



**RETIREMENT BOARD AGENDA**

Friday July 24, 2020

*TELECONFERENCE*

10:00am-11:00am

**CALL IN NUMBER: 1-929-229-2412**

**CONFERENCE ID: 631207273**

(The call is open to members of the public)

APPROVAL OF MINUTES FROM SEPTEMBER 6, 2019  
APPROVAL OF MINUTES FROM SEPTEMBER 27, 2019  
APPROVAL OF MINUTES FROM NOVEMBER 22, 2019

APPROVAL OF MINUTES FROM MAY 15, 2020

MARKET REVIEW AND PERFORMANCE SUMMARY  
JUNE 30, 2020

RYEN SHERMAN, SEGAL MARCO ADVISORS  
CHRISTIAN SEVIER, SEGAL MARCO ADVISORS

(Material to be emailed prior to the meeting)

**NEXT MEETING DATE: FRIDAY SEPTEMBER 25, 2020**

**Board Meeting  
September 6, 2019**

**PRESENT:** John Rodgers, Chairperson; Mark Pierzchala, Councilmember; Karen Marshall, Human Resources representing the City Manager; Sgt. Chris Peck, FOP Representative, Derrick Pierson, Union Representative, and Susan Straus, AAME. Also, in attendance were; Jim Ritchie, Bolton Partners, Tim Peifer, Finance; Jessica Lewis, Procurement, Daisy Harley, Human Resources, Christian Sevier, Segal Marco, Benita Koch, AAME, Diron Baker, AAME, Ryen Sherman, Segal Marco Advisors by phone, and Gavin Cohen, Executive Secretary to the Board by phone.

**ABSENT:** None

The meeting commenced at 9:00AM.

**I. Approval of Minutes May 10, 2019:**

Mr. Rodgers asked the Board if they had any changes or comments to the minutes. Three changes were suggested to address typographical errors. Mr. Pierson made a motion to approve the minutes from the May 10, 2019 Board meeting with the errors corrected, Ms. Marshall seconded the motion. The Board voted unanimously in favor of the motion.

**II. Report Back Retiree Benefit Trust (RBT) and RBT Investment Policy (Policy):**

Mr. Cohen reported to the Board that the RBT Trust agreement was approved by the Board unanimously by email on May the 10<sup>th</sup>. The agreement was then approved by the Mayor and Council on June the 17<sup>th</sup> 2019. The agreement was circulated for all the Board Members to sign.

Mr. Cohen reported to the Board that RBT Investment Policy was approved by the Board unanimously by email on May the 10<sup>th</sup>. During the approval process additional questions were raised. Staff therefore have brought the Investment Policy back for approval as Agenda Item III. The Policy was circulated for all the Board Members to sign.

**III. Retiree Benefit Trust – Investment Policy:**

Mr. Cohen introduced this item. He mentioned that during the review process of the Policy on May 10, three specific clarifications were requested that are now being included in the Policy. The changes are highlighted in the Policy as follows: providing a definition for an ERISA plan asset, listing examples of events that each Investment Manager must provide in writing, and eliminating the line in the specific manager guidelines regarding the prospectus, for consistency with the main document.

Mr. Pierzchala made a motion, seconded by Mr. Pierson to adopt the RBT Investment Policy as presented. All Board Members voted in favor of the motion. The Policy was circulated for all Board Members to sign.

IV. RFP # 43-18 Deferred Compensation and Defined Benefit Pension Plan:

All Board Members signed non-disclosure forms. Consultants were asked to leave the room.

Mr. Cohen gave a brief update on the status of the RFP. He mentioned that the review committee had met on Thursday August the 22<sup>nd</sup> to further discuss the proposals and clarifying responses received from vendors. He mentioned that the sub-committee had struggled with the proposals, but that Mr. Rodgers had got them back on track at the meeting. The City had received 5 proposals from Lincoln Financial, Voya, Mass Mutual, Prudential, and Transamerica, and subsequently also received clarifying responses from these vendors. The sub-committee came to consensus on eliminating the two incumbents Prudential and Mass Mutual based on the poor responses to the RFP submitted. In order of scoring the proposers were Voya, Transamerica, Lincoln Financial, Prudential and Mass Mutual.

Staff requested that the Board decide on three things. 1. A date to have the finalist interviews. 2. How many proposers to interview, and 3. The structure of the finalist interviews.

The Board asked for clarification why the two proposals from incumbents were screened out. The sub-committee responded that they were high cost, poor quality submissions, where one could hardly tell that they were our current providers and were lacking in on-site representation compared to the others. The sub-committee mentioned that the scoring, which does not carry over into the interviews was very close between Voya, Transamerica, and Lincoln, and suggested that all three be interviewed.

The Board elected to interview the top three proposers of Voya, Transamerica, and Lincoln on Friday September the 27<sup>th</sup>. Staff mentioned that the interviews would take the entire day on the Friday, two in the morning and one in the afternoon, starting at 8:00am.

Staff asked the Board to submit any specific questions for the finalist interviews.

V. Investment Performance Review quarter ended June 30, 2019:

Ryen Sherman (by phone) and Christian Sevier presented from Segal Marco Advisors (“SMA”), beginning with a general overview of the markets.

The Pension Fund had a market value of \$103.6 million at the end of the second quarter and returned +2.94% for the quarter, outperforming the Policy Index return of +2.65%. For the fiscal year ended June 30, the Fund returned +4.5%, in-line with the Policy Index. Total investment gains and income for the fiscal year total approximately \$4.4 million. The asset allocation complies with the guidelines, although underweight International Equity. SMA will coordinate with Mr. Cohen to invest the expected contribution in late September accordingly and consistent with the Fund’s Investment Policy Statement. The

Board is holding off on selecting a replacement for State Street as manager of the small cap equity allocation until the record-keeper search has concluded.

Thrift Plan total assets ended the quarter at approximately \$38.9 million. The American Funds target date series remain the most utilized investment options and accounts for 38.4% of assets. The stable value fund has the second highest allocation accounting for 15.1% of the assets. Approximately 53% of Plan contributions in the second quarter were allocated to the target date funds.

457(b) Plan total assets ended the quarter at \$29.6 million. The American Funds target date series are the most utilized investment options with 28.7% of assets, followed by the stable value fund with 24.0% of assets. Approximately 42% of Plan contributions in the second quarter were allocated to the target date funds.

SMA noted that Harbor recently replaced the prior sub-advisor, Northern Cross, with Marathon. SMA will continue to monitor this fund and make future recommendations to the Board accordingly. In response to a question about the relative underperformance of the American Funds target date funds in recent periods, SMA noted that the performance in the report is measured against more than one benchmark in order to provide additional context, and that the funds' valuation driven approach largely explains the difference in relative performance vs the more static American Funds custom indices.

The Retiree Benefit Trust had a market value of \$8.8 million at the end of the second quarter and returned +3.15% for the fourth quarter, trailing the Policy Index return of +3.61%. For the fiscal year ended June 30, the Fund returned +5.53%, trailing the Policy Index return +7.78%. Total investment gains and income for the fiscal year total approximately \$465 thousand. The asset allocation complies with the guidelines. SMA pointed out that Harding Loevner and Western Asset are relatively new managers, having replaced Manning & Napier in the portfolio.

VI. Supplemental Employee Contributions:

Mr. Cohen introduced the item saying that he provided the same materials to the Board as were going the Mayor and Council on September the 16<sup>th</sup> without any recommendations. He then introduced Mr. Ritchie from Bolton to speak to the SEC calculation. Mr. Ritchie presented this item as requested by the Board. He provided an overview of the annual calculation that is presented as a provision of the pension plan. He explained that the latest calculation showed 3% costs in excess of pay over 6.5% and consequently if SEC was implemented employees would contribute an additional 1.5%. He explained that the Police costs were 6.09% under 6.5% and therefore no additional contribution would be required by them. He explained that the City would continue to contribute its ADC inclusive of normal costs and unfunded liabilities and the SEC would be an addition for employees.

Mr. Ritchie proceeded to describe the 10-year projection he calculated showing the Plan's funding status 96.9% if SEC was implemented and at 94.7% if it was not implemented.

Mr. Ritchie explained that the Police pay a considerably higher percentage of their normal costs than the Union or Administrative employees. The Police pay 8.5%, the Administrative Employees 1%, and the Union 0%. These percentages are not enough to cover the total normal cost, so the City pays the difference and the City pays the entire plans unfunded actuarial accrued liability.

Board Members discussed issues such as the Board funding policy, the historical context of the recession, market value versus actuarial value of assets, SEC phase in for implementation, timeframe for achieving the Board funding policy, and overall pension funding. Both Mr. Richie and Mr. Cohen proceeded to answer questions from the Board and guests regarding the SEC provision and general pension questions.

Mr. Cohen stated that whether it occurs through a supplemental contribution or with a permanent increase in contributions that employees should be paying more into the pension for the pension to continue to be a viable and sustainable benefit offering.

Mr. Rodgers reminded the Board that he would be presenting the Board correspondence on SEC to the Mayor and Council on September the 16<sup>th</sup>.

Mr. Cohen reminded the Board that they would have another opportunity to discuss SEC at the next meeting as an updated SEC calculation would be done with the FY 2021 Valuation report.

V. Future Agendas:

Mr. Cohen reviewed several agenda items for the Board meeting in November 2019 as listed below:

- Status Update on the Board RFP #43-18
- Investment Advisory Services Contract
- FY 2021 Actuarial Valuation Report
- FY 2021 and FY 2022 RBT Actuarial Valuation report
- Calendar 2020 Meeting Dates
- Plan Amendments – employee Contributions, Early Retirement Penalty, Credited Interest
- US Small Cap Core Equity Fund Search

The Board requested a discussion on the Board's funding policy at its first meeting in 2020.

Mr. Pierzchala made a motion to adjourn the meeting at 11:43 AM. Ms. Straus seconded the motion.

All Board Members voted in favor of the motion.

**THE NEXT REGULAR MEETING IS FRIDAY NOVEMBER 22, 2019**

**Board Meeting  
September 27, 2019**

**PRESENT:** John Rodgers, Chairperson; Mark Pierzchala, Councilmember; Karen Marshall, Human Resources representing the City Manager; Sgt. Chris Peck, FOP Representative, Derrick Pierson, Union Representative, and Susan Straus, AAME. Also, in attendance were; Craig Chaikin, Segal Marco Advisors; Jessica Lewis, Director of Procurement; Tim Peifer, Finance; Daisy Harley, Human Resources, and Gavin Cohen, Executive Secretary to the Board by phone.

**ABSENT:** None

This was a special meeting of the Board to conduct Finalist Interviews for RFP #43-18. The Board approved agenda (shown below) served as a guideline for each proposer. In addition to the interviews, each proposer was required to submit answers to specific Board questions that were submitted prior to the interview.

**Board Interview Agenda**

- I. Overall Introduction of Company and Personnel 5  
Minutes

The Board is interested in seeing and hearing from day to day field service folks and those assigned to provide employee education services.

- II. Delivery of Scope of Services 45  
Minutes

Proposers have 45 minutes to demonstrate their understanding of the Board’s requirements as articulated within the RFP for the 457, 401, and City’s Pension Plan. The Board’s supplementary questions can also serve as guidance.

Requirements Categories

Deferred Compensation and Defined Benefit Recordkeeping/Administration, Custodial Trustee Services, Investment Management Services, Employer Education and Investment Advisory Services, and Benefit Payments and Plan Management and implementation and transition.

- III. Employee Communication/Education Services/Online Tools/App 30  
Minutes

Proposers should be prepared to demonstrate web site offerings and technology and functional App for participants and administration. Show how participants can view their balances, investments, and accrued pension benefit, and change investment options and contributions. Show how participants can perform a pension benefit calculation. How will education across different plans be provided for and measured for a total holistic retirement approach.

IV. Board Questions and Answers  
Minutes

<b>Finalist(s)</b>	<b>Interview Time</b>
Transamerica	8:00 – 9:45am
Voya	10:30am – 12:15pm
Lincoln Financial Group	1:30pm – 3:15pm

During each interview, there was follow up and questions and answers between the Board and each proposer to clarify materials being presented as well as to clarify responses to the pre interview questions.

Craig Chaikin from Segal Marco provided the Board with technical assistance during the interviews.

Ms. Lewis clarified for the Board that the scoring from the sub-committee did not carry over for the interviews, and that the Board had to select an order of preference between the three interviewees.

Mr. Rodgers asked each Board member for their opinion on which proposer conveyed the best responses to the Board’s RFP and which proposer would provide best value to the Board. He then asked each staff member present to provide their input, as well as Segal Marco for their opinion.

After several rounds of discussion and merits and demerits of the proposers’ responses the Board provided direction for staff to enter into negotiations with Lincoln Financial. Second was Transamerica, and third was Voya.

The meeting was adjourned at 4:15PM.

**Board Meeting  
November 22, 2019**

**PRESENT:** John Rodgers, Chairperson; Sgt. Chris Peck, FOP Representative, Derrick Pierson, Union Representative, and Susan Straus, AAME. Also, in attendance were; Jim Ritchie, Bolton Partners, Tom Vicente, Bolton Partners; Tim Peifer, Finance; Daisy Harley, Human Resources; Marlaine White, City Attorney’s office; Ryen Sherman, Segal Marco Advisors by phone, and Gavin Cohen, Executive Secretary to the Board.

**ABSENT:** Mark Pierzchala, Councilmember  
Rob Dispirito, City Manager

The meeting commenced at 9:00AM.

- I. Delay in Submission of Minutes September 6, 2019 and September 27, 2019:  
Mr. Cohen explained to the Board that because the September 6 and 27 meetings contained discussion and procurement decisions relative to RFP # 43-18, minutes reflecting the Board’s decisions in this regard, were not ready to become public until final contracts are signed. Mr. Cohen stated that all the minutes from September 6, September 27, and November 22, would be available for Board approval at the first meeting in 2020.
  
- II. FY 2021 Actuarial Valuation Report as of July 1, 2019:  
Mr. Ritchie from Bolton Partners presented their report. Mr. Ritchie explained to the Board the purpose of the report and the underlying assumptions that the actuaries utilize. He then presented each section of the report. He stated that the City’s Actuarial Determined Contribution (ADC) for FY 2021 increased from the previous year by over \$359 thousand from \$3.6million to \$3.96million. The percent of payroll increased from 9.04% to 9.67%. He described the makeup of the City’s ADC to include both the normal cost and an amortized amount for the City’s unfunded actuarial liability. He stated that the plans funded status had decreased slightly to 84.8%. He mentioned that there is a potential Supplemental Employee Contribution again this year with a small amount of SEC for the Police. Mr. Ritchie discussed the historical investment returns and the underlying investment assumption speaking to both the volatility of annual returns and the ability to meet the long-term earnings assumption. Mr. Ritchie remarked that it was unusual in the 10 years of data that there was not a single year of negative returns. During the presentation Board Members asked questions about earnings of the plan, the asset smoothing, the normal cost, the unfunded liabilities, and the amortization basis. Mr. Cohen mentioned his concern, similar to the previous year, relative to the performance of the stock market and the Plan’s funded status when the next economic downturn occurs.

The Board thanked Mr. Ritchie for his comprehensive presentation.

- III. Supplemental Employee Contributions (SEC):

Mr. Ritchie stated that a SEC calculation was included within the Actuarial Valuation Report and that for the Union and Miscellaneous employee groups it reflected a 3.54% excess over the 6.5% with a maximum SEC of 1.77% or \$630,000. For the Police the excess is .82% with a maximum SEC of .41% or \$20,000. Mr. Cohen asked the Board for their reaction to this item and whether they would like to notify the Mayor and Council again being that it is a new Mayor and Council. After Board discussion, the Board concluded that the Mayor and Council had assigned this topic to the City's Financial Advisory Board (FAB) and consequently the Board decided to wait and see what the FAB was going to report to the Mayor and Council.

IV. FY 2021 and FY 2022 RBT Actuarial Valuation Report as of July 1, 2019:

Mr. Vicente from Bolton Partners presented their report. He began by stating all of the actuarial assumptions that are utilized to calculate the City's contributions. One new assumption utilized was the Election Rate, which was based on an experience review on how many eligible employees utilize the benefit. He mentioned that the assumption of premium costs going up while actual premium costs were going down, had a large impact on the funded status of the Plan. He mentioned that the Plan was currently funded at 107.79% which was a big improvement. Accordingly, the City's ADC will decrease from \$582,804 to \$163,815 so the City will see budgetary savings. After Board discussion, the Board thanked Mr. Vicente for his report.

V. Investment Performance Review quarter ended September 30, 2019:

Ryen Sherman (by phone) presented from Segal Marco Advisors ("SMA"), beginning with a general overview of the markets.

The Pension Fund had a market value of \$106.4 million, an all time high, at the end of the third quarter and returned +12.1% for the quarter, outperforming the Policy Index return of +10.7%. The fund has returned 6.2% over the 5-year period, outperforming the benchmark with investment gains of approximately \$28.3million.

The asset allocation complies with the Board guidelines, although underweight International Equity and Fixed Income. The City's recent Employer contribution of \$3.6 Million was invested in the International Equity Fund to bring the allocation closer to the target. All other managers are performing in line with expectations.

SMA discussed some of the asset allocation decisions that have added value over the past few years including adding an unconstrained Bond Fund, Real Asset Portfolio, and the Global Tactical Asset Allocation (GTAA) fund.

The State Street Small Cap Equity Fund continued to outperform this year. As a result, SMA put the search on hold.

Thrift Plan total assets ended the quarter at approximately \$39.6 million. The American Funds target date series remain the most utilized investment options and accounts for 38.2% of assets. The stable value fund has the second highest allocation accounting for

15.5% of the assets. Approximately 53.6% of Plan contributions in the third quarter were allocated to the target date funds.

SMA reported that most of the investment options are performing in line with expectations except Brandywine and Fidelity. Both fund managers underperformed for the quarter, which has negatively impacted the longer-term results. SMA will monitor these funds closely to see if performance improves.

457(b) Plan total assets ended the quarter at \$29.9 million. The American Funds target date series are the most utilized investment options with 28.9% of assets, followed by the stable value fund with 24% of assets. Approximately 43.6% of Plan contributions in the quarter were allocated to the target date funds.

SMA noted that the American Funds lifecycle funds will be lowering their expense ratios by a couple of basis points next year. Mr. Cohen asked when a 2065 fund would be added to the portfolio?

The Retiree Benefit Trust assets reach an all time high of a market value of \$9.3 million at the end of the third quarter. The Fund returned 11% for year to date, which lagged the benchmark return but is ahead of the 7% assumption. Since inception, the fund has returned 8.5% which is in line with the benchmark.

SMA noted that Manning & Napier was terminated earlier in the year and that the new fund managers are Harding Loevner and Western Asset Management.

VI. RFP # 43-18 Deferred Compensation and Defined Benefit Pension Plan:

Mr. Cohen gave a brief update on the status of the RFP as follows:

The Board authorized staff to begin negotiations with Lincoln Financial Group.

Staff have done reference checks with 4 vendors provided by Lincoln providing favorable references. Staff noted that it was a challenge to get the references to respond.

Staff have had two preliminary calls with the team from Lincoln, on Wednesday November 6<sup>th</sup> 2019 and on Wednesday October the 3<sup>rd</sup> 2019.

On October the 23<sup>rd</sup> staff viewed an hour-long demonstration of the Lincoln participant web site and similarly staff viewed the administrate web site on the 6<sup>th</sup>.

Going forward staff have weekly meetings scheduled.

Staff received the Best and Final Offer (BAFO) negotiated pricing.

For the pension plan that will be \$55pp fee for recordkeeping and administrative services and separately for custodial services the equivalent of \$20pp, though it may be based on asset size of assets held in custody.

The fee for the Defined Contribution (Thrift) and Deferred Compensation (457) Plans was negotiated down to \$50PP per account. The City's fee of \$35 will be on top of that so a participant will be charged \$85 annually per account which is \$5 lower than the current \$90 with Mass Mutual.

Next staff will be working on the contractual documents and hope that this phase will be complete before the Board's February meeting after which the implementation will begin in earnest.

Segal Marco had a contract option, after the search was completed by selecting a new vendor, for assisting the City with implementation services for \$15,000. The search overall cost \$47,500, split between the 3 plans. The \$15,000 for Implementation services will be split between the 3 plans as well.

Prudential and Mass Mutual will only be notified of the termination of services once the contractual documents with Lincoln Financial are finalized.

VII. RFP for Investment Advisory Services:

Mr. Cohen introduced this item stating that the Segal Marco contract ends in 2020. He clarified for the Board what some options were for moving forward. The Board felt that doing an RFP at the same time as Segal Marco was assisting with the recordkeeper implementation was not good timing. The Board directed staff to see if Segal Marco was amenable to a one year extension under the same terms and conditions to give the Board sufficient time to undertake a competitive RFP. The Board also concluded that Segal Marco could participate in the RFP process as the Board does not have any mandatory rotation rules for advisors.

VIII. Board Meeting Schedule Calendar 2020:

The Board selected the following dates for their Board meetings.

Friday ~~February 21~~ (Updated to March 13, 2020)

Friday May 15

Friday September 11

Friday November 20

IX. Future Agendas:

Mr. Cohen reviewed several agenda items for the Board's first meeting in 2020 as listed below:

- Status Update on the Board RFP #43-18
- Investment Advisory Services Contract
- Board Funding Policy

The Board requested that Lincoln Financial attend its first meeting in 2020 to update the Board on the implementation.

The Board requested a discussion on Board protocols relative to who is allowed to speak/participate in Board meetings.

Sgt. Peck made a motion to adjourn the meeting at 1:10 PM. Mr. Pierson seconded the motion.

All Board Members voted in favor of the motion.

**THE NEXT REGULAR MEETING IS FRIDAY MARCH 13, 2020**

**Board Meeting  
Minutes  
Telephone Conference 1-929-229-2412 ID 785736188  
May 15, 2020**

PRESENT: John Rodgers, Chairperson; Mikhael Sukhenko, Citizen Representative; Beryl Feinberg, Councilmember, Sgt. Chris Peck, FOP Representative, Derrick Pierson, Union Representative, and Susan Straus, AAME. Also, on the call were; Tim Peifer, Finance; Daisy Harley, Human Resources; Marlaine White, Senior Assistant City; Paula Perez, AAME; Ryen Sherman and Christian Sevier Segal Marco Advisors, and Gavin Cohen, Executive Secretary to the Board.

ABSENT: Karen Marshall, Human Resources

The meeting commenced at 10:00AM.

**I. Approval of Minutes from April 24, 2020**

Sgt. Chris Peck made a motion to approve the minutes as presented. The motion was seconded by Councilmember Feinberg. The motion passed unanimously 6-0.

**II. Markets and Portfolio Update**

Mr. Sherman discussed the market environment through April, noting strong performance during the month for both equity and fixed income indices. He then reviewed the Pension Fund's asset allocation relative to targets and recapped the decision made by the Board during the last meeting to redeem \$1.5M from the Fund's real estate investment in order to remain compliant with the permissible ranges in the Investment Policy Statement.

Mr. Sevier commented that the Pension Fund returned +6.8% for the month of April, outperforming the Policy Index return of +5.9%. He also reviewed the investment funds and performance of the Thrift/457(b) Plans, noting that the Harbor International fund remains on 'watch' and the strong performance of the Plans' target date funds relative to peer target date funds, due in part to their conservative glide path construction.

Mr. Sevier concluded Segal Marco's presentation with a review of the Retiree Benefit Trust, noting that the Trust returned +7.3% for the month, outperforming the Policy Index return of +7.2%.

**III. Board Meeting Dates**

Mr. Cohen presented the Board with a suggestion to continue Board meetings in the current tele-conference format for the remainder of calendar 2020. After discussion the Board agreed to hold meetings on July 24<sup>th</sup>, September 25<sup>th</sup>, and November 20<sup>th</sup>.

The call ended at 11:00am.

**THE NEXT REGULAR MEETING IS FRIDAY JULY 24, 2020**



Segal Marco Advisors

# Market Review

July, 2020

*Ryen Sherman, CFA*

# Index Returns as of June 30, 2020 - MTD and YTD

Equity	MTD (%)	Fixed Income	MTD (%)	Equity	YTD (%)	Fixed Income	YTD (%)
<b>All Cap U.S. Stocks</b>		<b>Barclays Capital</b>		<b>All Cap U.S. Stocks</b>		<b>Barclays Capital</b>	
Russell 3000	2.3	U.S. Aggregate	0.6	Russell 3000	-3.5	U.S. Aggregate	6.1
Grow th	4.3	U.S. Treasury: 1-3 Year	0.0	Grow th	9.0	U.S. Treasury: 1-3 Year	3.0
Value	-0.5	U.S. Treasury	0.1	Value	-16.7	U.S. Treasury	8.7
<b>Large Cap U.S. Stocks</b>		U.S. Treasury Long	0.1	<b>Large Cap U.S. Stocks</b>		U.S. Treasury Long	21.2
S&P 500	2.0	U.S. TIPS	1.1	S&P 500	-3.1	U.S. TIPS	6.0
Russell 1000	2.2	U.S. Credit: 1-3 Year	0.6	Russell 1000	-2.8	U.S. Credit: 1-3 Year	2.6
Grow th	4.4	U.S. Intermediate Credit	1.4	Grow th	9.8	U.S. Intermediate Credit	4.2
Value	-0.7	U.S. Credit	1.8	Value	-16.3	U.S. Credit	4.8
<b>Mid Cap U.S. Stocks</b>		U.S. Intermediate G/C	0.6	<b>Mid Cap U.S. Stocks</b>		U.S. Intermediate G/C	5.3
S&P 400	1.3	U.S. Govt/Credit	0.9	S&P 400	-12.8	U.S. Govt/Credit	7.2
Russell Midcap	1.8	U.S. Govt/Credit Long	1.6	Russell Midcap	-9.1	U.S. Govt/Credit Long	12.8
Grow th	2.3	U.S. MBS	-0.1	Grow th	4.2	U.S. MBS	3.5
Value	1.1	U.S. Corp High Yield	1.0	Value	-18.1	U.S. Corp High Yield	-3.8
<b>Small Cap U.S. Stocks</b>		Global Aggregate (USD)	0.9	<b>Small Cap U.S. Stocks</b>		Global Aggregate (USD)	3.0
S&P 600	3.7	Emerging Markets (USD)	2.5	S&P 600	-17.9	Emerging Markets (USD)	-0.4
Russell 2000	3.5			Russell 2000	-13.0		
Grow th	3.8	<b>S&amp;P/LSTA</b>		Grow th	-3.1	<b>S&amp;P/LSTA</b>	
Value	2.9	Leveraged Loan	1.1	Value	-23.5	Leveraged Loan	-4.7
<b>International</b>				<b>International</b>			
MSCI EAFE NR (USD)	3.4			MSCI EAFE NR (USD)	-11.3		
MSCI EAFE NR (LOC)	2.6	<b>Alternative</b>		MSCI EAFE NR (LOC)	-10.5	<b>Alternative</b>	
MSCI EM NR (USD)	7.4	Bloomberg Commodity	2.3	MSCI EM NR (USD)	-9.8	Bloomberg Commodity	-19.4
MSCI EM NR (LOC)	6.6	S&P GSCI	5.1	MSCI EM NR (LOC)	-5.5	S&P GSCI	-36.3

Top 5	MTD (%)
MSCI EM NR (USD)	7.4
MSCI EM NR (LOC)	6.6
S&P GSCI	5.1
Russell 1000 Grow th	4.4
Russell 3000 Grow th	4.3

Bottom 5	MTD (%)
Russell 1000 Value	-0.7
Russell 3000 Value	-0.5
U.S. MBS	-0.1
U.S. Treasury: 1-3 Year	0.0
U.S. Treasury	0.1

Top 5	YTD (%)
U.S. Treasury Long	21.2
U.S. Govt/Credit Long	12.8
Russell 1000 Grow th	9.8
Russell 3000 Grow th	9.0
U.S. Treasury	8.7

Bottom 5	YTD (%)
S&P GSCI	-36.3
Russell 2000 Value	-23.5
Bloomberg Commodity	-19.4
Russell MidCap Value	-18.1
S&P 600	-17.9

# Recovery from Bottom Has been Volatile



“We’re pursuing maximum employment and price stability and we measure financial stability by the health of the banking sector, therefore we aren’t really watching asset prices.” – Fed Chair Powell during his press conference on 6/10:

Source: FactSet, CNBC

# U.S. Equity Market Dispersion: January 1 – June 30, 2020

## U.S. Large Cap Equity vs. U.S. Small Cap Equity Returns

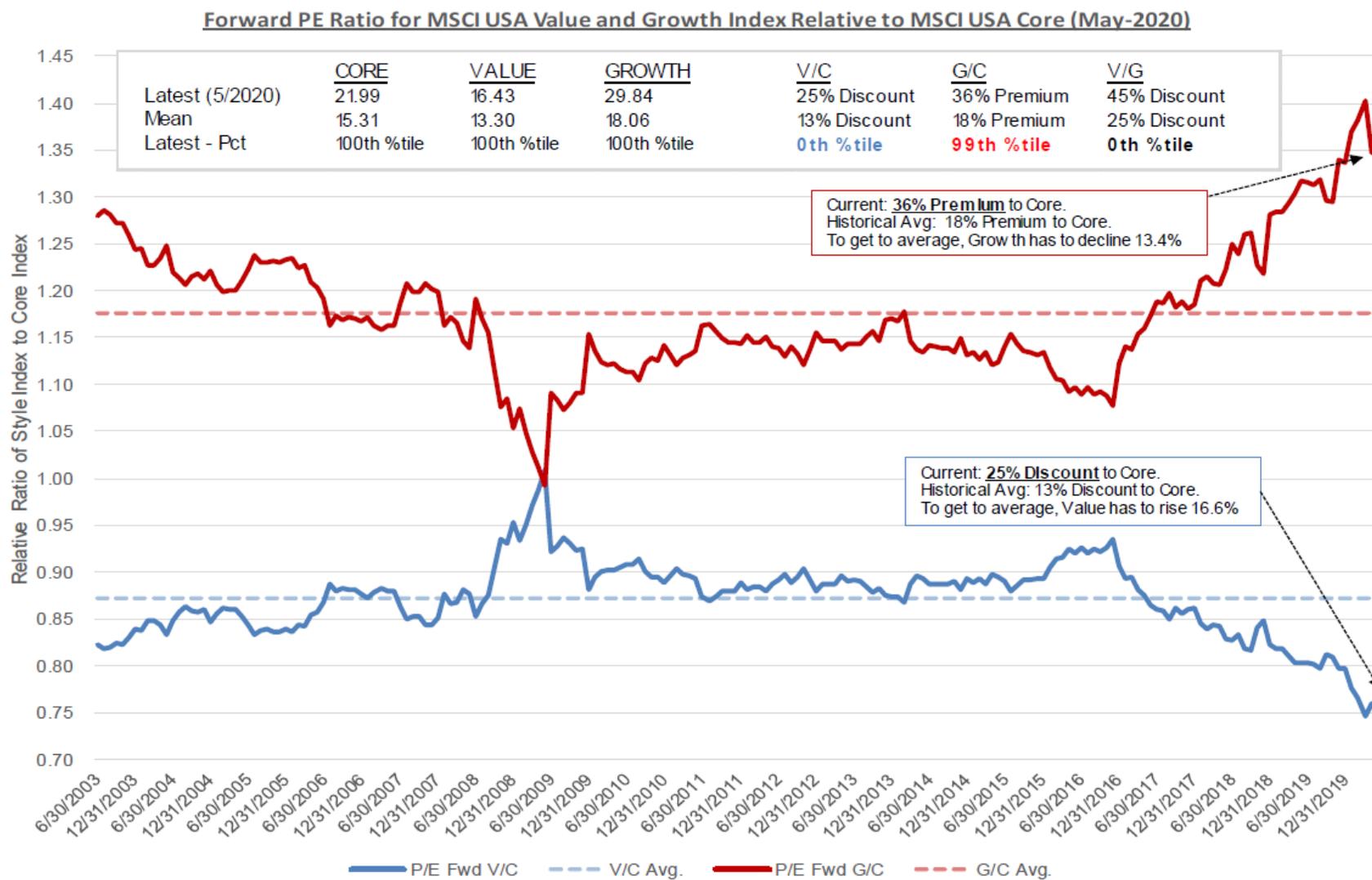
Equity Index	June 30, 2020 YTD
S&P 500 Index	-3.1%
Russell 2000 index	-13.0%
Difference	-9.9%

## U.S. Large Cap Growth vs. U.S. Large Cap Value Returns

Equity Index	June 30, 2020 YTD
Russell 1000 Growth Index	+9.8%
Russell 1000 Value Index	-16.3%
Difference	-26.1%

- During the first two quarters, each quarterly spread between value and growth equities represented 2 of the 4 largest spreads on record for a quarter since the inception of the Russell Index began in the 1979.
- Despite intermittent gains for small cap stocks in the 2<sup>nd</sup> quarter to date, U.S. large cap equity stocks and growth equity indexes continue to outperform.

# Valuation Differences are Extreme

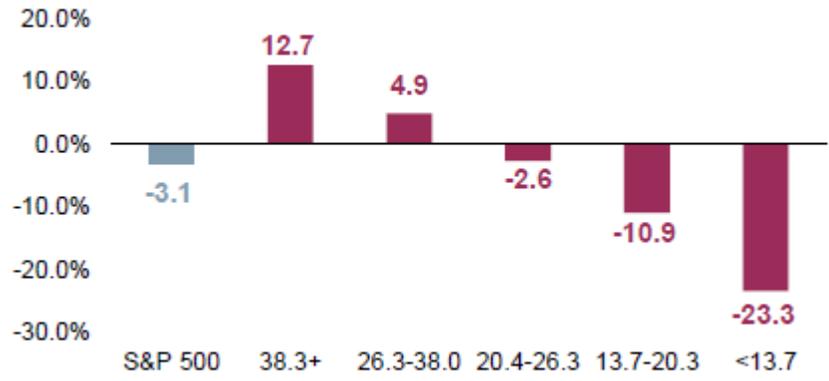


Source: MSCI, LSV Asset Management

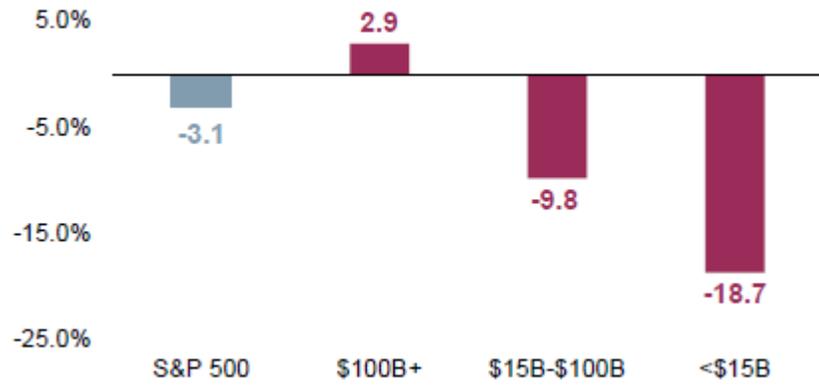
# U.S. Equity Market Dispersion

## More Expensive, Larger, Lower Dividend Names Lead

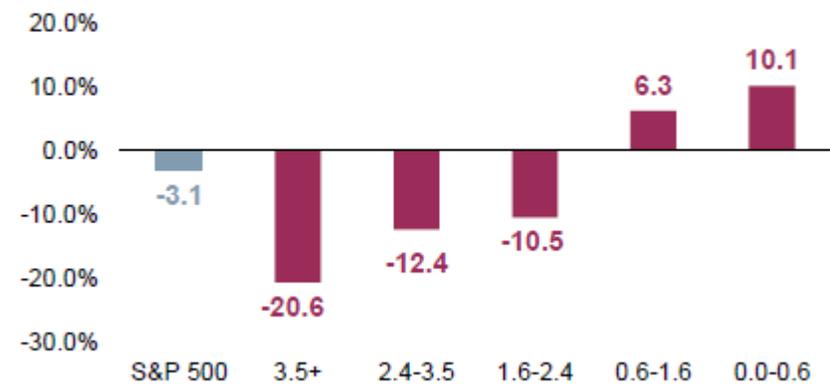
Trailing 12 Month P/E



Market Cap



Dividend Yield



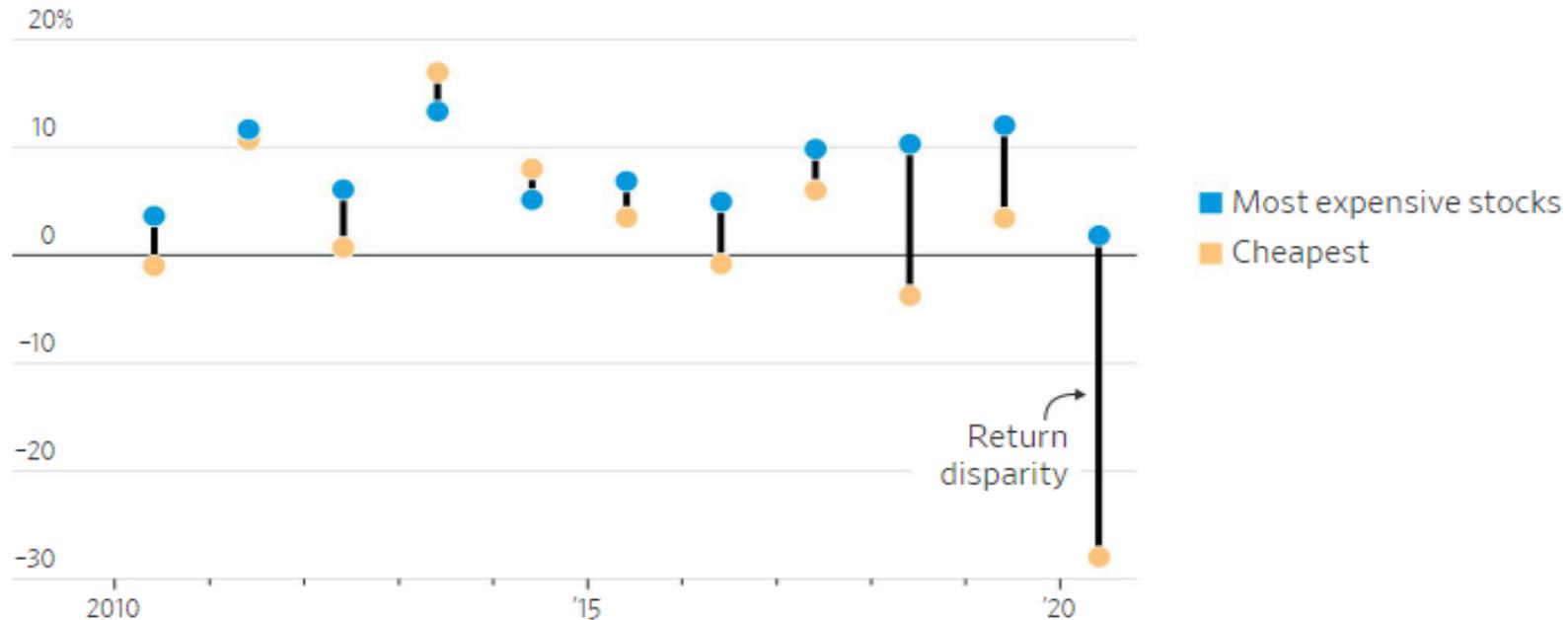
Source: FactSet, Eaton Vance, YTD as of June 30, 2020

# U.S. Equity Market Dispersion

## Cheaper Stocks Lagging

### Average return

Year to date through end of May

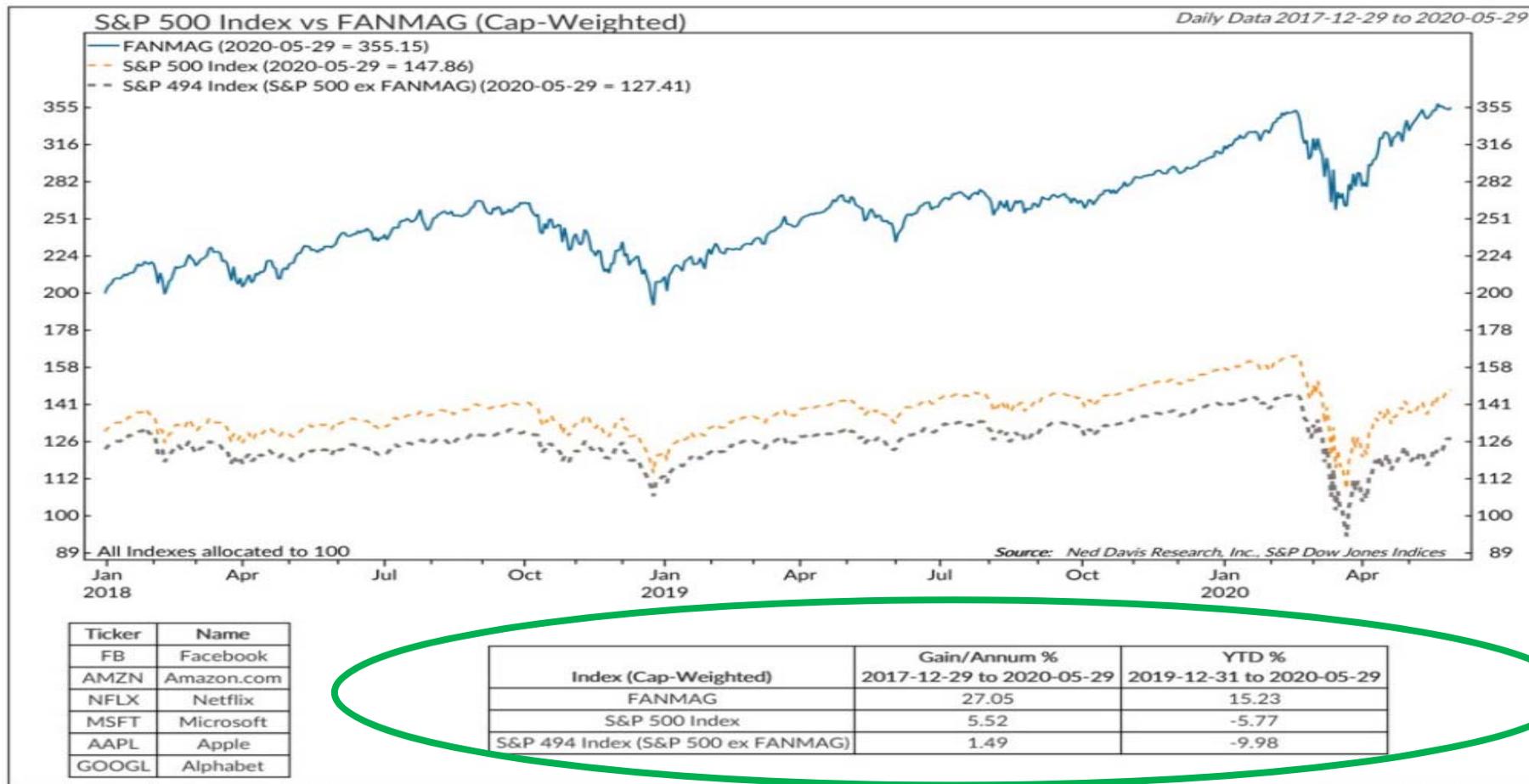


Note: S&P 500's 50 priciest and 50 cheapest stocks based on price/earnings ratio on Dec. 31 of the previous year. Excludes financials, real estate, and companies with negative P/E ratios or P/E ratios above 100. Returns don't include dividends.

- Many leading stocks in 2020 are trading for 50 times anticipated earnings – priced for perfection?
- 73% of the Wilshire 5000 stocks are negative year to date

Source: FactSet, WSJ, as of May 31, 2020

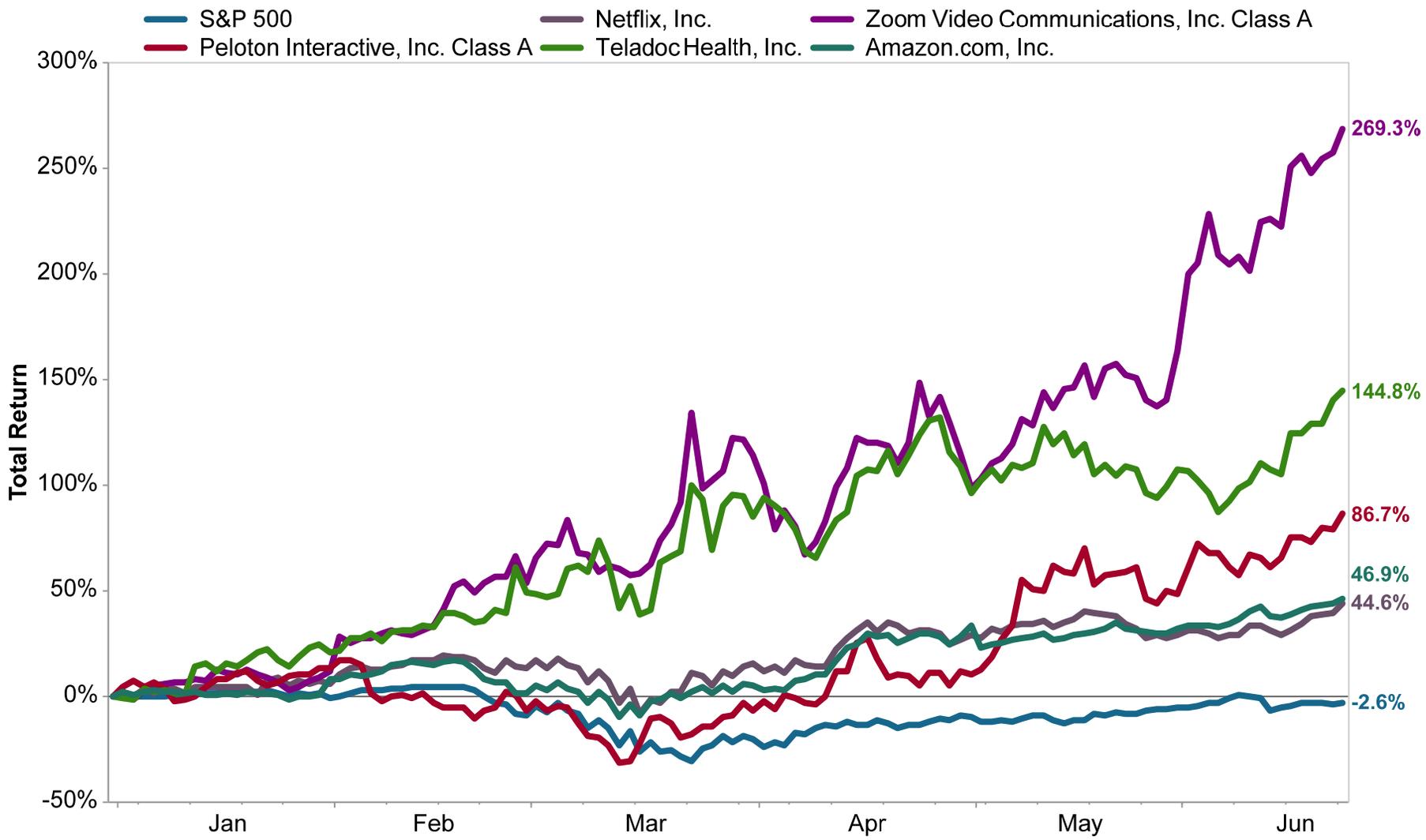
# U.S. Equity Market Dispersion Dominance of the Largest Stocks in a Market Decline



Source: Ned Davis Research, W. Delwiche, RW Baird

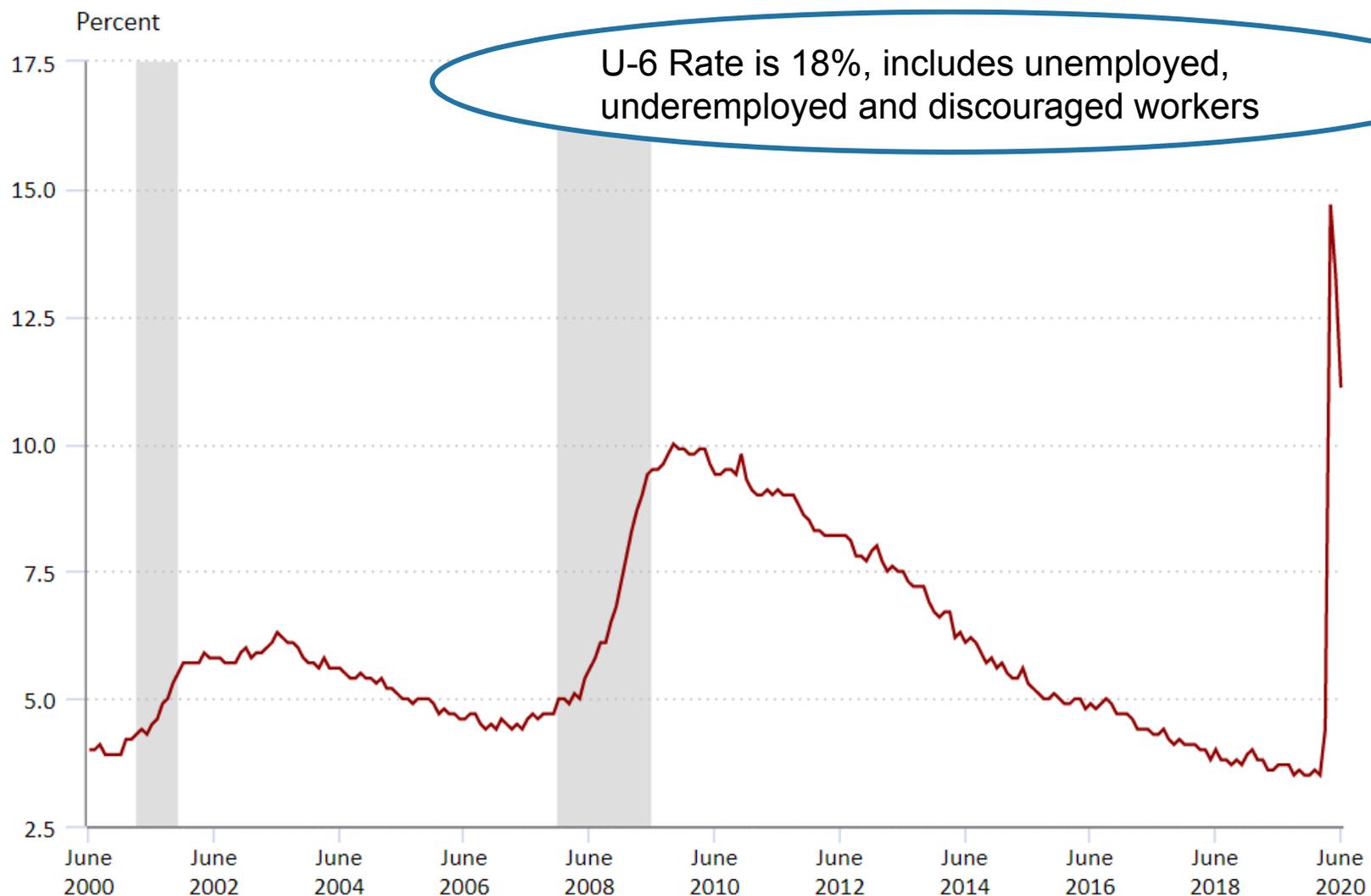
**For the past year as of June 30, the equal weighted S&P 500 Index trailed the S&P 500 Index by 10.8%**

# Stay at Home Stocks vs S&P 500



Source: FactSet As of June 15, 2020

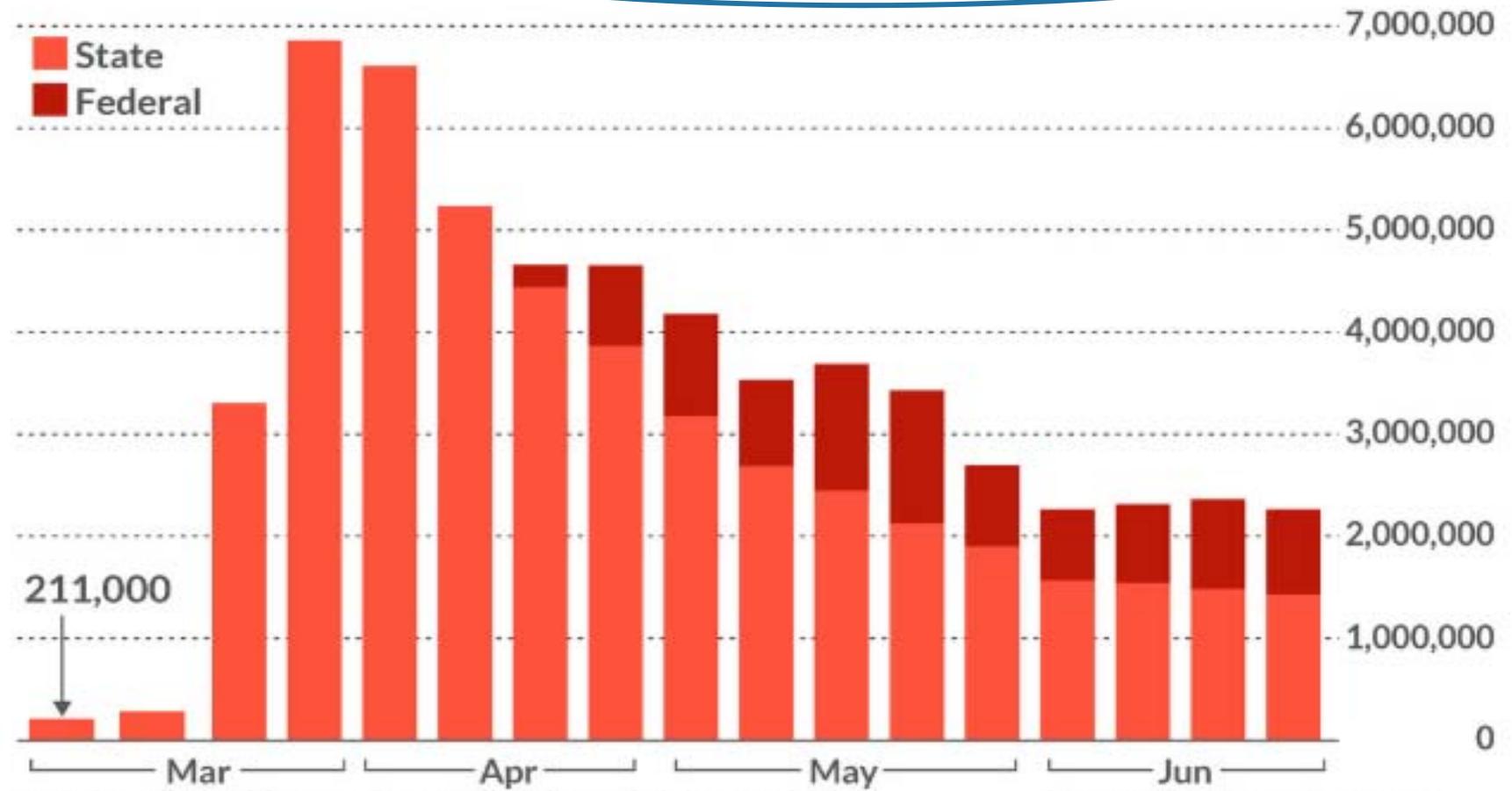
# June Unemployment Rate at 11.1%



Source: U.S. Bureau of Labor Statistics. Shaded Areas represent recessions. Seasonally adjusted. As of July 2, 2020 release

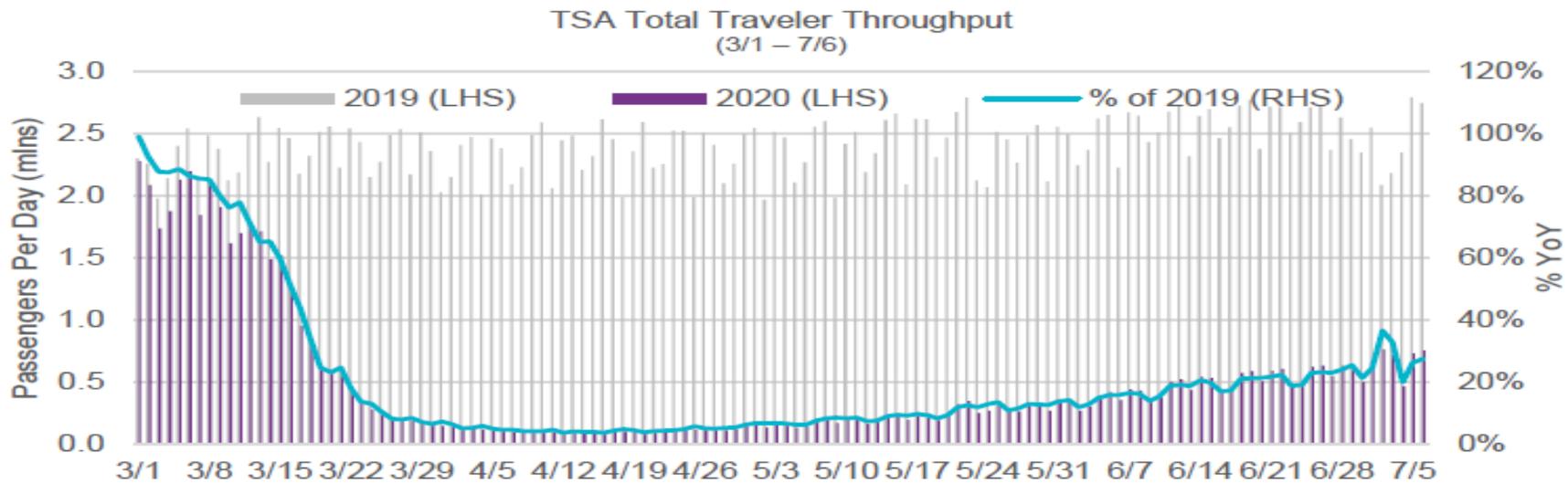
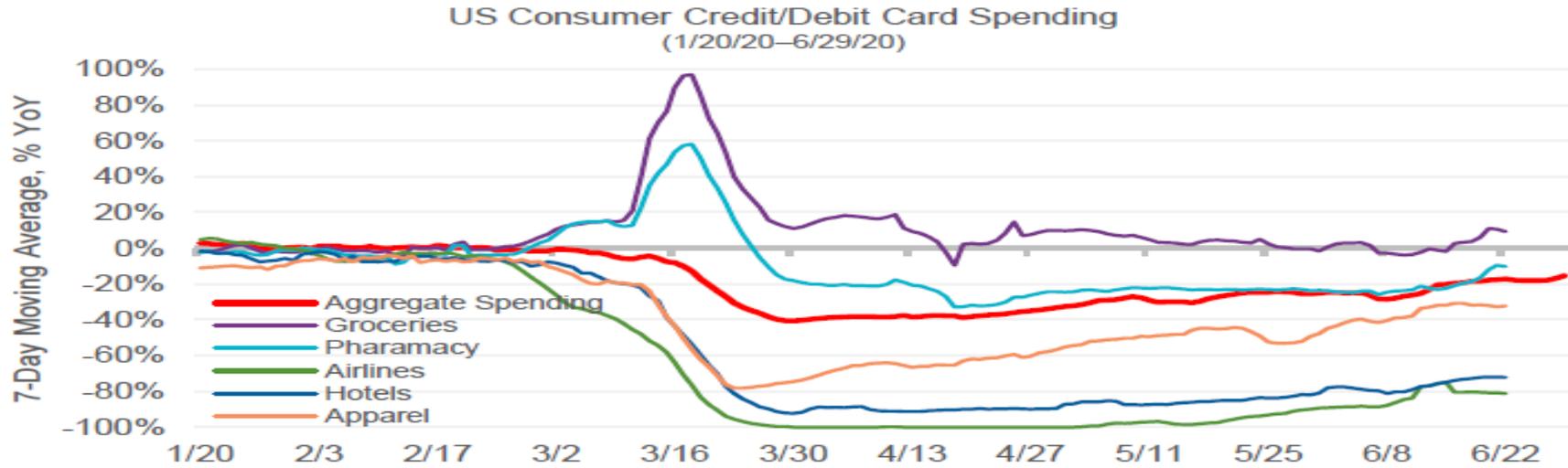
# Initial Jobless Claims Fall Slightly to 1.43 Million

15 weeks in excess of 1 million claims, previous weekly high was 695K in October, 1982



Note: Unadjusted figures. Seasonally adjusted claims are higher. Source: Bureau of Labor Statistics

# Where is the Consumer Spending?



Source: Natixis PRCG

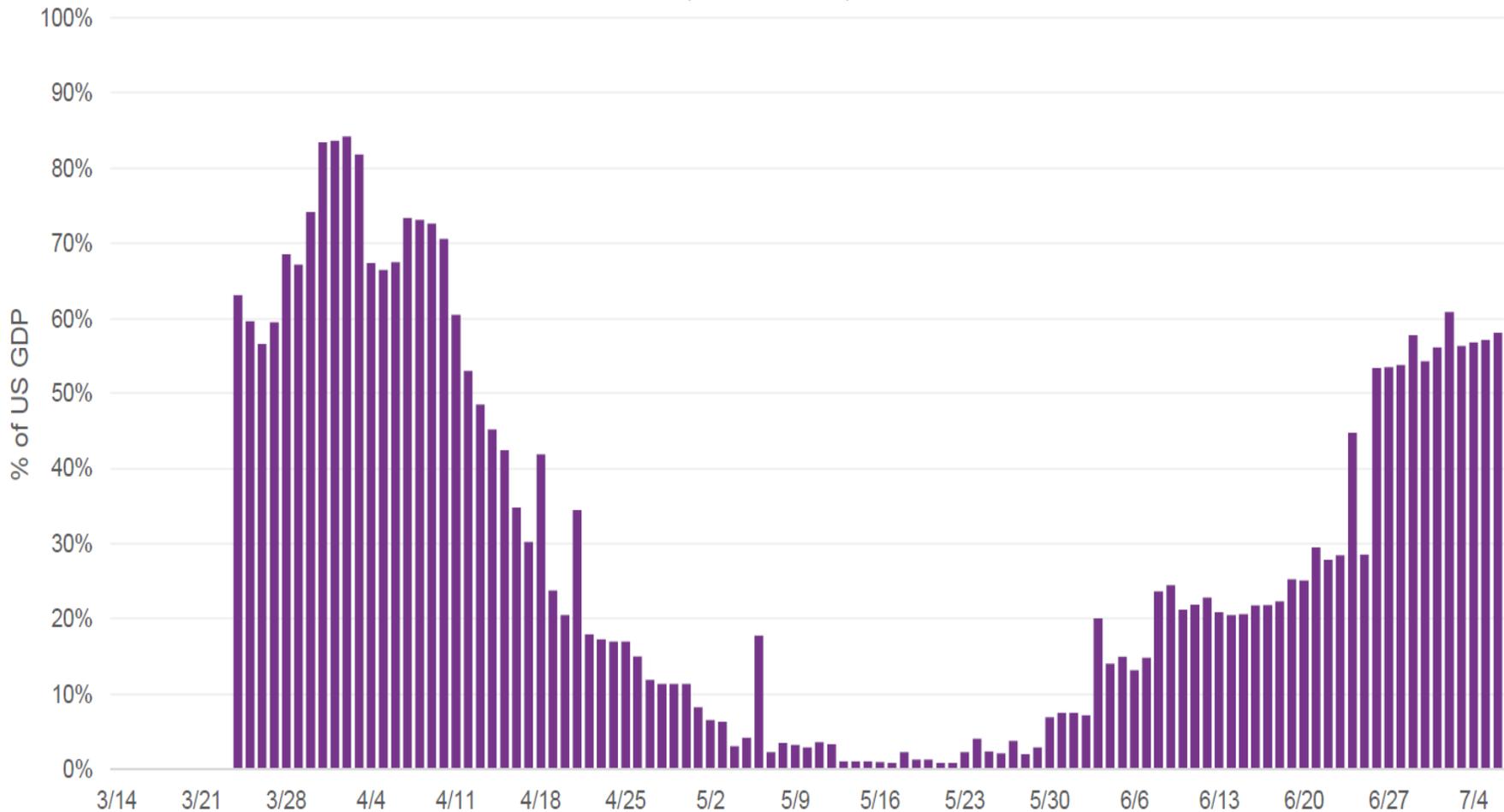
# Where is the Consumer Spending?

	Consumer Spending: % Change YoY													
	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28
<b>Retail</b>														
Department Stores	-67%	-64%	-61%	-42%	-47%	-39%	-42%	-30%	-15%	-9%	-3%	4%	30%	15%
Discount Stores	1%	17%	20%	62%	52%	70%	53%	51%	49%	48%	49%	48%	49%	37%
Grocery Stores & Supermarkets	6%	15%	14%	15%	24%	40%	25%	19%	19%	14%	17%	11%	22%	7%
Misc. General Merchandise	-33%	-25%	-27%	3%	33%	4%	5%	2%	14%	6%	20%	17%	30%	20%
Variety Stores	-1%	11%	13%	7%	27%	46%	33%	33%	32%	30%	30%	26%	39%	23%
Wholesale Clubs	-6%	4%	-5%	35%	28%	49%	23%	29%	30%	27%	31%	28%	38%	26%
<b>Entertainment</b>														
Amusement Parks	-85%	-81%	-83%	-71%	-87%	-80%	-82%	-83%	-86%	-82%	-77%	-69%	-69%	-68%
Commercial Sports & Athletic Fields	-86%	-76%	-85%	-74%	-76%	-60%	-70%	-60%	-56%	-65%	-41%	-49%	-37%	-43%
Fast Food Restaurants	-36%	-32%	-31%	-14%	-13%	2%	-3%	-3%	1%	3%	5%	5%	2%	2%
Movie Theaters	-99%	-99%	-99%	-99%	-99%	-99%	-99%	-98%	-98%	-98%	-98%	-97%	-97%	-97%
Restaurants	-65%	-62%	-60%	-49%	-48%	-39%	-39%	-34%	-29%	-23%	-18%	-16%	-7%	-9%
Tourist Attractions	-83%	-73%	-73%	-86%	-76%	-51%	-56%	-59%	-53%	-48%	-34%	-27%	-18%	-26%
Video Games	51%	95%	102%	111%	70%	96%	81%	93%	95%	85%	57%	62%	101%	63%
<b>Travel</b>														
Airlines	-88%	-92%	-94%	-89%	-88%	-84%	-82%	-79%	-76%	-72%	-70%	-63%	-62%	-63%
Cruise Lines	-89%	-85%	-88%	-79%	-75%	-81%	-74%	-65%	-68%	-76%	-63%	-72%	-79%	-82%
Lodging	-77%	-75%	-80%	-72%	-72%	-60%	-54%	-47%	-33%	-31%	-28%	-18%	-18%	-17%
Travel Bookings	-82%	-80%	-83%	-76%	-75%	-71%	-62%	-57%	27%	26%	-38%	-30%	-29%	-29%
<b>Healthcare</b>														
Drug Store and Pharmacies	-9%	-7%	1%	-8%	-5%	11%	3%	0%	3%	3%	4%	0%	20%	6%

Source: Natixis PRCG

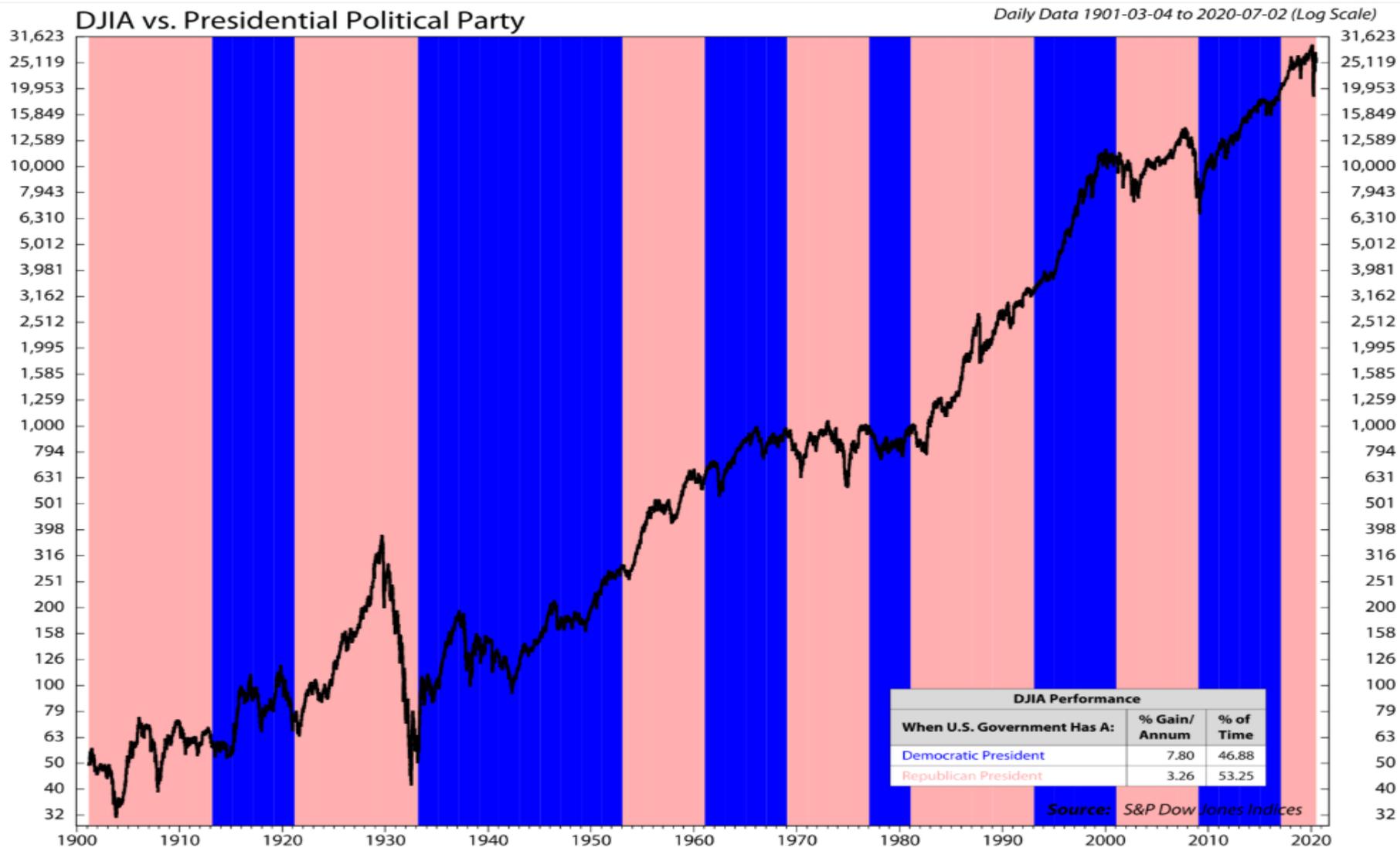
# What is the Impact of Increasing Cases

Aggregate Contribution to GDP  
 States With Increasing Cases and Positive Test Rates  
 (3/14/20–7/6/20)



Source: Natixis PRCG, COVID Tracking Project, BEA. States with 2 week increase in daily cases greater than 10% and 2 week increase in positive test rate greater than 1%

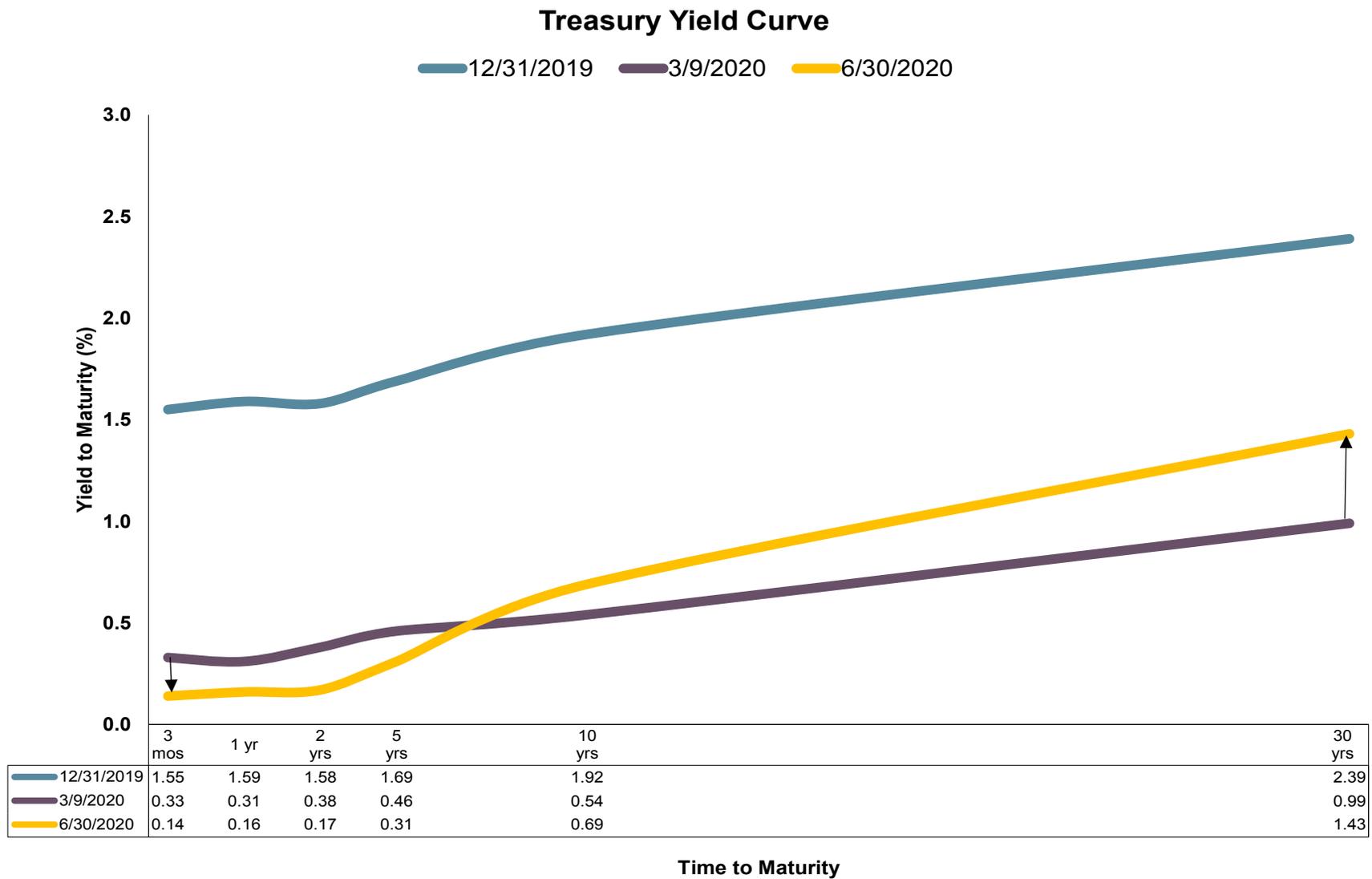
# DJIA's Performance over the Years by Political Party



Source: Source: Ned Davis Research, W. Delwiche, RW Baird

# Treasury Yields As of June 30, 2020

## Upward Slope off All-time Lows for 10 and 30 Years



Source: US Treasury  
 March 9, 2020 Lowest Historical Close for 10 Year and 30 Year Treasuries



**City of Rockville**

**PERFORMANCE SUMMARY**

Pension Fund, Thrift/457(b) Plan, and Retiree Benefit Trust

June 30, 2020

Ryen Sherman, CFA  
*Vice President*

# Ranked #1 U.S. Investment Consulting Business...Again!

Segal Marco was named a 2019 Greenwich Quality Leader among Large U.S. Investment Consultants and ranked **#1 overall** among the top 15 consultants\*, placing 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> in 13 out of 15 criteria.



- Communication of Philosophy
- Understanding Clients' Goals and Objectives
- Advice on Long-Term Asset Allocation
- Provision of Proactive Advice/ Innovative Ideas
- Capability of Consultant Assigned to Fund
- Credibility with Investment Committee
- Satisfaction with Manager Recommendations



- Timeliness of Providing Personal Meetings
- Sufficient Professional Resources to Meet Needs
- Trustworthy Brand



- Advice on DC Plan Structure and Design
- Usefulness of Written Investment Reviews
- Reasonable Fees (Relative to Value Delivered)

\* Top 15 based on 2019 P&I Investment Consultants Special Report  
Source: Greenwich Associates, USII-SWAP-19

# Market Environment

# June 2020

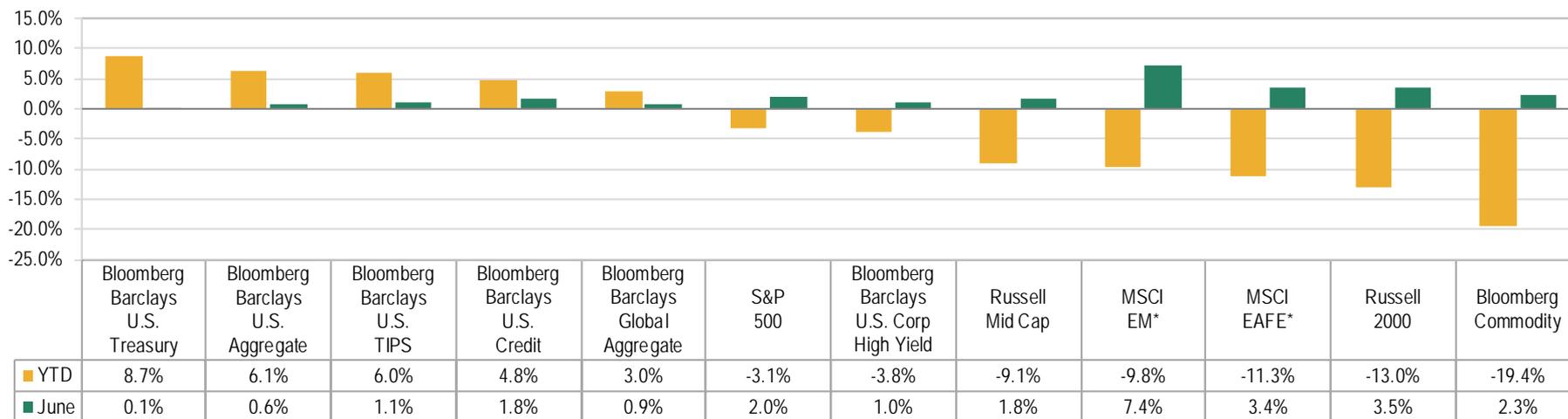
## June Highlights

- ❑ The U.S. unemployment rate fell to 11.1%, another monthly decline after April's historic high number. The U.S. economy added 4.8 million jobs in the month, especially in leisure and hospitality, health services, education and retail.
- ❑ U.S. equities gained in June. Lockdowns related to the COVID-19 outbreak continued to ease, and economic activity picked up in the U.S. and globally. Information technology had the strongest S&P 500 sector return (+7.12%). The consumer discretionary sector also made a solid gain (4.96%). Small caps outperformed mid and large caps in the month.
- ❑ Developed and emerging market stocks rose in June, as more countries around the world emerged from outbreak-related lockdowns. Manufacturing data in the Eurozone rose sharply in June.
- ❑ IG credit and high yield both gained in the month. TIPS were also positive. Global bonds were higher, while U.S. Treasuries were nearly flat.
- ❑ Commodities gained. Industrial metals rose with greater optimism surrounding global demand, while precious metals increased amid ongoing global uncertainty.

## YTD Highlights

- ❑ A global recession in 2020 seems inevitable with the economic effects of the COVID-19 outbreak. Unemployment in the U.S. reached historic highs, though May and June's numbers bring a bit of optimism about the potential for economic recovery.
- ❑ U.S. stocks are still posting negative returns despite a strong second quarter. Large caps have lost less than mid and small caps.
- ❑ Developed and emerging market stocks are struggling this year, also in spite of stronger recent performance. Steep losses for both categories have been fueled by worries about a deep global recession related to the pandemic.
- ❑ Treasuries are one of few bright spots in 2020 as investors have sought out safe haven assets. IG credit has also performed well so far this year. While high yield has made up ground in the last couple of months, it is still negative for the YTD.
- ❑ Commodities have been hit hard by investor fears about global demand and by OPEC and Russia's disagreement over energy production cuts. Volatility in energy prices and other areas of commodities mean that performance swings are the norm here.

## Returns



\*Net dividends reinvested

City of Rockville DB

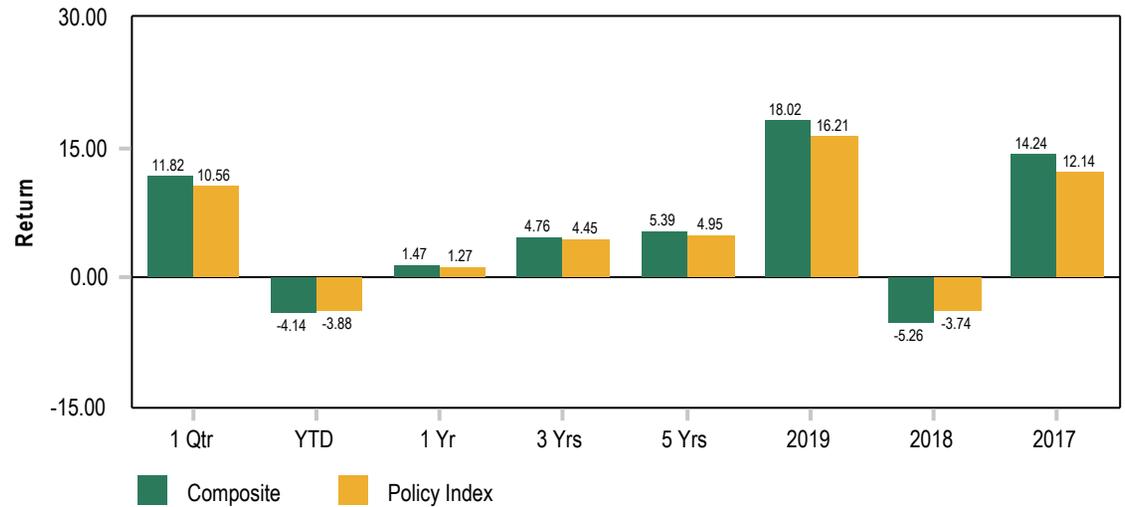
Composite

As of June 30, 2020

Asset Allocation by Segment

Segments	Market Value (\$)	Allocation (%)
Domestic Equity	32,819,218	31.70
Domestic Fixed Income	18,424,873	17.79
International Equity	17,215,639	16.63
Real Estate	15,436,899	14.91
Global Other	11,754,780	11.35
Alternative Investment	6,958,743	6.72
Cash	932,388	0.90

Performance Bar Chart



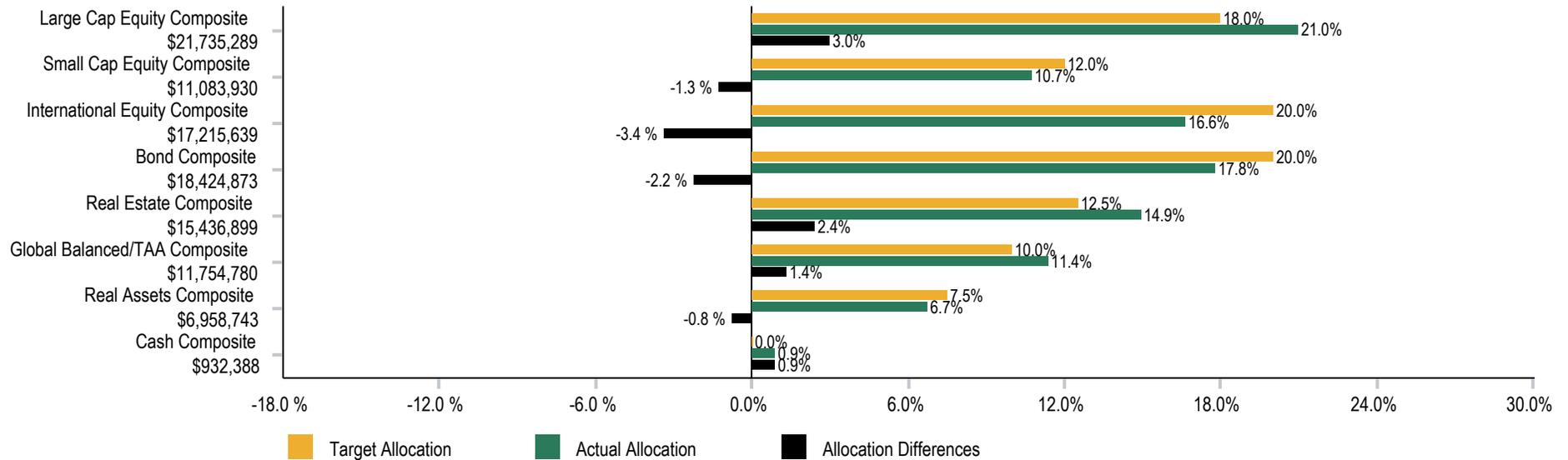
Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Composite					
Beginning Market Value	93,484,318	110,497,347	103,608,724	95,229,681	86,509,398
Net Cash Flows	-966,307	-2,267,007	-1,533,951	-5,436,106	-8,117,062
Income	-	153,220	704,825	2,144,187	3,282,006
Gain/Loss	11,024,529	-4,841,019	762,942	11,604,779	21,868,198
Ending Market Value	103,542,540	103,542,540	103,542,540	103,542,540	103,542,540

City of Rockville DB

Composite

As of June 30, 2020



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Composite	103,542,540	100.00	100.00	0.00	N/A	N/A
Large Cap Equity Composite	21,735,289	20.99	18.00	2.99	13.00	23.00
Small Cap Equity Composite	11,083,930	10.70	12.00	-1.30	7.00	17.00
International Equity Composite	17,215,639	16.63	20.00	-3.37	15.00	25.00
Bond Composite	18,424,873	17.79	20.00	-2.21	15.00	25.00
Real Estate Composite	15,436,899	14.91	12.50	2.41	7.50	15.00
Global Balanced/TAA Composite	11,754,780	11.35	10.00	1.35	5.00	15.00
Real Assets Composite	6,958,743	6.72	7.50	-0.78	2.50	10.00
Cash Composite	932,388	0.90	0.00	0.90	0.00	5.00

City of Rockville DB

Comparative Performance

As of June 30, 2020

	Allocation		Performance (%)								Inception Date
	Market Value (\$000)	%	1 Quarter	Jul-2019 To Jun-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	
Composite	103,543	100.00	11.82	1.47	1.47	4.76	5.39	6.53	8.18	5.39	01/01/2002
<i>Policy Index</i>			10.56	1.27	1.27	4.45	4.95	6.21	7.81	5.46	
Large Cap Equity Composite	21,735	20.99	20.50	7.46	7.46	10.66	10.63	12.01	13.82	9.82	01/01/1995
<i>S&amp;P 500</i>			20.54	7.51	7.51	10.73	10.73	12.13	13.99	9.87	
Principal Large Cap Stock Index	21,735	20.99	20.50	7.46	7.46	10.66	10.66	12.04	13.83	9.83	01/01/1995
<i>S&amp;P 500</i>			20.54	7.51	7.51	10.73	10.73	12.13	13.99	9.87	
Small Cap Equity Composite	11,084	10.70	24.25	-8.41	-8.41	1.63	4.76	7.36	10.70	6.63	04/01/2008
<i>Russell 2000 Index</i>			25.42	-6.63	-6.63	2.01	4.29	7.17	10.50	7.72	
State Street Small Cap Equity	11,084	10.70	24.25	-8.41	-8.41	1.63	4.76	N/A	N/A	5.48	05/01/2014
<i>Russell 2000 Index</i>			25.42	-6.63	-6.63	2.01	4.29	7.17	10.50	5.54	
International Equity Composite	17,216	16.63	18.33	-2.44	-2.44	1.23	2.62	4.51	6.55	7.64	01/01/1995
<i>MSCI EAFE (Net)</i>			14.88	-5.13	-5.13	0.81	2.05	3.93	5.73	4.55	
Principal International Stock	17,216	16.63	18.33	-2.44	-2.44	1.23	2.62	4.51	6.55	7.64	01/01/1995
<i>MSCI EAFE (Net)</i>			14.88	-5.13	-5.13	0.81	2.05	3.93	5.73	4.55	
Bond Composite	18,425	17.79	4.70	5.63	5.63	4.45	3.69	3.40	4.03	6.01	01/01/1995
<i>Blmbg. Barc. U.S. Aggregate</i>			2.90	8.74	8.74	5.32	4.30	3.96	3.82	5.70	
Mellon Capital Bond Market Index Fund	7,260	7.01	2.77	8.43	8.43	5.17	N/A	N/A	N/A	4.11	11/01/2015
<i>Blmbg. Barc. U.S. Aggregate</i>			2.90	8.74	8.74	5.32	4.30	3.96	3.82	4.34	
BlackRock Strategic Income Opportunities	11,165	10.78	6.00	3.65	3.65	3.85	N/A	N/A	N/A	3.70	11/01/2015
<i>ICE BofAML LIBOR 3-month Constant Maturity</i>			0.44	2.11	2.11	2.08	1.50	1.14	0.91	1.58	

City of Rockville DB

Comparative Performance

As of June 30, 2020

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Jul-2019 To Jun-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Real Estate Composite	15,437	14.91	0.00	4.61	4.61	6.98	8.27	9.85	11.46	4.97	04/01/2008
<i>NCREIF ODCE Equal Weighted</i>			0.00	3.89	3.89	6.45	7.91	9.47	11.06	5.08	
Prudential Real Estate Investors	15,437	14.91	0.00	4.61	4.61	6.98	8.27	9.85	11.46	4.97	04/01/2008
<i>NCREIF ODCE Equal Weighted</i>			0.00	3.89	3.89	6.45	7.91	9.47	11.06	5.08	
Global Balanced/TAA Composite	11,755	11.35	8.90	0.52	0.52	4.57	4.84	N/A	N/A	4.70	05/01/2014
<i>90 Day U.S. Treasury Bill</i>			0.02	1.63	1.63	1.77	1.17	0.85	0.62	0.95	
<i>Invesco Policy Index</i>			12.71	6.08	6.08	6.86	6.49	N/A	N/A	6.06	
Invesco Balanced-Risk Allocation Trust	11,755	11.35	8.90	0.52	0.52	4.57	4.84	N/A	N/A	4.70	05/01/2014
<i>90 Day U.S. Treasury Bill</i>			0.02	1.63	1.63	1.77	1.17	0.85	0.62	0.95	
<i>Invesco Policy Index</i>			12.71	6.08	6.08	6.86	6.49	N/A	N/A	6.06	
Real Assets Composite	6,959	6.72	11.21	-6.68	-6.68	N/A	N/A	N/A	N/A	-2.73	05/01/2018
<i>Principal Diversified Real Asset Custom Index</i>			9.43	-5.70	-5.70	1.08	0.91	1.54	4.08	-1.56	
Principal Diversified Real Asset Fund	6,959	6.72	11.21	-6.68	-6.68	N/A	N/A	N/A	N/A	-2.73	05/01/2018
<i>Principal Diversified Real Asset Custom Index</i>			9.43	-5.70	-5.70	1.08	0.91	1.54	4.08	-1.56	
Cash Composite	932	0.90	0.28	1.59	1.59	1.66	1.12	0.82	N/A	0.62	01/01/2011
<i>90 Day U.S. Treasury Bill</i>			0.02	1.63	1.63	1.77	1.17	0.85	0.62	0.64	
Prudential Short-Term	932	0.90	0.28	1.58	1.58	1.65	1.12	0.82	N/A	0.62	01/01/2011
<i>90 Day U.S. Treasury Bill</i>			0.02	1.63	1.63	1.77	1.17	0.85	0.62	0.64	

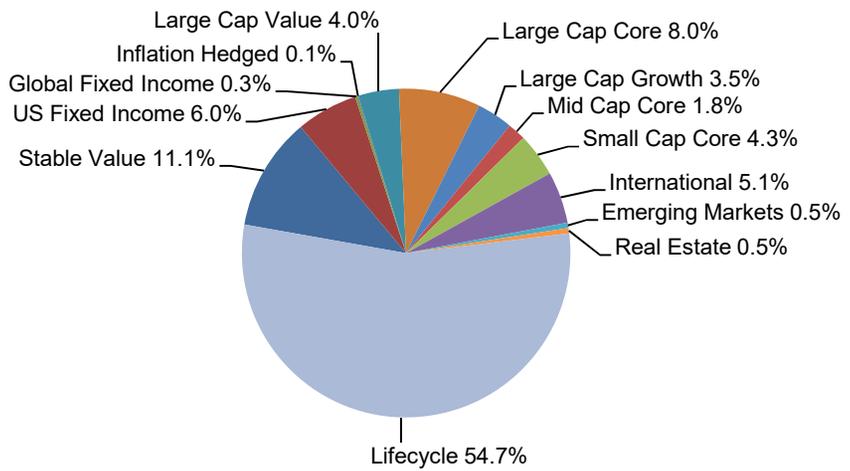
Market value for Prudential Real Estate Investors as of 3/31/2020  
 Data for the second quarter was not available yet

**PLAN ACTIVITY**  
**April 1, 2020 through June 30, 2020**

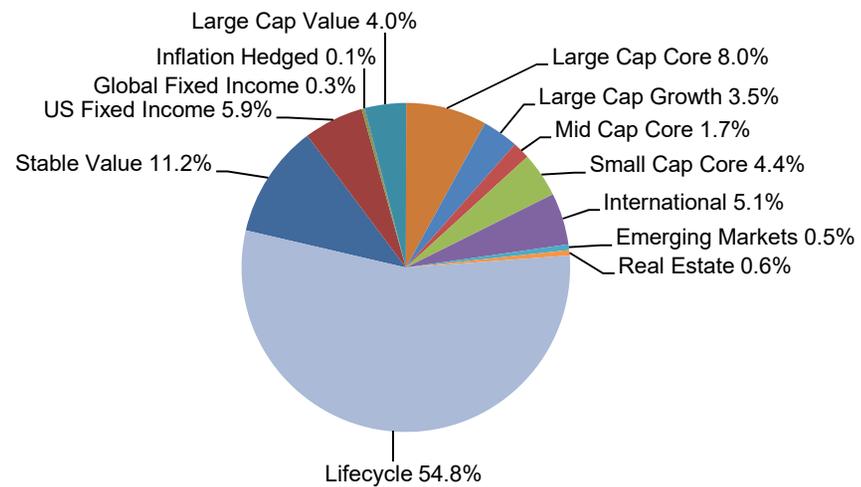
Funds	Beginning Balance April 1, 2020	Contributions	Withdrawals/ Distributions	Forfeitures	Net Exchanges	Expenses / Fees	Investment Gains/Losses	Ending Balance June 30, 2020
Diversified SAGIC II	\$ 6,365,811.35	\$ 60,122.05	\$ (43,367.22)	\$ -	\$ (253,242.20)	\$ (1,999.24)	\$ 51,595.81	\$ 6,178,921
Vanguard Total Bond Mrkt	\$ 680,454.63	\$ 8,957.70	\$ (40,598.43)	\$ -	\$ 15,933.03	\$ (208.22)	\$ 19,641.29	\$ 684,180
Western Asset Cr Plus Bond	\$ 2,250,650.91	\$ 23,679.13	\$ (52,614.77)	\$ -	\$ 24,826.90	\$ (575.13)	\$ 149,825.71	\$ 2,395,793
Brandywine Global Intl Opportunities Bond	\$ 89,482.41	\$ 1,402.83	\$ (4,360.91)	\$ -	\$ (278.54)	\$ (30.68)	\$ 9,750.65	\$ 95,966
Principal Diversified Real Asset Inst	\$ 33,005.97	\$ 328.04	\$ -	\$ -	\$ -	\$ (7.10)	\$ 3,708.66	\$ 37,036
T. Rowe Price Equity Income	\$ 1,686,692.31	\$ 21,678.79	\$ (20,204.94)	\$ -	\$ 136,940.11	\$ (522.77)	\$ 224,887.57	\$ 2,049,471
Vanguard 500 Index Admiral	\$ 4,454,535.02	\$ 43,347.71	\$ (39,520.07)	\$ -	\$ 91,231.58	\$ (1,222.14)	\$ 914,937.83	\$ 5,463,310
Fidelity Contrafund	\$ 2,056,057.22	\$ 19,125.19	\$ (14,683.73)	\$ -	\$ (12,988.12)	\$ (592.38)	\$ 552,309.72	\$ 2,599,228
Vanguard Mid Cap Index Fund	\$ 260,012.43	\$ 4,539.18	\$ (1,397.07)	\$ -	\$ 7,499.48	\$ (77.64)	\$ 65,136.93	\$ 335,713
JP Morgan Intrepid Mid Cap	\$ 267,052.16	\$ 5,024.45	\$ (1,365.39)	\$ -	\$ 911.84	\$ (99.95)	\$ 60,628.59	\$ 332,152
Vanguard Small Cap Index Fund	\$ 474,207.35	\$ 7,391.01	\$ (3,946.20)	\$ -	\$ 129,588.17	\$ (116.59)	\$ 129,459.32	\$ 736,583
Voya Small Company Fund	\$ 1,405,007.46	\$ 15,845.31	\$ (7,477.97)	\$ -	\$ 66,696.41	\$ (525.92)	\$ 318,407.42	\$ 1,797,953
Harbor International Fund	\$ 1,432,227.34	\$ 21,065.38	\$ (11,345.01)	\$ -	\$ 4,578.78	\$ (475.59)	\$ 214,464.76	\$ 1,660,516
Vanguard Total Intl Stock Indx	\$ 256,029.32	\$ 6,336.77	\$ (2,792.94)	\$ -	\$ 2,596.47	\$ (111.02)	\$ 47,240.16	\$ 309,299
Invesco Oppenheimer Developing Markets	\$ 168,416.27	\$ 2,916.87	\$ (1,404.13)	\$ -	\$ 1,781.30	\$ (54.92)	\$ 31,033.47	\$ 202,689
Nuveen Real Estate Secur Fund	\$ 149,407.40	\$ 2,732.73	\$ (2,743.52)	\$ -	\$ 4,420.68	\$ (40.76)	\$ 16,679.41	\$ 170,456
American Funds 2010 Retirement	\$ 16,678.94	\$ 254.73	\$ -	\$ -	\$ -	\$ (25.19)	\$ 1,390.50	\$ 18,299
American Funds 2015 Retirement	\$ 262,756.64	\$ 1,192.72	\$ -	\$ -	\$ (256,163.93)	\$ (39.71)	\$ 19,885.33	\$ 27,631
American Funds 2020 Retirement	\$ 1,746,375.14	\$ 17,104.57	\$ -	\$ -	\$ (5,825.40)	\$ (380.98)	\$ 171,435.15	\$ 1,928,708
American Funds 2025 Retirement	\$ 2,716,742.41	\$ 45,757.00	\$ (35,865.21)	\$ -	\$ (15,498.27)	\$ (788.80)	\$ 326,031.70	\$ 3,036,379
American Funds 2030 Retirement	\$ 2,464,616.79	\$ 37,696.50	\$ (12,680.36)	\$ -	\$ (1,062.79)	\$ (827.74)	\$ 342,687.82	\$ 2,830,430
American Funds 2035 Retirement	\$ 2,136,922.48	\$ 43,457.30	\$ (64,454.54)	\$ (407.11)	\$ -	\$ (906.06)	\$ 361,887.29	\$ 2,476,499
American Funds 2040 Retirement	\$ 1,757,089.30	\$ 36,598.21	\$ (27.48)	\$ -	\$ -	\$ (739.60)	\$ 326,030.65	\$ 2,118,951
American Funds 2045 Retirement	\$ 1,938,983.94	\$ 43,044.23	\$ -	\$ -	\$ -	\$ (1,082.58)	\$ 367,237.04	\$ 2,348,183
American Funds 2050 Retirement	\$ 729,495.51	\$ 38,622.49	\$ (12,611.51)	\$ (6,069.70)	\$ 58,050.44	\$ (1,134.72)	\$ 148,798.42	\$ 955,151
American Funds 2055 Retirement	\$ 312,226.79	\$ 22,179.45	\$ -	\$ -	\$ -	\$ (750.00)	\$ 61,159.05	\$ 394,815
American Funds 2060 Retirement	\$ 75,606.04	\$ 9,257.01	\$ -	\$ -	\$ 4.06	\$ (382.44)	\$ 14,947.33	\$ 99,432
<b>Total</b>	<b>\$ 36,186,544</b>	<b>\$ 539,657</b>	<b>\$ (373,461)</b>	<b>\$ (6,477)</b>	<b>\$ -</b>	<b>\$ (13,718)</b>	<b>\$ 4,951,198</b>	<b>\$ 41,283,742</b>

City of Rockville Thrift Plan

**Plan Contributions - 2nd Quarter 2020**



**Plan Contributions - 1st Quarter 2020**

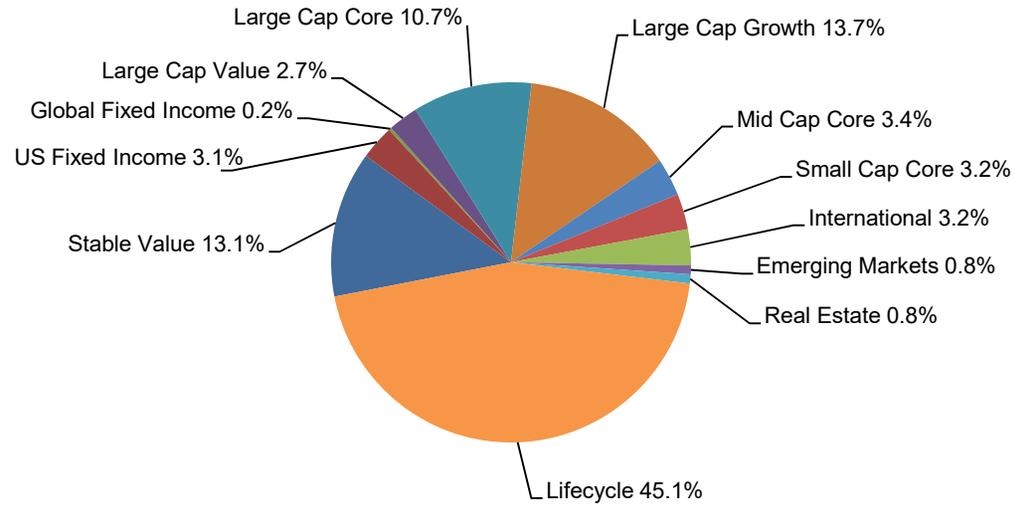


**PLAN ACTIVITY**  
**April 1, 2020 through June 30, 2020**

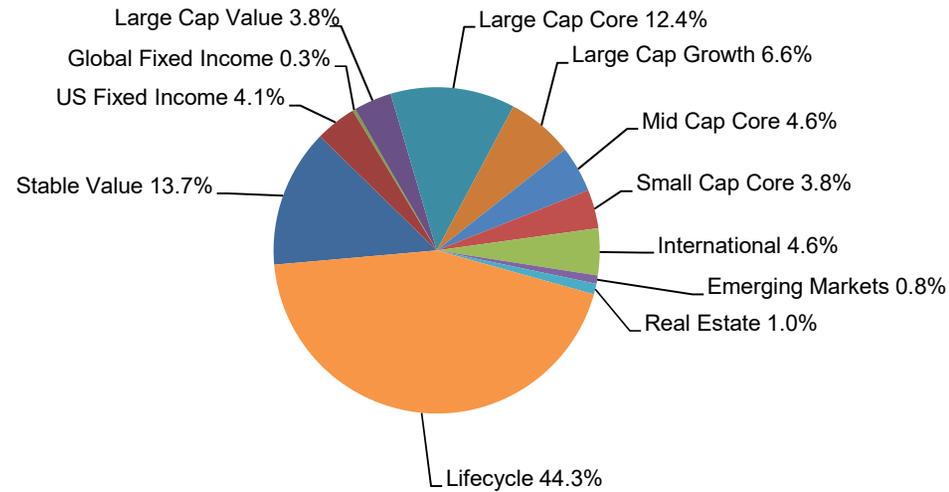
Funds	Beginning Balance April 1, 2020	Contributions	Withdrawals/ Distributions	Net Exchanges	Expenses / Fees	Other Activity	Investment Gains/Losses	Ending Balance June 30, 2020
Diversified SAGIC II	\$ 7,635,516.59	\$ 52,661.03	\$ (20,557.28)	\$ (80,009.65)	\$ (1,033.78)	\$ 0.02	\$ 63,956.39	\$ 7,650,533
Vanguard Total Bond Mkt	\$ 808,096.44	\$ 6,340.26	\$ (1,542.31)	\$ 23,924.14	\$ (173.19)	\$ 0.01	\$ 24,455.31	\$ 861,101
Western Asset Cr Plus Bond	\$ 837,083.30	\$ 6,047.16	\$ -	\$ 110,330.25	\$ (163.47)	\$ -	\$ 59,124.10	\$ 1,012,421
Brandywine Global Intl Opportunities Bond	\$ 46,485.18	\$ 922.49	\$ -	\$ 111.46	\$ (21.88)	\$ -	\$ 5,265.44	\$ 52,763
T. Rowe Price Equity Income	\$ 1,061,752.86	\$ 10,908.44	\$ (40,524.95)	\$ 103,310.58	\$ (245.78)	\$ -	\$ 135,259.07	\$ 1,270,460
Vanguard 500 Index Admiral	\$ 2,243,654.11	\$ 42,970.22	\$ (299.99)	\$ 150,777.48	\$ (593.29)	\$ -	\$ 463,041.24	\$ 2,899,550
Fidelity Contrafund	\$ 4,386,153.06	\$ 54,792.80	\$ (728,727.99)	\$ (95,516.47)	\$ (700.66)	\$ 348,099.75	\$ 1,117,429.43	\$ 5,081,530
Vanguard Mid Cap Index Fund	\$ 476,363.85	\$ 8,175.36	\$ -	\$ (60,601.18)	\$ (161.40)	\$ -	\$ 112,190.22	\$ 535,967
JP Morgan Intrepid Mid Cap	\$ 672,321.48	\$ 5,392.64	\$ (998.58)	\$ 901.00	\$ (164.65)	\$ -	\$ 151,154.84	\$ 828,607
Vanguard Small Cap Index Fund	\$ 264,032.61	\$ 8,583.16	\$ -	\$ (13,222.54)	\$ (88.12)	\$ -	\$ 81,966.14	\$ 341,271
Voya Small Company Fund	\$ 195,242.19	\$ 4,204.08	\$ (296.33)	\$ (7,064.27)	\$ (74.95)	\$ -	\$ 53,466.57	\$ 245,477
Harbor International Fund	\$ 293,828.00	\$ 4,776.14	\$ -	\$ (34,460.51)	\$ (93.08)	\$ -	\$ 40,687.05	\$ 304,738
Vanguard Total Intl Stock Indx	\$ 530,467.89	\$ 8,194.21	\$ (15,807.85)	\$ 41,750.07	\$ (173.72)	\$ -	\$ 90,420.13	\$ 654,851
Invesco Oppenheimer Developing Markets	\$ 68,267.96	\$ 3,117.09	\$ -	\$ 1,096.22	\$ (55.27)	\$ -	\$ 12,818.31	\$ 85,244
Nuveen Real Estate Secur Fund	\$ 114,417.12	\$ 3,336.01	\$ -	\$ 3,439.86	\$ (49.40)	\$ -	\$ 12,652.13	\$ 133,796
American Funds 2010 Retirement	\$ 284,831.26	\$ 299.00	\$ (258,972.20)	\$ (82,881.05)	\$ (63.37)	\$ 129,486.10	\$ 18,375.56	\$ 91,075
American Funds 2015 Retirement	\$ 55,869.14	\$ 3,000.00	\$ -	\$ -	\$ (99.99)	\$ -	\$ 5,118.19	\$ 63,887
American Funds 2020 Retirement	\$ 1,472,623.17	\$ 17,434.50	\$ (27,991.17)	\$ (58,833.40)	\$ (248.23)	\$ -	\$ 140,787.82	\$ 1,543,773
American Funds 2025 Retirement	\$ 1,818,335.78	\$ 42,389.35	\$ (18,102.42)	\$ (3,051.99)	\$ (599.18)	\$ -	\$ 220,029.31	\$ 2,059,001
American Funds 2030 Retirement	\$ 594,398.39	\$ 14,509.68	\$ -	\$ -	\$ (296.31)	\$ -	\$ 82,808.93	\$ 691,421
American Funds 2035 Retirement	\$ 969,865.71	\$ 26,479.07	\$ -	\$ -	\$ (374.89)	\$ -	\$ 167,777.86	\$ 1,163,748
American Funds 2040 Retirement	\$ 849,922.10	\$ 18,110.00	\$ -	\$ -	\$ (372.30)	\$ -	\$ 157,735.55	\$ 1,025,395
American Funds 2045 Retirement	\$ 438,382.54	\$ 40,150.16	\$ (30,342.80)	\$ -	\$ (446.12)	\$ -	\$ 85,602.46	\$ 533,346
American Funds 2050 Retirement	\$ 252,782.25	\$ 8,630.00	\$ -	\$ -	\$ (270.16)	\$ -	\$ 49,072.47	\$ 310,215
American Funds 2055 Retirement	\$ 47,508.96	\$ 6,620.00	\$ -	\$ -	\$ (157.50)	\$ -	\$ 9,465.73	\$ 63,437
American Funds 2060 Retirement	\$ 1,201,971.73	\$ 3,150.00	\$ -	\$ -	\$ (318.57)	\$ -	\$ 230,061.82	\$ 1,434,865
<b>Total</b>	<b>\$ 27,620,174</b>	<b>\$ 401,193</b>	<b>\$ (1,144,164)</b>	<b>\$ -</b>	<b>\$ (7,039)</b>	<b>\$ 477,586</b>	<b>\$ 3,590,722</b>	<b>\$ 30,938,471</b>

City of Rockville 457(b) Plan

Plan Contributions - 2nd Quarter 2020



Plan Contributions - 1st Quarter 2020



City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)					Expense Ratio
					1 Year	3 Years	5 Years	10 Years		
City of Rockville	72,222	100.00								
Stable Value	13,829	19.15								
Diversified SAGIC II	13,829	19.15	0.88	1.69	3.55					
Hueler Stable Value			0.57	1.18	2.46					
Excess Return			0.31	0.51	1.09					
Fixed Income	5,102	7.06								
Vanguard Total Bond Market Index Adm	1,545	2.14	2.98	6.35	8.96	5.34	4.31	3.78	0.05	
Blmbg. Barc. U.S. Aggregate			2.90	6.14	8.74	5.32	4.30	3.82		
Excess Return			0.08	0.21	0.22	0.02	0.01	-0.04		
IM U.S. Broad Market Core Fixed Income (MF) Median			4.97	5.56	8.07	4.91	4.05	3.83		
IM U.S. Broad Market Core Fixed Income (MF) Rank			88	24	22	23	29	54		
Western Asset Core Plus Bond	3,408	4.72	6.59	4.21	8.15	5.61	5.48	5.31	0.42	
Blmbg. Barc. U.S. Aggregate			2.90	6.14	8.74	5.32	4.30	3.82		
Excess Return			3.69	-1.93	-0.59	0.29	1.18	1.49		
IM U.S. Fixed Income All Taxable (MF) Median			4.64	0.94	2.62	2.65	2.75	2.96		
IM U.S. Fixed Income All Taxable (MF) Rank			33	27	16	7	5	15		
Brandywine Global International Opps Bond	149	0.21	11.32	-4.80	-2.72	-0.44	1.30	2.87	0.66	
FTSE Non-U.S. World Government Bond			2.98	1.04	0.86	2.87	3.32	1.81		
Excess Return			8.34	-5.84	-3.58	-3.31	-2.02	1.06		
IM International Fixed Income (MF) Median			4.16	-0.99	-0.79	1.20	1.60	2.34		
IM International Fixed Income (MF) Rank			9	87	71	75	53	29		

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)				Expense Ratio
					1 Year	3 Years	5 Years	10 Years	
<b>Balanced</b>	37	0.05							
Principal Diversified Real Asset R6	37	0.05	11.21	-10.48	-6.64	0.13	-0.34	N/A	0.78
<i>Principal Diversified Real Asset Custom Index</i>			9.43	-9.37	-5.70	1.08	0.91	4.08	
Excess Return			1.78	-1.11	-0.94	-0.95	-1.25	N/A	
IM Global Balanced/TAA (SA+CF+MF) Median			N/A	N/A	N/A	N/A	N/A	N/A	
IM Global Balanced/TAA (SA+CF+MF) Rank			N/A	N/A	N/A	N/A	N/A	N/A	
<b>Domestic Equity</b>	24,517	33.95							
T. Rowe Price Equity Income	3,320	4.60	13.37	-18.74	-11.11	0.96	N/A	N/A	0.54
<i>Russell 1000 Value Index</i>			14.29	-16.26	-8.84	1.82	4.64	10.41	
Excess Return			-0.92	-2.48	-2.27	-0.86	N/A	N/A	
IM U.S. Large Cap Value Equity (MF) Median			15.42	-15.32	-7.67	2.13	4.28	9.72	
IM U.S. Large Cap Value Equity (MF) Rank			83	86	86	72	N/A	N/A	
Vanguard 500 Index Admiral	8,363	11.58	20.54	-3.10	7.47	10.69	10.69	13.95	0.04
<i>S&amp;P 500</i>			20.54	-3.08	7.51	10.73	10.73	13.99	
Excess Return			0.00	-0.02	-0.04	-0.04	-0.04	-0.04	
IM U.S. Large Cap Core Equity (MF) Median			19.44	-4.04	5.68	9.04	9.02	12.51	
IM U.S. Large Cap Core Equity (MF) Rank			37	42	30	26	14	13	
Fidelity Contrafund	7,681	10.63	26.87	9.56	17.91	16.42	14.05	15.57	0.85
<i>Russell 1000 Growth Index</i>			27.84	9.81	23.28	18.99	15.89	17.23	
Excess Return			-0.97	-0.25	-5.37	-2.57	-1.84	-1.66	
IM U.S. Large Cap Growth Equity (MF) Median			27.69	10.21	21.05	18.03	14.47	15.98	
IM U.S. Large Cap Growth Equity (MF) Rank			61	61	75	70	59	62	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	Performance (%)							Expense Ratio
			1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years		
Vanguard MidCap Index Admiral	872	1.21	24.96	-7.18	-0.20	6.45	6.99	12.47	0.05	
<i>Vanguard MidCap Policy Index</i>			24.97	-7.20	-0.20	6.47	7.01	12.54		
Excess Return			-0.01	0.02	0.00	-0.02	-0.02	-0.07		
IM U.S. Mid Cap Core Equity (MF) Median			20.77	-12.42	-6.15	2.34	3.60	9.53		
IM U.S. Mid Cap Core Equity (MF) Rank			22	15	16	12	13	5		
JPMorgan Intrepid Mid Cap Select	1,161	1.61	22.42	-12.42	-4.35	2.50	3.91	10.77	0.89	
<i>Russell Midcap Index</i>			24.61	-9.13	-2.24	5.79	6.76	12.35		
Excess Return			-2.19	-3.29	-2.11	-3.29	-2.85	-1.58		
IM U.S. Mid Cap Core Equity (MF) Median			20.77	-12.42	-6.15	2.34	3.60	9.53		
IM U.S. Mid Cap Core Equity (MF) Rank			38	51	36	47	44	24		
Vanguard Small Cap Index Adm	1,078	1.49	26.66	-11.42	-5.60	3.99	5.40	11.59	0.05	
<i>Vanguard Small Cap Policy Index</i>			26.66	-11.44	-5.65	3.98	5.38	11.57		
Excess Return			0.00	0.02	0.05	0.01	0.02	0.02		
IM U.S. Small Cap Core Equity (MF) Median			22.39	-17.68	-11.79	-0.91	2.33	9.00		
IM U.S. Small Cap Core Equity (MF) Rank			20	14	15	6	7	4		
Voya Small Company R6	2,043	2.83	22.50	-16.92	-10.69	-1.79	2.57	N/A	0.97	
<i>Russell 2000 Index</i>			25.42	-12.98	-6.63	2.01	4.29	10.50		
Excess Return			-2.92	-3.94	-4.06	-3.80	-1.72	N/A		
IM U.S. Small Cap Core Equity (MF) Median			22.39	-17.68	-11.79	-0.91	2.33	9.00		
IM U.S. Small Cap Core Equity (MF) Rank			49	44	40	59	46	N/A		

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)					Expense Ratio
					1 Year	3 Years	5 Years	10 Years		
<b>International Equity</b>	<b>3,217</b>	<b>4.45</b>								
<b>Harbor International Instl</b>	<b>1,965</b>	<b>2.72</b>	<b>14.87</b>	<b>-13.67</b>	<b>-6.31</b>	<b>-2.79</b>	<b>-0.87</b>	<b>4.32</b>	<b>0.77</b>	
<i>MSCI AC World ex USA (Net)</i>			16.12	-11.00	-4.80	1.13	2.26	4.97		
Excess Return			-1.25	-2.67	-1.51	-3.92	-3.13	-0.65		
IM International Large Cap Core Equity (MF) Median			16.72	-11.22	-5.77	-0.28	0.59	4.69		
IM International Large Cap Core Equity (MF) Rank			89	71	62	84	72	62		
<b>Vanguard Total International Stock Adm</b>	<b>964</b>	<b>1.33</b>	18.11	-10.59	-4.09	1.09	2.42	N/A	0.11	
<i>FTSE Global ex USA All Cap Index (USD)</i>			17.15	-10.91	-4.16	1.39	2.71	5.60		
Excess Return			0.96	0.32	0.07	-0.30	-0.29	N/A		
IM International Equity Income (MF) Median			13.83	-14.23	-8.18	-1.72	0.30	3.97		
IM International Equity Income (MF) Rank			10	19	20	27	9	N/A		
<b>Invesco Oppenheimer Developing Markets I</b>	<b>288</b>	<b>0.40</b>	18.27	-8.71	-1.69	4.52	4.78	N/A	0.83	
<i>MSCI Emerging Markets Index</i>			18.18	-9.67	-3.05	2.27	3.24	3.63		
Excess Return			0.09	0.96	1.36	2.25	1.54	N/A		
IM Emerging Markets Equity (MF) Median			20.27	-9.44	-3.04	1.15	2.57	3.16		
IM Emerging Markets Equity (MF) Rank			73	45	42	20	23	N/A		
<b>Sector</b>	<b>304</b>	<b>0.42</b>								
<b>Nuveen Real Estate Securities R6</b>	<b>304</b>	<b>0.42</b>	10.70	-14.74	-9.47	1.46	4.85	N/A	0.93	
<i>Wilshire US REIT Index</i>			10.56	-17.77	-12.30	0.23	3.98	9.22		
Excess Return			0.14	3.03	2.83	1.23	0.87	N/A		
IM Real Estate Sector (MF) Median			11.87	-14.35	-8.09	1.88	4.63	8.98		
IM Real Estate Sector (MF) Rank			68	57	63	58	43	N/A		

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)				Expense Ratio
					1 Year	3 Years	5 Years	10 Years	
<b>Target Date</b>	<b>25,215</b>	<b>34.91</b>							
American Funds 2010 Target Date	109	0.15	8.31	-0.09	4.58	5.17	5.39	7.22	0.31
AF 2010 Custom Index			9.41	1.62	7.13	6.70	6.18	7.46	
Excess Return			-1.10	-1.71	-2.55	-1.53	-0.79	-0.24	
IM Mixed-Asset Target 2010 (MF) Median			9.07	0.03	4.54	5.01	4.85	6.52	
IM Mixed-Asset Target 2010 (MF) Rank			62	57	47	34	10	7	
American Funds 2015 Target Date	92	0.13	9.03	-0.42	4.66	5.45	5.63	7.79	0.31
AF 2015 Custom Index			10.06	1.18	6.97	6.80	6.33	8.00	
Excess Return			-1.03	-1.60	-2.31	-1.35	-0.70	-0.21	
IM Mixed-Asset Target 2015 (MF) Median			10.11	-0.68	4.32	5.14	5.02	7.14	
IM Mixed-Asset Target 2015 (MF) Rank			77	35	36	31	10	9	
American Funds 2020 Target Date	3,472	4.81	9.79	0.08	5.35	6.05	6.11	8.62	0.31
AF 2020 Custom Index			10.42	1.00	6.95	6.96	6.53	8.58	
Excess Return			-0.63	-0.92	-1.60	-0.91	-0.42	0.04	
IM Mixed-Asset Target 2020 (MF) Median			10.27	-1.07	4.14	5.12	5.00	7.29	
IM Mixed-Asset Target 2020 (MF) Rank			58	21	11	11	4	2	
American Funds 2025 Target Date	5,095	7.06	12.07	0.57	6.71	7.04	6.89	9.83	0.33
AF 2025 Custom Index			11.97	-0.34	6.18	7.06	6.77	9.33	
Excess Return			0.10	0.91	0.53	-0.02	0.12	0.50	
IM Mixed-Asset Target 2025 (MF) Median			11.97	-1.86	3.95	5.49	5.44	8.08	
IM Mixed-Asset Target 2025 (MF) Rank			47	9	2	2	1	1	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)				Expense Ratio
					1 Year	3 Years	5 Years	10 Years	
American Funds 2030 Target Date	3,522	4.88	13.83	-0.46	6.31	7.52	7.41	10.53	0.35
AF 2030 Custom Index			13.39	-1.52	5.52	7.23	7.05	9.71	
Excess Return			0.44	1.06	0.79	0.29	0.36	0.82	
IM Mixed-Asset Target 2030 (MF) Median			13.74	-2.93	3.71	5.69	5.74	8.43	
IM Mixed-Asset Target 2030 (MF) Rank			47	9	4	3	1	1	
American Funds 2035 Target Date	3,640	5.04	17.15	-1.20	6.71	8.23	8.07	10.95	0.37
AF 2035 Custom Index			15.78	-3.55	4.30	7.13	7.25	9.86	
Excess Return			1.37	2.35	2.41	1.10	0.82	1.09	
IM Mixed-Asset Target 2035 (MF) Median			15.75	-3.61	3.19	5.91	5.98	8.87	
IM Mixed-Asset Target 2035 (MF) Rank			21	8	3	3	1	1	
American Funds 2040 Target Date	3,144	4.35	18.44	-1.72	6.53	8.38	8.24	11.11	0.38
AF 2040 Custom Index			16.60	-4.21	3.92	7.05	7.25	9.91	
Excess Return			1.84	2.49	2.61	1.33	0.99	1.20	
IM Mixed-Asset Target 2040 (MF) Median			17.15	-4.55	2.61	5.80	6.03	9.03	
IM Mixed-Asset Target 2040 (MF) Rank			24	3	2	3	1	1	
American Funds 2045 Target Date	2,882	3.99	18.82	-1.75	6.56	8.50	8.37	11.19	0.38
AF 2045 Custom Index			16.78	-4.31	3.89	7.10	7.30	9.94	
Excess Return			2.04	2.56	2.67	1.40	1.07	1.25	
IM Mixed-Asset Target 2045 (MF) Median			18.24	-5.46	2.17	5.76	6.11	9.26	
IM Mixed-Asset Target 2045 (MF) Rank			26	2	2	3	1	1	
American Funds 2050 Target Date	1,265	1.75	19.23	-1.78	6.67	8.63	8.47	11.24	0.39
AF 2050 Custom Index			16.96	-4.41	3.86	7.14	7.36	9.97	
Excess Return			2.27	2.63	2.81	1.49	1.11	1.27	
IM Mixed-Asset Target 2050 (MF) Median			18.48	-5.64	1.81	5.65	6.10	9.30	
IM Mixed-Asset Target 2050 (MF) Rank			24	3	2	3	1	1	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	1 Quarter	Year To Date	Performance (%)				Expense Ratio
					1 Year	3 Years	5 Years	10 Years	
American Funds 2055 Target Date	458	0.63	19.21	-1.76	6.73	8.62	8.47	11.24	0.40
<i>AF 2055 Custom Index</i>			16.96	-4.41	3.86	7.14	7.36	9.97	
Excess Return			2.25	2.65	2.87	1.48	1.11	1.27	
IM Mixed-Asset Target 2055 (MF) Median			18.68	-5.78	1.77	5.76	6.14	9.60	
IM Mixed-Asset Target 2055 (MF) Rank			27	2	2	2	1	1	
American Funds 2060 Target Date	1,534	2.12	19.13	-1.76	6.66	8.59	8.45	N/A	0.41
<i>AF 2060 Custom Index</i>			16.96	-4.41	3.86	7.14	7.36	N/A	
Excess Return			2.17	2.65	2.80	1.45	1.09	N/A	
IM Mixed-Asset Target 2060+ (MF) Median			18.80	-6.04	1.76	5.87	6.74	N/A	
IM Mixed-Asset Target 2060+ (MF) Rank			33	2	2	3	1	N/A	

Funds Highlighted in Red are on the watch list.

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	2019	2018	2017	Performance (%)					Expense Ratio
			2016	2015	2014	2013	2012				
City of Rockville	72,222	100.00									
Stable Value	13,829	19.15									
Diversified SAGIC II	13,829	19.15									
Hueler Stable Value Excess Return			2.52	2.26	1.95	1.78	1.76	1.69	1.83	2.26	
Fixed Income	5,102	7.06									
Vanguard Total Bond Market Index Adm	1,545	2.14	8.71	-0.03	3.56	2.60	0.40	5.89	-2.14	4.15	0.05
Blmbg. Barc. U.S. Aggregate			8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	
Excess Return			-0.01	-0.04	0.02	-0.05	-0.15	-0.08	-0.12	-0.06	
IM U.S. Broad Market Core Fixed Income (MF) Median			8.76	-0.63	3.59	2.86	0.09	5.55	-1.98	5.99	
IM U.S. Broad Market Core Fixed Income (MF) Rank			53	20	53	63	31	31	58	82	
Western Asset Core Plus Bond	3,408	4.72	12.32	-1.47	6.99	4.73	1.32	7.75	-0.98	8.57	0.42
Blmbg. Barc. U.S. Aggregate			8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	
Excess Return			3.60	-1.48	3.45	2.08	0.77	1.78	1.04	4.36	
IM U.S. Fixed Income All Taxable (MF) Median			7.26	-0.10	2.98	2.85	0.00	1.45	0.01	4.39	
IM U.S. Fixed Income All Taxable (MF) Rank			17	72	11	35	6	4	68	27	
Brandywine Global International Opps Bond	149	0.21	6.87	-5.44	13.14	3.78	-9.80	4.53	-3.04	15.61	0.66
FTSE Non-U.S. World Government Bond			5.32	-1.82	10.33	1.81	-5.54	-2.68	-4.56	1.50	
Excess Return			1.55	-3.62	2.81	1.97	-4.26	7.21	1.52	14.11	
IM International Fixed Income (MF) Median			6.60	-2.68	9.80	3.34	-5.82	0.63	-3.74	7.43	
IM International Fixed Income (MF) Rank			41	82	5	43	88	18	37	8	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	2019	2018	2017	Performance (%)		2014	2013	2012	Expense Ratio
						2016	2015				
<b>Balanced</b>	<b>37</b>	<b>0.05</b>									
Principal Diversified Real Asset R6	37	0.05	15.07	-7.84	10.24	5.86	-12.36				0.78
<i>Principal Diversified Real Asset Custom Index</i>			15.54	-6.94	9.84	9.94	-12.54	3.37	4.99	8.68	
Excess Return			-0.47	-0.90	0.40	-4.08	0.18				
IM Global Balanced/TAA (SA+CF+MF) Median			19.90	-5.92	15.75	8.20	-0.57	6.60	14.86	12.48	
IM Global Balanced/TAA (SA+CF+MF) Rank			74	79	80	75	99				
<b>Domestic Equity</b>	<b>24,517</b>	<b>33.95</b>									
T. Rowe Price Equity Income	3,320	4.60	26.69	-9.21	16.31	19.40					0.54
<i>Russell 1000 Value Index</i>			26.54	-8.27	13.66	17.34	-3.83	13.45	32.53	17.51	
Excess Return			0.15	-0.94	2.65	2.06					
IM U.S. Large Cap Value Equity (MF) Median			26.07	-9.08	16.29	13.82	-3.54	10.81	32.30	15.84	
IM U.S. Large Cap Value Equity (MF) Rank			44	54	50	11					
Vanguard 500 Index Admiral	8,363	11.58	31.46	-4.43	21.79	11.93	1.36	13.64	32.33	15.96	0.04
<i>S&amp;P 500</i>			31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	
Excess Return			-0.03	-0.05	-0.04	-0.03	-0.02	-0.05	-0.06	-0.04	
IM U.S. Large Cap Core Equity (MF) Median			29.68	-5.61	21.17	10.07	0.26	11.41	31.77	15.28	
IM U.S. Large Cap Core Equity (MF) Rank			30	31	39	27	33	17	40	39	
Fidelity Contrafund	7,681	10.63	29.98	-2.13	32.21	3.35	6.46	9.56	34.15	16.24	0.85
<i>Russell 1000 Growth Index</i>			36.39	-1.51	30.21	7.08	5.67	13.05	33.48	15.26	
Excess Return			-6.41	-0.62	2.00	-3.73	0.79	-3.49	0.67	0.98	
IM U.S. Large Cap Growth Equity (MF) Median			33.38	-0.87	29.46	2.18	6.01	10.47	33.94	14.81	
IM U.S. Large Cap Growth Equity (MF) Rank			82	66	24	38	44	61	48	36	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	Performance (%)								Expense Ratio
			2019	2018	2017	2016	2015	2014	2013	2012	
Vanguard MidCap Index Admiral	872	1.21	31.03	-9.23	19.25	11.22	-1.34	13.76	35.15	15.99	0.05
<i>Vanguard MidCap Policy Index</i>			31.09	-9.22	19.30	11.25	-1.28	13.83	35.45	16.05	
Excess Return			-0.06	-0.01	-0.05	-0.03	-0.06	-0.07	-0.30	-0.06	
IM U.S. Mid Cap Core Equity (MF) Median			28.08	-11.52	15.44	14.23	-3.40	8.91	35.08	15.84	
IM U.S. Mid Cap Core Equity (MF) Rank			20	23	19	75	24	11	49	49	
JPMorgan Intrepid Mid Cap Select	1,161	1.61	26.12	-11.62	16.96	12.12	-5.90	15.62	40.34	16.18	0.89
<i>Russell Midcap Index</i>			30.54	-9.06	18.52	13.80	-2.44	13.22	34.76	17.28	
Excess Return			-4.42	-2.56	-1.56	-1.68	-3.46	2.40	5.58	-1.10	
IM U.S. Mid Cap Core Equity (MF) Median			28.08	-11.52	15.44	14.23	-3.40	8.91	35.08	15.84	
IM U.S. Mid Cap Core Equity (MF) Rank			71	53	37	67	76	2	12	46	
Vanguard Small Cap Index Adm	1,078	1.49	27.37	-9.31	16.24	18.30	-3.64	7.50	37.81	18.24	0.05
<i>Vanguard Small Cap Policy Index</i>			27.35	-9.33	16.24	18.26	-3.68	7.54	37.83	18.22	
Excess Return			0.02	0.02	0.00	0.04	0.04	-0.04	-0.02	0.02	
IM U.S. Small Cap Core Equity (MF) Median			23.87	-12.68	12.38	21.34	-4.34	4.65	36.88	14.57	
IM U.S. Small Cap Core Equity (MF) Rank			16	18	13	78	41	13	43	18	
Voya Small Company R6	2,043	2.83	26.07	-16.03	11.15	24.04	-1.33	6.19			0.97
<i>Russell 2000 Index</i>			25.53	-11.01	14.65	21.31	-4.41	4.89	38.82	16.35	
Excess Return			0.54	-5.02	-3.50	2.73	3.08	1.30			
IM U.S. Small Cap Core Equity (MF) Median			23.87	-12.68	12.38	21.34	-4.34	4.65	36.88	14.57	
IM U.S. Small Cap Core Equity (MF) Rank			26	78	63	31	15	28			

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	2019	2018	2017	Performance (%)		2014	2013	2012	Expense Ratio
						2016	2015				
<b>International Equity</b>	<b>3,217</b>	<b>4.45</b>									
<b>Harbor International Instl</b>	<b>1,965</b>	<b>2.72</b>	<b>22.52</b>	<b>-17.96</b>	<b>22.90</b>	<b>0.25</b>	<b>-3.82</b>	<b>-6.81</b>	<b>16.84</b>	<b>20.87</b>	<b>0.77</b>
<i>MSCI AC World ex USA (Net)</i>			21.51	-14.20	27.19	4.50	-5.66	-3.87	15.29	16.83	
Excess Return			1.01	-3.76	-4.29	-4.25	1.84	-2.94	1.55	4.04	
IM International Large Cap Core Equity (MF) Median			22.06	-15.69	24.43	1.27	-2.75	-5.87	20.29	18.55	
IM International Large Cap Core Equity (MF) Rank			48	79	80	62	68	80	69	26	
<b>Vanguard Total International Stock Adm</b>	<b>964</b>	<b>1.33</b>	21.51	-14.43	27.55	4.67	-4.26	-4.17	15.14	18.21	0.11
<i>FTSE Global ex USA All Cap Index (USD)</i>			22.19	-14.36	27.77	5.04	-4.03	-3.12	15.90	17.92	
Excess Return			-0.68	-0.07	-0.22	-0.37	-0.23	-1.05	-0.76	0.29	
IM International Equity Income (MF) Median			19.89	-12.69	22.24	3.14	-5.59	-4.92	14.68	16.37	
IM International Equity Income (MF) Rank			32	69	24	45	44	41	48	34	
<b>Invesco Oppenheimer Developing Markets I</b>	<b>288</b>	<b>0.40</b>	24.53	-11.79	35.33	7.38	-13.67	-4.39	8.85	21.43	0.83
<i>MSCI Emerging Markets Index</i>			18.90	-14.25	37.75	11.60	-14.60	-1.82	-2.27	18.64	
Excess Return			5.63	2.46	-2.42	-4.22	0.93	-2.57	11.12	2.79	
IM Emerging Markets Equity (MF) Median			20.08	-16.40	35.37	8.35	-13.66	-2.92	-1.42	18.78	
IM Emerging Markets Equity (MF) Rank			26	11	51	55	51	69	15	20	
<b>Sector</b>	<b>304</b>	<b>0.42</b>									
<b>Nuveen Real Estate Securities R6</b>	<b>304</b>	<b>0.42</b>	25.74	-5.39	5.78	7.05	3.60	31.51			0.93
<i>Wilshire US REIT Index</i>			25.76	-4.84	4.18	7.24	4.23	31.78	1.86	17.59	
Excess Return			-0.02	-0.55	1.60	-0.19	-0.63	-0.27			
IM Real Estate Sector (MF) Median			27.38	-5.75	5.20	6.17	2.91	29.43	1.64	16.89	
IM Real Estate Sector (MF) Rank			64	44	41	34	31	13			

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	2019	2018	2017	Performance (%)		2014	2013	2012	Expense Ratio
						2016	2015				
<b>Target Date</b>	<b>25,215</b>	<b>34.91</b>									
American Funds 2010 Target Date	109	0.15	13.88	-2.49	10.41	7.45	-0.84	6.79	12.55	10.51	0.31
AF 2010 Custom Index			16.64	-2.85	11.73	5.82	0.10	7.21	11.05	9.96	
Excess Return			-2.76	0.36	-1.32	1.63	-0.94	-0.42	1.50	0.55	
IM Mixed-Asset Target 2010 (MF) Median			14.19	-3.58	10.24	6.06	-1.20	4.11	8.67	9.78	
IM Mixed-Asset Target 2010 (MF) Rank			57	9	41	3	27	1	1	35	
American Funds 2015 Target Date	92	0.13	14.94	-2.72	11.19	7.55	-0.62	6.64	15.72	11.58	0.31
AF 2015 Custom Index			17.45	-3.16	12.33	6.00	0.18	7.33	13.66	11.20	
Excess Return			-2.51	0.44	-1.14	1.55	-0.80	-0.69	2.06	0.38	
IM Mixed-Asset Target 2015 (MF) Median			15.31	-3.90	11.40	6.40	-1.29	4.47	10.42	10.81	
IM Mixed-Asset Target 2015 (MF) Rank			61	5	54	8	17	3	1	34	
American Funds 2020 Target Date	3,472	4.81	15.59	-2.69	12.87	7.05	0.19	6.74	18.71	12.98	0.31
AF 2020 Custom Index			17.98	-3.43	13.48	6.38	-0.01	7.18	16.48	12.42	
Excess Return			-2.39	0.74	-0.61	0.67	0.20	-0.44	2.23	0.56	
IM Mixed-Asset Target 2020 (MF) Median			15.97	-4.52	12.69	6.36	-1.44	4.72	11.84	11.53	
IM Mixed-Asset Target 2020 (MF) Rank			58	4	46	28	2	3	1	28	
American Funds 2025 Target Date	5,095	7.06	17.85	-3.47	15.33	7.36	0.13	6.66	23.76	15.58	0.33
AF 2025 Custom Index			19.89	-4.35	15.53	7.00	-0.27	7.20	20.30	14.14	
Excess Return			-2.04	0.88	-0.20	0.36	0.40	-0.54	3.46	1.44	
IM Mixed-Asset Target 2025 (MF) Median			18.18	-5.23	14.95	6.87	-1.37	5.19	15.85	13.00	
IM Mixed-Asset Target 2025 (MF) Rank			57	7	38	31	3	11	1	5	
American Funds 2030 Target Date	3,522	4.88	20.06	-4.16	18.40	7.71	0.47	7.06	25.64	16.49	0.35
AF 2030 Custom Index			21.67	-5.22	18.05	7.64	-0.78	6.94	21.77	14.74	
Excess Return			-1.61	1.06	0.35	0.07	1.25	0.12	3.87	1.75	
IM Mixed-Asset Target 2030 (MF) Median			20.08	-6.32	16.92	7.30	-1.47	5.18	17.87	13.71	
IM Mixed-Asset Target 2030 (MF) Rank			52	5	11	38	1	7	1	5	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value (\$000)	%	Performance (%)								Expense Ratio
			2019	2018	2017	2016	2015	2014	2013	2012	
American Funds 2035 Target Date	3,640	5.04	23.29	-5.14	21.04	8.00	0.59	7.02	25.97	16.64	0.37
AF 2035 Custom Index			24.08	-6.31	20.16	8.24	-0.78	6.98	21.97	14.87	
Excess Return			-0.79	1.17	0.88	-0.24	1.37	0.04	4.00	1.77	
IM Mixed-Asset Target 2035 (MF) Median			22.26	-7.26	18.72	7.75	-1.53	5.40	20.78	14.75	
IM Mixed-Asset Target 2035 (MF) Rank			22	4	3	44	1	11	1	9	
American Funds 2040 Target Date	3,144	4.35	24.40	-5.52	21.98	8.17	0.58	6.96	26.66	16.71	0.38
AF 2040 Custom Index			25.03	-6.85	20.80	8.35	-0.86	6.89	22.33	14.98	
Excess Return			-0.63	1.33	1.18	-0.18	1.44	0.07	4.33	1.73	
IM Mixed-Asset Target 2040 (MF) Median			23.63	-7.98	19.74	7.95	-1.66	5.38	21.61	14.92	
IM Mixed-Asset Target 2040 (MF) Rank			30	3	4	41	1	15	2	10	
American Funds 2045 Target Date	2,882	3.99	24.68	-5.58	22.44	8.27	0.64	7.09	26.51	16.80	0.38
AF 2045 Custom Index			25.26	-6.90	21.00	8.45	-0.87	6.94	22.33	14.98	
Excess Return			-0.58	1.32	1.44	-0.18	1.51	0.15	4.18	1.82	
IM Mixed-Asset Target 2045 (MF) Median			24.61	-8.19	20.65	8.15	-1.65	5.55	23.07	15.47	
IM Mixed-Asset Target 2045 (MF) Rank			48	3	6	47	1	14	2	13	
American Funds 2050 Target Date	1,265	1.75	25.04	-5.61	22.61	8.33	0.65	7.02	26.65	16.72	0.39
AF 2050 Custom Index			25.49	-6.95	21.19	8.53	-0.87	6.94	22.33	14.98	
Excess Return			-0.45	1.34	1.42	-0.20	1.52	0.08	4.32	1.74	
IM Mixed-Asset Target 2050 (MF) Median			24.67	-8.54	20.80	8.10	-1.63	5.61	23.08	15.47	
IM Mixed-Asset Target 2050 (MF) Rank			38	2	6	44	1	18	1	17	
American Funds 2055 Target Date	458	0.63	25.09	-5.65	22.63	8.30	0.63	7.01	26.59	16.76	0.40
AF 2055 Custom Index			25.49	-6.95	21.19	8.53	-0.87	6.94	22.33	14.98	
Excess Return			-0.40	1.30	1.44	-0.23	1.50	0.07	4.26	1.78	
IM Mixed-Asset Target 2055 (MF) Median			24.85	-8.48	21.12	8.25	-1.67	5.43	23.21	15.58	
IM Mixed-Asset Target 2055 (MF) Rank			41	3	5	48	1	22	1	18	

City of Rockville DC

Comparative Performance

As of June 30, 2020

	Market Value		Performance (%)								
	(\$000)	%	2019	2018	2017	2016	2015	2014	2013	2012	Expense Ratio
American Funds 2060 Target Date	1,534	2.12	25.01	-5.64	22.49	8.41					0.41
AF 2060 Custom Index			25.49	-6.95	21.19	8.53					
Excess Return			-0.48	1.31	1.30	-0.12					
IM Mixed-Asset Target 2060+ (MF) Median			25.08	-8.66	21.30	7.86	-1.01				
IM Mixed-Asset Target 2060+ (MF) Rank			55	2	13	33					

Funds Highlighted in Red are on the watch list.

City of Rockville Retiree Benefit Trust

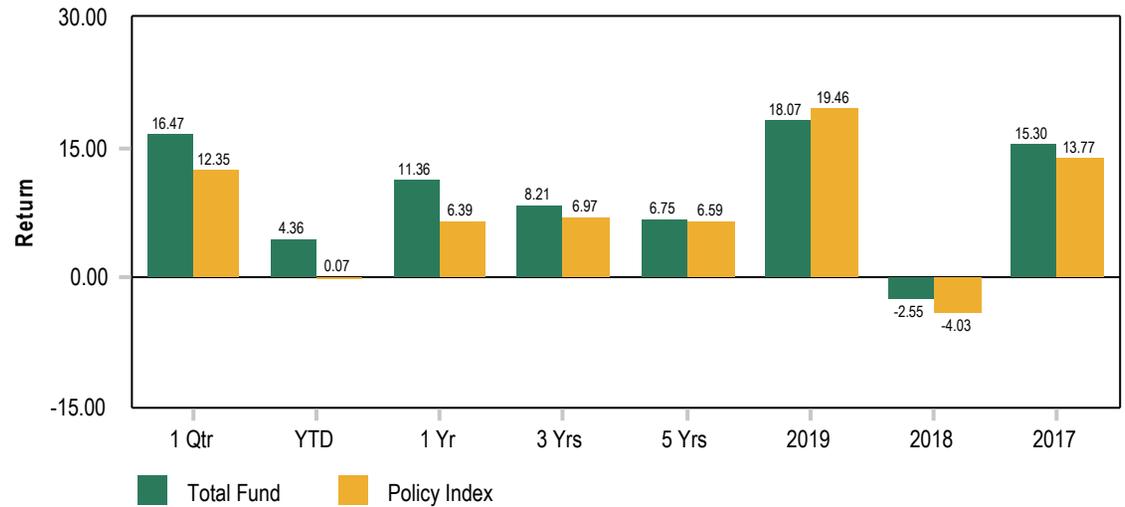
Total Fund

As of June 30, 2020

Asset Allocation by Segment

Segments	Market Value (\$)	Allocation (%)
Global Equity	5,760,544	55.79
Domestic Fixed Income	4,564,625	44.21

Performance Bar Chart



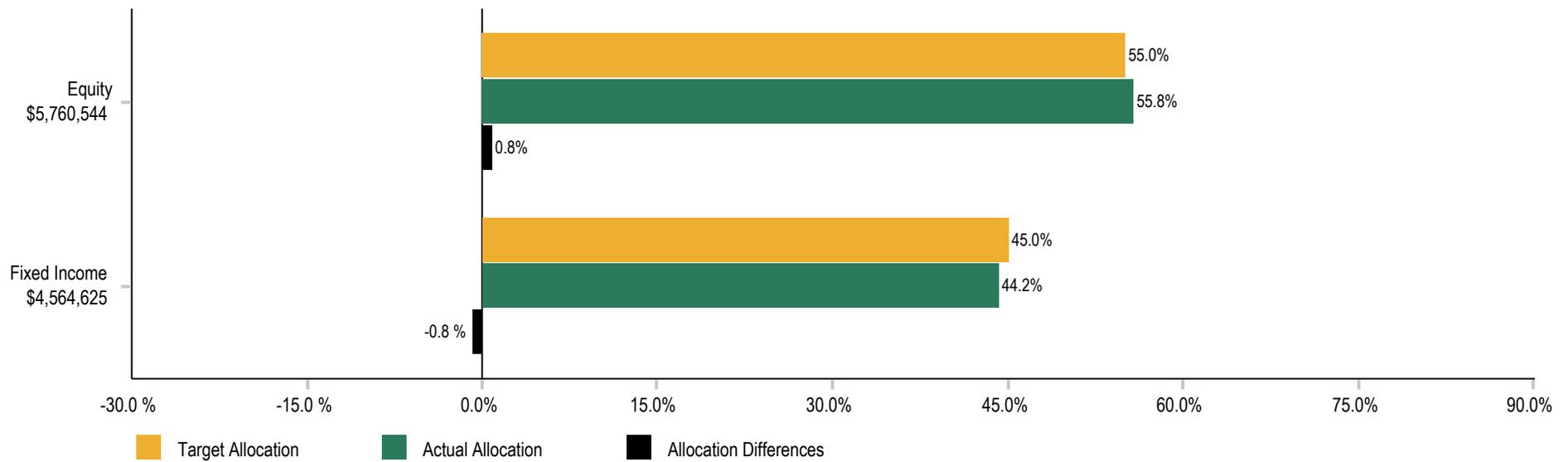
Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund					
Beginning Market Value	8,866,370	9,915,186	8,824,068	7,038,912	5,704,600
Net Cash Flows	-1,250	-21,790	447,874	1,191,720	1,874,318
Income	30,847	65,654	121,611	401,269	660,795
Gain/Loss	1,429,201	366,119	931,615	1,693,267	2,085,455
Ending Market Value	10,325,168	10,325,168	10,325,168	10,325,168	10,325,168

City of Rockville Retiree Benefit Trust

Total Fund

As of June 30, 2020



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Equity	5,760,544	55.79	55.00	0.79	30.00	80.00
Fixed Income	4,564,625	44.21	45.00	-0.79	20.00	70.00
Total Fund	10,325,168	100.00	100.00	0.00	N/A	N/A

City of Rockville Retiree Benefit Trust

Comparative Performance

As of June 30, 2020

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund	10,325	100.00	16.47	4.36	11.36	8.21	6.75	7.36	8.60	8.89	07/01/2009
<i>Policy Index</i>			12.35	0.07	6.39	6.97	6.59	7.24	8.18	8.57	
Global Equity Composite	5,761	55.79	25.70	4.49	14.05	N/A	N/A	N/A	N/A	13.51	04/01/2019
<i>MSCI AC World Index</i>			19.39	-5.99	2.64	6.70	7.03	8.39	9.74	5.20	
Harding Loevner LP	5,761	55.79	25.70	4.49	14.05	N/A	N/A	N/A	N/A	13.51	04/01/2019
<i>MSCI AC World Index</i>			19.39	-5.99	2.64	6.70	7.03	8.39	9.74	5.20	
Fixed Income Composite	4,565	44.21	6.59	4.20	8.18	N/A	N/A	N/A	N/A	9.12	03/01/2019
<i>Blmbg. Barc. U.S. Aggregate</i>			2.90	6.14	8.74	5.32	4.30	3.96	3.82	10.50	
Western Asset	4,565	44.21	6.59	4.20	8.18	N/A	N/A	N/A	N/A	9.12	03/01/2019
<i>Blmbg. Barc. U.S. Aggregate</i>			2.90	6.14	8.74	5.32	4.30	3.96	3.82	10.50	