

CITY COUNCIL**The City of Orange Township, New Jersey**DATE October 3, 2023NUMBER 411-2023

TITLE: RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP, ESSEX COUNTY, NEW JERSEY, AUTHORIZING AN AGREEMENT BETWEEN THE CITY AND NATIONAL LIFE GROUP TO PROVIDE A DEFERRED COMPENSATION PLAN FOR CITY EMPLOYEES

WHEREAS, in order to attract and retain qualified employees there exists a need to adopt and implement a DEFERRED COMPENSATION PLAN for the employees of the City of Orange Township ("City"), which will provide employees the opportunity to enhance their financial security at retirement through savings of compensation on a deferred basis as provided by Section 457 of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, there is no direct financial cost to the City to adopt and implement both a deferred compensation plan and Service Agreement; and

WHEREAS, the City made written requests for proposals from two or more contractors including Equitable Life Insurance Company, CBIZ InR and National Life Group for the administration of the investments of funds under a DEFERRED COMPENSATION PLAN including providing Prototypical Plans and Service Agreements that meet the requirements of the Municipal, County and Authority Deferred Compensation Programs Rule, *N.J.A.C. 5.37*; and

WHEREAS, the following contractors submitted proposals: Equitable Life Insurance Company, CBIZ InR and National Life Group; and

WHEREAS, the City reviewed the proposals and spoke with the representatives of the responding contractors of deferred compensation services; and

WHEREAS, it was deemed that National Life Group has the ability to (1) maintain complete records of accounts; (2) manage account with absolute fidelity; (3) provide advice concerning various categories of investments; and (4) provide continuing consultation to participants; and

WHEREAS, there has been no collusion, or evidence or appearance of collusion, between any local official and a representative of the contractor in the selection of a contractor for the administration of a Service Agreement pursuant to *N.J.A.C. 5:37-5.7*.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF ORANGE TOWNSHIP, ESSEX COUNTY, NEW JERSEY that the Plan prepared by National Life Group and assigned Plan Document identifier 19-PD-National-091819 as a Deferred Compensation Plan Provider by the Director of the Division of Local Government Services is hereby accepted and approved; and,

BE IT FURTHER RESOLVED THAT the Mayor is hereby authorized to execute the Service Agreement (bearing the identifier: 19-SA-National-091819 assigned by the New Jersey



D. MIRRA

Division of Local Government) with National Life Group upon the proposal received to serve as a Deferred Compensation Plan Provider for City employees.

BE IT FURTHER RESOLVED THAT it is hereby acknowledged that the Deferred Compensation Plan is substantially similar to one on which a favorable Private Letter Ruling has been previously obtained from the federal Internal Revenue Service except for provisions added by reason of the Small Business Job Protection Act of 1996 (United States Publica Law No. 104-188) and the Economic Growth and Tax Relief Reconciliation Act of 2001 (United States Public Law No. 107-16) and all such provisions are stated in the plan in terms substantially similar to the text of those provisions in the Internal Revenue Code Section 457. The use of the Ruling is for guidance only and acknowledges that for the Internal Revenue Service purposes, the Ruling of another employer is not to be considered precedent.

BE IT FURTHER RESOLVED THAT pursuant to *N.J.A.C. 5:37-5.4*, The Business Administrator is hereby designated as the Local Plan Administrator for the administration of the Plan.

BE IT FURTHER RESOLVED that a certified copy of this resolution and all necessary required documents shall be submitted to the Director of the Division of Local Government Services within the State Department of Community Affairs for approval.

ADOPTED: October 3, 2023

Joyce L. Lanier
City Clerk

Tency A. Eason
Council President



National Life
Group®

Experience Life®



National Life
Group®

BALANCED ■■■
OPPORTUNITIES

City of Orange Township, NJ

457 Retirement Plan Proposal

About Us

National Life Group® (NLG) is pleased to offer your employees our Balanced Opportunities Program. Balanced Opportunities provides a true open-architecture investment platform that offers employees a universe of mutual fund investment choices along with a suite of individual fixed-indexed annuities. We are the only provider of individual fixed-indexed annuities on a retirement platform that also offers mutual funds. Fixed indexed annuities can provide your participants with safety and guarantees for premiums paid and interest credited together with some that have an optional Guaranteed Lifetime Income Rider (GLIR) that provides income that a retiree cannot outlive.

Our 175-year-old financial services group has become one of the leading providers of retirement accumulation, protection, and retirement income solutions for 457, 403(b), 3121, and 401(a) plans. National Life Group® (NLG) serves individuals across thousands of school districts and local governments. Through a combination of innovative products, exceptional service, and unique distribution strategies, we've been delivering on our promises for 175 years and expect to do so for many years to come. Please visit our website www.nationallife.com for more information on our company history.

National Life Group® is pleased to introduce you to our comprehensive retirement program, Balanced Opportunities. This proposal contains key information about the program, investment options, services provided and associated costs. It is meant to be a resource tool for you to evaluate the various choices available for your retirement plan.

Contact Information

Your Financial Advisor

John D. Flynn
200 Schulz Dr., Suite 125
Red Bank, NJ 07701
732.243.9542
Flynn_john@nlgroupmail.com

Annuity Products issued by

Life Insurance Company of the Southwest®

National Life Group® (NL Group) is a trade name of National Life Insurance Company, founded in Montpelier, VT in 1848, Life Insurance Company of the Southwest, Addison, TX, chartered in 1955, and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York. Balanced Opportunities is a recordkeeping platform marketed through National Life Group. Recordkeeping, web services, trust and plan administration are provided by third parties independent of National Life Group. Mutual fund custodial services provided by IPX Retirement. Mutual funds offered are selected by, and managed accounts are offered on the platform by an SEC registered investment adviser. Advisors are required to have securities or investment advisory registrations to solicit or advise on mutual funds or managed accounts respectively.

Mutual Funds are sold by prospectus. For more complete information, please request a prospectus from your registered representative or through the plan website. Please read it and consider carefully a Fund's objectives risks, charges, and expenses, including 12b-1 fees, before you invest or send money. The prospectus contains this and other information about the investment company.

National Life Group's member company, Life Insurance Company of the Southwest, Addison, TX, only offers and issues fixed indexed annuities and any associated riders on the platform and does not offer or solicit for securities. ESI Financial Advisors (EFA), a Registered Investment Advisor member of National Life Group, may refer clients to AssetMark. National Life Group and its member companies are independent of AssetMark and all other plan service providers.

AssetMark: AssetMark Client Services, 1023 Commerce Street, Suite D, Lynchburg, VA 24504, (800) 664-5345, eservice@assetmark.com;

IPX Retirement: 9200 E. Mineral Ave. Ste. 225, Centennial, CO 80112, (303) 625-9646.

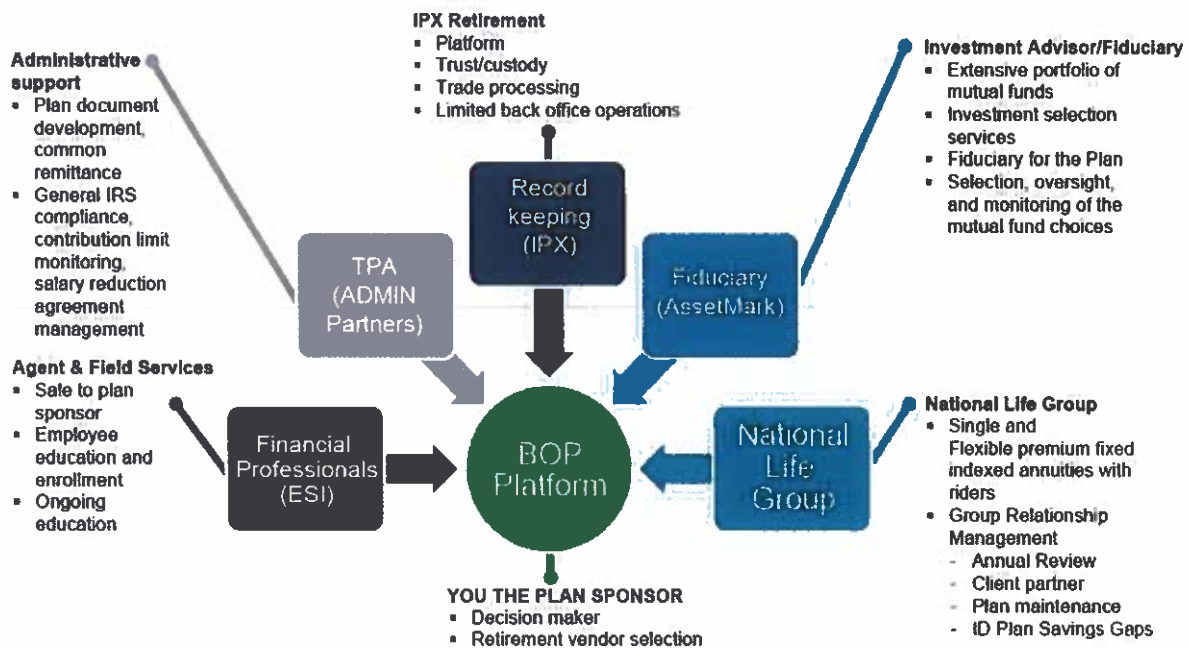
National Life Group®: Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604 | www.nationallife.com | (866) 243-7174

John Flynn is a Registered Representative of, and securities are offered solely by, Equity Services, Inc. (ESI), Member FINRA/SIPC, 200 Schulz Dr, Suite 125, Red Bank, NJ 07701. ESI is a broker/dealer affiliate of National Life Insurance Company.

The Balanced Opportunities Program

National Life Group® has aligned with a consortium of providers to offer this exceptional retirement solution: fixed indexed annuities and mutual funds on the same platform. Balanced Opportunities is a recordkeeping platform marketed through National Life Group®. Recordkeeping, web services, trust and plan administration are provided by third parties independent of National Life Group®. ADMIN Partners is a fee-for-service third party administrator (TPA) specializing in the design and administration of retirement plans. AssetMark, as a fiduciary advisor, provides mutual fund plan design and consulting, investment management, fiduciary protection, and compliance reporting. IPX Retirement manages the Balanced Opportunities recordkeeping portal and platform and provides trust/custody and trade processing. Equity Services Incorporated (ESI) is a broker-dealer and registered investment advisor affiliate of National Life Group® and its financial professionals provide the local education and enrollment services to participants on the Balanced Opportunities platform.

Balanced Opportunities Platform (BOP)



This consortium led by National Life Group® offers the flexibility and simplicity of the Balanced Opportunities platform all through a paperless, on-line environment for your plans and participants. The Balanced Opportunities platform provides a single-source, end-to-end retirement savings solution for you and your employees. Our platform offers all the benefits of a multiple provider approach with the simplicity of a single provider. Specifically:

- Transaction processing of contributions, distributions, and participant loans even when there are multiple investment providers.
- Aggregated participant data accessed via a single, robust web portal.
- Mutual funds and annuity products all on one platform.
- Robust education and enrollment tools.

Below is a description of the services offered by each of the Balanced Opportunities Platform Providers followed by a graphic of the interrelationship. Each of the providers on the platform is its own separate entity with their own employees distinct from NLG.

TPA, Plan Design and Administration

About the TPA

ADMIN Partners administers plans for Government Non-Profit, Education, tax-exempt and religious organizations. We work with you to design a Plan that meets your business requirements. Admin Partners and The National Group views every client relationship as a long-term partnership. Our primary mission is to “make things easier” for our clients by alleviating the administrative burdens associated with retirement plan compliance so that you can focus on your business.

Recordkeeper and Custodian

IPX Retirement

IPX Retirement’s services combines the rich technology platform for fund trading, recordkeeping and on-line account access delivered with custom plan design and consulting offered by Admin Partners a third-party administrator in combination with custodial services by IPX.

Registered Investment Advisor, Fiduciary & Mutual Fund Selection

About the Fiduciary offering Mutual Funds

The pre-screened Mutual Funds and Managed Account portfolios are offered in the Balanced Opportunities program and can be elected as an investment option for plan participants. The firm providing the managed portfolios and providing fiduciary oversight to the selection of your mutual fund portfolio is AssetMark a Registered Investment Advisor and plan fiduciary. As a fiduciary advisor defined by the Employee Retirement Income Security Act (ERISA), AssetMark serves as a valuable asset to plan sponsors. They utilize extensive understanding of the financial principles and regulations surrounding retirement plans to provide advanced cost-effective, and service-oriented retirement solutions, including, investment management, fiduciary protection, compliance reporting, and participant education.

Participant Services—Education and Enrollment

Equity Services Incorporated (ESI):

The financial professionals at Equity Services Incorporated (ESI) provide the education and enrollment services for your participants in the Balanced Opportunities platform. Founded in 1968, ESI is a broker-dealer and registered investment adviser affiliate of National Life Insurance Company – a diversified financial services company with roots going back to 1848. Since that time, the affiliates of National Life have adhered to guiding principles of quality and integrity — elements essential to its corporate character today. As a member of National Life Group®, ESI has the resources to provide financial products and services suitable for the many needs for our Financial Professionals and their clients.

Plan Design and Administration

The Balanced Opportunities program compliance and administration service offering includes:

- Reporting to Employer and Advisor
- Multiple Vendor Relationship Management
- Transaction (loans, hardship withdrawals, etc.)
- Monitoring and Approval
- Education and Communication Support
- Salary Reduction Management
- Consulting

Our team environment combines years of experience with technological innovation, providing plan administration through a single-source solution.

The plan fiduciary, AssetMark, provides the fi360 Risk Management System to the plan at no additional cost. This tool provides:

- Investment Practices Statement (IPS)
- Quarterly Report Card
- Automatic removal of underperforming funds (annual process)

The funds evaluation and monitoring methodology is used by AssetMark, the plan investment fiduciary, to assist our clients in meeting their fiduciary obligations and allows them to make investment decisions solely in the best interest of plan participants.

Plan Sponsor Services

Using the Balanced Opportunities online platform, plan sponsors can access all the below reports and design their own custom ad-hoc reporting and delivery timetables.

Plan Data

- Plan Overview
- Account Balances
- Investment Information
- Plan Profile

Participant Data

- Census Information
- Transaction History
- Personal Statement

Reports

- Loan Report
- Employer Dashboard
- Contribution Report
- Participant Diversification
- Asset Allocation by Age
- Average Account Balance by Age

Plan Sponsor Support

Ray McCarthy, Relationship Manager, is the assigned account manager; the Home Office representative is responsible for the overall service of the plan and serves as the primary point of contact for the plan sponsors and administrative staff. He provides oversight on all plan activity, is responsible for plan administration support, and will facilitate the annual or quarterly plan review.

The Retirement Services Team provides plan administration and facilitates the administration, record keeping, compliance, and fiduciary aspects of your retirement plans. They collaborate with the Balanced Opportunities partners to ensure your administrative needs are met in a timely manner and address in accordance with the agreed upon performance standards while providing accurate and timely plan reporting.

Optional Additional Solutions

Roth 457. National Life Group® can help you put a Roth 457 plan in place for your participants. This is a great benefit for your employees. With a Roth 457, participants can contribute on an after-tax basis, where their contributions and the earnings accumulated will grow tax-free. Withdrawals from Roth 457 plans are also tax-free as long as the account has been held for at least five years and there is a qualifying event for withdrawal.

FICA Alternative Retirement Plan (3121 Plan). Qualified employers looking to save the matching 6.2% of Social Security on part-time, temporary and seasonal employee's wages have an opportunity to work with National Life Group® to put in place a FICA Alternative Retirement Plan using our Group Unallocated Annuity.

Special Pay Plan. For employers interested in managing the costs associated with employees who leave their employment permanently, have unpaid sick/vacation time to cash in, or employees who are eligible for an early retirement option to save money on payroll taxes, National Life Group® can help establish a Special Pay Plan.

Participant Services

Education Services

The Balanced Opportunities Program offers a variety of educational materials and programs for your employees. We believe that finding the right answers starts with knowing the right questions to ask. Our financial education is designed to help employees by making retirement planning concepts simple and easy to understand. We provide group and individualized programs to help employees become better prepared through careful planning and savings strategies.

Our Education Programs:

- Offer plan specific education strategy - the delivery of the education is heavily tailored to the plan's demographic needs, including early, mid and late stage retirement planning.
- Are guidance driven - our licensed agents give employees the tools to plan, and save, for retirement so they are equipped with the knowledge to make informed retirement decisions throughout their lives.
- Address multiple topics - the education topics focus on all aspects of a participant's financial life, recognizing that participants need to better manage their paychecks and prioritize their financial goals better in order to free up money to save for retirement.
- Use multiple channels to educate employees - Using multiple channels to reach employees is critical to continually reinforce key points on saving and investing. It is why our approach to education makes the most of every touch point, whether in-person, print, phone or web. Each type of education provided is designed to stand on its own or be integrated with others. Channels include: online materials, tools and resources, one-on-one meetings with individual participants, group workshops, webcasts, and print materials.

Via the online portal, participants can access their own personal information, including contact information, account balances and transaction history, as well as educational materials, articles, calculators, and more.

Tools available on-line:

- On-line Enrollment
- Electronic Statements
- Paperless Loans
- Paperless Distributions
- Paperless Salary Reduction Agreement
- Projected Monthly Retirement Income
- Contact your Advisor/Agent
- Review or Change Investment Options
- Paperless Rollover
- Select or change Advisor/Agent
- Update your Profile
- Review Plan Information
- Online Calculators and Tools
- Retirement Education

Participants will go to [www. BalancedOpportunities.com](http://www.BalancedOpportunities.com) to access their retirement plan.

Guaranteed Retirement Options

Individual Fixed-Indexed Annuities and Riders. Through Life Insurance Company of the Southwest, we offer individual fixed-indexed annuities and riders that allow for accumulation and retirement income.

Fixed-indexed annuities offer policy owners the opportunity to earn interest based in part on the changes in an underlying index, such as the S&P500^{®1}, while being protected from any loss of their premiums paid or interest credited due to a downturn in the market².

We also offer an annuity with a Guaranteed Lifetime Income Rider³ (GLIR). By adding an annuity with a GLIR, policy owners receive guaranteed lifetime income, have access to their accumulation value if their needs change and can leave any remaining amount to beneficiaries. The GLIR converts the accumulated value into a stream of income for life while still allowing the annuitant to remain in control of their money.

Additionally, Rate Booster⁴ strategies are optional for all indexing strategies and provide higher participation rates and caps for annual fees. Our annuities also have an Emergency Access Waiver that allows the participant to access funds in the event of an emergency as allowable under the plan.

The following annuities are available immediately with your plan:

- **Fit Secure Growth (Form Series ICC18-/20375(0418))**
Focused on accumulation it may be ideal for retirement savers who seek competitive rates in a short time frame. Optional Rate Booster crediting options provide higher participation rate and cap for an annual fee. Emergency Access Waiver (form series ICC18-/20375(0418)) available on all policies at no additional cost.
- **Fit Select Income (Form Series ICC18-/20375(0418))**
Focused on lifetime income, it may be ideal for retirement savers who seek competitive rates with a longer time horizon. The Max Bonus or Split Bonus Guaranteed Lifetime Income Rider uses the performance of the policy in conjunction with an optional rate booster to provide a lifetime income stream at retirement. Emergency Access Waiver (form series ICC18-/20375(0418)) available on all policies at no additional cost.

1. "Standard and Poor's[®]," "S&P[®] Standard and Poor's 500," and "500" are trademarks of Standard & Poor's and have been licensed for use by National Life Insurance Company. The product is not sponsored, endorsed, sold or promoted by S&P and S&P makes no representation regarding the advisability of investing in this Product. The S&P Composite Index of 500 stocks (S&P 500[®]) is a group of unmanaged securities widely regarded by investors to be representative of large-company stocks in general. An investment cannot be made directly into an index.

2. Assuming no withdrawals during the withdrawal charge period. Rider charges continue to be deducted regardless of whether interest is credited. Guarantees are dependent upon the claims-paying ability of the issuing company. Indexed annuities have surrender charges that are assessed during the early years of the contract if the annuity is surrendered. Indexed annuities do not directly participate in any stock or equity investments.

3. Guaranteed Lifetime Income Rider (GLIR) form series 20367(0518) or a state variation thereof, is a benefit for which premium is charged, is available at issue only and may not be available in all states. Guaranteed Withdrawal Payments reduce the policy's accumulated value, but you will continue to receive these payments even if your accumulation value declines to zero. Benefits under the GLIR can begin after reaching age 60, and at least 1 year after policy issue.

4. Money allocated to a Rate Booster strategy has 1% annual charge deducted from its accumulation value. Rate Booster only benefits interest crediting during periods where interest is credited to that strategy. If no indexed interest is credited for that period, Rate Booster will have no effect. The charge for Rate Booster occurs for every crediting period regardless of whether interest is credited.

Investment Options (through AssetMark)

Mutual Funds. AssetMark, a registered investment advisor and plan fiduciary, gives you access to a variety of non-proprietary mutual funds vetted from more than 800 fund families; including, specialty funds and target-date funds, providing access for your participants to a diversified array of asset classes and provides compliant fund monitoring and selection. Below is a suggested mutual fund lineup for the fee-based model using institutional share classes, but the final offering to your participants can be customized as desired.

Ticker/CUSIP	Name	Category
VFIAX	Vanguard 500 Index Fund	US Large Cap
JLGMX	JPMorgan Large Cap Growth Fund	US Large Cap Growth
MEIKX	MFS Value Fund	US Large Cap Value
FSMDX	Fidelity Mid Cap Index Fund	US Mid Cap
SMDRX	Hartford Schroders US MidCap Opportunities Fund	US Mid Cap Core
BDSKX	BlackRock Advantage Small Cap Core Fund	US Small Cap Core
FSSNX	Fidelity Small Cap Index Fund	US Small Cap
VTIAX	Vanguard Total International Stock Index Fund	International
IHOVX	Hartford International Opportunities Fund	International
AEDMX	American Century Emerging Markets Fund	Emerging Markets
VBLTX	Vanguard Total Bond Market Index Fund	US Bonds
MPHQX	BlackRock Total Return Fund	US Bonds
BMSKX	BlackRock Income Fund	Multisector Bond
852320423	Morley Stable Value Fund Class 24	Stable Value
CSZIX	Cohen & Steers Real Estate Securities Fund	Real Estate
VMFXX	Vanguard Federal Money Market Fund	Money Market
VARIABLE	American Funds Target Date Series Funds (11 target date vintages through 2060)	Active Target Date Fund
VARIABLE	Vanguard Target Date Funds (12 target date vintages through 2065)	Passive Target Date Fund

Investing involves risk, including the potential for loss of principal. Past performance does not guarantee future performance. Asset Allocation cannot eliminate the risk of fluctuating prices or uncertain returns. There is no guarantee that the investment objectives of any managed account will be achieved.

Additional Managed Accounts (optional)

For those employees who desire assistance with an asset allocation model to match their risk tolerance, the Balanced Opportunities Platform offers managed account models through AssetMark.

With a managed account option, participants have the option to invest in a professionally managed, asset allocation-based framework at an optional additional cost to the participant. Assets will be overseen by professional money managers who are responsible for the research and choosing the investments, monitoring the markets, and employing risk management techniques. The models have been designed to help participants match their risk level with appropriate asset classes.

The following six managed account model portfolios are available in the plan through AssetMark Financial and are described below:

Managed Account Models (Blended Asset Allocation)
OBS DFA/EFS Flagship Series 20% Equity/80% Fixed Income
OBS DFA/EFS Flagship Series 35% Equity/65% Fixed Income
OBS DFA/EFS Flagship Series 60% Equity/40% Fixed Income
OBS DFA/EFS Flagship Series 75% Equity/25% Fixed Income
OBS DFA/EFS Flagship Series 85% Equity/15% Fixed Income
OBS DFA/EFS Flagship Series 100% Equity/0% Fixed Income

Investing involves risk, including the potential for loss of principal. Past performance does not guarantee future performance. Asset Allocation cannot eliminate the risk of fluctuating prices or uncertain returns. There is no guarantee that the investment objectives of any managed account will be achieved.

Employee Participant Fees

There will be no fee, charge, or cost to you (City of Orange Township, NJ) as the plan sponsor. **Balanced Opportunities Platform Fees - Apply to Mutual Funds Only - No Fee for Annuities**
There are no plan level employer fees. These fees only apply to participants selecting mutual funds. Participants who select annuities-only WILL NOT INCUR THESE FEES.

Description	Amount (Annual)	Organization Receiving Fee
Account Maintenance (applies to mutual fund investors only - no fee if annuities are selected)	\$25	Record-Keeper (IPX)
Custodial Recordkeeping (applies to mutual fund investors only - no fee if annuities are selected)	0.20%	Record-Keeper (IPX)
Investment Fiduciary Fee (applies to mutual fund investors only - no fee if annuities are selected)	0.05%	Investment Fiduciary AssetMark
Agent Representative Fee (applies to mutual fund investors only - no fee if annuities are selected)	0.90%	ESI
Third Party Plan Administration (TPA) (applies to mutual fund investors only - no fee if annuities are selected)	\$30	Third Party Administrator (ADMIN Partners)

Optional Managed Accounts (Model Asset Allocation Portfolios)

Investment Advisor Fiduciary Fee for Optional Managed Accounts: 0.25% (AssetMark)

Participant directed transaction services

Loan Transaction Fee: \$100 per loan paid to IPX

Distribution Withdrawal Fee: \$50 per distribution paid to IPX

EXAMPLES USING A PARTICIPANT BALANCE OF \$10,000 WITH VARIOS SCENARIOS

Hypothetical examples of the fee a participant may pay:

Annuity without the Guaranteed Lifetime Income Rider (GLIR)

If the employee has a balance of \$10,000 in annuities only without a lifetime income rider (GLIR), then the employee would pay nothing (\$0 / 0.00%) for the recordkeeping and management of their account.

Annuity with the Guaranteed Lifetime Income Rider (GLIR)

If the employee has a balance of \$10,000 in an annuity and they opt for the annuity with a Guaranteed Lifetime Income Rider, then the employee will pay 1.00% for that rider each year which equates to \$100 on an account size of \$10,000.

Mutual Funds Only – No Annuities

If the employee has a balance of \$10,000 in mutual funds, then the employee would pay all recordkeeping and administrative fees which would equate to 1.70% or \$170 on an account size of \$10,000.

Plan fiduciary services and investment advisory services are offered through AssetMark, a registered investment adviser with the SEC. The fee-based structure above allows the Agency to apply an annual fee on mutual fund assets, as a policy, ESI (an NLG affiliate) will not exceed 1% agent/agency fee. NLG annuity declining surrender charge period applies and varies by contract. The optional FIT Select Income Annuity also provides a Guaranteed Lifetime Income Rider at a 1% fee. The fees above only apply to participants if mutual funds are utilized. The Account Maintenance fee of \$25 listed above is paid by NLG when Fixed Indexed Annuities are utilized exclusively. The custodial asset recordkeeping fee of 20 basis points listed above is paid on behalf of participants by NLG for Fixed Indexed Annuity allocations. Expense ratios of the underlying mutual funds vary and are reflected in the performance of the underlying funds, please refer to the prospectus. Please refer to the product fact sheet for more detail. All employee fees are pro-rated and deducted from each participant account at the end of each calendar quarter. NLG reserves the right to have the participant pay the TPA fee.



Do good. Be good. Make good.

How We Do Good

At National Life Group®, we work hard to make things simple for our clients. For 175 years, we have fulfilled our promises to each of our policyholders. We want to bring peace of mind to everyone we touch.

Through sponsorships, volunteering and community engagement we support the good things hundreds of organizations do in the communities in which we live and work. National Life Group® takes its values – Do good. Be good. Make good – very seriously. Since its inception in 2006, the National Life Group Foundation has given more than \$15 million in grants to nonprofits.

We recognize and reward K-12 school employees through our nationally recognized National Life Group LifeChanger of the Year® program. In addition, the company has a volunteer policy that encourages all employees to take 40 hours of paid volunteer time annually. Additionally, our independent agents make the difference for both our clients and the communities they call home. Their community involvement shows the caring, sharing and dedication to building better neighborhoods; and reflects the values that National Life Group® upholds.



Each LifeChanger winner and his or her school is awarded with cash prizes, including a top cash prize of \$10,000.

Do good. Be good. Make good.



"The people of National Life are grounded in timeless principles – love and friendship, assuring the American Dream and making good on a promise. They live these principles aloud daily because the noble, heroic cause for which they fight depends on it. They are not just a company; they are a movement that is growing stronger one relationship at a time." - Jackie & Kevin Freiberg, co-authors of Cause!

Next Steps

National Life Group is pleased to present to you this comprehensive retirement solution comprised of flexible indexed annuities, mutual funds and services designed to meet the wide range of employee needs. Thank you for reviewing our proposal for your retirement plan. We hope you found this proposal informative about the National Life Group program, investment options, services provided, and associated costs. It is meant to be a resource tool for you to evaluate the various choices available for your retirement plan. We value your business and look forward to successful business relationship.

Once you have reviewed our proposal, please contact us or your financial professional will be in contact with you again to discuss any questions and ensure the process continues moving forward. Our sales and implementation team will be available to assist you with any transition issues involved.

Our goal is to help you get a retirement plan that meets your needs and allows you to get back to managing your business.

Please contact us should you have any questions or require any further information to help with your decision.

Contact Information

Your Financial Professional

Name: John D. Flynn

Phone: 732.243.9542

Email: Flynn_john@nlgroupmail.com

Annuity Products issued by

Life Insurance Company of the Southwest®

National Life Group® (NL Group) is a trade name representing various affiliates, which offer a variety of financial service products. Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604 | Home Office: Addison, TX www.NationalLifeGroup.com National Life Group's member company Life Insurance Company of the Southwest offers and issues fixed indexed annuities and associated riders.



Proposal for 401(a) and 457(b) Retirement Plan Services

Prepared for: Sample Authority

Prepared by:



115 West State Street Suite 300
Media, PA 19063

3/3/2022

Dear XXXXXX,

Thank you for the opportunity for CBIZ Investment Advisory Services, LLC dba CBIZ InR ("CBIZ InR"), along with PCS Retirement, LLC and Matrix Trust Company to present our qualifications for investment advisory and recordkeeping services to the XXXXXX 401(a) and 457(b) retirement plans. We believe that CBIZ InR is uniquely positioned to deliver high-quality services based on the following key attributes:

- **Fiduciary Status** – As an independent Registered Investment Advisory firm, we consider ourselves to be a fiduciary in our role and are committed to offering unbiased advice.
- **Value for Fees** – Our total market approach is designed to help maximize the probability of achieving the required rate of return while helping to minimize the costs and volatility of the portfolio.
- **Governmental Sector Understanding** – Since 1992, prior to acquisition by CBIZ Investment Advisory Services, LLC in 2018, we have had the pleasure of serving the governmental sector, working with over 100 different municipalities, authorities and commissions to support their defined benefit plans, 457 plans, defined contribution plans and related individuals.
- **DALBAR®** – We have been independently assessed by DALBAR® to become a DALBAR® 3(38) Investment Manager.

Understanding your needs and unique circumstances is paramount, as it drives what recommendations, ideas, and deliverables we bring to the table. It is our goal to add value to your organization by delivering comprehensive, innovative, and personalized service that continually meets your expectations.

Thank you for the opportunity to propose on your investment advisory needs. We are excited about the possibility of developing our working relationship with you and look forward to answering any questions you may have related to our response.

Sincerely,



Rich Ritzer, CFP®, AIF® – Vice President, CBIZ InR
P: 610.891.1677 | E: rritzer@CBIZ.com

Enclosures

Why Choose CBIZ InR?

CBIZ Investment Advisory Services, LLC dba CBIZ InR ("CBIZ InR") is committed to providing XXXXXX with high quality and superior service. Our team can provide you with the knowledge, personal attention and progressive thinking to address your investment advisory needs.



Qualifications

- Our proposed team has significant experience providing investment advisory services. Client references can be provided upon your request.
- CBIZ InR has the ability to serve you locally from our office in Media, Pennsylvania, with access to professional resources from CBIZ, Inc. located in more than 100 offices nationwide.



Experience

- The **CBIZ InR Team** section outlines key professionals and their relevant experience as it pertains to their ability to serve your organization.
- CBIZ InR is committed to providing experienced financial professionals and relevant subject matter professionals to be actively involved in the engagement.



Philosophy

- Our investment philosophy guides our process with all clients. We believe in constructing an asset allocation consistent with an organization's long-term objectives and considering its current financial position.
- We focus on a passive management strategy utilizing index funds. We believe that active management can increase costs and has not necessarily been proven to outperform relative benchmarks.



Value for Fees

- We seek to deliver quality index fund portfolios at an accessible price. We understand that every organization has a unique risk tolerance and return expectations, and we implement asset allocation models to help meet their needs.

About CBIZ, Inc.

With more than 100 offices and 5,000 associates in major metropolitan areas and suburban cities throughout the U.S., CBIZ (NYSE: CBZ) delivers professional services to organizations of all sizes, as well as individual clients, by providing clients with access to national specialists in a variety of technical areas combined with highly personalized service delivered at the local level.

CBIZ, Inc. provides services in two core areas – financial & accounting and benefits & insurance.

Financial & Accounting

- Accounting & Tax
- Government Health Care Consulting
- Financial Advisory
- Valuation
- Litigation Support
- Risk & Advisory Services
- Tenant Advisory Services



Benefits & Insurance

- Benefits Consulting
- Payroll Services
- Human Capital Management
- Property & Casualty
- Retirement & Investment Solutions
- Talent & Compensation Solutions

Retirement & Investment Solutions Practice

Since 1998, the Retirement & Investment Solutions practice of CBIZ, Inc. has provided a broad range of investment advisory, actuarial, and administration services to thousands of institutional and private clients. We are confident that the organizational structure and the team we have assembled are well suited to help our clients achieve their goals.

CBIZ Investment Advisory Services, LLC, a registered investment adviser (RIA), operates within the practice and provides investment advisory and investment management services for defined contribution, defined benefit and OPEB retirement plans, corporations, trusts, endowments and foundations, and individuals. The RIA provides investment advice to clients with approximately \$59.4 billion in assets as of December 31, 2020.

In addition to the investment advisory and investment management services offered through the RIA, the practice is uniquely positioned to provide additional retirement plan support through its affiliate CBIZ Benefits & Insurance Services, Inc. This team delivers a broad range of actuarial, pension administration, third party administration (TPA), and other non-fiduciary retirement services to defined benefit, defined contribution and other retirement plans.

About CBIZ InR

CBIZ Investment Advisory Services, LLC dba CBIZ InR ("CBIZ InR") operates within the retirement & investment solutions practice of CBIZ, Inc. The practice provides investment management services to governmental and municipal defined benefit plans, 457 plans and related individuals. We have served as a fiduciary investment adviser for all types of defined contribution plans, including 401(a), 457, and grandfathered municipal 401(k) plans. CBIZ Investment Advisory Services, LLC ("CBIZ IAS"), which includes CBIZ InR, provides investment advice to clients with approximately \$59.4 billion in assets as of December 31, 2020 (please see the Form ADV at adviserinfo.sec.gov).

Since its beginning in 1992, prior to acquisition by CBIZ Investment Advisory Services, LLC in 2018, the team of CBIZ InR has provided investment advisory services for defined benefit, defined contribution and post medical retirement plans to over 100 municipalities, authorities and commissions. We back our investment advisors with an internal support staff to meet the needs of both the plan sponsor and plan participants at a very high level.

Awards and Accolades

As a fiduciary, you're responsible for selecting and monitoring competent service providers and consultants. We are proud to have been recognized by the following organizations as a leader in the retirement and investment advisory industry.

Global Investment Performance Standards



CBIZ InR claims compliance with the Global Investment Performance Standards (GIPS).

CBIZ InR has been independently assessed by DALBAR to ensure we meet the standards you'd expect from an ERISA 3(38) investment manager.



CBIZ is recognized by PLANADVISER as a game changer in the retirement industry.



CBIZ Investment Advisory Services, inclusive of CBIZ InR, is ranked #11 on Barron's list of Top 100 Institutional Consulting Teams.

Rankings/recognition by unaffiliated rating services/publications should not be construed as a guarantee of a certain level of results if CBIZ Retirement and Investment Solutions (CBIZ Financial Solutions, Inc. or CBIZ Investment Advisory Services, LLC) is engaged, or continues to be engaged, to provide investment advisory services.

The DALBAR 3(38) Certification programs provides an independent assessment of an investment manager's ability to satisfy the requirements of ERISA section 3(38). CBIZ InR has met the requirements set forth by DALBAR to become a DALBAR Certified ERISA 3(38) Investment Manager.

*Retirement Game Changer as recognized by PLANADVISER in April 2021:
<https://www.planadviser.com/magazine/game-changers-reflect-progress>*

The "Barron's Top 100 Institutional Consulting Teams" list is compiled from responses to the Barron's Top 100 Institutional Consulting Teams Survey. The list is drawn solely from a set of quantitative variables and information in the survey is supplied by the advisers themselves.

Firm Background

FIRM: CBIZ Investment Advisory Services, LLC dba CBIZ InR

National Headquarters

6801 Brecksville Road

Independence, OH 44131

Primary Service Team Location: CBIZ InR

115 West State St., Suite 300

Media, PA 19063

Primary Contact:

Name: Rich Ritzer, CFP®, AIF® - Vice President, CBIZ InR

Phone: (610) 891-1677

Fax: (610) 891-1679

Email: rritzer@cbiz.com

With more than 100 offices and 5,000 associates in major metropolitan areas and suburban cities throughout the U.S., CBIZ (NYSE: CBZ) delivers professional services to organizations of all sizes, as well as individual clients, by providing clients with access to national specialists in a variety of technical areas combined with highly personalized service delivered at the local level.

CBIZ, Inc. provides services in two core areas – financial & accounting and benefits & insurance.

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- Financial Advisory
- Valuation
- Litigation Support
- Risk & Advisory Services
- Tenant Advisory Services



Benefits & Insurance

- Benefits Consulting
- Payroll Services
- Human Capital Management
- Property & Casualty
- Retirement & Investment Solutions
- Talent & Compensation Solutions

CBIZ Investment Advisory Services, LLC dba CBIZ InR (“CBIZ InR”) operates within the retirement & investment solutions practice of CBIZ, Inc. CBIZ, Inc. is a publicly traded company on the New York Stock Exchange (NYSE: CBZ). An overview of our executive team can be found here: <https://www.cbiz.com/about-us/executive-team>.

The CBIZ InR practice provides investment management services to governmental and municipal defined benefit plans, 457/401a plans and related individuals. We have served as a fiduciary investment adviser for all types of defined contribution plans, including 401(a), 457, and grandfathered municipal 401(k) plans. CBIZ Investment Advisory Services, LLC (“CBIZ IAS”), which includes CBIZ InR, provides investment advice to clients with approximately \$59.4 billion in assets as of December 31, 2020.

We have a team of investment professionals that meet with plan participants in our defined contribution plans to educate them on the benefit of saving now through the Plan(s) to assist them in providing for their income needs at retirement. We work with retired employees with continued investment advice and planning on how to manage the funds they have accumulated through their working years. Our professionals hold designations such as the CERTIFIED FINANCIAL PLANNER (CFP®), Certified Plan Fiduciary Advisor, (CPFA) and Accredited Investment Fiduciary (AIF®) to provide high level, unbiased advice to plan sponsors and participants in a fiduciary capacity.

With this client base, we have worked with all types of defined contribution plans (401(a), 457, and we even have grandfathered municipal 401(k) plans.) In each instance, we act as a fiduciary for the investment advice we provide, and we believe in full fee disclosure and transparency. We believe that monitoring the costs of retirement plans and having a process in place are the largest concerns that should be addressed from a fiduciary standpoint. Litigation revolving around these topics have become very public over the last couple of years for some of the largest institutions in the country. Since 1992, we have been working in a fiduciary capacity to provide fiduciary comfort and clarity for not only plan sponsors but also providing educational support to the plan participants.

Additionally, we act as a 3(38) fiduciary investment manager for the investment advice we provide, and we believe in full fee disclosure and transparency. This provides an additional layer of fiduciary comfort for the plan sponsor as we take on the due diligence aspect of the plan investments.

CBIZ InR engages DALBAR, a third-party credentialing firm, to review our practices and issue a determination letter to confirm that our practices meet their stringent standards as a plan fiduciary.

To provide the highest quality of service and engagement for both the plan sponsor and participants, we have developed an unbundled defined contribution program using the following organizations as service providers:

- **CBIZ InR** – Will be providing fiduciary investment advisory services
- **PCS Retirement Services** – Independent Recordkeeper
- **Matrix Trust Company** – Independent Custodian

We are an independent Registered Investment Advisor that has the ability to access an open architecture platform through PCS that does not maintain proprietary investment options. We provide participants with the option to choose from 22 low-cost mutual funds that cover broad asset categories and styles including a liquid stable value fund. Participants also have the option of choosing from one of five risk-based model portfolios that are managed by CBIZ InR using low-cost Vanguard® index mutual funds. In constructing the risk-based models, we will develop asset class assumptions utilizing historical risk, return and correlation data obtained from our third party research platforms such as Morningstar. For these forward looking capital market assumptions, we use the index for each asset class as it is important for us to adhere to our passive investment management philosophy. Our process also includes forecasting various risk/return ranges for asset classes to develop expected rates or return for our risk-based model portfolios that are available to plan participants.

Plan Contacts

Rich Ritzer, CFP®, AIF® **Vice President**

Rich is a vice president at CBIZ InR, a division of CBIZ Retirement and Investment Solutions. He provides investment advisory services to plan sponsors responsible for defined contribution plans (including 457, 401(a), 401(k) and 403(b) plans), defined benefit plans, DROP and cash balance plans. Rich works with plan sponsors to help them meet their organization's retirement plan goals and manage the personal liability associated with being a fiduciary to a qualified plan. In addition to qualified plans, Rich advises endowments, foundations, trusts and individual investors. That advice includes developing financial plans to address the risk tolerance, time horizon and financial need of the client. Special emphasis is given to developing the proper asset allocation by selecting low cost investments and providing full fee transparency.

Rich will be the advisor for the Centre Area Transportation Authority retirement plan(s).

Education

- B.S., Finance, Pennsylvania State University

Awards and Recognitions

- CBIZ InR is recognized as a Dalbar Certified ERISA 3(38) Investment Manager.*

Professional Designations

- Certified Financial Planner (CFP®), Accredited Investment Fiduciary (AIF®)

**The DALBAR 3(38) Certification Program provides an independent assessment of an investment manager's ability to satisfy the requirements of ERISA section 3(38). CBIZ InR has met the requirements set forth by DALBAR to become a DALBAR Certified ERISA 3(38) Investment Manager.*

Jenifer Coale

Account Executive

Jenifer Coale is an Account Executive at CBIZ InR. Jen oversees the day-to-day administrative functions necessary to keep our plans running smoothly. Her duties include managing the periodic payment and tax reporting needs of our municipal accounts and fielding the inquiries from the staff employees of our municipal clients. She is instrumental in obtaining information related to asset statements and other information related to inquiries related to plan audits and participant questions. She is in constant contact with representatives at PCS and Matrix Trust Company. Jen graduated from Kent State University, with a Bachelor of Arts in Psychology. She has been with CBIZ InR since 2011.

Kate Zane

Account Executive

Kate Zane is an Account Executive. Kate, along with Jennifer Coale, oversees the day-to-day administrative functions necessary to keep our plans running smoothly. She interacts with the plan sponsor, participant, recordkeeper and custodian on a daily basis. Her duties include distribution inquiries, plan sponsor payroll assistance and working with PCS to make sure the plan is being run seamlessly.

Plan Fees

CBIZ InR is an independent Registered Investment Advisory firm that does not receive any form of compensation other than the stated fiduciary advisory fee for its services that is deducted directly from plan assets. There are no indirect fees of any kind.

We will provide 3(38) fiduciary investment services for the Centre Area Transportation Authority 401(a) Money Purchase Plan and 457(b) Deferred Compensation Plans. That fiduciary advisory fee will be 0.20% of assets and deducted from plan assets.

Our fiduciary advisory fee will include the following services:

- *Plan investment advice, pursuant to the Pension Protection Act of 2006*
- *Participant education and travel related to onsite meetings*
- *Fiduciary responsibility and due diligence*
- *Creation of Investment Policy Statement*
- *Plan asset and performance monitoring*
- *Investment Management*
- *Participant/Employee Q&A*
- *Support to Human Resource Department*

Plan Assets: \$ 16,000,000.00
Participants with a balance: 130

Recurring Annual Fees	Annual Fee	In \$
Fiduciary Investment Advisory Fee – 3(38) (CBIZ InR):	0.25%	\$ 40,000.00
Average Internal Fund Expense:	0.09%	\$ 14,400.00
Recordkeeping Annual Per Participant Fee (PCS)	\$20.00	\$ 2,600.00
Asset Based Annual Custodial and Trust Services (Matrix/AdvisorTrust)	0.15%	\$ 24,000.00
Estimated Total Annual Recurring Plan Fees		\$ 81,000.00
Total Annual Plan Fees in %		0.51%

* Please see the PCS proposal for a schedule of ancillary services and fees

A detailed fee overview is included in the PCS proposal that will be provided separately.

These fees can be paid by plan assets, the plan sponsor or a combination of both.



The CBIZ InR 457 Program

LOW-COST VANGUARD® MUTUAL FUNDS

RISK-BASED MODEL PORTFOLIOS

EMPLOYEE ADVICE AND EDUCATION

FIDUCIARY COMFORT



Vanguard

Your Source for an Unbiased Retirement Plan.

Tax-advantaged. Deferred Compensation. Individually-based for Each Participant.

No RFP Process Required

No Cost to the Plan Sponsor¹

Fiduciary Comfort:

We are an ERISA 3(38) investment manager, and we apply the same best practice principles to our 457 plans to take the risk of choosing investments off of you². We've been independently assessed by DALBAR³ to ensure we meet the standards that you'd expect from a 3(38) investment manager.

Employee Education:

We provide employees with advice and education offerings to help them develop a retirement road map.

Transparency:

Unlike many plan providers, all fees within the program are itemized on plan participant and sponsor statements.

Total Market Approach:

Our investment philosophy is built around passive, globally weighted allocations. We provide investors the option to develop their own asset allocation or choose one of our prebuilt risk-based model portfolios.

Participant Experience:

- Easy-to-use navigation tools
- Loan and distribution wizard
- On-demand statements and optional weekly email statement summary
- Transaction email confirmations
- Easy model view and management
- Enhanced transaction capabilities, rebalance options and scheduled transfers
- Educational tools and materials customized by life stages
- Mobile-friendly views



¹Fees associated with the CBIZ InR 457 Program are incurred by 457 plan participants.

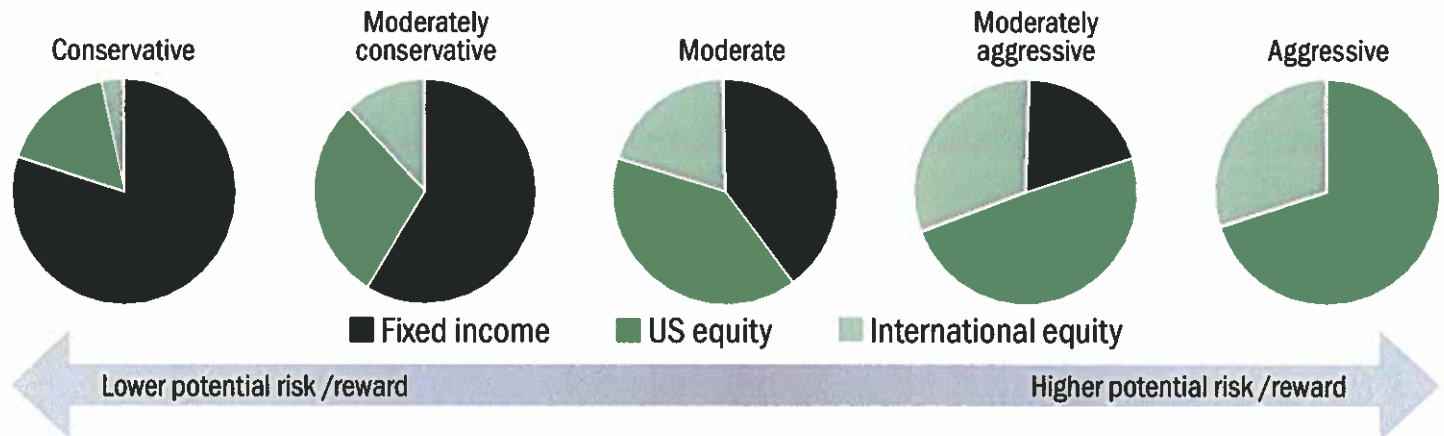
²While an investment manager assumes the risks associated with choosing the investments in a 457 plan, you remain responsible for monitoring the quality of the services provided by the investment manager.

³The DALBAR 3(38) Certification Program provides an independent assessment of an investment manager's ability to satisfy the requirements of ERISA section 3(38). CBIZ InR has met the requirements set forth by DALBAR to become a DALBAR Certified ERISA 3(38) Investment Manager.

Customized Investment Advice

Asset Allocation Based on Your Specific Metrics

We use asset allocation models based on your specific risk tolerance, projected retirement age and other factors. Our 457 retirement plan provides low-cost investment options to grow your money tax-advantaged with the ability to withdrawal your income penalty-free at the age you're ready to retire.

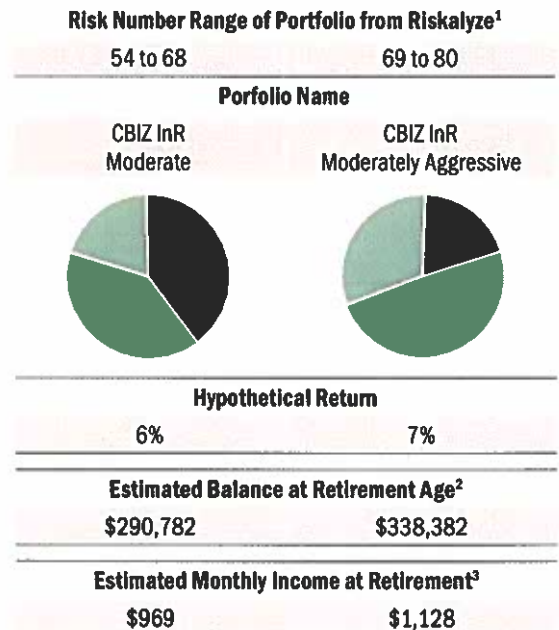


Individual Funds

See important disclosures on the back.

Ticker	Fund Name	Description
	Stable Value Fund Option	Stable Value
VBTLX	Vanguard® Total Bond Market Index; Admiral	Intermediate Investment Bond
VAIPX	Vanguard® Inflation-Protected Securities; Admiral	Inflation Protected Bond
VBILX	Vanguard® Intermediate-Term Bond Index; Admiral	Intermediate Term Bond
VBIRX	Vanguard® Short-Term Bond Index; Admiral	Short Term Bond
VTABX	Vanguard® Total International Bond; Admiral	World Bond
VIGAX	Vanguard® Growth Index; Admiral	Large-Cap Growth
VLCAX	Vanguard® Large-Cap Index; Admiral	Large-Cap Core
VTSAX	Vanguard® Total Stock Market Index; Admiral	Large-Cap
VVIAX	Vanguard® Value Index; Admiral	Large-Cap Value
VMGMX	Vanguard® Mid-Cap Growth Index; Admiral	Mid-Cap Growth
VIMAX	Vanguard® Mid-Cap Index; Admiral	Mid-Cap Core
VMVAX	Vanguard® Mid-Cap Value Index; Admiral	Mid-Cap Value
VSGAX	Vanguard® Small-Cap Growth Index; Admiral	Small-Cap Growth
VSMAX	Vanguard® Small-Cap Index; Admiral	Small-Cap Core
VSIAX	Vanguard® Small-Cap Value Index; Admiral	Small-Cap Value
VEMAX	Vanguard® Emerging Markets Index; Admiral	Emerging Markets
VEUSX	Vanguard® European Index; Admiral	European Region
VTIAX	Vanguard® Total International Index; Admiral	International Multi-Cap Core
VGSLX	Vanguard® REIT Index; Admiral	Real Estate
VGPMX	Vanguard® Global Capital Cycles Investor	Precious Metals

Example



This is a hypothetical example and should be viewed for educational and illustrative purposes only. The return shown does not include the deduction of any fees or expenses that would be deducted from an actual portfolio.

¹Riskalyze is a financial technology company that provides software as a service to financial advisors in the United States. Riskalyze's platform provides tools for analyzing investment risk and building and implementing investment portfolios.

²This balance shows what you could accumulate after 25 years if you invest \$5,000 on the first day of each year at the hypothetical return above.

³This monthly income is an estimate based on the balance and hypothetical return above and demonstrates a 4% withdrawal.

Your 457 is Due for an Upgrade.

Start your CBIZ InR 457 Program right away!



Visit us online, or call a CBIZ InR professional for more information or to schedule an appointment.

www.cbiz.com/retirement | 877-INR-1733

Please remember:

Different types of investments involve varying degrees of risk, and it should not be assumed the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended, undertaken or devised by CBIZ InR) will be profitable, equal any historical performance level(s), be suitable for your portfolio or individual situation, or prove successful.

Investors should carefully consider the investment objectives, risks, fees and expenses before investing. For this and other important information, please obtain the investment company fund prospectus and disclosures documents from your Rep/Advisor. Read the information carefully before investing.

Important Disclosure Information:

Past performance may not be indicative of future results. CBIZ Investment Advisory Services, LLC, dba CBIZ InR is neither a law firm nor accounting firm, and no portion of its services should be construed as legal or accounting advice. Please remember that it remains your responsibility to advise CBIZ Investment Advisory Services, LLC, dba CBIZ InR, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising your previous recommendations and/or services, or if you would like to impose, add, or modify any reasonable restrictions to our investment advisory services. A copy of our current written disclosure statement discussing our advisory services and fees is available upon request. The scope of the services and fees is available upon request. The scope of services to be provided depends upon terms of the engagement.

Investments in bonds are subject to interest rate, credit and inflation risk. Foreign investing involves additional risks including fluctuations and political uncertainty. Stocks of companies in emerging markets are generally more risky than stocks of companies in developed countries.

Investments in equities are subject to risk, including deteriorating economic conditions, impact from government regulation, a decline in market sentiment, adverse local and international political events, and technological issues. Investing in equities may result in a loss of principal.

Small stocks tend to have greater volatility than large-cap stocks because, among other things, smaller companies often have fewer customers, financial resources, and products than larger firms. Such characteristics can make small companies more sensitive to changing economic conditions. Securities of small companies may be less liquid and more volatile than the securities of larger companies.

REITs and other real estate-related investments may decline because of adverse developments affecting the real estate industry and real property values. REITs are subject to interest rate risk, which is the chance that a REIT will decline as the cost of borrowing increases because of rising interest rates. Interest rate risk is high for the Fund. REITs are subject to investment style risk, which is the chance that returns will trail returns from the overall stock market. Historically REITs have performed quite differently from the overall market.

Precious metals are subject to commodity risk including fluctuations in certain commodity markets. Precious metals may experience political risk including price changes due to trade relations and the imposition of tariffs by the U.S. and other importing countries. Any negative changes in commodity markets that may be due to changes in supply and demand for commodities, market events, regulatory developments or other factors could have an adverse impact on those companies.

Vanguard and CBIZ InR are separate unrelated investment providers. CBIZ InR's use of the Vanguard platform should not be construed as Vanguard's endorsement of CBIZ InR's services. Vanguard(R) and the ship logo are trademarks of The Vanguard Group.

CBIZ Investment Advisory Services, LLC, dba CBIZ InR, a Registered Investment Advisor. Investment management services to individuals, corporations, trusts and defined benefit plans offered through CBIZ Investment Advisory Services, LLC, SEC Registered Investment Adviser. Investment management services to governmental and/or municipal defined benefit plans, 457 plans and related individuals provided by CBIZ Investment Advisory Services, LLC, dba CBIZ InR.