized)

	Value	Core	Growth
Large	-8.84	7.48	23.28
Mid	-11.81	-2.24	11.91
Small	-17.48	-6.63	3.48

## 3 Year (Annualized)

	Value	Core	Growth
Large	1.82	10.64	18.99
Mid	-0.54	5.79	14.76
Small	-4.35	2.01	7.86

## 5 Year (Annualized)

	Value	Core	Growth
Large	4.64	10.47	15.89
Mid	3.32	6.76	11.60
Small	1.26	4.29	6.86

## 10 Year (Annualized)

	Value	Core	Growth
Large	10.41	13.97	17.23
Mid	10.29	12.35	15.09
Small	7.82	10.50	12.92

Diversification does not guarantee a profit or protect against loss.

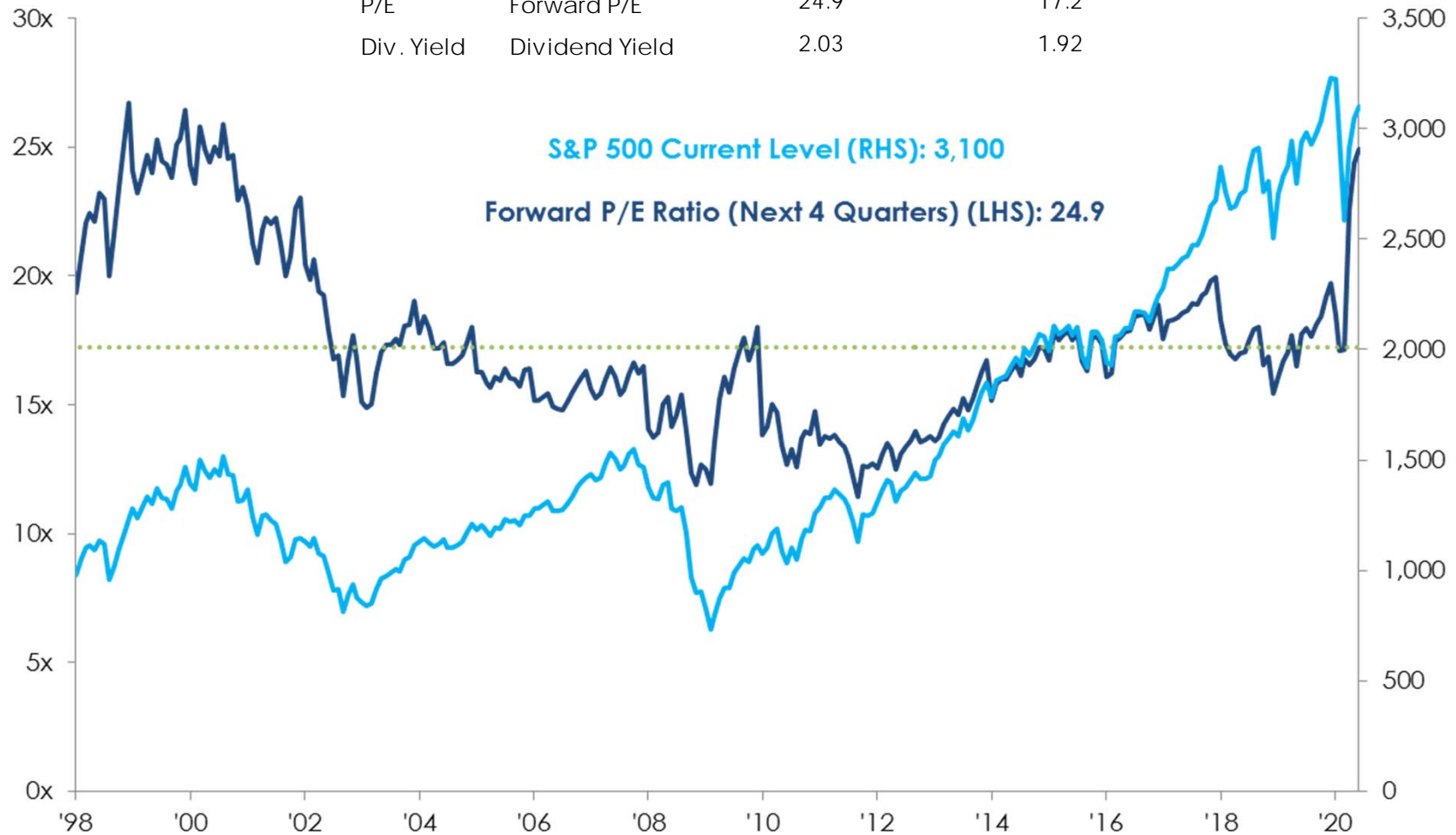
Source: Morningstar Direct, 06/30/2020. Equity style boxes are based on targeted equity styles as determined by valuation measures. The Russell 1000 Value Index, Russell 1000 Index and Russell 1000 Growth Index are unmanaged indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large capitalization growth stocks, respectively. The Russell Midcap Value Index, Russell Midcap Index and the Russell Midcap Growth Index are unmanaged indices that measure the performance of mid-cap value stocks, mid-cap stocks and mid-cap growth stocks, respectively. The Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index are unmanaged indices that measure the performance of small-cap value stocks, small-cap stocks and small-cap growth stocks, respectively. Each index includes reinvested dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. **Past performance does not guarantee future results.**



# S&P 500 Index: Forward P/E Ratio

as of 06/30/2020

Valuation Measure	Description	Latest	25 Year Average
P/E	Forward P/E	24.9	17.2
Div. Yield	Dividend Yield	2.03	1.92



Source: Bloomberg, 06/30/2020. The S&P 500 Index is a broad-based measure of domestic stock market performance. The index is unmanaged, includes the reinvestment of dividends, and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. **Past performance does not guarantee future results.**



# S&P 500 Index and Sector Returns (%)

as of 06/30/2020

Sector	Weight	2Q 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Consumer Discretionary	10.83	32.86	27.94	0.83	22.98	6.03	10.11	9.68	43.08	23.92	6.13	27.66
Consumer Staples	6.97	8.12	27.61	-8.38	13.49	5.38	6.60	15.98	26.14	10.76	13.99	14.11
Energy	2.83	30.51	11.81	-18.10	-1.01	27.36	-21.12	-7.78	25.07	4.61	4.72	20.46
Financials	10.08	12.20	32.13	-13.03	22.18	22.80	-1.53	15.20	35.63	28.82	-17.06	12.13
Healthcare	14.63	13.59	20.82	6.47	22.08	-2.69	6.89	25.34	41.46	17.89	12.73	2.90
Industrials	7.99	17.01	29.37	-13.29	21.03	18.86	-2.53	9.83	40.68	15.35	-0.59	26.73
Information Technology	27.46	20.04	50.29	-0.29	38.83	13.85	5.92	20.12	28.43	14.82	2.41	10.19
Materials	2.52	26.01	24.58	-14.70	23.84	16.69	-8.38	6.91	25.60	14.97	-9.75	22.20
Real Estate	2.84	13.22	29.01	-2.22	10.85	3.39	4.68	30.19	1.60	19.74	11.39	32.32
Comm. Services	10.78	20.04	32.69	-12.53	-1.25	23.49	3.40	2.99	11.47	18.31	6.27	18.97
Utilities	3.07	2.73	26.35	4.11	12.11	16.29	-4.85	28.98	13.21	1.29	19.91	5.46
S&P 500 Index	100%	20.54	-3.08	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11

Source of chart data: Morningstar Direct, 06/30/2020. The Global Industry Classification Standard (GICS) methodology has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. The GICS structure consists of 10 sectors. The S&P 500 Index is a broad-based measure of domestic stock market performance that includes the reinvestment of dividends. The index is unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. In Q3 2018 there were changes to GICS sector methodology that resulted in the Telecommunications sector being removed and the Communication Services sector being added. Annual performance shown for Communication Services before 2018 is linked to the historical performance of the Telecommunications sector. **Past performance does not guarantee future results.**



# Best & Worst S&P 500 Stocks During 2Q Based on Contribution to Return

as of 06/30/2020

Best S&P 500 Stocks	Average Weight	Total Return	Contribution to Return		Worst S&P 500 Stocks	Average Weight	Total Return	Contribution to Return
Apple Inc	5.10	43.84	2.17		Wells Fargo & Co	0.46	-9.00	-0.05
Microsoft Corp	5.61	29.40	1.65		General Electric Co	0.27	-13.85	-0.04
Amazon.com Inc	4.03	41.50	1.57		Biogen Inc	0.24	-15.43	-0.04
Facebook Inc A	2.02	36.13	0.68		Berkshire Hathaway Inc Class B	1.54	-2.36	-0.04
PayPal Holdings Inc	0.61	81.98	0.43		CME Group Inc Class A	0.27	-5.58	-0.02
Alphabet Inc A	1.67	22.04	0.36		Philip Morris International Inc	0.49	-2.42	-0.01
Alphabet Inc Class C	1.66	21.57	0.35		Walgreens Boots Alliance Inc	0.14	-6.28	-0.01
NVIDIA Corp	0.78	44.19	0.33		L3Harris Technologies Inc	0.18	-5.39	-0.01
The Home Depot Inc	1.01	34.97	0.33		Consolidated Edison Inc	0.11	-6.80	-0.01
Adobe Inc	0.72	36.79	0.27		Southern Co	0.25	-3.06	-0.01
<b>Total/Average</b>	<b>23.22</b>	<b>39.24</b>	<b>8.15</b>		<b>Total/Average</b>	<b>3.94</b>	<b>-7.02</b>	<b>-0.24</b>

The mention of specific companies does not constitute a recommendation.

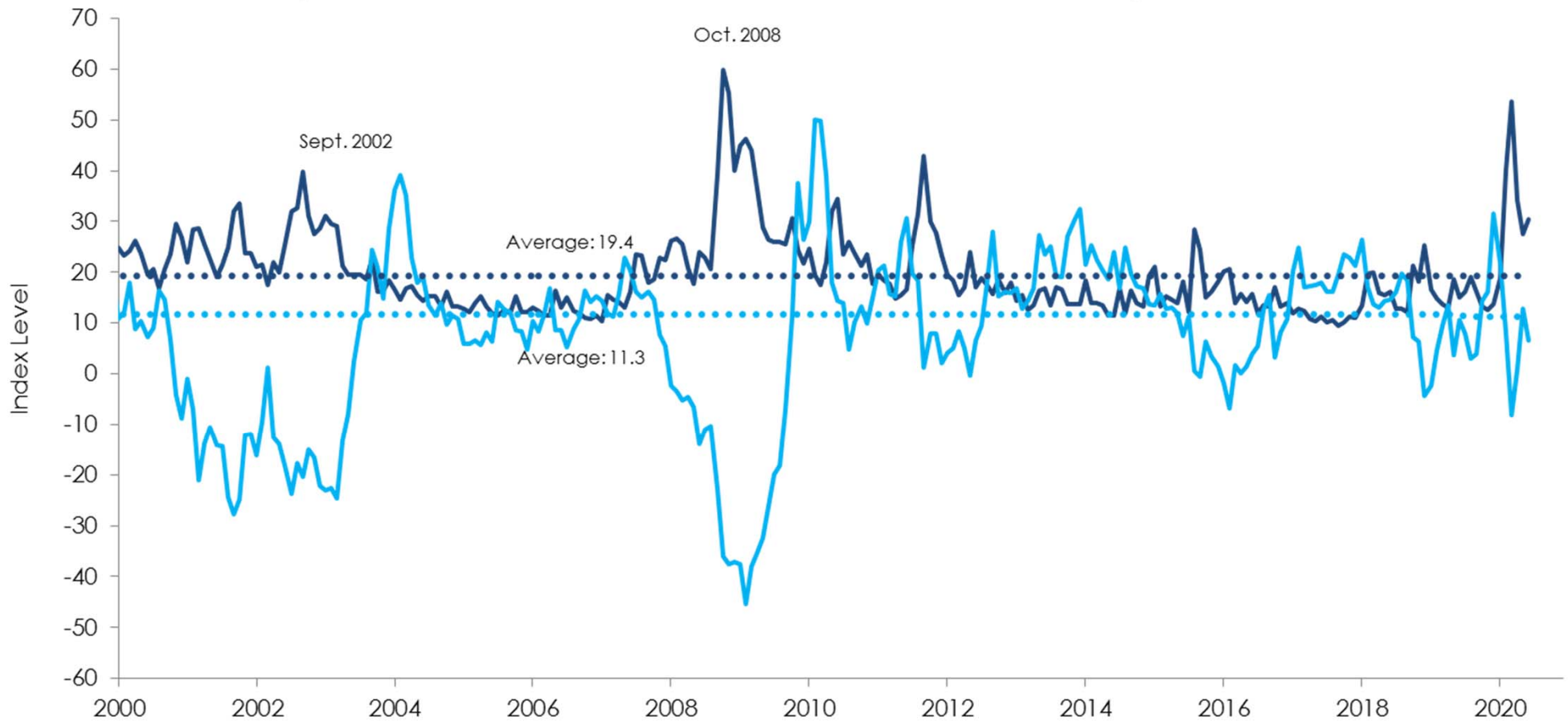
Source of chart data: Morningstar Direct, 06/30/2020. The Global Industry Classification Standard (GICS) methodology has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. The GICS structure consists of 10 sectors. The S&P 500 Index is a broad-based measure of domestic stock market performance that includes the reinvestment of dividends. The index is unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. **Past performance does not guarantee future results.**



# Equity Market Volatility

as of 06/30/2020

- S&P Volatility Index (VIX): 30.43
- Rolling 12-Month Performance of the S&P 500 Total Returns Index: 7.51%
- S&P Volatility Index 30 Year Average (VIX): 19.4
- Rolling 12-Month Performance of the S&P 500 Total Return Index 30 Year Average: 11.3%



Source of chart data: Bloomberg, 06/30/2020. The Chicago Board Options Exchange S&P 500 Volatility Index is a measure of stock market volatility. The VIX takes the weighted average of implied volatility for the S&P 500 (SPX) and measures the volatility of the market. Dividing the S&P 500 by the VIX (ratio) gives the confidence level in relation to the market. The index is unmanaged, includes the reinvestment of dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. **Past performance does not guarantee future results.**



# Global Equity Market Returns (%)

as of 06/30/2020

## MSCI Indexes

2Q 2020



MSCI Indexes: Total Net Return as of 06/30/2020

\* 3-Year, 5-Year, and 10-Year returns are annualized

	1-Year	3-Year*	5-Year*	10-Year*
MSCI EAFE Index	-5.13	0.81	2.05	5.73
MSCI World Index	2.84	6.70	6.90	9.95
MSCI World Index ex. U.S.	-5.42	0.84	2.01	5.43
MSCI All Country World Index ex U.S.	-4.80	1.13	2.26	4.97
MSCI Emerging Markets Index	-3.39	1.90	2.86	3.27
MSCI Germany	-2.59	-1.30	1.80	6.07
MSCI Japan	3.10	2.97	3.45	6.09
MSCI China	13.13	8.55	5.32	6.38

Source: Morningstar Direct, 06/30/2020. The MSCI All Country World Index (ACWI) is a free-float-adjusted, market-capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI Frontier Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Emerging Markets Index is designed to measure equity market performance of emerging markets. The MSCI EAFE Index (Europe, Australasia, Far East) is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI World Index ex U.S. is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets and excludes the U.S. The MSCI World Index is designed to measure the equity market performance of developed markets. Each index is unmanaged, includes the reinvestment of dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. **Past performance does not guarantee future results.**



# Fixed Income Overview

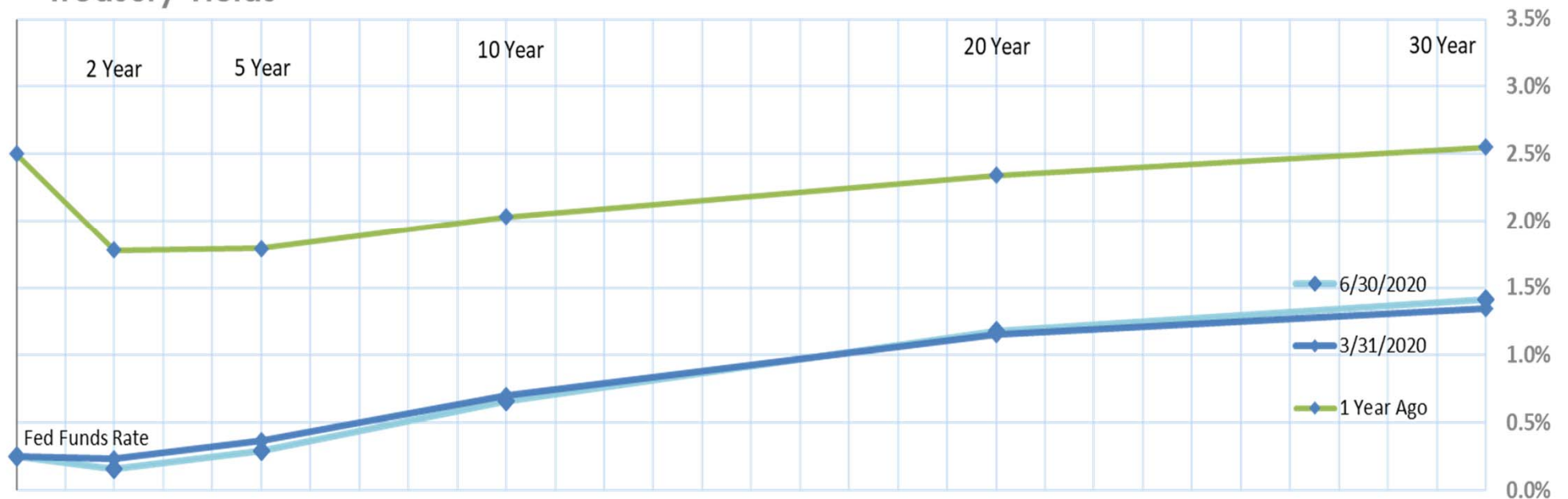
# U.S. Interest Rates and the Yield Curve

as of 06/30/2020

	6/30/2020	3/31/2020	1 Year Ago	Basis Points (bps) Change - QTD	Basis Points (bps) Change - 1 Yr Ago
Fed Funds	0.25%	0.25%	2.50%	0 bps	-225 bps
2 Years	0.16%	0.23%	1.78%	-7 bps	-162 bps
5 Years	0.29%	0.37%	1.79%	-8 bps	-150 bps
10 Years	0.66%	0.70%	2.03%	-4 bps	-137 bps
20 Years	1.18%	1.15%	2.34%	3 bps	-116 bps
30 Years	1.41%	1.35%	2.55%	6 bps	-114 bps

## Treasury Yields

As of: 06/30/2020



Source: FRED, 06/30/2020. Data shown are on-the-run Treasury yields. **Past performance does not guarantee future results.**



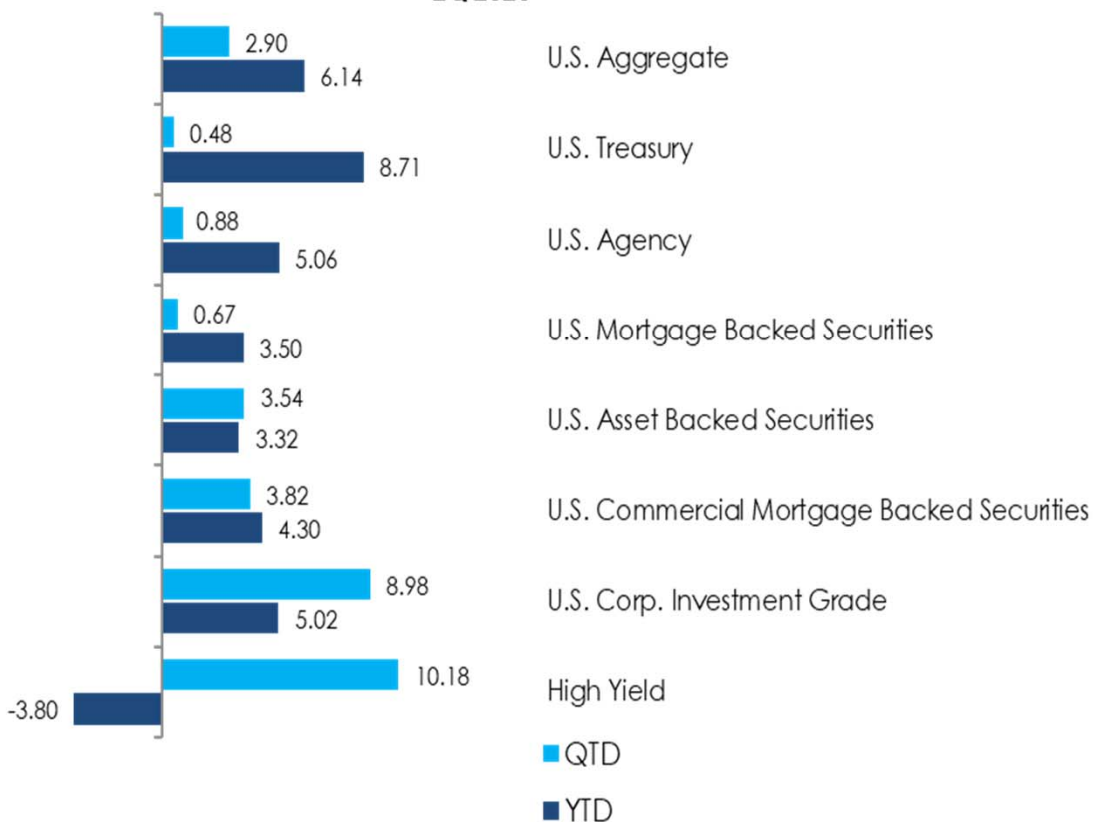


# Fixed Income Returns

as of 06/30/2020

## Fixed Income Returns

2Q 2020



MSCI Indexes: Total Net Return as of 06/30/2020

\* 3 Year, 5 Year, and 10 year returns are annualized

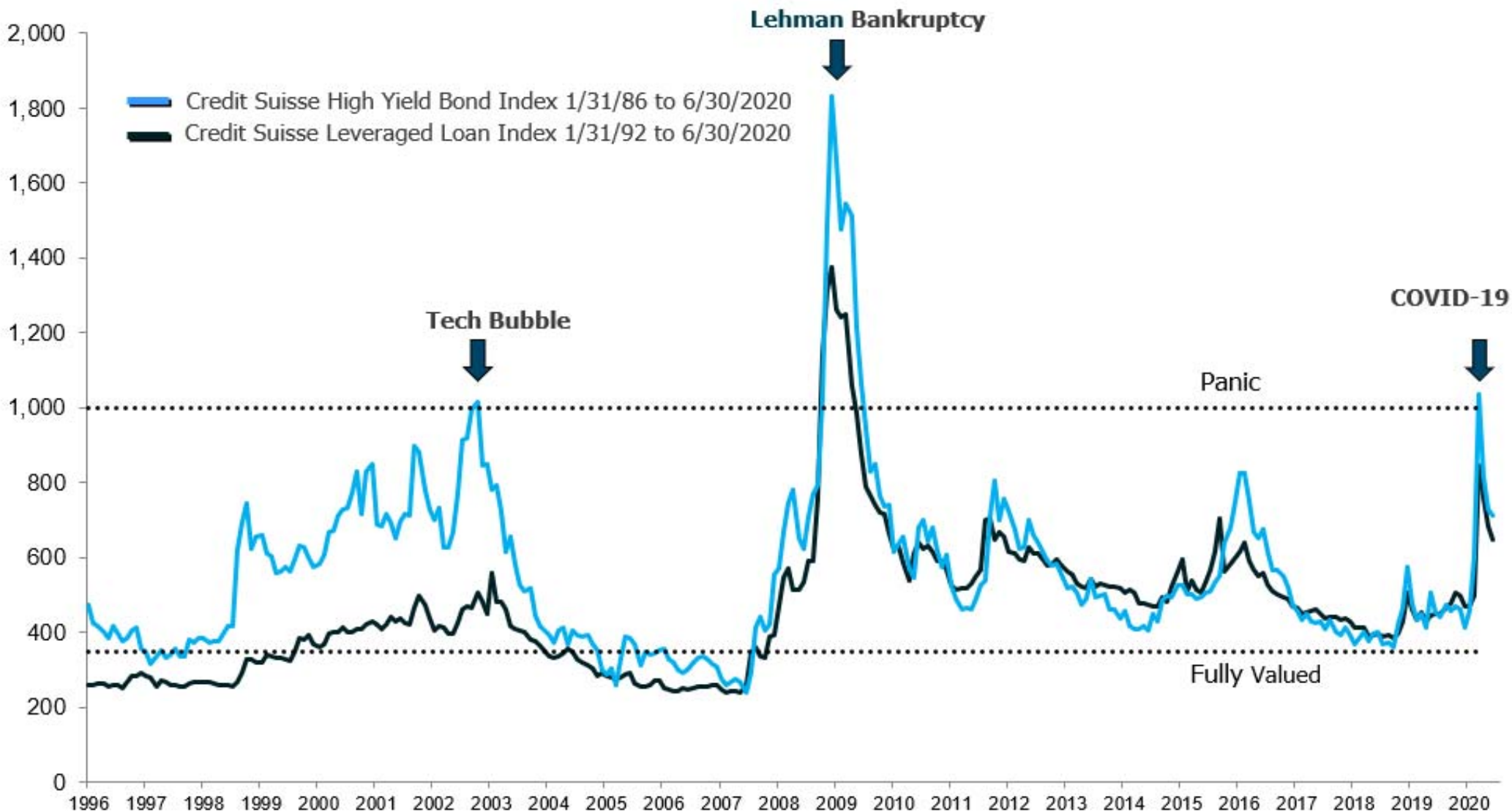
1-Year	3-Year*	5-Year*	10-Year*	Duration	YTM
8.74	5.32	4.30	3.82	6.04	1.25
10.45	5.57	4.07	3.41	7.15	0.50
6.79	4.21	3.22	2.64	5.98	1.25
5.67	3.97	3.23	3.06	2.07	1.36
4.68	3.34	2.67	2.57	2.11	0.85
5.94	4.90	4.14	4.98	5.26	1.95
9.50	6.34	5.83	5.47	8.54	2.15
0.03	3.33	4.79	6.68	3.90	6.87

Source: Morningstar, 06/30/2020. Chart and Annual Returns  
 Bloomberg, 06/30/2020. Duration and YTM  
**Past performance does not guarantee future results.**



# Credit Risk Over Interest Rate Risk – High Yield Bonds and Senior Loans

as of 06/30/2020



Source of chart data: Credit Suisse, 06/30/2020. The Credit Suisse High Yield Bond Index is designed to mirror the investable universe of the \$US-denominated high yield debt market. The Credit Suisse Leveraged Loan Index is an unmanaged index that tracks the performance of senior floating rate bank loans. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any particular investment. Indices are unmanaged and cannot be purchased directly by investors. **Past performance does not guarantee future results.**

## The MassMutual Investment Program

Performance as of 6/30/2020

*Notwithstanding some of the terms used in these materials (e.g., plan sponsor or employer), these materials are directed to and are intended for use by the referenced plan's independent fiduciary adviser based on MassMutual's understanding that (a) the independent fiduciary has under management or control total assets of at least \$50 million, or is a broker-dealer, investment adviser, insurance carrier, or bank, as defined in 29 CFR section 2510.3-21(c)(1), (b) the independent fiduciary is responsible for exercising independent judgment in evaluating any transaction between the plan and MassMutual and (c) the independent fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies. Unless you tell us otherwise, MassMutual will assume that our understanding of the independent fiduciary's role and qualifications is correct. MassMutual is not undertaking to provide impartial investment advice, or give advice in a fiduciary capacity, in connection with any investment by, or other transaction of, the plan. MassMutual and its affiliates have a financial interest in any investment made by the plan while a client of MassMutual's and may receive 12(b)(1) fees, sub-transfer agency fees, shareholder servicing fees, revenue sharing, investment advisory fees, administrative fees, asset charges, float, optional services fees and other fees and revenue as a result of any investment by the plan. MassMutual will provide the plan with a complete description of all such fees prior to any investment by the plan and upon request.*

**The performance data given represents past performance and should not be considered indicative of future results. Current performance may be lower or higher than return data quoted herein. For more current information, including month-end performance, please visit [www.massmutual.com/retire](http://www.massmutual.com/retire) or call 1-877-474-5016. Principal value and investment return will fluctuate, so an investor's shares/units when redeemed may be worth more or less than the original investment. Investment portfolio statistics change over time and there are no assurances investment objectives will be achieved.**

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained by calling 1-888-309-3539 and should be read carefully before investing.**

Investment results assume all investment distributions are reinvested and reflect applicable fees and expenses. When applicable, investment results reflect fee waivers and/or expense reimbursements, without which the results would have been lower. **Maximum sales charge for investments, including Class A shares, represented is 5.75%. The Maximum sales charge is generally waived for retirement plan accounts.**

**Morningstar Rating™ Details - For each investment with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how an investment ranks on a Morningstar Risk-Adjusted Return measure against other investments in the category.** This measure takes into account variations in an investment's monthly performance after adjusting for sales loads (except for load-waived A shares), redemption fees, and the risk-free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of investments in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for an investment is derived from a weighted average of the ratings for the three-, five- and ten-year (if applicable) time periods. Load-waived A share star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms, such as participants in MassMutual-serviced retirement plans. The Overall Morningstar Rating for an investment option is derived from a weighted average of the ratings for the 3-, 5-, and 10-year (if applicable) time periods. Load-waived A share star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms, such as participants in MassMutual-serviced retirement plans.

**Retail Money Market and Government Money Market Investments** - You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

**Target Date Funds** - Generally target retirement date (lifecyle) investment options are designed to be held beyond the presumed retirement date to offer a continuing investment option for the investor in retirement. The year in the investment option name refers to the approximate year an investor in the option would plan to retire and likely would stop making new contributions to the investment option. However, investors may choose a date other than their presumed retirement date to be more conservative or aggressive depending on their own risk tolerance.

**Target retirement date (lifecyle) investment options are designed for participants who plan to withdraw the value of their accounts gradually after retirement. Each of these options follows its own asset allocation path ("glide path") to progressively reduce its equity exposure and become more conservative over time. Options may not reach their most conservative allocation until after their target date. Others may reach their most conservative allocation in their target date year. Investors should consider their own personal risk tolerance, circumstances and financial situation.**

These options should not be selected solely on a single factor such as age or retirement date. Please consult the prospectus (if applicable) pertaining to the options to determine if their glide path is consistent with your long-term financial plan. Target retirement date investment options' stated asset allocation may be subject to change. **Investments in these options are not guaranteed and you may experience losses, including losses near, at, or after the target date. Additionally, there is no guarantee that the options will provide adequate income at and through retirement.**

Performance As of: 06-30-2020

**Average Annual Total Returns (%)**  
**Performance less than 1 year is not annualized**

Inv. Type	Name / Benchmark & Morningstar Category Info	Share Class Type	Ticker	Overall Morningstar Rating™	Gross Exp Ratio (%)	Net Exp Ratio <sup>1</sup> (%)	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr/ Since Incep*	Perf Incep Date	3-Yr Risk
<b>US Fund Money Market - Taxable</b>														
	<b>MassMutual Premier US Govt Mny Mkt R5</b>	S	MKSXX		0.52	0.52	0.00	0.23	0.98	1.19	0.74	0.37	09/30/1994	0.17
	Morningstar Ratings													
	# of Funds in Category								566	525	455	419		
	Morningstar Peer Rating %													
	ICE BofA USD 3M Dep OR CM TR USD						0.44	0.94	2.11	2.08	1.50	0.91	12/30/1994	0.21
	US Fund Money Market - Taxable				1.21	0.46	0.00	0.26	1.04	1.27	0.80	0.40	10/1/1972	0.17
<b>US OE Intermediate Core Bond</b>														
MF	<b>Vanguard Total Bond Market Index I</b>	Inst	VBTIX	★★★★	0.04	0.04	2.98	6.36	8.98	5.36	4.32	3.79	09/18/1995	3.32
	Morningstar Ratings									★★★★	★★★★	★★★		
	# of Funds in Category								420	379	330	248		
	Morningstar Peer Rating %								20	20	20	47		
	BBgBarc US Agg Bond TR USD						2.90	6.14	8.74	5.32	4.30	3.82	01/03/1980	3.27
	US Fund Intermediate Core Bond				1.12	0.65	3.89	5.56	7.89	4.84	3.90	3.66	11/01/1954	3.18
<b>US OE Intermediate Core-Plus Bond</b>														
MF	<b>PIMCO Total Return Instl</b>	Inst	PTRX	★★★	0.70	0.70	3.88	6.16	8.34	5.21	4.42	4.22	05/11/1987	3.40
	Morningstar Ratings									★★★★	★★★	★★★		
	# of Funds in Category								601	534	455	333		
	Morningstar Peer Rating %								25	27	26	45		
	BBgBarc US Universal TR USD						3.81	5.17	7.88	5.15	4.42	4.12	12/31/1998	3.28
	US Fund Intermediate Core-Plus Bond				1.11	0.80	5.54	4.37	6.83	4.58	3.98	4.16	04/24/1928	3.94
<b>US OE Inflation-Protected Bond</b>														
MF	<b>PIMCO Long-Term Real Return Instl</b>	Inst	PRAIX	★★★★★	1.07	1.07	8.10	16.97	23.05	10.83	7.67	6.38	11/12/2001	9.72
	Morningstar Ratings									★★★★★	★★★★★	★★★★★		
	# of Funds in Category								212	196	170	115		
	Morningstar Peer Rating %								1	3	3	3		
	BBgBarc US Treasury US TIPS TR USD						4.24	6.01	8.28	5.05	3.75	3.52	04/15/1998	3.66
	US Fund Inflation-Protected Bond				2.05	0.72	4.88	4.70	6.78	4.27	3.09	2.90	04/01/1988	3.54
<b>US OE High Yield Bond</b>														
MF	<b>MassMutual Premier High Yield I</b>	Inst	MPHZX	★★★★	0.54	0.54	7.27	-6.35	-2.87	1.77	4.09	7.15	03/01/2011	8.47
	Morningstar Ratings									★★★	★★★★	★★★★★		
	# of Funds in Category								703	639	546	346		
	Morningstar Peer Rating %								72	70	24	1		
	ICE BofA US High Yield TR USD						9.61	-4.78	-1.10	2.94	4.58	6.48	8/29/1986	8.86
	US Fund High Yield Bond				2.52	1.01	8.62	-5.17	-1.89	2.04	3.38	5.49	09/01/1935	8.29

Performance As of: 06-30-2020

Inv. Type	Name / Benchmark & Morningstar Category Info	Share Class Type	Ticker	Overall Morningstar Rating™	Gross Exp Ratio (%)	Net Exp Ratio <sup>1</sup> (%)	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr/ Since Incep*	Perf Incep Date	3-Yr Risk
<b>US OE World Bond</b>														
MF	<b>Invesco Oppenheimer International Bd R6</b>	Inst	OIBIX	★★★	0.63	0.62	15.81	-3.66	-1.92	1.35	3.03	3.01	01/27/2012	12.03
	Morningstar Ratings									★★	★★★	★★★		
	# of Funds in Category								210	187	171	114		
	Morningstar Peer Rating %								88	71	39	26		
	BBgBarc Global Aggregate TR USD						3.32	2.98	4.22	3.79	3.56	2.81	01/01/1990	3.93
	US Fund World Bond				1.54	0.95	6.02	0.57	1.60	2.25	2.56	2.33	2/1/1981	4.73
<b>US OE Target-Date Retirement</b>														
MF	<b>Vanguard Target Retirement Income Inv</b>	Inv	VTINX	★★★★	0.12	0.12	7.84	1.46	5.69	5.39	4.93	5.84	10/27/2003	5.55
	Morningstar Ratings									★★★★	★★★★	★★★★		
	# of Funds in Category								180	156	133	96		
	Morningstar Peer Rating %								22	20	20	23		
	Morningstar Lifetime Mod Incm TR USD						8.55	0.21	4.35	5.09	4.54	5.74	02/18/2009	6.34
	US Fund Target-Date Retirement				2.93	0.75	8.01	0.23	4.08	4.52	4.20	5.06	03/01/1994	6.10
<b>US OE Target-Date 2015</b>														
MF	<b>Vanguard Target Retirement 2015 Inv</b>	Inv	VTXVX	★★★★	0.13	0.13	8.90	0.79	5.45	5.78	5.47	7.55	10/27/2003	6.76
	Morningstar Ratings									★★★★	★★★★	★★★★		
	# of Funds in Category								123	98	72	48		
	Morningstar Peer Rating %								27	26	29	35		
	Morningstar Lifetime Mod 2015 TR USD						10.18	0.54	5.50	6.11	5.57	7.38	02/18/2009	7.71
	US Fund Target-Date 2015				5.17	0.65	10.15	-0.17	4.65	5.42	5.12	7.10	9/1/1990	7.72
<b>US OE Target-Date 2025</b>														
MF	<b>Vanguard Target Retirement 2025 Inv</b>	Inv	VTVX	★★★★	0.13	0.13	13.20	-1.46	4.82	6.33	6.29	8.88	10/27/2003	10.41
	Morningstar Ratings									★★★★	★★★★	★★★★		
	# of Funds in Category								229	200	159	94		
	Morningstar Peer Rating %								24	22	14	17		
	Morningstar Lifetime Mod 2025 TR USD						12.32	-1.00	4.87	6.49	6.17	8.73	02/18/2009	9.79
	US Fund Target-Date 2025				1.51	0.72	12.01	-1.63	3.95	5.59	5.46	7.98	10/01/2003	9.74
<b>US OE Target-Date 2035</b>														
MF	<b>Vanguard Target Retirement 2035 Inv</b>	Inv	VTHX	★★★★	0.14	0.14	15.90	-3.24	3.94	6.45	6.62	9.84	10/27/2003	12.87
	Morningstar Ratings									★★★★	★★★★	★★★★		
	# of Funds in Category								226	197	156	91		
	Morningstar Peer Rating %								26	27	24	19		
	Morningstar Lifetime Mod 2035 TR USD						15.45	-5.00	1.91	6.03	6.28	9.56	02/18/2009	13.20
	US Fund Target-Date 2035				1.92	0.74	15.58	-3.58	3.18	5.93	6.03	8.98	10/1/2003	12.79

Performance As of: 06-30-2020

Inv. Type	Name / Benchmark & Morningstar Category Info	Share Class Type	Ticker	Overall Morningstar Rating™	Gross Exp Ratio (%)	Net Exp Ratio <sup>1</sup> (%)	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr/ Since Incep*	Perf Incep Date	3-Yr Risk
<b>US OE Target-Date 2045</b>														
MF	<b>Vanguard Target Retirement 2045 Inv</b>	Inv	VTIVX	★★★★	0.15	0.15	18.70	-4.90	2.97	6.41	6.79	10.10	10/27/2003	15.15
	Morningstar Ratings									★★★★	★★★★	★★★★		
	# of Funds in Category								226	197	156	90		
	Morningstar Peer Rating %								38	25	23	19		
	Morningstar Lifetime Mod 2045 TR USD						17.46	-8.10	-0.69	5.23	5.94	9.45	02/18/2009	15.46
	US Fund Target-Date 2045				2.10	0.75	17.83	-5.30	2.10	5.82	6.16	9.32	10/1/2003	14.78
<b>US OE Target-Date 2055</b>														
MF	<b>Vanguard Target Retirement 2055 Inv</b>	Inv	VFFVX	★★★★	0.15	0.15	18.64	-4.95	2.95	6.40	6.77	9.55	08/18/2010	15.14
	Morningstar Ratings									★★★★	★★★★			
	# of Funds in Category								226	195	153	36		
	Morningstar Peer Rating %								33	26	24			
	Morningstar Lifetime Mod 2055 TR USD						17.75	-8.72	-1.32	4.92	5.72	9.20	02/18/2009	15.79
	US Fund Target-Date 2055				2.86	0.76	18.42	-5.76	1.80	5.77	6.19	9.37	3/1/2001	15.30
<b>US OE Large Value</b>														
MF	<b>American Funds American Mutual R6</b>	Retirement	RMFGX	★★★★★	0.28	0.28	13.05	-7.48	0.41	7.00	8.07	11.54	05/01/2009	13.14
	Morningstar Ratings									★★★★★	★★★★★	★★★★★		
	# of Funds in Category								1193	1109	970	703		
	Morningstar Peer Rating %								6	7	6	10		
	Russell 1000 Value TR USD						14.29	-16.26	-8.84	1.82	4.64	10.41	12/31/1978	18.09
	US Fund Large Value				1.23	0.99	15.68	-15.20	-7.59	2.22	4.47	9.75	5/1/1931	17.99
<b>US OE Large Blend</b>														
MF	<b>American Funds Fundamental Invs R6</b>	Retirement	RFNGX	★★★	0.28	0.28	19.32	-5.55	4.90	8.37	9.73	12.97	05/01/2009	16.77
	Morningstar Ratings									★★★	★★★	★★★		
	# of Funds in Category								1380	1230	1058	806		
	Morningstar Peer Rating %								51	55	36	41		
MF	<b>Vanguard Institutional Index I</b>	Inst	VINIX	★★★★★	0.04	0.04	20.55	-3.08	7.49	10.70	10.70	13.96	07/31/1990	16.95
	Morningstar Ratings									★★★★	★★★★	★★★★★		
	# of Funds in Category								1380	1230	1058	806		
	Morningstar Peer Rating %								22	17	10	8		
MF	<b>Vanguard Total Stock Mkt Idx Adm</b>	Inst	VTSAX	★★★★	0.04	0.04	22.08	-3.40	6.45	10.03	10.02	13.73	11/13/2000	17.70
	Morningstar Ratings									★★★	★★★	★★★★		
	# of Funds in Category								1380	1230	1058	806		
	Morningstar Peer Rating %								39	34	30	18		
MF	<b>Parnassus Core Equity Institutional</b>	Inst	PRILX	★★★★★	0.63	0.63	17.90	-1.93	6.75	11.93	10.84	13.63	04/28/2006	14.70
	Morningstar Ratings									★★★★★	★★★★★	★★★★★		
	# of Funds in Category								1380	1230	1058	806		
	Morningstar Peer Rating %								35	5	8	23		
	Russell 1000 TR USD						21.82	-2.81	7.48	10.64	10.47	13.97	12/31/1978	17.40
	US Fund Large Blend				1.51	0.92	19.61	-5.48	3.74	8.15	8.35	12.22	7/1/1924	16.86



Performance As of: 06-30-2020

Inv. Type	Name / Benchmark & Morningstar Category Info	Share Class Type	Ticker	Overall Morningstar Rating™	Gross Exp Ratio (%)	Net Exp Ratio <sup>1</sup> (%)	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr/ Since Incep*	Perf Incep Date	3-Yr Risk
<b>US OE Small Blend</b>														
MF	<b>Vanguard Small Cap Index I</b>	Inst	VSCIX	★★★★★	0.04	0.04	26.69	-11.42	-5.59	4.00	5.41	11.61	07/07/1997	22.63
	Morningstar Ratings									★★★★★	★★★★★	★★★★★		
	# of Funds in Category								669	615	495	359		
	Morningstar Peer Rating %								12	5	6	3		
	Russell 2000 TR USD						25.42	-12.98	-6.63	2.01	4.29	10.50	12/31/1978	22.93
	US Fund Small Blend				1.28	1.11	22.95	-16.88	-11.41	-0.64	2.49	9.32	6/1/1956	22.74
<b>US SA Small Growth</b>														
	<b>Small Cap Growth Fund CL I1</b>		WTIXLX				34.99	2.78				3.36	07/22/2019	
	Morningstar Ratings													
	# of Funds in Category								625	577	508	377		
	Morningstar Peer Rating %													
	Russell 2000 Growth TR USD						30.58	-3.06	3.48	7.86	6.86	12.92	12/31/1978	22.97
	US SA Small Growth				0.61	0.60								
<b>US OE World Large Stock</b>														
MF	<b>American Funds Capital World Gr&amp;Inc R6</b>	Retirement	RWIGX	★★★	0.42	0.42	18.35	-5.70	2.55	5.66	6.31	9.59	05/01/2009	15.28
	Morningstar Ratings									★★★	★★★	★★★		
	# of Funds in Category								866	761	626	367		
	Morningstar Peer Rating %								42	44	41	38		
	MSCI ACWI NR USD						19.22	-6.25	2.11	6.14	6.46	9.16	1/1/2001	16.26
	US Fund World Large Stock				2.43	1.13	20.06	-5.33	1.83	5.55	6.04	8.97	11/1/1954	16.09
<b>US OE Foreign Large Blend</b>														
MF	<b>Vanguard Developed Markets Index Admiral</b>	Inst	VTMGX	★★★★★	0.07	0.07	17.41	-10.76	-4.26	0.88	2.46	6.09	08/17/1999	16.19
	Morningstar Ratings									★★★	★★★	★★★★★		
	# of Funds in Category								759	648	519	364		
	Morningstar Peer Rating %								43	44	28	20		
	MSCI ACWI Ex USA NR USD						16.12	-11.00	-4.80	1.13	2.26	4.97	1/1/2001	15.94
	US Fund Foreign Large Blend				5.88	0.99	16.24	-10.93	-4.66	0.30	1.79	5.33	12/1/1961	15.63
<b>US OE Foreign Large Growth</b>														
MF	<b>American Funds Europacific Growth R6</b>	Retirement	RERGX	★★★	0.46	0.46	22.77	-4.77	3.17	4.76	4.90	7.48	05/01/2009	16.90
	Morningstar Ratings									★★★	★★★	★★★		
	# of Funds in Category								477	421	344	246		
	Morningstar Peer Rating %								62	58	52	51		
	MSCI ACWI Ex USA Growth NR USD						19.11	-2.62	5.80	6.07	5.61	7.04	1/1/2001	15.07
	US Fund Foreign Large Growth				1.84	1.11	21.42	-1.60	6.44	6.05	5.58	7.79	05/01/1981	15.46



Performance As of: 06-30-2020

Inv. Type	Name / Benchmark & Morningstar Category Info	Share Class Type	Ticker	Overall Morningstar Rating™	Gross Exp Ratio (%)	Net Exp Ratio <sup>1</sup> (%)	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr/ Since Incep*	Perf Incep Date	3-Yr Risk
<b>US OE Diversified Emerging Mkts</b>														
MF	<b>Invesco Oppenheimer Developing Mkts R6</b>	Inst	ODVIX	★★★★	0.83	0.83	18.27	-8.71	-1.69	4.52	4.78	5.54	12/29/2011	17.70
	Morningstar Ratings									★★★★	★★★★	★★★★★		
	# of Funds in Category								815	704	595	246		
	Morningstar Peer Rating %								38	18	19	10		
	MSCI EM NR USD						18.08	-9.78	-3.39	1.90	2.86	3.27	1/1/2001	18.52
	US Fund Diversified Emerging Mkts				1.97	1.31	20.68	-9.77	-3.66	1.15	2.46	3.27	9/1/1989	18.28
<b>US OE Real Estate</b>														
MF	<b>Invesco Real Estate R5</b>	Retirement	IARIX	★★★	0.87	0.87	13.14	-14.39	-8.10	2.68	5.47	9.35	04/30/2004	17.47
	Morningstar Ratings									★★★	★★★★	★★★		
	# of Funds in Category								253	225	199	140		
	Morningstar Peer Rating %								42	29	29	43		
	S&P United States REIT TR USD						11.71	-18.34	-12.95	-0.02	3.86	8.94	12/31/1992	18.80
	US Fund Real Estate				1.56	1.18	13.66	-16.19	-9.81	0.60	3.98	8.86	03/01/1985	18.26
<b>US OE Utilities</b>														
MF	<b>Vanguard Utilities Index Adm</b>	Inst	VUIAX	★★★★	0.10	0.10	2.40	-12.03	-3.95	5.98	10.08	11.31	04/28/2004	13.78
	Morningstar Ratings									★★★★	★★★★★	★★★★		
	# of Funds in Category								59	55	52	45		
	Morningstar Peer Rating %								28	33	3	7		
	S&P 1500 Utilities TR						2.35	-12.02	-3.85	5.97	10.18	11.46	1/28/2011	13.83
	US Fund Utilities				1.13	1.10	4.77	-11.49	-4.84	4.77	7.67	10.14	10/01/1948	13.16
<b>US OE Health</b>														
MF	<b>Hartford Healthcare HLS IA</b>	Inst	HIAHX	★★★★	0.92	0.92	21.04	4.73	20.73	10.98	8.45	17.49	05/01/2000	18.00
	Morningstar Ratings									★★★	★★★★	★★★★		
	# of Funds in Category								148	135	125	104		
	Morningstar Peer Rating %								27	44	23	35		
	S&P 1500 Health Care TR						14.10	-0.62	10.80	10.46	8.43	15.97	1/28/2011	15.65
	US Fund Health				1.87	1.22	23.22	5.83	17.18	11.29	6.57	15.97	7/1/1981	18.65

## Net Expense Ratio Details

Name	Waiver Type	Expiration Date
Invesco Oppenheimer International Bd R6	Contractual	6/30/2021

Expense waivers and expense reimbursements are listed above, if applicable. Please see the most recent prospectus for details.

The Net Expense Ratio reflects expense waivers and the removal of interest and dividend expense, as reported in the investment's prospectus. Expense Waivers may be voluntary or contractual, and can be set to expire at a particular date or timeframe. Waivers are assumed to be voluntary if no disclosure is made in the prospectus to the contrary. Waiver expiration dates are provided if they are disclosed in the prospectus. All available information about investment expense waivers is current and complete as of the date of this report. If information regarding the waivers is incomplete, it is because our third-party data provider was unable to make the information available. For more information, please see the investment profile or the prospectus that corresponds to the investment, which are both available from MassMutual. Contact your MassMutual Retirement Services professional or call 1-877-474-5496.

The Gross Expense Ratio for each investment option (expressed as an annualized percentage of fund assets) refers to the amount paid from the investment's assets for investment management and other services and expenses (including any 12b-1 fees). Portfolio or brokerage costs, as well as initial or deferred sales charges are not included in the expense ratio.

Denotes a since-inception return comprising fewer than 10 years of performance. The Since Inception time period provided is based on the Share Class Inception Date shown, unless otherwise noted in the "Investment Disclosures" below.

**SV = Fixed Rate Stable Value**

**UI = Unitized Investment**

**SIA = Separate Investment Account**

**STK = Company Stock Account**

**MF = Mutual Fund**

**CIT = Collective Investment Trust**

Collective Investment Trusts (CIT), Separate Investment Accounts (SIA), Company Stock Accounts (STK) and Unitized Investments (UI) are not Mutual Funds (MF), are not registered with the Securities and Exchange Commission (SEC), are not insured by the Federal Deposit Insurance Commission (FDIC), and are not guaranteed by any bank, insurance company or credit union. These investment types may lose value and are subject to investment risk, including the possible loss of the principal amount invested. Fixed Rate Stable Value (FSV) investments provide a guarantee of principal backed by a book value guarantor.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

This information may be provided for plan sponsor use in meeting fiduciary obligations. This document provides important explanatory notes for the performance summary. Not all investment options are available for all plans.

**Investment Disclosures**

Benchmarks - Indexes and benchmarks are not actively managed, do not incur fees or expenses, and are not available for direct investment. For a full list of benchmark definitions, please visit [www.massmutual.com/benchmarks](http://www.massmutual.com/benchmarks).

**Information in this document is current as of 6/30/2020 and is subject to change without notice.**

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**RS-38188-01**

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# Disclosures

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Founded in 1851, MassMutual is a leading mutual life insurance company that is run for the benefit of its members and participating policyholders. The company has a long history of financial strength and strong performance, and although dividends are not guaranteed, MassMutual has paid dividends to eligible participating policyholders consistently since the 1860s.

With whole life insurance as its foundation, MassMutual provides products to help meet the financial needs of clients, such as life insurance, disability income insurance, long term care insurance, retirement/401(k) plan services, and annuities. In addition, the company's strong and growing network of financial professionals helps clients make good financial decisions for the long-term.



<sup>1</sup>



22 PSCA Signature Awards (2013-2015) for Educational Excellence



MassMutual Named 2016 Insurer of the Year



<sup>2</sup>



ContactCenterWorld top-performing call center 9 years in a row (2008-2016)



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<sup>2</sup>Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance, March 2016.

# Disclosures

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**Morningstar Rating™:** for each fund with at least a three-year history, rating is based on a Morningstar risk adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. These ratings change monthly. The top 10% of funds in an investment category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10- year (if applicable) Morningstar Ratings. A fund's total-return percentile rank is relative to all funds that have the same Morningstar Category (peers). The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. The percentile rank by category figures allow for a direct comparison of a fund's performance within its Morningstar Category.

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**Beta** is a measure of sensitivity to market movements. The beta of the market is 1.00. A beta of 1.10 shows that the fund's excess return is expected to be 10% better than the market's excess return in an up market or 10% worse in a down market. A beta of .85 indicates that the fund's excess return is expected to perform 15% less than the market's excess return during up markets and 15% greater during down markets.

**Standard deviation** is a statistical measurement, which for a mutual fund depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, performance is wide, implying greater volatility.

**R-squared** measures the degree of relationship between the performance of the fund and that of the index. The higher the R- squared, the more related the fund's performance is to its index.

**Sharpe ratio** measures risk adjusted performance; it is calculated as the real total return of the fund (total return-risk free rate) divided by the risk of the fund (standard deviation).

# Disclosures

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**Expense Ratio** is the percentage of fund assets paid for operating expenses and management fees as per a fund's most recent prospectus. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

**Gross Expense Ratio** does not reflect any fee waivers in effect during the time period, in contrast to the net expense ratio. Also known as the Total Annual Fund Operating Expense Ratio, Morningstar pulls the prospectus gross expense ratio from the fund's most recent prospectus. Prospectus expense ratios reflect material changes to the expense structure for the current period.

**Net Expense Ratio** is the net operating expenses are the expenses you are currently paying to own the Fund. If the net operating expenses shown are lower than the gross operating expenses, then the net operating expenses reflect voluntary fee waivers and/or expense reimbursements from the investment advisor that may be discontinued at any time. For more information on fee waivers and/or expense reimbursements, please see the expense table in the prospectus.

Money market investments are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these investments seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market option.

Generally target retirement date (lifecycle) investment options are designed to be held beyond the presumed retirement date to offer a continuing investment option for the investor in retirement. The year in the investment option name refers to the approximate year an investor in the option would plan to retire and likely would stop making new contributions to the investment option. However, investors may choose a date other than their presumed retirement date to be more conservative or aggressive depending on their own risk tolerance.

Target retirement date (lifecycle) investment options are designed for participants who plan to withdraw the value of their accounts *gradually* after retirement. Each of these options follows its own asset allocation path ("glide path") to progressively reduce its equity exposure and become more conservative over time. Options may not reach their most conservative allocation until *after* their target date. Others may reach their most conservative allocation *in* their target date year. Investors should consider their own personal risk tolerance, circumstances and

financial situation. These options should not be selected solely on a single factor such as age or retirement date. Please consult the prospectus (if applicable) pertaining to the options to determine if their glide path is consistent with your long-term financial plan. Target retirement date investment options' stated asset allocation may be subject to change. Investments in these options are not guaranteed and you may experience losses, including losses near, at, or after the target date. Additionally, there is no guarantee that the options will provide adequate income at and through retirement.

Risks of investing in bond and debt securities investments include the risk that a bond issuer will default by failing to repay principal and interest in a timely manner (credit risk) and/or the risk that the value of these securities will decline when interest rates increase (interest rate risk).

# Disclosures

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Risks of investing in inflation-protected bond investments include credit risk and interest rate risk. Neither the bond investment nor its yield is guaranteed by the U.S. government.

High-yield bond investments are generally subject to greater market fluctuations and risk of loss of income and principal than lower-yielding debt securities investments.

Investments that track a benchmark index are professionally managed. However, the benchmark index itself is unmanaged and does not incur fees or expenses and cannot be purchased directly for investment.

Investments in value stocks may remain undervalued for extended periods of time, and the market may not recognize the intrinsic value of these securities.

Investments in growth stocks may experience price volatility due to their sensitivity to market fluctuations and dependence on future earnings expectations.

Investments in companies with small or mid market capitalization ("small caps" or "mid caps") may be subject to special risks given their characteristic narrow markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.

International/global investing can involve special risks, such as political changes and currency fluctuations. These risks are heightened in emerging markets.

A significant percentage of the underlying investments in aggressive asset allocation portfolio investments have a higher than average risk exposure. Investors should consider their risk tolerance carefully before choosing such a strategy.

An investment with multiple underlying investments may be subject to the expenses of those underlying investments in addition to those of the investment itself.

The Barclays U.S. 1-3 Year Government Bond Index is an unmanaged index of U.S. government bonds with one to three years remaining to the scheduled payment of principal.

The Barclays U.S. Aggregate Bond Index is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Barclays U.S. Treasury Bond Index, the Barclays U.S. Government-Related Bond Index, the Barclays U.S. Corporate Bond Index, and the Barclays U.S. Securitized Bond Index.

The Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) is an unmanaged index that measures the broad performance of U.S. Treasury inflation-indexed bonds.

The Barclays U.S. Corporate High-Yield Bond Index covers the universe of fixed rate, non-investment-grade debt from corporate sectors.



# Disclosures

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The S&P Target Date® Index Series consists of 11 multi-asset class indexes: the S&P Target Date Retirement Income Index and 10 indexes, each of which corresponds to a specific target retirement date (ranging from 2010 through 2055+). The benchmark asset allocation and glide path represent a market consensus across the universe of target date fund managers. The index does not reflect any deduction for fees, expenses, or taxes and cannot be purchased directly by investors.

The S&P 500® Index is a widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies.

The Russell 1000® Index is a widely recognized, unmanaged index representing the performance of common stocks of larger capitalized U.S. companies.

The Russell 1000 Value Index is an unmanaged index consisting of those Russell 1000 securities (representing the 1,000 largest U.S. companies, based on market capitalization) with greater than average value orientation that tend to exhibit lower price-to-book ratios and lower forecasted growth rates than securities in the growth universe.

The Russell 1000 Growth Index is an unmanaged index consisting of those Russell 1000 securities (representing the 1,000 largest U.S. companies based on market capitalization) with greater than average growth orientation that tend to exhibit higher price-to-book ratios and higher forecasted growth rates than securities in the value universe.

The S&P Midcap 400® Index is a widely recognized, unmanaged index representative of common stocks of mid-capitalized U.S. companies.

The Russell Midcap® Value Index is a widely recognized, unmanaged index that measures the performance of those Russell Midcap companies (representing mid-capitalization U.S. common stocks) with lower price-to-book ratios and lower forecasted growth rates than securities in the growth universe.

Russell Midcap® Growth Index is a widely recognized, unmanaged index that measures the performance of those Russell Midcap companies (representing mid-capitalization U.S. common stocks) with higher price-to-book ratios and higher forecasted growth rates than securities in the value universe.

The Russell 2000 Index is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

The Russell 2000 Value Index is a widely recognized, unmanaged index that measures the performance of those Russell 2000 Index Companies (representing small-capitalization U.S. common stocks) with lower price-to-book ratios and lower forecasted growth rates than securities in the growth universe.

The Russell 2000 Growth Index is a widely recognized, unmanaged index that measures the performance of those Russell 2000 Index companies (representing small-capitalization U.S. common stocks) with higher price-to-book ratios and higher forecasted growth rates than securities in the value universe.

The MSCI EAFE Index is a widely recognized, unmanaged index representative of equity securities in developed markets, excluding the U.S. and Canada.

# Disclosures

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The MSCI EAFE Value Index is a subset of the widely recognized, unmanaged MSCI EAFE Index and constituents of the Index include securities from Europe, Australasia, and the Far East.

The MSCI All Country World Index (ACWI) is an unmanaged index representative of stocks domiciled in global developed and emerging markets, including the United States.

The MSCI All Country World Index (ACWI) ex USA is an unmanaged index representative of stocks domiciled in global developed and emerging markets, excluding the United States.

The FTSE World Index is an unmanaged, market-capitalization weighted index representing the performance of the large and mid cap stocks from the Developed and Advanced Emerging segments of the FTSE Global Equity Index Series that covers 90%-95% of the investable market capitalization.

The MSCI Emerging Markets (EM) Index is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries. The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.



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August 27, 2020

**MassMutual@WORK**

# Your Plan Review

## MassMutual @work for you

**San Mateo County Deferred Compensation Plan**

Current Period: April 1, 2020 - June 30, 2020  
Prior Period: January 1, 2020 - March 31, 2020

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# Executive Summary

Plan Statistics			
	3/31/2020	6/30/2020	Plan Trend
<b>Total Plan Assets</b>	\$468,447,883	\$526,332,271	▲ 12%
<b>Total Outstanding Loan Balances</b>	\$7,414,961	\$7,086,701	▼ 4%
<b>Participant Contributions</b>			
<b>Participant</b>	\$10,746,921	\$9,261,582	▼ 14%
<b>EE Pre-Tax</b>	\$8,255,227	\$7,097,883	▼ 14%
<b>Roth</b>	\$1,765,037	\$1,480,833	▼ 14%
<b>Loan Repayment</b>	\$726,657	\$682,866	▼ 14%
<b>Rollover</b>	\$1,064,239	\$749,726	▼ 30%
<b>Transferred Assets</b>	\$23,098	\$27,446	▲ 19%
<b>Distributions</b>			
<b>Withdrawals</b>	(\$1,484,343)	(\$2,056,447)	▲ 39%
<b>Terminations</b>	(\$5,250,848)	(\$5,732,874)	▲ 9%
<b>Loans</b>	(\$796,248)	(\$422,024)	▼ 47%
<b>Expenses*</b>	(\$78,416)	(\$71,692)	▼ 9%
<b>Investment Income</b>	(\$63,907,669)	\$56,022,588	▲ 188%

\*The expenses shown reflect expenses deducted from plan assets. Expenses billed directly to the plan sponsor or expenses related to the expense ratio of investments under the plan are not reflected. The Contribution data displays the combined dollar value of Contributions & Loan Repayments, if applicable.

# Executive Summary

Participant Activity			
	3/31/2020	6/30/2020	Plan Trend
<b>Total Participants</b>	8,787	8,859	▲ 0%
<b>Participation Rates: Average Percentage</b>	91%	89%	▼ 2%
<b>Average Account Balance</b>	\$53,311	\$59,412	▲ 11%
<b>Average Number of Investments</b>	5.2	5.2	◀▶ 0%
<b>Number of Outstanding Loans</b>	682	640	▼ 6%
<b>Percent of Participants With a Loan</b>	7%	7%	◀▶ 0%
<b>Average Loan Balance</b>	\$10,872	\$11,073	▲ 2%
<b>Mobile App Usage Unique Users / Total Visits</b>	Jan. 2020 175 / 876 Feb. 2020 165 / 801 Mar. 2020 195 / 1,006	Apr. 2020 159 / 823 May 2020 158 / 775 June 2020 176 / 1,059	
<b>Total Calls to 800#</b>	164	139	▼ 15%
<b>Total Visits to Website</b>	14,631	12,970	▼ 11%
<b>Notes</b>			
1Q 2020 eligible – 5544 (does not include extra help) total # contributing – 5068 – 91%			
2Q 2020 eligible – 5520 (does not include extra help) total # contributing – 4923 – 89%			

61869-1-San Mateo County Deferred Compensation Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# 457 Plan Balances by Investment

Asset Allocation										
Investment Options	Balances as of 3/31/2020	Percentage*	Plan Activity April 01, 2020 through June 30, 2020						Balances as of 6/30/2020	Percentage*
			Contributions	Other Activity	Transfers	Distributions	Expenses**	Investment Income		
SAGIC Core Bond (61869)	\$150,130,391	32.05%	\$1,751,609	\$248,446	\$562,323	(\$1,470,268)	(\$22,000)	\$1,003,605	\$152,204,105	28.92%
PIMCO Long-Term Real Return Fund	\$3,215,289	0.69%	\$56,258	\$5,208	\$218,986	(\$102,454)	(\$444)	\$265,462	\$3,658,305	0.70%
PIMCO Total Return Fund	\$13,255,109	2.83%	\$142,064	\$7,960	(\$9,594)	(\$65,580)	(\$1,884)	\$529,253	\$13,857,329	2.63%
Vanguard Total Bond Mrkt Index Fund	\$7,311,814	1.56%	\$150,661	\$10,923	\$1,488,520	(\$255,235)	(\$1,689)	\$227,258	\$8,932,250	1.70%
Premier High Yield Fund (Barings)	\$826,288	0.18%	\$12,204	\$1,139	(\$62,921)	(\$269)	(\$112)	\$58,464	\$834,794	0.16%
Invesco Oppenheimer Intl Bond Fd	\$1,154,931	0.25%	\$23,228	\$890	(\$1,245,454)	(\$820)	(\$40)	\$67,331	\$67	0.00%
Vanguard Target Retirement 2015 Fd	\$10,566,797	2.26%	\$128,610	\$6,793	\$82,483	(\$1,601,132)	(\$1,499)	\$920,372	\$10,102,425	1.92%
Vanguard Target Retirement 2025 Fd	\$31,607,675	6.75%	\$882,967	\$42,787	(\$1,190,658)	(\$529,845)	(\$4,767)	\$4,104,641	\$34,912,800	6.63%
Vanguard Target Retirement 2035 Fd	\$23,634,782	5.05%	\$1,156,659	\$120,569	(\$436,383)	(\$211,838)	(\$3,982)	\$3,789,383	\$28,049,189	5.33%
Vanguard Target Retirement 2045 Fd	\$19,149,052	4.09%	\$1,269,623	\$104,483	\$12,353	(\$410,403)	(\$3,114)	\$3,619,555	\$23,741,548	4.51%
Vanguard Target Retirement 2055 Fd	\$12,199,775	2.60%	\$1,153,515	\$11,617	(\$181,168)	(\$151,125)	(\$2,154)	\$2,338,204	\$15,368,665	2.92%
Vanguard Target Retirement Incm Fd	\$6,747,056	1.44%	\$18,325	\$4,186	\$1,124,488	(\$318,291)	(\$1,049)	\$567,497	\$8,142,211	1.55%
American Funds American Mutual Fund	\$14,380,445	3.07%	\$175,960	\$23,004	(\$5,575)	(\$108,001)	(\$2,167)	\$1,884,524	\$16,348,190	3.11%
American Funds Fndmntl Invstrs Fnd	\$34,331,965	7.33%	\$279,547	\$31,980	(\$290,597)	(\$443,271)	(\$5,167)	\$6,632,046	\$40,536,504	7.70%
Parnassus Core Equity Fund	\$4,662,482	1.00%	\$107,950	\$9,991	\$195,040	(\$30,432)	(\$797)	\$847,424	\$5,791,659	1.10%
Vanguard Institutional Index Fund	\$19,197,556	4.10%	\$280,365	\$20,101	(\$253,512)	(\$1,401,712)	(\$2,956)	\$3,938,452	\$21,778,294	4.14%
Vanguard Total Stock Mkt Index Fd	\$10,592,754	2.26%	\$243,435	\$12,004	\$379,071	(\$122,653)	(\$1,832)	\$2,370,821	\$13,473,601	2.56%
American Funds Grth Fund of America	\$28,910,237	6.17%	\$301,814	\$73,183	(\$428,272)	(\$381,741)	(\$4,490)	\$7,444,894	\$35,915,626	6.82%
American Century Mid Cap Value Fund	\$3,665,693	0.78%	\$59,711	\$6,799	\$35,764	(\$42,048)	(\$548)	\$573,778	\$4,299,150	0.82%
Vanguard Mid Cap Index Fund	\$4,677,400	1.00%	\$101,398	\$16,067	\$5,953	(\$46,043)	(\$809)	\$1,183,586	\$5,937,551	1.13%

\*Due to rounding, percentages may not total 100 percent.

\*\*The expenses shown reflect expenses deducted from plan assets. Does not include expenses billed directly to the plan sponsor or expenses related to the expense ratio of investments under the plan.

61869-1-San Mateo County Deferred Compensation Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# 457 Plan Balances by Investment

Asset Allocation										
Investment Options	Balances as of 3/31/2020	Percentage*	Plan Activity April 01, 2020 through June 30, 2020						Balances as of 6/30/2020	Percentage*
			Contributions	Other Activity	Transfers	Distributions	Expenses**	Investment Income		
Select Mid Cap Gr Fd (TRP/Frontier)	\$11,686,581	2.49%	\$146,626	\$19,542	(\$4,172)	(\$81,425)	(\$1,854)	\$3,352,125	\$15,117,424	2.87%
JP Morgan Small Cap Value Fund	\$295,941	0.06%	\$5,211	\$308	(\$340,720)	(\$1,735)	(\$14)	\$41,009	\$0	0.00%
Small Cap Value CIT	\$0	0.00%	\$7,520	\$610	\$474,644	(\$3,548)	(\$40)	\$23,922	\$503,107	0.10%
Vanguard Small Cap Index Fund	\$7,114,686	1.52%	\$151,465	\$8,204	\$80,158	(\$56,400)	(\$1,164)	\$1,931,171	\$9,228,120	1.75%
Small Cap Growth CIT	\$0	0.00%	\$54,857	\$8,217	\$7,315,343	(\$56,407)	(\$742)	\$1,291,703	\$8,612,970	1.64%
Wells Fargo Small Company Growth Fd	\$6,580,524	1.40%	\$35,577	\$3,705	(\$7,691,044)	(\$12,292)	(\$292)	\$1,083,822	\$0	0.00%
American Fnds Cap Wld Gr and Inc Fd	\$8,431,537	1.80%	\$119,776	\$12,248	(\$377,255)	(\$112,600)	(\$1,248)	\$1,504,295	\$9,576,754	1.82%
Closed Vanguard Developed Mark	\$0	0.00%	\$0	\$0	(\$87)	\$0	\$86	\$1	\$0	0.00%
Vanguard Developed Markets Index Fd	\$2,209,419	0.47%	\$87,212	\$5,735	\$98,200	(\$22,992)	(\$568)	\$406,917	\$2,783,923	0.53%
Amer Funds EuroPacific Growth Fund	\$6,937,851	1.48%	\$103,794	\$9,843	\$3,252	(\$37,874)	(\$1,092)	\$1,591,309	\$8,607,083	1.64%
Invesco Oppenheimer Dvlpng Mrk Fd	\$2,446,275	0.52%	\$52,427	\$4,495	(\$621)	(\$22,315)	(\$463)	\$453,067	\$2,932,865	0.56%
Invesco Real Estate Fund	\$2,159,221	0.46%	\$47,498	\$6,582	\$26,629	(\$55,051)	(\$336)	\$284,909	\$2,469,452	0.47%
Bank of The West Savings	\$6,139,064	1.31%	\$57,626	\$2,210	\$264,590	(\$13,688)	(\$884)	\$4,917	\$6,453,834	1.23%
Hartford Healthcare HLS Fund	\$5,077,169	1.08%	\$68,010	\$3,932	\$351,586	(\$25,840)	(\$783)	\$1,094,588	\$6,568,661	1.25%
Schwab PCRA	\$3,512,904	0.75%	\$0	\$0	(\$117,066)	\$0	\$0	\$458,991	\$3,854,828	0.73%
Vanguard Utilities Index Fund	\$5,639,220	1.20%	\$58,642	\$8,929	(\$84,284)	(\$16,014)	(\$798)	\$133,292	\$5,738,987	1.09%
<b>Total</b>	<b>\$468,447,884</b>	<b>100%</b>	<b>\$9,292,145</b>	<b>\$852,691</b>	<b>----</b>	<b>(\$8,211,345)</b>	<b>(\$71,692)</b>	<b>\$56,022,588</b>	<b>\$526,332,271</b>	<b>100%</b>

\*Due to rounding, percentages may not total 100 percent.

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61869-1-San Mateo County Deferred Compensation Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03



# 401(a) Plan Balances by Investment

Asset Allocation										
Investment Options	Balances as of 3/31/2020	Percentage*	Plan Activity April 01, 2020 through June 30, 2020						Balances as of 6/30/2020	Percentage*
			Contributions	Other Activity	Transfers	Distributions	Expenses**	Investment Income		
SAGIC Core Bond (61869)	\$871,537	18.67%	\$11,013	\$0	(\$25,071)	(\$31,054)	(\$122)	\$5,555	\$831,859	15.04%
PIMCO Long-Term Real Return Fund	\$20,770	0.45%	\$410	\$0	(\$248)	\$0	(\$3)	\$1,712	\$22,641	0.41%
PIMCO Total Return Fund	\$17,894	0.38%	\$2,360	\$0	\$5,128	\$0	(\$4)	\$766	\$26,145	0.47%
Vanguard Total Bond Mrkt Index Fund	\$25,923	0.56%	\$1,345	\$0	\$929	\$0	(\$6)	\$772	\$28,962	0.52%
Invesco Oppenheimer Intl Bond Fd	\$4,242	0.09%	\$75	\$0	(\$4,564)	\$0	(\$0)	\$246	\$0	0.00%
Vanguard Target Retirement 2015 Fd	\$222,361	4.76%	\$13,559	\$0	\$0	(\$11,730)	(\$31)	\$19,707	\$243,866	4.41%
Vanguard Target Retirement 2025 Fd	\$500,306	10.72%	\$51,101	(\$4,728)	\$0	(\$14,591)	(\$75)	\$67,410	\$599,424	10.84%
Vanguard Target Retirement 2035 Fd	\$538,305	11.53%	\$62,525	\$0	(\$13,533)	(\$31,108)	(\$80)	\$84,806	\$640,915	11.59%
Vanguard Target Retirement 2045 Fd	\$927,543	19.87%	\$79,896	(\$7,879)	(\$34)	(\$38,760)	(\$141)	\$175,652	\$1,136,277	20.55%
Vanguard Target Retirement 2055 Fd	\$1,218,555	26.11%	\$121,901	(\$7,920)	(\$3,612)	(\$15,518)	(\$186)	\$232,419	\$1,545,638	27.95%
Vanguard Target Retirement Incm Fd	\$0	0.00%	\$182	\$0	\$3,985	\$0	(\$0)	\$136	\$4,303	0.08%
American Funds American Mutual Fund	\$16,321	0.35%	\$1,022	\$0	\$580	\$0	(\$3)	\$2,183	\$20,102	0.36%
American Funds Fndmntl Invstrs Fnd	\$9,264	0.20%	\$621	\$0	\$1,274	\$0	(\$2)	\$2,014	\$13,170	0.24%
Parnassus Core Equity Fund	\$16,429	0.35%	\$913	\$0	\$115	\$0	(\$3)	\$3,423	\$20,876	0.38%
Vanguard Institutional Index Fund	\$56,310	1.21%	\$4,945	\$0	\$1,352	(\$1,611)	(\$10)	\$11,817	\$72,803	1.32%
Vanguard Total Stock Mkt Index Fd	\$49,365	1.06%	\$3,207	\$0	\$5,511	\$0	(\$9)	\$11,904	\$69,978	1.27%
American Funds Grth Fund of America	\$23,466	0.50%	\$2,089	\$0	\$5,433	\$0	(\$5)	\$6,857	\$37,839	0.68%
American Century Mid Cap Value Fund	\$3,224	0.07%	\$210	\$0	(\$37)	\$0	(\$1)	\$505	\$3,901	0.07%
Vanguard Mid Cap Index Fund	\$20,644	0.44%	\$1,474	\$0	\$5,072	\$0	(\$4)	\$5,807	\$32,993	0.60%
Select Mid Cap Gr Fd (TRP/Frontier)	\$5,724	0.12%	\$743	\$0	\$404	\$0	(\$1)	\$1,693	\$8,564	0.15%

\*Due to rounding, percentages may not total 100 percent.

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61869-3-County of San Mateo 401(a) Retirement Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# 401(a) Plan Balances by Investment

Asset Allocation										
Investment Options	Balances as of 3/31/2020	Percentage*	Plan Activity April 01, 2020 through June 30, 2020						Balances as of 6/30/2020	Percentage*
			Contributions	Other Activity	Transfers	Distributions	Expenses**	Investment Income		
JP Morgan Small Cap Value Fund	\$2,975	0.06%	\$204	\$0	(\$3,596)	\$0	(\$0)	\$417	\$0	0.00%
Small Cap Value CIT	\$0	0.00%	\$435	\$0	\$3,638	\$0	(\$0)	\$209	\$4,281	0.08%
Vanguard Small Cap Index Fund	\$34,153	0.73%	\$1,284	\$0	\$8,038	\$0	(\$6)	\$10,190	\$53,659	0.97%
Small Cap Growth CIT	\$0	0.00%	\$429	\$0	\$10,178	\$0	(\$1)	\$1,754	\$12,360	0.22%
Wells Fargo Small Company Growth Fd	\$8,647	0.19%	\$205	\$0	(\$10,295)	\$0	(\$0)	\$1,443	\$0	0.00%
American Fnds Cap Wld Gr and Inc Fd	\$5,007	0.11%	\$149	\$0	\$431	\$0	(\$1)	\$926	\$6,512	0.12%
Vanguard Developed Markets Index Fd	\$24,887	0.53%	\$1,705	\$0	(\$101)	\$0	(\$5)	\$4,423	\$30,909	0.56%
Amer Funds EuroPacific Growth Fund	\$10,553	0.23%	\$593	\$0	\$1,508	\$0	(\$2)	\$2,695	\$15,347	0.28%
Invesco Oppenheimer Dvlpng Mrk Fd	\$10,189	0.22%	\$615	\$0	\$32	\$0	(\$2)	\$1,896	\$12,730	0.23%
Invesco Real Estate Fund	\$3,505	0.08%	\$204	(\$0)	\$30	(\$0)	(\$1)	\$466	\$4,204	0.08%
Bank of The West Savings	\$15,039	0.32%	\$0	\$0	\$662	\$0	(\$2)	\$12	\$15,710	0.28%
Hartford Healthcare HLS Fund	\$4,324	0.09%	\$1,153	(\$0)	\$6,793	(\$0)	(\$1)	\$1,555	\$13,824	0.25%
<b>Total</b>	<b>\$4,667,462</b>	<b>100%</b>	<b>\$366,567</b>	<b>(\$20,527)</b>	<b>----</b>	<b>(\$144,371)</b>	<b>(\$708)</b>	<b>\$661,370</b>	<b>\$5,529,792</b>	<b>100%</b>

\*Due to rounding, percentages may not total 100 percent.

\*\*The expenses shown reflect expenses deducted from plan assets. Does not include expenses billed directly to the plan sponsor or expenses related to the expense ratio of investments under the plan.

61869-3-County of San Mateo 401(a) Retirement Plan

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RS-41492-03

# OBRA Plan Balances by Investment

Asset Allocation										
Investment Options	Balances as of 3/31/2020	Percentage*	Plan Activity April 01, 2020 through June 30, 2020						Balances as of 6/30/2020	Percentage*
			Contributions	Other Activity	Transfers	Distributions	Expenses**	Investment Income		
<b>457 OBRA</b>										
SAGIC (61869OB)	\$9,904,197	100.00%	\$641,244	\$404	\$0	(\$125,388)	(\$1,386)	\$36,404	\$10,455,475	100.00%
<b>Total</b>	<b>\$9,904,197</b>	<b>100%</b>	<b>\$641,244</b>	<b>\$404</b>	<b>----</b>	<b>(\$125,388)</b>	<b>(\$1,386)</b>	<b>\$36,404</b>	<b>\$10,455,475</b>	<b>100%</b>
<b>401(a) OBRA</b>										
SAGIC (61869OB)	\$11,356,941	100.00%	\$0	\$0	\$0	(\$202,077)	(\$1,557)	\$40,410	\$11,193,717	100.00%
<b>Total</b>	<b>\$11,356,941</b>	<b>100%</b>	<b>\$0</b>	<b>\$0</b>	<b>----</b>	<b>(\$202,077)</b>	<b>(\$1,557)</b>	<b>\$40,410</b>	<b>\$11,193,717</b>	<b>100%</b>

\*Due to rounding, percentages may not total 100 percent.

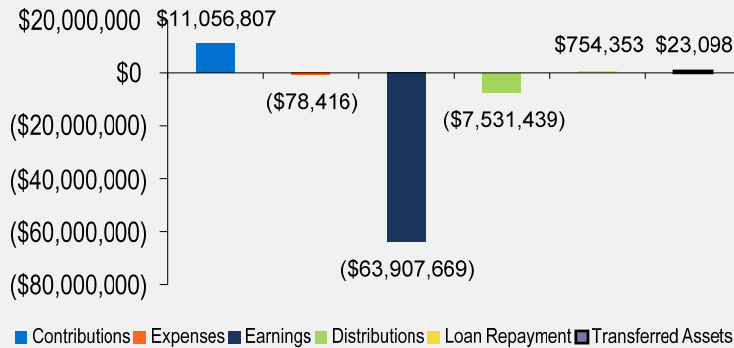
\*\*The expenses shown reflect expenses deducted from plan assets. Does not include expenses billed directly to the plan sponsor or expenses related to the expense ratio of investments under the plan.

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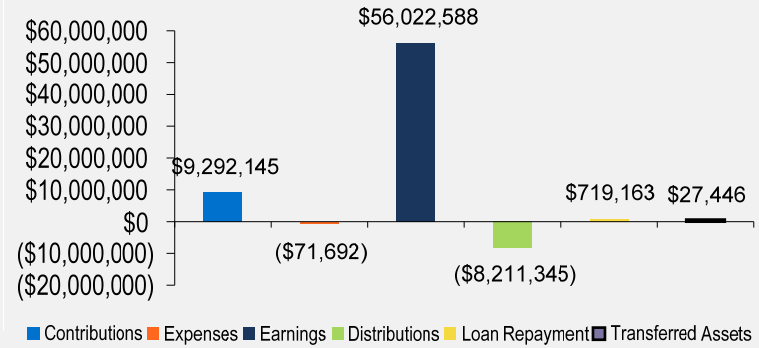
RS-41492-03

# Cash Flow Analysis

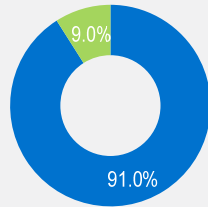
Prior Period 01/01/2020-03/31/2020



Current Period 04/01/2020-06/30/2020

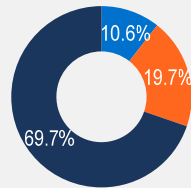


## Contribution Analysis\*



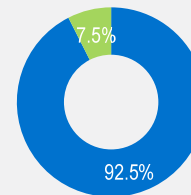
- Participant
- Profit Sharing
- Match
- Rollover

## Distribution Analysis



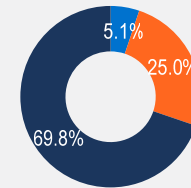
- Loans (50)
- Withdrawals (336)
- Terminations (251)

## Contribution Analysis\*



- Participant
- Profit Sharing
- Match
- Rollover

## Distribution Analysis



- Loans (23)
- Withdrawals (332)
- Terminations (229)

\*The Contribution Analysis Pie Charts display the percentage of the combined dollar value of the Contributions & Loan Repayments

# Total Investment Balance

as of 06/30/2020

Participant Demographics								
Investment Options	PARTICIPANTS					Participants in Option as of 03/31/2020	Participants in Option as of 06/30/2020	Investment Selection Percentage*
	Active	Beneficiary	Retired	Terminated	QDRO			
SAGIC Core Bond (61869)	\$57,839,940	\$1,327,719	\$16,033,567	\$76,561,758	\$441,120	2,541	2,545	9.0%
PIMCO Long-Term Real Return Fund	\$2,207,688	\$0	\$36,137	\$1,414,479	\$0	359	386	0.4%
PIMCO Total Return Fund	\$6,911,541	\$71,828	\$1,059,415	\$5,779,678	\$34,866	803	830	0.9%
Vanguard Total Bond Mkt Index Fund	\$6,463,167	\$0	\$407,018	\$2,053,462	\$8,603	463	492	0.8%
Premier High Yield Fund (Barings)	\$482,577	\$0	\$329	\$351,888	\$0	98	91	0.1%
Invesco Oppenheimer Intl Bond Fd	\$0	\$0	\$0	\$67	\$0	383	1	
Vanguard Target Retirement 2015 Fd	\$4,133,761	\$14,483	\$1,633,432	\$4,312,699	\$8,051	375	370	1.9%
Vanguard Target Retirement 2025 Fd	\$24,668,463	\$80,191	\$564,133	\$9,574,310	\$25,703	1,056	1,049	9.0%
Vanguard Target Retirement 2035 Fd	\$23,398,151	\$10,850	\$5,559	\$4,611,413	\$23,216	1,338	1,349	14.5%
Vanguard Target Retirement 2045 Fd	\$20,863,037	\$22,545	\$6,210	\$2,830,196	\$19,560	1,554	1,571	18.5%
Vanguard Target Retirement 2055 Fd	\$13,652,112	\$30,337	\$0	\$1,686,216	\$0	2,021	2,070	27.7%
Vanguard Target Retirement Incm Fd	\$1,097,215	\$573,654	\$2,528,332	\$3,941,804	\$1,207	178	512	0.6%
American Funds American Mutual Fund	\$10,184,478	\$136,187	\$792,947	\$5,193,660	\$40,918	958	980	1.2%
American Funds Fndmntl Invstrs Fnd	\$19,637,032	\$425,806	\$3,780,042	\$16,633,920	\$59,703	1,303	1,311	2.1%
Parnassus Core Equity Fund	\$3,898,636	\$0	\$629,380	\$1,263,643	\$0	511	578	0.7%
Vanguard Institutional Index Fund	\$12,609,563	\$457,093	\$1,349,913	\$7,360,361	\$1,363	821	804	1.6%
Vanguard Total Stock Mkt Index Fd	\$9,885,365	\$54,392	\$115,062	\$3,418,782	\$0	621	655	1.5%

**Total Participants 8859: 6177 Active, 41 Beneficiary, 243 Retired, 2381 Terminated, 17 QDRO**

\*The investment selection percentages reflect participants with an active status. Due to rounding the percentages may not total 100% Contracts with multiple plans may result in participants maintaining balances in more than one plan.

61869-1-San Mateo County Deferred Compensation Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# Total Investment Balance

as of 06/30/2020

Participant Demographics								
Investment Options	PARTICIPANTS					Participants in Option as of 03/31/2020	Participants in Option as of 06/30/2020	Investment Selection Percentage*
	Active	Beneficiary	Retired	Terminated	QDRO			
American Funds Grth Fund of America	\$19,354,036	\$286,756	\$3,209,285	\$12,977,794	\$87,755	1,243	1,270	2.1%
American Century Mid Cap Value Fund	\$2,568,997	\$10,792	\$63,182	\$1,654,341	\$1,838	550	573	0.3%
Vanguard Mid Cap Index Fund	\$3,801,955	\$62,644	\$449,545	\$1,622,257	\$1,150	604	623	0.6%
Select Mid Cap Gr Fd (TRP/Frontier)	\$9,629,363	\$57,315	\$1,113,706	\$4,270,977	\$46,063	916	933	1.0%
Small Cap Value CIT	\$303,321	\$0	\$360	\$199,427	\$0	0	322	0.1%
Vanguard Small Cap Index Fund	\$6,085,256	\$51,112	\$427,212	\$2,658,435	\$6,105	800	822	0.8%
Small Cap Growth CIT	\$5,735,749	\$43,236	\$173,810	\$2,632,172	\$28,004	0	875	0.7%
American Fnds Cap Wld Gr and Inc Fd	\$5,969,635	\$53,367	\$394,476	\$3,144,081	\$15,195	761	761	0.7%
Vanguard Developed Markets Index Fd	\$2,193,153	\$0	\$102,610	\$486,080	\$2,079	441	460	0.6%
Amer Funds EuroPacific Growth Fund	\$5,071,793	\$9,767	\$444,597	\$3,059,306	\$21,621	785	802	0.7%
Invesco Oppenheimer Dvlpng Mrk Fd	\$2,075,918	\$359	\$75,182	\$776,265	\$5,142	586	599	0.4%
Invesco Real Estate Fund	\$1,469,827	\$699	\$111,037	\$880,709	\$7,180	553	567	0.3%
Bank of The West Savings	\$4,138,202	\$0	\$314,228	\$2,001,404	\$0	257	262	0.5%
Hartford Healthcare HLS Fund	\$3,687,531	\$15,111	\$276,317	\$2,587,844	\$1,859	369	384	0.5%
Schwab PCRA	\$1,373,361	\$0	\$382,523	\$2,098,945	\$0	50	52	
Vanguard Utilities Index Fund	\$3,185,236	\$5,132	\$465,030	\$2,080,758	\$2,831	403	407	0.4%
<b>Total</b>	<b>\$294,576,059</b>	<b>\$3,801,377</b>	<b>\$36,944,574</b>	<b>\$190,119,131</b>	<b>\$891,131</b>	<b>-----</b>	<b>-----</b>	<b>100%</b>

Total Participants 8859: 6177 Active, 41 Beneficiary, 243 Retired, 2381 Terminated, 17 QDRO

\*The investment selection percentages reflect participants with an active status. Due to rounding the percentages may not total 100% Contracts with multiple plans may result in participants maintaining balances in more than one plan.

61869-1-San Mateo County Deferred Compensation Plan

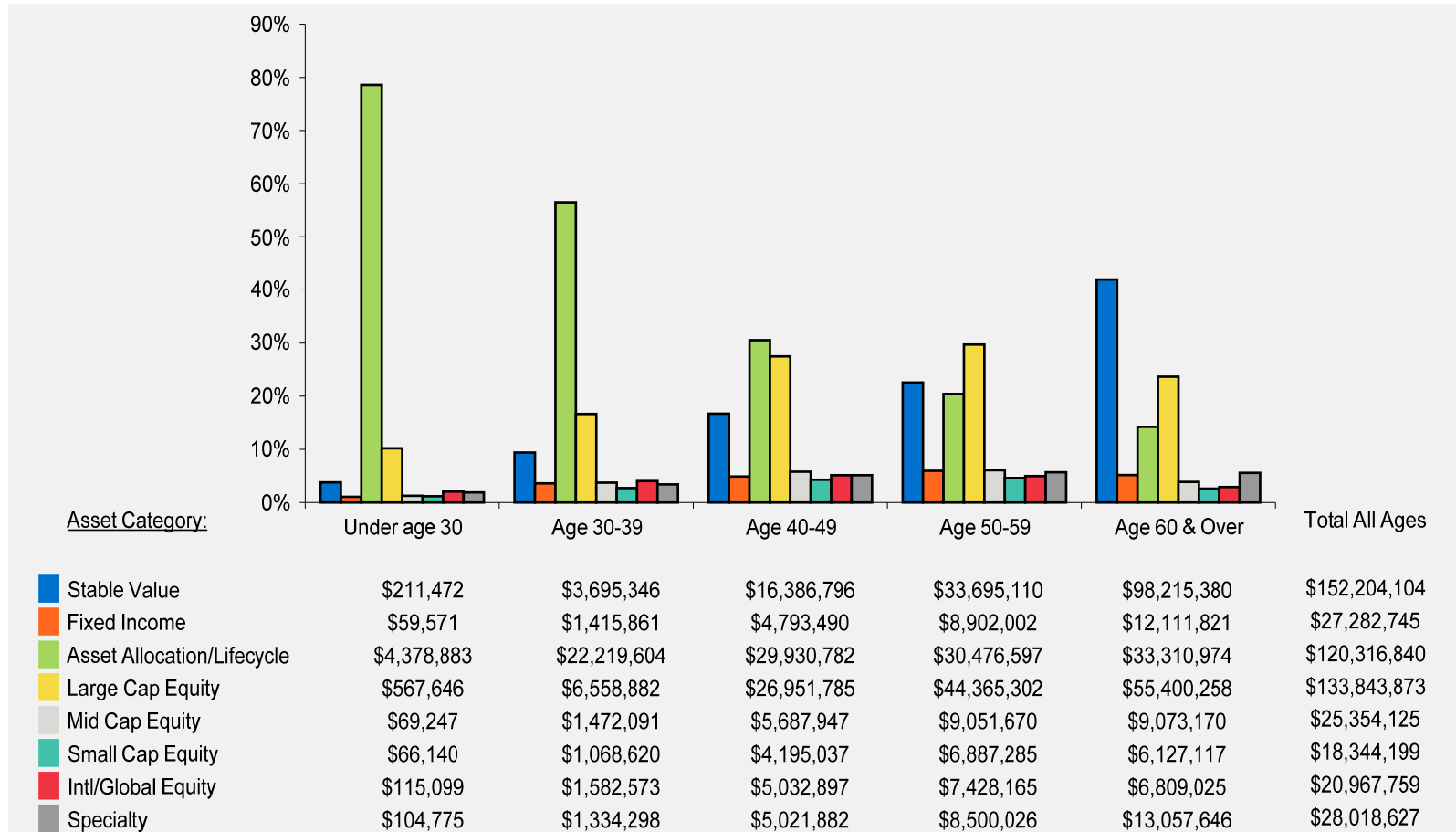
For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# Balances by Age

as of 06/30/2020

Age	Under age 30	Age 30-39	Age 40-49	Age 50-59	Age 60 and Over	Total
<b>Number of Participants</b>	1,120	2,043	1,989	1,814	1,893	8,859
<b>Group Balance</b>	\$5,572,832	\$39,347,276	\$98,000,615	\$149,306,158	\$234,105,390	\$526,332,271
<b>Average Account Balance</b>	\$4,976	\$19,260	\$49,271	\$82,308	\$123,669	\$59,412



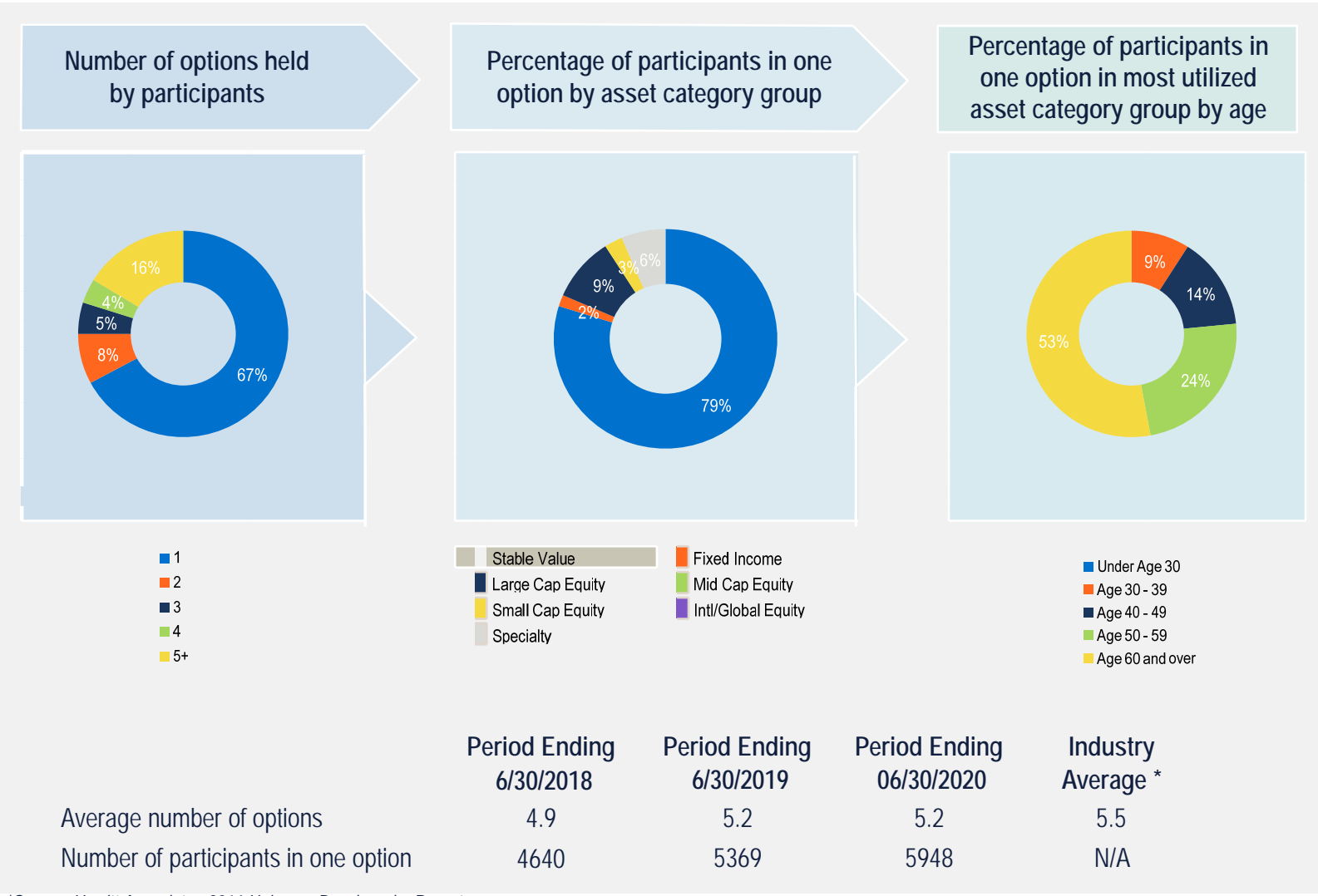
61869-1-San Mateo County Deferred Compensation Plan

For Financial Professional and Plan Sponsor use only. Not for use with Plan Participants.

RS-41492-03

# Participant Diversification

As Of 06/30/2020



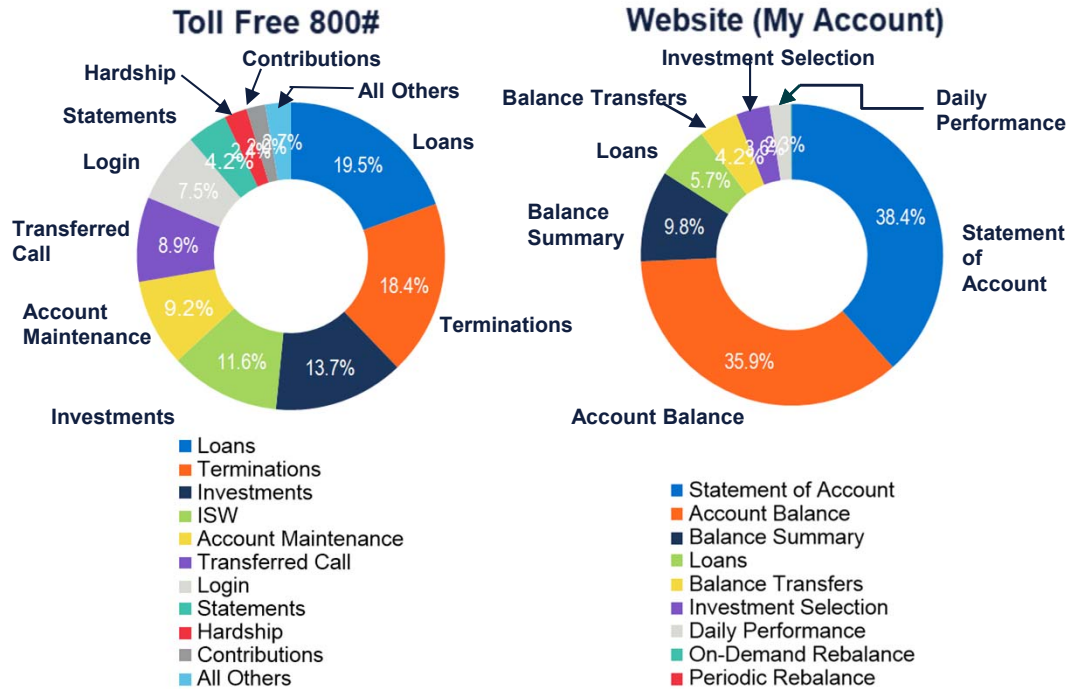
\*Source: Hewitt Associates 2016 Universe Benchmarks Report



# Participant Interactions

04/01/2020 through 06/30/2020

Total Visits	
Toll Free 800#	139
Call Center	1,185
Website	12,970



**Highlights - Website**

My Account	1186
Research	0

**Highlights - Retirement Services Call Center**

Loans	171
RSG-Retirement Options	130
Investments	116
Transferred Call	64
RSG-NIGO Callback	35

# Loan Summary

Loan Data				
	Your Plan 03/31/2020	Your Plan 06/30/2020	MassMutual Average 12/31/2019	Industry Averages
Number of loans allowed	1	1	2.	1.2*
Average number of loans per participant with loans	1.1	1.	1.2	Not available
Percentage of participants with loans	7.4%	6.9%	10.4%	14.6%*
Average loan balance	\$10,872	\$11,073	\$8,271	\$6,216*
Percentage of plan assets loaned	1.6%	1.3%	1.3%	0.7%*

	Your Plan 03/31/2020	Your Plan 06/30/2020
Total number of participants with loans	648	612
Total number of outstanding loans	682	640
Average account balance of participants with loans	\$64,189	\$70,626
Total value of outstanding loans	\$7,414,961	\$7,086,701

**Current Loan Interest Rate = 4.25%**

\*Source: PSCA's 58th Annual Survey of PS and 401(k) Plans

# Miscellaneous Statistics

Activity	Total #	Total \$
Total 2Q TRAK calculation	68	N/A
Managed Accounts added in 2Q 2020	6	\$364,920.82
Total Managed Accounts	56	\$3,983,064.35
2Q Hardships Processed	1	\$1,870.09
Rollovers In	30	\$1,032,542.53
Purchase of Service Credit to SamCera	12	\$96,087.62
Rollovers Out	44	\$4,707,878.01
QDRO	2	\$450
401(a) Forfeiture Balance as of 06/30/2020	196	\$346,582.67



**We'll protect those,  
protecting us.**

### **HealthBridge – an extension of LifeBridge**

For 18 years, MassMutual's LifeBridge program has aimed to provide \$1 billion of free life insurance to income-eligible families to help children with educational expenses in the event a parent or guardian passes away.

As an extension of LifeBridge, we have created the HealthBridge program, a free life insurance program for eligible healthcare workers on the front line of the COVID-19 pandemic. It's our way of supporting healthcare workers and protecting the ones they love.

MassMutual has committed to pay the premiums for \$3 billion of insurance coverage for the HealthBridge program, which offers 3-year term life insurance policies to employees of licensed hospitals, urgent care centers, nursing homes, assisted living facilities, hospice inpatient facilities, or emergency medical services providers.

[www.massmutual.com/cm/healthbridge](http://www.massmutual.com/cm/healthbridge)

# Onsite meeting results



**Prescribe:**  
Targeted messages,  
meetings



**One-to-One  
Messaging**



**Diagnose:**  
The MassMutual  
RetireSMART<sup>SM</sup>  
Ready Tool

Date	Location	Group Meeting Attendees	Individual Meeting Attendees	Participant Action					
				Enroll	Save More	Asset Allocation	Consolidate	TRAK	RST
4/6	Teams		6	1	2	2	3	4	2
4/7			1		1			1	1
4/8			2			1	1	1	1
4/9			1			1		1	1
4/13	Teams	26		12	3	2	3		
4/14			6		4	2	1	6	2
4/15			2		2	1		2	2
4/17			5	1	2	2	1	4	3
4/21			2		2	1		2	1
4/23			1			1		1	1
4/24			1	1				1	1
4/27	Teams	9	3	5	2	4	2	4	2
4/28			3		2	2		1	2
4/29			8	1	3	4	1	5	3
4/30			3		2	2	1	2	2
<b>14</b>		<b>35</b>	<b>44</b>	<b>21</b>	<b>25</b>	<b>25</b>	<b>13</b>	<b>35</b>	<b>24</b>

# Onsite meeting results



**Prescribe:**  
Targeted messages,  
meetings



**One-to-One  
Messaging**



**Diagnose:**  
The MassMutual  
RetireSMART<sup>SM</sup>  
Ready Tool

Date	Location	Group Meeting Attendees	Individual Meeting Attendees	Participant Action					
				Enroll	Save More	Asset Allocation	Consolidate	TRAK	RST
5/4	Teams	16	3	8	3	3	1	2	1
5/11			2		1	1		2	1
5/12			2		2	1		2	
5/15			1				1	1	1
5/18			4		2	3	1	3	1
5/21			1		1	1		1	1
5/26	Teams	9	5		3	4	2	3	2
5/29			2		1	2		2	2
<b>8</b>		<b>25</b>	<b>20</b>	<b>8</b>	<b>13</b>	<b>15</b>	<b>5</b>	<b>16</b>	<b>9</b>

# Onsite meeting results



**Prescribe:**  
Targeted messages,  
meetings



**One-to-One  
Messaging**



**Diagnose:**  
The MassMutual  
RetireSMART<sup>SM</sup>  
Ready Tool

Date	Location	Group Meeting Attendees	Individual Meeting Attendees	Participant Action					
				Enroll	Save More	Asset Allocation	Consolidate	TRAK	RST
6/3	Teams	30		1	9	14	3		
6/5			2		2	1		2	
6/8	Teams	13	3	6	5	3	2	2	
6/9			1		1	1	1		
6/15			3		1	3	1	3	
6/17			2		1	2	1	2	
6/19			1		1	1		1	1
6/22	Teams	11	2	7	3	4	2	2	1
6/23			2		2	1	1	2	
6/29			2		1	2		2	
6/30			1			1		1	
<b>10</b>		<b>54</b>	<b>19</b>	<b>14</b>	<b>26</b>	<b>33</b>	<b>11</b>	<b>17</b>	<b>2</b>

# Onsite meeting results



**Prescribe:**  
Targeted messages,  
meetings

Date	Location	Group Meeting Attendees	Individual Meeting Attendees	Participant Action					
				Enroll	Save More	Asset Allocation	Consolidate	TRAK	RST
APR	Teams	35	44	21	25	25	13	35	24
MAY	Teams	25	20	8	13	15	5	16	9
JUN	Teams	54	19	14	26	33	11	17	2
<b>Total</b>	Remote	114	83	43	64	73	29	68	35



**One-to-One  
Messaging**



**Diagnose:**  
The MassMutual  
RetireSMART<sup>SM</sup>  
Ready Tool





## County of San Mateo Quarterly Contribution Report

GA #	Calendar Year	Quarter	EE Pre-Tax	EE Roth	Sum
150018	2016	1	\$4,074,209.93	\$435,589.92	\$4,509,799.85
61869-1	2016	1	\$785,003.50	\$108,057.52	\$893,061.02
61869-1	2016	2	\$5,837,856.22	\$738,468.22	\$6,576,324.44
61869-1	2016	3	\$5,414,639.16	\$735,646.32	\$6,150,285.48
61869-1	2016	4	\$4,690,748.46	\$672,966.46	\$5,363,714.92
61869-1	2017	1	\$6,237,144.14	\$974,332.43	\$7,211,476.57
61869-1	2017	2	\$5,717,738.53	\$857,348.96	\$6,575,087.49
61869-1	2017	3	\$6,134,167.32	\$978,802.21	\$7,112,969.53
61869-1	2017	4	\$5,275,596.83	\$845,837.78	\$6,121,434.61
61869-1	2018	1	\$7,038,132.82	\$1,178,579.41	\$8,216,712.23
61869-1	2018	2	\$6,600,516.54	\$1,000,384.62	\$7,600,901.16
61869-1	2018	3	\$6,725,469.48	\$1,150,112.39	\$7,875,581.87
61869-1	2018	4	\$5,523,800.28	\$992,490.95	\$6,516,291.23
61869-1	2019	1	\$7,562,049.16	\$1,442,926.53	\$9,004,975.69
61869-1	2019	2	\$6,771,702.24	\$1,248,882.22	\$8,020,584.46
61869-1	2019	3	\$7,033,269.71	\$1,424,921.77	\$8,458,191.48
61869-1	2019	4	\$5,872,601.95	\$1,190,537.43	\$7,063,139.38
61869-1	2020	1	\$8,253,915.74	\$1,765,037.38	\$10,020,264.11
61869-1	2020	2	\$7,097,890.84	\$1,480,832.91	\$8,578,723.75
		<b>Sub Total</b>	\$112,646,452.85	\$19,221,755.43	
				<b>Total</b>	<b>\$131,868,208.28</b>

## San Mateo County Rollovers Out Q2 2020

Plan Number	Subscriber Name	Payee Name	Post Date	Payee Type	Gross Amount of Distribution	6/30/20 Account Balance
1	1	SamCERA	5/7/2020	457(b) Plan to Plan Transfer	\$1,376.66	\$718.69
1	1	SamCERA	5/28/2020	457(b) Plan to Plan Transfer	\$1,813.11	\$21,273.53
1	1	SamCERA	5/5/2020	457(b) Plan to Plan Transfer	\$1,009.03	\$382.39
1	1	SamCERA	5/7/2020	457(b) Plan to Plan Transfer	\$10,000.00	\$2,452.44
1	1	SamCERA	5/19/2020	457(b) Plan to Plan Transfer	\$11,910.68	\$51,931.82
1	1	SamCERA	5/22/2020	457(b) Plan to Plan Transfer	\$9,906.42	\$18,295.28
1	1	SamCERA	5/28/2020	457(b) Plan to Plan Transfer	\$12,000.00	\$1,816.13
1	1	SamCERA	5/5/2020	457(b) Plan to Plan Transfer	\$245.97	\$0.00
1	1	SamCERA	4/23/2020	457(b) Plan to Plan Transfer	\$1,648.61	\$2,769.39
1	1	SamCERA	5/5/2020	457(b) Plan to Plan Transfer	\$2,473.74	\$15,873.74
1	1	SamCERA	5/12/2020	457(b) Plan to Plan Transfer	\$3,572.63	\$877.53
1	1	MCERA	6/24/2020	457(b) Plan to Plan Transfer	\$40,130.77	\$131,238.25
<b>Subtotal Rollover Out to SamCERA</b>					<b>\$96,087.62</b>	

Plan Number	Subscriber Name	Payee Name	Post Date	Payee Type	Gross Amount of Distribution	6/30/20 Account Balance
1	1	Ameriprise Financial	04/16/2020	IRA Rollover	\$17,710.84	\$12,377.12
1	1	Ameriprise Trust Co.	04/17/2020	IRA Rollover	\$15,846.40	\$0.00
1	1	Athene	04/21/2020	IRA Rollover	\$316,489.66	\$0.00
1	1	Bank of America	04/02/2020	IRA Rollover	\$897.11	\$0.00
1	1	Charles Schwab	06/15/2020	IRA Rollover	\$98,071.44	\$0.00
1	1	Charles Schwab, Inc.	04/30/2020	IRA Rollover	\$7,000.00	\$347,346.64
1	1	Edward Jones	05/15/2020	IRA Rollover	\$21,916.36	\$14,414.35
1	1	Edward Jones	04/07/2020	IRA Rollover	\$2,344.62	\$0.00
1	1	Etrade	05/13/2020	IRA Rollover	\$40,000.00	\$52,881.96
1	1	Fidelity Investments	06/18/2020	IRA Rollover	\$1,342,738.22	\$0.00
1	1	Fidelity Investments	06/18/2020	IRA Rollover	\$94,000.00	\$455,079.83
1	1	FIIOC	05/26/2020	IRA Rollover	\$22,840.78	\$0.00
1	1	FIIOC	05/04/2020	IRA Rollover	\$18,576.77	\$0.00
1	1	FIIOC	05/07/2020	Roth IRA Rollover	\$2,380.78	\$0.00
1	1	FIIOC	05/07/2020	IRA Rollover	\$1,191.68	\$0.00
1	1	FMTC	05/26/2020	Roth IRA Rollover	\$5,494.56	\$0.00
1	1	FMTC	06/22/2020	IRA Rollover	\$5,036.01	\$0.00
1	1	Foliofn Investments Inc	05/29/2020	IRA Rollover	\$104,428.94	\$2.99
1	1	Foliofn Investments Inc.	05/29/2020	Roth IRA Rollover	\$4,848.60	\$2.99
1	1	JP Morgan Securities LLC	06/19/2020	IRA Rollover	\$523,011.89	\$0.00

Plan Number	Subscriber Name	Payee Name	Post Date	Payee Type	Gross Amount of Distribution	6/30/20 Account Balance
1	1	Lincoln National Life	04/22/2020	IRA Rollover	\$66,824.89	\$12,541.86
1	1	MassMutual	06/05/2020	Roth IRA Conversion Rollover	\$20,000.00	\$255,572.84
1	1	MassMutual	06/24/2020	Roth IRA Conversion Rollover	\$5,731.39	\$57,618.95
1	1	MassMutual	05/29/2020	IRA Rollover	\$1,538.97	\$0.00
1	1	MassMutual	04/22/2020	Roth IRA Conversion Rollover	(\$10,000.00)	\$84,815.61
1	1	Merrill Lynch	04/06/2020	IRA Rollover	\$102,646.95	\$0.00
1	1	Merrill Lynch	05/18/2020	IRA Rollover	\$0.15	\$0.00
1	1	MLPF&S as Custodian	06/19/2020	IRA Rollover	\$4,668.41	\$0.00
1	1	Morgan Stanley	05/21/2020	IRA Rollover	\$70,126.21	\$0.59
1	1	MTC Voluntary IRA	06/15/2020	IRA Rollover	\$256,185.00	\$0.00
1	1	NFS LLC	05/05/2020	IRA Rollover	\$33,953.17	\$0.00
1	1	Pershing llc.	06/17/2020	IRA Rollover	\$20,779.21	\$0.00
1	1	TD Ameritrade	05/18/2020	IRA Rollover	\$135,037.39	\$0.00
1	1	TD Ameritrade	06/04/2020	IRA Rollover	\$17,335.25	\$0.00
1	1	TD AmeriTrade	05/22/2020	IRA Rollover	\$9,345.47	\$0.00
1	1	TD Ameritrade.	05/18/2020	Roth IRA Rollover	\$706.08	\$0.00
1	1	Thrift Savings Plan	05/14/2020	IRA Rollover	\$12,778.53	\$0.00
1	1	UBS Financial Services	04/30/2020	IRA Rollover	\$31,388.91	\$0.00
1	1	Vanguard	06/22/2020	IRA Rollover	\$90,307.04	\$0.00
1	1	Vanguard	05/12/2020	IRA Rollover	\$75,851.71	\$0.00
1	1	Vanguard	05/22/2020	IRA Rollover	\$461.54	\$0.00
1	1	Vantagepoint Transfer Agts-457	04/06/2020	IRA Rollover	\$124,174.62	\$5,257.46
1	1	VFTC	05/29/2020	IRA Rollover	\$851,249.91	\$0.00
1	1	VFTC,	05/29/2020	Roth IRA Rollover	\$141,962.55	\$0.00
<b>Subtotal Rollover Out to Other</b>					<b>\$4,707,878.01</b>	

<b>Total Rollover Out</b>	<b>\$4,803,965.63</b>
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## PROTECT YOURSELF FROM FRAUD

# Your Online Account at MassMutual

## Why and how you should register your account

### Fraud Prevention at MassMutual

At MassMutual we are committed to helping people secure their future and protect the ones they love. The Financial Services Industry is under constant threat from criminals seeking to commit fraudulent acts. We recognize that threat and have made significant investments in technology, resources and people to protect your information and assets, including:

- Fraud awareness training for employees
- Regular communications on current and emerging fraud threats and tactics
- Continuous, automated monitoring and analytics to proactively identify irregular account activity
- Use of digital identity intelligence and authentication consortium data
- Multi-factor authentication to help prevent unauthorized account access
- A variety of technologies, tools and techniques to validate client requests
- Participation in industry knowledge sharing forums to share information and best practices related to the current and emerging fraud threats

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Although MassMutual is committed to safeguarding your account, we cannot do it alone. Fraud prevention is a partnership. **It is imperative that you take proactive action to protect yourself from fraudulent activity.**

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### An Unregistered Account is a Vulnerable Account

It is a common misconception that having an online account makes you more at risk for fraud. **The truth is that an unregistered account creates more opportunity for a fraudster to impersonate you and claim your account for their fraudulent use.** When you register your account, you automatically receive the benefit of the enhanced security measures that we offer, making it much harder for a fraudster to gain access to your account.

Just go to [retiresmart.com](https://retiresmart.com) to register your account (additional details on the next page).

### Other Actions You Can Take to Protect Yourself

- Keep your contact information with MassMutual up to date.
- Never share, or make available to anyone, your personal identification number (PIN), username, password or other information about your account.
- Review your paper or online account statements regularly and report any inaccurate information, or suspicious or unauthorized activity immediately.
- Install antivirus and anti-spyware software on your personal computer.
- Update software for your mobile device and PC when updates become available.
- Never click on a link or open an attachment in an unsolicited email.



## How to Register Your Account

Simply go to [retiresmart.com](https://retiresmart.com) and click on “Log In.”

- If you do not currently have a username and password, select “Register for online access”.
- If you've previously registered your account, enter your current username and password and select “Log In”.
- If you can't remember your current username and password, click “Forgot Username?” or “Forgot Password?” and follow the prompts to create your account.

From there, you will need to provide additional information like your name, DOB and SSN. Then, follow the prompts to add new, secure credentials (email address and password) and verify your email. You will also be prompted to add a phone number for verification purposes.

## MASSMUTUAL IS PROUD TO OFFER RETIREMENT ACCOUNT PROTECTION TO GIVE YOU PEACE OF MIND WHEN DOING BUSINESS WITH US.

We value your business and the trust that you have placed in MassMutual. Let's work together to keep your assets safe and secure.

We are committed to safeguarding your retirement account assets but need your help to protect access to your account. There are steps you must take to qualify for this protection. We also provide safeguards to help you avoid being a victim of fraud.

### Our Promise

If you follow the steps outlined in MassMutual's Retirement Account Protection Policy and assets are removed from your account in an unauthorized transaction, we promise to reimburse your account for the assets taken. This promise applies to your Workplace Solutions retirement account(s) under a 401(k), 403(b), 457 or other individual account plans for which MassMutual provides recordkeeping services and the assets of which are not held away from MassMutual.

## Gleason, Robert

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**From:** Gleason, Robert  
**Sent:** Thursday, August 20, 2020 10:27 AM  
**To:** Lisa Okada; Jay Castellano; Kim Pearson  
**Cc:** Bill Tugaw (billtugaw@sstbenefits.com); Hackleman, Paul  
**Subject:** 2020 Due Diligence Acknowledgement Relative to Special Services

Hello Lisa, Jay, and Kim,

As you are aware, MassMutual actively assists participants relative to the following special services:

- Pre-retirement catch-up provision
- Hardship Withdrawal processing
- Loan administration
- QDRO services

Please accept this email as confirmation that MassMutual and our business partners do exercise care and proper due diligence relative to our processes surrounding each of the above items to assure that our practices are consistent with IRS guidelines relative to proper administration of these services.

This communication is intended to satisfy the specific agenda item that addresses this topic (currently item #9) relative to the Deferred Compensation Committee Meeting of August 27, 2020.

Best Regards,

**Robert Gleason**  
Director, Client Management | Workplace Solutions  
Phone (860) 835-8093 | Cell (916) 765-5566



100 Bright Meadow Boulevard | MIP 1542 | Enfield, CT 06082



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# YOUR RETIREMENT

AT YOUR SERVICE.

COUNTY OF  
SAN MATEO



Did you know that leaving your account in the County of San Mateo Deferred Compensation Plan after you retire or separate service from the County may be one of your best options? We've learned that many employees don't realize they have the ability to remain invested in the plan following their separation from service. We want to let you know that there could be some potential advantages to leaving your account balance in the Plan. Here are some things to consider when deciding what to do with your Deferred Compensation Plan account balance:

## 457 Deferred Compensation Plans do not have penalties on withdrawals before age 59½

If you leave the County or retire before the age of 59½ and need to take a withdrawal from your account, you will not incur any tax penalties. When taking a withdrawal from other retirement accounts, such as Individual Retirement Accounts (IRAs) and 401(k)s, you may be subject to a 10% penalty for taking a cash distribution before the age of 59½. 457 plans, like the County of San Mateo Deferred Compensation Plan, are not subject to this 10% penalty.

## Potential for lower fees

Because of our size, San Mateo County is able to provide a plan with relatively low fees. If you move your money to a vehicle like an IRA, you are moving into an individual product and may face higher fees due to the retail nature of the funds offered. Our group plan has approximately \$550 million in plan assets; this gives the County's Plan the economy of scale to negotiate lower fees with the service providers we partner with.

## County oversight and due diligence surrounding investment offerings

The County has a Deferred Compensation Committee made up of nine employees (8 employees and 1 retiree) from various departments, who share the responsibility of comprehensively reviewing the overall effectiveness of the Plan throughout the year. The Committee has engaged an external third party investment consultant, NFP, to closely monitor the Plan and ensure we are offering high quality, low cost investments.



## MassMutual's SAGIC Stable Value Fund

Our current contract with MassMutual® contains a stable value product crediting a competitive rate of return. For the most current SAGIC rate information, visit <http://bit.ly/2oME2o0>. By keeping your account invested in the Plan, you can continue to take advantage of investing in the SAGIC account along with all of the other investment offerings within the plan.

## Continued access to free educational resources

When you leave the County or retire, you will continue to have access to a variety of resources to help you, such as:

- MassMutual's local Client Engagement Manager, Patrick Washington, who will continue to be available to review options available to you to help meet your retirement plan needs.
- MassMutual's call center representatives who can be reached Monday – Friday, 5 a.m. – 5 p.m. PT at **1-800-743-5274**.
- MassMutual's website [www.viewmyretirement.com/sanmateocounty](http://www.viewmyretirement.com/sanmateocounty) where you can review your account and make changes to your investment offerings.

If you need help selecting specific investments, you may want to consider **Manage My Retirement**, a professional fee-based investment advisory service that complements additional tools already available to you.

**Manage My Retirement** will help take any guesswork out of making an investment decision by providing the following:

- Personalized investment strategies, based on the plan investment options, to help you reach your retirement goals.
- Ongoing monitoring and periodic re-balancing to ensure alignment with asset allocation that matches your personalized strategies.
- A simple sign-up process that can be completed in minutes.

**Manage My Retirement may lose value and is not FDIC-Insured, and is not guaranteed by any government agency, bank or other financial institution.**

You have several approaches to investing within the retirement plan. **Manage my Retirement** is just one possible approach. This service is optional.

**If you elect to withdraw your account balance by taking a full distribution, your account will close and you do not have the ability to re-open it. You do have the ability to take a partial withdrawal. By leaving a small balance of \$5,000 or more in the plan, the door will remain open to allow future rollovers into the plan, if you so wish.**

The information contained here is not intended or written as specific legal, tax or investment advice. It may not be relied upon for purposes of avoiding federal tax penalties. Neither MassMutual nor any of its employees or representatives are authorized to give legal, tax or investment advice.





# COUNTY OF SAN MATEO

## HUMAN RESOURCES DEPARTMENT Inter-Departmental Correspondence

**DATE:** August 27, 2020

**TO:** Deferred Compensation Advisory Committee

**FROM:** Jay Castellano, Employee Benefits

**SUBJECT:** 2020-21 BUDGET

### **RECOMMENDATION**

Approve the 2020-21 budget for the Deferred Compensation Trust Fund and the associated workplan priorities for the Deferred Compensation Program.

### **BACKGROUND**

The Deferred Compensation Trust Fund captures 1) revenues from the provider's (MassMutual) administrative reimbursements to the County and 2) administrative expenses for the Deferred Compensation program, including those of the Deferred Compensation Advisory Committee (DCAC).

The assets of the Deferred Compensation Trust Fund are maintained and accounted for separate from the County's General Fund, from the Employee Benefits Trust Fund and from all other County funds as the fund's assets are derived from participant-paid fees and can only be used for the benefit of plan participants. There are no direct County contributions into this fund. While the County contributes to some participants' accounts (for example, limited term employees' 401(a) accounts), those account balances are held outside of this fund, and this fund's revenues are based only on fees charged to those account balances. This fund's assets are considered to be plan assets—managed by the Deferred Compensation Advisory Committee on behalf of the plan participants.

### **DISCUSSION**

#### **2020-21 BUDGET**

**2020-21 Beginning Fund Balance**—The 2020-21 recommended beginning fund balance of \$257,468 is based on the 2019-20 year-end fund balance as of June 30, 2020. Since this memo is being considered after the 2019-20 year-end close, this figure is based on the actual fund balance, not a year-end projection.

**2020-21 Revenues**—The \$103,849 revenue estimate is the estimated administrative reimbursement from MassMutual to the County. The formula for the estimate is assets

multiplied by the administrative reimbursement rate of 2 basis points, or 0.02%. For this purpose, the assets are the June 30, 2020, balance of \$526,332,271 less the \$7,086,701 balance of loans, with no assumption of growth. The 0.02% administrative reimbursement rate is codified in the County's contract with MassMutual.

2020-21 Expenditures—Budgeted plan expenses of \$132,600 are based on the approved 2019-20 budget with the following adjustments for the DCAC's consideration.

- NAGDCA Conference, Other Trainings—Decrease by \$19,000, from \$20,000 to \$1,000. This decrease represents the lower cost of the virtual version of NAGDCA's annual conference, NAGDCA Connect. This line item can be expected to increase again in 2021-22 assuming safe travel resumes in 2021 after a COVID vaccine is readily available.
- Insurance Premium—Decrease by \$11,000, from \$31,000 to \$20,000. This decrease reflects actual cost of fiduciary liability insurance as quoted by the County's insurance broker.
- Staffing—Decrease by \$20,000, from \$50,000 to \$30,000. This decrease eliminates a placeholder for potential staffing costs related to enhanced financial reporting. This budget retains \$15,000 in placeholders for financial reporting and financial audits in case the new GASB (Governmental Accounting Standards Board) Statement No. 97 impacts this plan.

2020-21 Ending Fund Balance—By the end of 2020-21, the Deferred Compensation Fund's budgeted fund balance is projected to decrease by \$24,751 from \$257,468 to \$232,717. In past budgets, the DCAC approved an annual operating deficit to reduce excess fund balance leftover from the prior administrative services contract (in which the reimbursement rate was higher than needed). That strategy continues in this recommended budget.

As shown in the attached spreadsheet, prospectively, the unrestricted fund balance would be reduced by \$43,751 per year, assuming that revenues and expenditures remain steady. It is a conservative assumption given the auto-enrollment and auto-escalation features within our plan. More than likely, assets and plan revenues will continue to increase over a multi-year period excepting an extreme market downturn. At the \$43,751 rate of reduction, the unrestricted fund balance of \$150,567 would be fully depleted by the end of 2023-24. However, the next administrative services RFP is scheduled for 2022-23, and it would be an opportunity to 2 basis point revenue stream.

#### 2019-20 & 2020-21 WORKPLANS

2019-20 Workplan Accomplishments—The 2019-20 budget provided resources for the DCAC's following accomplishments in 2019-20:

- Quarterly Investment Reviews (4)
- Quarterly Plan Reviews (4)
- Legislative Updates (4)
- Participant Survey (August 2019)
- Annual Review of Education Policy (August 2019)
- Annual Review of Fund Balance Policy (August 2019)
- NAGDCA Leadership Award (September 2019)
- Annual Review of Investment Performance (November 2019)

- Annual Review of Investment Policy (November 2019)
- Annual Retreat (November 2019)
- Annual Plan Review (February 2020)
- Investment Option Changes per Performance Review (February 2020)
- Plan Changes Pursuant to CARES Act (April 2020)

2020-21 Workplan Priorities—Assuming the DCAC’s approval of the recommended 2020-21 budget, current service levels will be maintained, and the following initiatives will be included in the 2020-21 workplan priorities:

- Renegotiation of MassMutual Agreement—The current administrative services agreement with MassMutual expires on March 21, 2021. The DCAC has given direction to renegotiate the agreement on the most favorable terms until the completion of the next scheduled request for proposals in 2022-23.
- Renewal of NFP Agreement—The current consulting agreement with NFP expires on September 30, 2020. Staff will renew the agreement through June 30, 2021.
- Implementation of Conflict of Interest Resolution—Pending capacity in the County Counsel’s Office, the County’s conflict-of-interest resolution will be updated to include the DCAC.
- NAGDCA Award Nomination—Staff will work with the DCAC and MassMutual to identify opportunities to submit nominations for additional awards in the 2021 NAGDCA Conference.



# COUNTY OF SAN MATEO

## HUMAN RESOURCES DEPARTMENT Inter-Departmental Correspondence

**DATE:** August 27, 2020  
**TO:** Deferred Compensation Advisory Committee  
**FROM:** Jay Castellano, Employee Benefits  
**SUBJECT:** BUDGETED FUND BALANCE & RESERVE POLICY

### RECOMMENDATION

Approve the attached Budgeted Fund Balance & Reserve Policy as amended.

### DISCUSSION

The Budgeted Fund Balance & Reserve Policy must be reviewed and approved annually as part of the Deferred Compensation Advisory Committee's annual budget process.

For the 2020-21, the policy is recommended for approval with minor text changes intended to do the following:

- Emphasize that fund assets 1) belong to plan participants and 2) cannot be transferred to any other County fund.
- Clarify the definition of Unrestricted Fund Balance.

With these edits, the 2020-21 policy is recommended for approval.

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# COUNTY OF SAN MATEO DEFERRED COMPENSATION PROGRAM

## POLICY BUDGETED FUND BALANCE & RESERVE

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### PURPOSE

To establish conventions for each year's budget process for determining minimum amounts that should be budgeted beyond each year's planned expenditures in the Deferred Compensation Trust Fund.

Each fiscal year begins and ends with a balance that reflects the cumulative difference between the trust fund's revenues and expenditures. The amount of that fund balance can be managed, as necessary and appropriate, by increasing/decreasing revenues (i.e., administrative reimbursement rate) and/or increasing/decreasing expenditures (e.g., costs for consultants, staff, etc.).

This policy establishes conventions for determining each year's budgeted fund balance so that revenues and expenditures can adjusted accordingly.

### POLICY

As part of its process for determining revenues, rates and plan expenditures, the Deferred Compensation Advisory Committee (DCAC) shall maintain targeted reserves in the Deferred Compensation Trust Fund to pay for 1) the next request-for-proposals process and 2) unanticipated expenses.

- Reserve for Next Request for Proposals—As a matter of County procurement best practice, the term of vendor agreements is 3-5 years. In the deferred compensation program, the major vendor agreement is with the “bundled” provider (i.e., third-party administrator, investments provider and communication/education provider). And while longer agreements and relationships (and less disruption) are preferable, periodic request for proposals are a necessity as part of the DCAC's fiduciary responsibility.

For the cost of those requests for proposals, \$50,000 should be held in reserve.

After each request for proposals, this reserve should be replenished as soon as practicable, depending on subsequent years' revenues and expenditures.

- Reserve for Unanticipated Expenses—This contingency reserve is for unanticipated expenditures, expenditure increases and/or revenue decreases. The convention for this reserve is 25% of that year's budgeted expenditures. If this reserve is ever expended, it should be replenished as soon as practicable, depending on subsequent years' revenues and expenditures.

**POLICY**  
**BUDGETED FUND BALANCE & RESERVE**

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- Unrestricted Fund Balance—The unrestricted fund balance is any amount of available assets in the Deferred Compensation Trust Fund beyond those needed to fund annual operating expenses and the reserves.

Ideally, the unrestricted fund balance will be minimally positive.

- As all revenues into this fund are derived from participant accounts, excess unrestricted fund balance represents participant assets that are idle. The excess can be reduced by, for example, reducing the administrative reimbursement rate and revenues or by crediting participant accounts using a reasonable and fair methodology.
- A negative unrestricted fund balance means that expenditures and/or reserves are not fully funded. The balance can be increased by, for example, reducing expenses or increasing rates and revenues.

Mid-year revenue and expenditure budget changes will be avoided to minimize adverse impacts to plan participants.

Unrestricted assets must remain in the Deferred Compensation Trust Fund. As revenues to this fund are generated by charges to participants' accounts, the assets belong to plan participants and they cannot be transferred to any other County fund.

Reserve	Amount
Reserve for Next Request For Proposals	\$50,000
Reserve for Unanticipated Expenses	25% of the fiscal year's budgeted expenditures
Unrestricted Fund Balance	Amount of assets beyond those needed for <u>budgeted</u> expenses, <u>unanticipated expenses</u> and reserves.

The DCAC will review and approve this policy as part of its budget approval process before July 1 of each fiscal year.

History

November 1, 2018 Approved  
August 23, 2019 Approved  
August 27, 2020

**COUNTY OF SAN MATEO  
DEFERRED COMPENSATION  
2020-21 BUDGET**

<b>SOURCE OF FUNDS</b>	ACTUAL 2018-19 (a)	APPROVED 2019-20	ACTUAL 2019-20 (b)	RECOMMENDED 2020-21	FORECAST 2021-22 (c)	FORECAST 2022-23 (c)	FORECAST 2023-24 (c)	FORECAST 2024-25 (c)
Beginning Fund Balance								
Reserve: Operating Expenses (d)	339,697	40,400	291,117	44,650	32,150	36,900	49,400	36,900
Reserve: Next Request For Proposals	-	50,000	-	50,000	50,000	50,000	-	50,000
Unrestricted	-	200,717	-	162,818	150,567	102,066	45,815	(35,436)
<b>BEGINNING FUND BALANCE, TOTAL</b>	<b>339,697</b>	<b>291,117</b>	<b>291,117</b>	<b>257,468</b>	<b>232,717</b>	<b>188,966</b>	<b>95,215</b>	<b>51,464</b>
REVENUES								
Provider Reimbursement (e)	82,917	94,740	84,219	103,849	103,849	103,849	103,849	103,849
<b>REVENUES, TOTAL</b>	<b>82,917</b>	<b>94,740</b>	<b>84,219</b>	<b>103,849</b>	<b>103,849</b>	<b>103,849</b>	<b>103,849</b>	<b>103,849</b>
<b>SOURCE OF FUNDS, TOTAL</b>	<b>422,614</b>	<b>385,857</b>	<b>375,336</b>	<b>361,317</b>	<b>336,566</b>	<b>292,815</b>	<b>199,064</b>	<b>155,314</b>
<b>USE OF FUNDS</b>								
EXPENDITURES								
Consultant Services	61,724	62,000	62,480	62,000	62,000	112,000	62,000	62,000
NAGDCA Membership Dues	600	600	600	600	600	600	600	600
NAGDCA Conference, Other Trainings	11,662	20,000	6,558	1,000	20,000	20,000	20,000	20,000
Insurance Premium	30,998	31,000	18,869	20,000	20,000	20,000	20,000	20,000
Financial Reporting	-	5,000	-	5,000	5,000	5,000	5,000	5,000
Financial Audit	-	10,000	-	10,000	10,000	10,000	10,000	10,000
Staffing (f)	26,513	50,000	29,361	30,000	30,000	30,000	30,000	30,000
<b>EXPENDITURES, TOTAL</b>	<b>131,497</b>	<b>178,600</b>	<b>117,868</b>	<b>128,600</b>	<b>147,600</b>	<b>197,600</b>	<b>147,600</b>	<b>147,600</b>
<b>ANNUAL SURPLUS/(DEFICIT) (REVENUES-EXPENDITURES)</b>	<b>(48,580)</b>	<b>(83,860)</b>	<b>(33,649)</b>	<b>(24,751)</b>	<b>(43,751)</b>	<b>(93,751)</b>	<b>(43,751)</b>	<b>(43,751)</b>
Ending Fund Balance								
Reserve: Operating Expenses (d)	40,400	44,650	44,650	32,150	36,900	49,400	36,900	36,900
Reserve: Next Request For Proposals	50,000	50,000	50,000	50,000	50,000	-	50,000	50,000
Unrestricted	200,717	112,607	162,818	150,567	102,066	45,815	(35,436)	(79,186)
<b>ENDING FUND BALANCE</b>	<b>291,117</b>	<b>207,257</b>	<b>257,468</b>	<b>232,717</b>	<b>188,966</b>	<b>95,215</b>	<b>51,464</b>	<b>7,714</b>
<b>USE OF FUNDS, TOTAL</b>	<b>422,614</b>	<b>385,857</b>	<b>375,336</b>	<b>361,317</b>	<b>336,566</b>	<b>292,815</b>	<b>199,064</b>	<b>155,314</b>

- (a) Based on audited 2018-19 year-end close
- (b) Based on unaudited 2019-20 year-end close reports
- (c) Uses 2020-21 dollars; no assumed growth in assets, revenues or costs
- (d) Equals 25% of each year's EXPENDITURES, TOTAL
- (e) 2019-20 based on 3/31/19 assets of \$468,447,883 less loans of \$7,414,961; 2 bps; no assumed growth in assets
- (f) Includes 0.20 Fiscal Office Specialist, 0.20 Web Technician



# Public Sector Retirement News & Views | Q3 2020



## CARES ACT

In late March, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. NFP advisors have been in communication with plan sponsors to review the retirement-related provisions of the Act and options for defined contribution plans. Briefly, the provisions are:

1. Allowing withdrawals up to \$100,000 for qualified individuals, with the option for the participant to pay the withdrawal back or to pay tax over a three-year period.
2. Increasing plan loan limits to \$100,000 or 100% of their account, whichever is less.
3. Allowing qualified individuals with existing loans to delay loan repayment for up to one year.
4. Waiving required minimum distributions (RMD) for 2020.

It is important to note that, except for the RMD waiver, all the provisions are optional for plans to implement and are offered to qualified individuals only. The definition of qualified individual was initially very strict, but in [IRS Notice 2020-50](#) the definition was relaxed. To be considered a qualified individual under the revised / current definition, a qualified individual includes:

- a participant, spouse or dependent who has been diagnosed with COVID-19;
- a participant who has experienced COVID-19-related adverse financial consequences as a result of any of the following situations occurring to the participant, their spouse, or a household member:
  - being quarantined, laid off, furloughed or having work hours reduced;
  - being unable to work due to a lack of childcare;

- closing or reducing hours of a business they own;
- having wages or self-employment income reduced;
- having a job offer rescinded or start date delayed.

It is important to note that the Act does not require plan sponsors to verify whether a participant meets the definition of qualified individual, but allows for participant self-certification. Individuals must meet the qualification requirements in order to obtain favorable tax treatments authorized by the Act and plan sponsors and providers can help those considering making withdrawals by providing the IRS' definitions and related guidance.

If a plan decides to offer any of the optional provisions (items 1, 2, or 3), NFP recommends that the plan's governing body officially vote on the items and document the decision in meeting minutes. Additionally, the plan document must be amended to reflect the provisions, but governmental plans have until 2024 to finalize amendments.

This is a brief summary of the retirement-related provisions of the CARES Act, and certain provisions have additional important requirements. If you would like greater detail about the Act and your options and responsibilities, your NFP advisor is available to discuss with you.

### **COVID-19 and the Impact on Retirement Savings**

The Transamerica Center for Retirement Studies recently issued its 20th annual survey of workers and their attitudes towards and preparation for retirement. The overall goals for the study – one of the largest and longest running of its kind – are to illuminate emerging trends, promote awareness, and help educate the public. Over 5,000 workers from different demographics were surveyed in late 2019, regarding their financial well-being, visions and expectations of retirement, savings / planning / preparations for retirement, and the role of employers in helping employees save and prepare for their later years. A supplemental survey was conducted in 2020 to assess how the effects of the pandemic may have changed the initial survey results.

Key findings and the pandemic's effects include:

- Workers across all demographics are at risk of not saving adequately for retirement. While this was true long before the pandemic, the risk appears to have increased with job layoffs, furlough, and other pandemic-related economic impacts workers have endured.
- Almost one-fourth of workers say their confidence in being able to achieve a financially secure retirement has declined since the pandemic began, and one in five workers has used their retirement savings during the recession.
- One-third of workers had taken loans or withdrawals from their retirement accounts prior to the pandemic, which can severely impact their ability to achieve long-term growth. Another 22% of workers have or are planning to take withdrawals due to the pandemic.
- Attitudes generally are positive towards retirement, with most workers expecting less stress, travel, and spending more time with family. Many workers expect to work past age 65 and transition to retirement. After the pandemic, most expect to work further past 65 in order to rebuild retirement savings.
- Workers continue to highly value retirement benefits, with 80% saying this is a major factor in their decision to accept a job offer or not. Most find auto-enrollment appealing and would use auto-escalation if offered. A majority of workers (two-thirds) wanted education and advice, and would be motivated by a plan that is easier to understand.

A similar study by Magnify Money found that during the pandemic, 47% of workers have stopped or reduced their retirement

savings, and as many as 30% have withdrawn an average of \$6,757 – primarily for groceries and living expenses.

To read the full Transamerica report, click [here](#). For the Magnify Money report, click [here](#).

### NAGDCA Conference – status

The annual NAGDCA conference is scheduled for October 4-7, 2020, in Seattle, Washington. The association is monitoring guidelines from CDC and local health officials, and expects to make a determination about whether to hold an in-person or virtual conference in mid-July. Registration is open, and fully refundable up to September 4.

### Collective Investment Trusts Growing in Governmental Plans

Collective Investment Trusts (CITs) have been the fastest growing investment vehicle within retirement savings plans over the past seven years<sup>1</sup>, with 62% of asset managers believing that their clients will shift from mutual funds to CITs<sup>2</sup>. CITs are allowed for 457 plans, they are not yet allowed in 403(b) plans – however, as reported in our last [newsletter](#), legislation has been introduced to make them available for all plans.

While CITs have traditionally only been available to large and mega-sized plans, NFP's national presence, with over 1,740 plans and more than \$220 billion in assets, as of January 1, 2020, allows our clients exclusive access to a suite of active, passive and asset allocation CITs.

Active	Benchmark Index	Score <sup>3</sup>	Share Class <sup>4</sup>	Expense Ratio	CUSIP	Savings Compared to Mutual Funds <sup>5</sup>
<b>Large Cap Growth Fund</b> (ClearBridge LCG)	Russell 1000 Growth Index	8	I1	0.29%	97182V248	<b>55%</b>
<b>Large Cap Value Fund</b> (Putnam Equity Income)	Russell 1000 Value Index	10	I1	0.29%	97183K381	<b>47%</b>
<b>Mid Cap Growth Fund</b> (BlackRock MCG Equity)	Russell Mid-Cap Growth Index	9	I1	0.45%	97182E527	<b>40%</b>
<b>Small Cap Growth Fund</b> (Victory RS SCG)	Russell 2000 Growth Index	10	I1	0.59%	97181N361	<b>58%</b>
<b>Small Cap Growth II Fund</b> (AB Small Cap Growth)	Russell 2000 Growth Index	10	I1	0.59%	97182E220	<b>29%</b>
<b>Small Cap Value Fund</b> (BMO Disciplined SCV)	Russell 2000 Value Index	10	I1	0.40%	97181N296	<b>52%</b>
<b>Small Cap Value II Fund</b> (American Century SCV)	Russell 200 Value Index	10	I1	0.54%	97182E444	<b>40%</b>
<b>International Stock Fund</b> (PIMCO RAE International)	MSCI ACWI ex U.S.	10	I1	0.32%	97182U109	<b>37%</b>
<b>Core Bond Fund</b> (Lord Abbett Total Return)	Bloomberg Barclays U.S. Aggregate Bond Index	6	I1	0.21%	97183J566	<b>43%</b>
<b>Core Plus Bond Fund</b> (Prudential Total Return)	Bloomberg Barclays U.S. Aggregate Bond Index	8	I1	0.34%	97182D594	<b>13%</b>
<b>ESG</b> (Pioneer Balanced ESG)	NFP Custom Benchmark	TBD	I1	0.33%	TBD	<b>51%</b>

## About NFP

NFP is a leading insurance broker and consultant that provides employee benefits, property and casualty, retirement, and individual private client solutions through our licensed subsidiaries and affiliates. Our expertise is matched by our commitment to each client's goals and is enhanced by our investments in innovative technologies in the insurance brokerage and consulting space.

NFP has more than 5,400 employees and global capabilities. Our expansive reach gives us access to highly rated insurers, vendors and financial institutions in the industry, while our locally based employees tailor each solution to meet our clients' needs. We've become one of the largest insurance brokerage, consulting and wealth management firms by building enduring relationships with our clients and helping them realize their goals.

For more information, visit [nfp.com](http://nfp.com).

## NFP GOVERNMENTAL RETIREMENT PLAN EXPERTISE



Bill Tugaw is the governmental plan practice leader for NFP. He has assisted public sector employers in meeting the fiduciary obligations associated with operating their plans for more than 30 years. Bill is a faculty instructor for the International Foundation of Employee Benefit Plans (IFEBP) on public sector 457(b), 401(a) and 403(b) plans. Bill is frequently invited to lecture on employee benefits, post-employment health plan options, requests for disclosure and requests for proposals. Bill is co-author of two books: *Deferred Compensation / Defined Contribution: New Rules / New Game for Public and Private Plans*, and *Defined Contribution Decisions: The Education Challenge*.

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1. DST Systems, Inc. "Collective Investment Trusts - A Perfect Storm." 2017.
2. CerulliAssociates. *TheCerulliReport* 2016.
3. As of 3/31/2020.
4. Additional share classes available with 0.25% and 0.50% revenue sharing for each active CIT. Please contact your NFP investment advisor for CUSIPs and additional information.
5. Compared to lowest cost share class of mutual fund equivalent for each investment option.

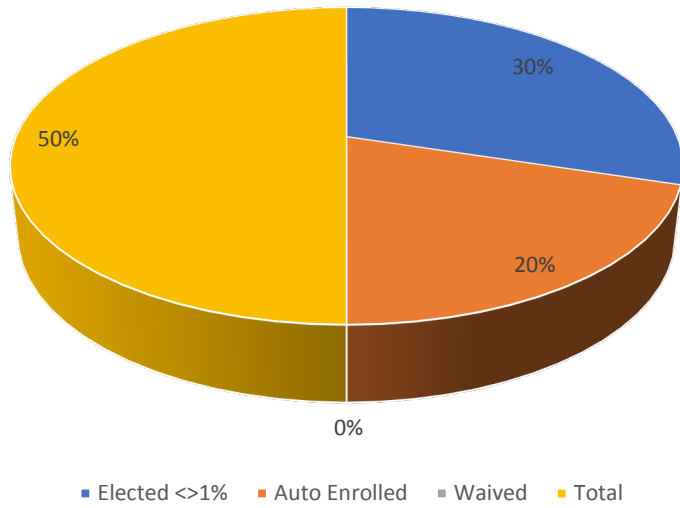
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NFP-2020-171 ACR# 352982 7/20

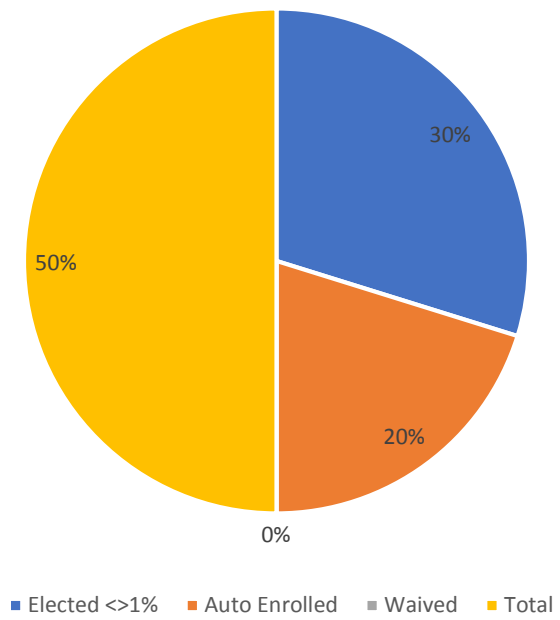




### Current Employees



### New Hires



Current Employees	
Newly Elected	60
Default	20
Changed Election	12
<b>Total</b>	<b>92</b>

New Hires	
Elected <> 1%	31
Auto Enrolled	21
Waived	0
<b>Total</b>	<b>52</b>