

**OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT  
RETIREMENT BOARD MEETING**

**TUESDAY, JUNE 2, 2020  
8:00 A.M.- Via Zoom or In Person  
233 RACETRACK ROAD N.E.  
FORT WALTON BEACH, FLORIDA**

**AGENDA**

- 1. Approve Agenda**
- 2. Public Comments**
- 3. Approve Minutes from March 3, 2020**
- 4. Review of Reports – as applicable**
  - A. AndCo-Tyler Grumbles**
  - B. Bowen & Haynes- David Kelly**
  - C. Foster & Foster- Drew Ballard**
  - D. Salem Trust**
- 5. Legislative/Legal Updates-Stu Kaufman**
- 6. Approve Summary Plan Description**
- 7. Adjournment**

KKJL is inviting you to a scheduled Zoom meeting.

Topic: Ocean City-Wright Fire Control District Firefighter's Pension Trust Fund  
Time: Jun 2, 2020 08:00 AM Central Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/87363178180>

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**OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT**  
**RETIREMENT BOARD MEETING MINUTES**  
**March 3, 2020**

The Retirement Board meeting for the Ocean City-Wright Fire Control District was called to order by Clint Aden at 8:04 a.m. in the Training Room of the Ocean City-Wright Fire Department.

Present: Clint Aden, Walter Ebbert, Jennifer Benedict, Brad Sasser (@8:13), Mike Taylor, Stu Kaufman, Tyler Grumbles, & Drew Ballard

Absent:

**Approve Agenda**

Motion: Jennifer Benedict made a motion approve the agenda.

Second: Walter Ebbert

Discussion: None

Vote: Unanimous

**Public Comments**

No Comments

**Appointment of New Board Member**

Mike Taylor was approved the Board of Fire Commissioners' as replacement to Payne Walker's empty seat.

**Approve Minutes from December 3, 2019**

Motion: Jennifer Benedict made the motion to approve minutes from 12/3/2019.

Second: Walter Ebbert

Discussion: None

Vote: Unanimous

**Review of Reports**

Tyler provided update to report as of 12/31/2019. He provided update on current market challenges. David Kelly was absent but provided market impact letter regarding the Coronavirus.

**Legislative/Legal Updates**

Stu Kaufman provided information regarding the HB1113/SB 1270, SECURE Act, IRS Limits for 2020, and Changes in the Florida Notary Public Law.

**Presentation of Foster & Foster's Member Portal**

Drew provided the board with sample portal that all members could access their individual records regarding their pension.

Motion: Brad Sasser made the motion to participate in Foster & Foster's member portal.  
At a cost of \$2,500 set-up & \$6,000 per year.  
Second: Mike Taylor  
Discussion: None  
Vote: Unanimous

**Approve Summary Plan Description**

Item tabled until the June meeting.

**ADJOURNMENT**

Motion: Brad Sasser made the motion to adjourn the meeting at 9:05.  
Second: Jennifer Benedict  
Vote: Unanimous

Investment Performance Review  
Period Ending March 31, 2020

**Ocean City-Wright  
Fire Control District**

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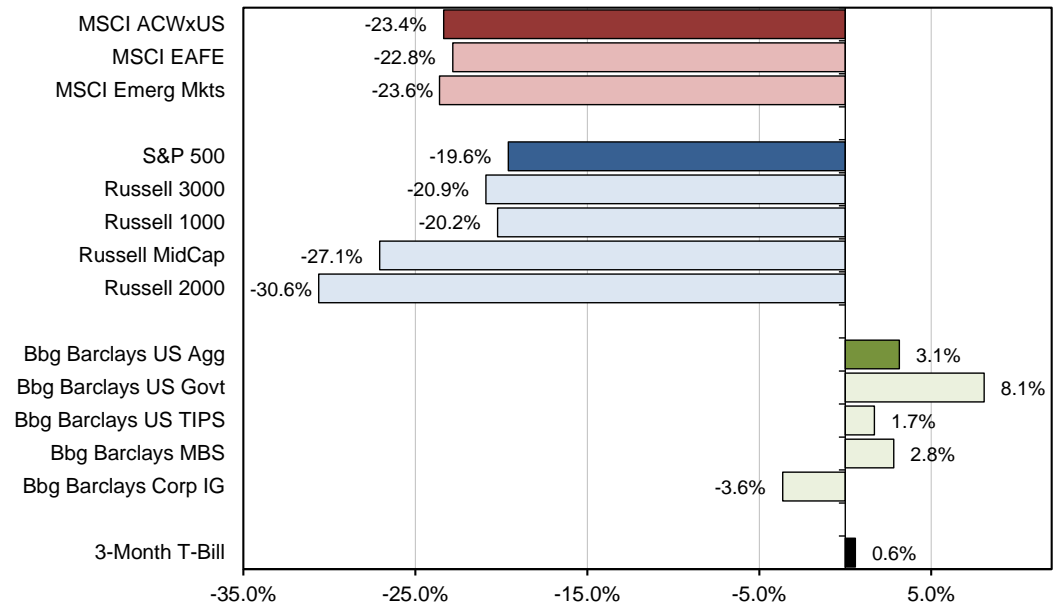


# 1st Quarter 2020 Market Environment

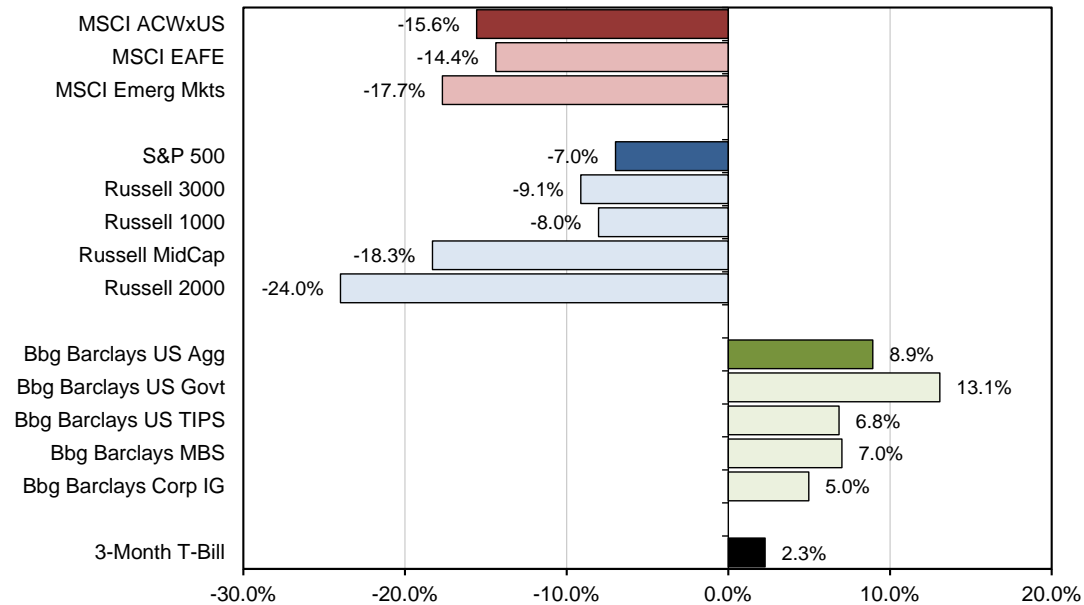


- Global risk asset class returns declined significantly during the 1st quarter of 2020 due primarily to the COVID-19 (Coronavirus) pandemic. Both domestic and international equities experienced significant drawdowns as investors moved into perceived haven assets such as US Treasury bonds. Equity market volatility, as measured by the VIX Index, reached its highest level since the Financial Crisis in 2008. Through the quarter, global economic growth turned negative as countries responded to the pandemic by shuttering their economies. In the US, as a result of the decision to institute social distancing and shelter-in-place orders, labor markets suffered significant losses as businesses closed or furloughed employees. Rising economic concerns resulted in swift action by the Federal Reserve (Fed) which cut its overnight lending rate to between 0% to 0.25%. Importantly, the US government responded with a stimulus package consisting of forgivable loans and other short-term benefits, that is designed to act as a bridge for the economy until businesses can reopen. Within domestic equity markets, large cap stocks outperformed small cap equities during the quarter with the S&P 500 Index returning -19.6% versus a -30.6% return for the small cap Russell 2000 Index. US equity returns over the 1-year period turned negative as a result of the drawdown with large and mid-cap stocks returning -7.0% and -18.3% respectively, while small cap stocks fell -24.0%.
- International markets also posted negative returns for the 1st quarter. Similar to US markets, international returns were impacted by the Coronavirus and deteriorating economic fundamentals. International returns also faced headwinds from a strengthening US dollar (USD) which appreciated against most major currencies during the period. Developed markets outpaced emerging markets during the period with the MSCI EAFE Index falling -22.8% versus a -23.6% decline for the MSCI Emerging Markets Index. Both developing and emerging markets posted losses over the 1-year period, returning -14.4% and -17.7% respectively.
- As expected during periods of rising volatility, high quality fixed income outperformed equities during the 1st quarter as investors looked for relative safety amid the equity market drawdown. The broad market Bloomberg Barclays Aggregate Index gained 3.1% as interest rates fell following rising concerns related to the Coronavirus and central bank stimulus from the Fed and other global central banks. US Government bonds were the best performing securities for the 1st quarter returning 8.1%. Investment grade corporate bonds suffered negative returns on concerns about economic growth prospects in the future. The bond market has meaningfully outperformed the equity market over the trailing 1-year period with the Bloomberg Barclays Aggregate posting a solid 8.9% return.

### Quarter Performance



### 1-Year Performance

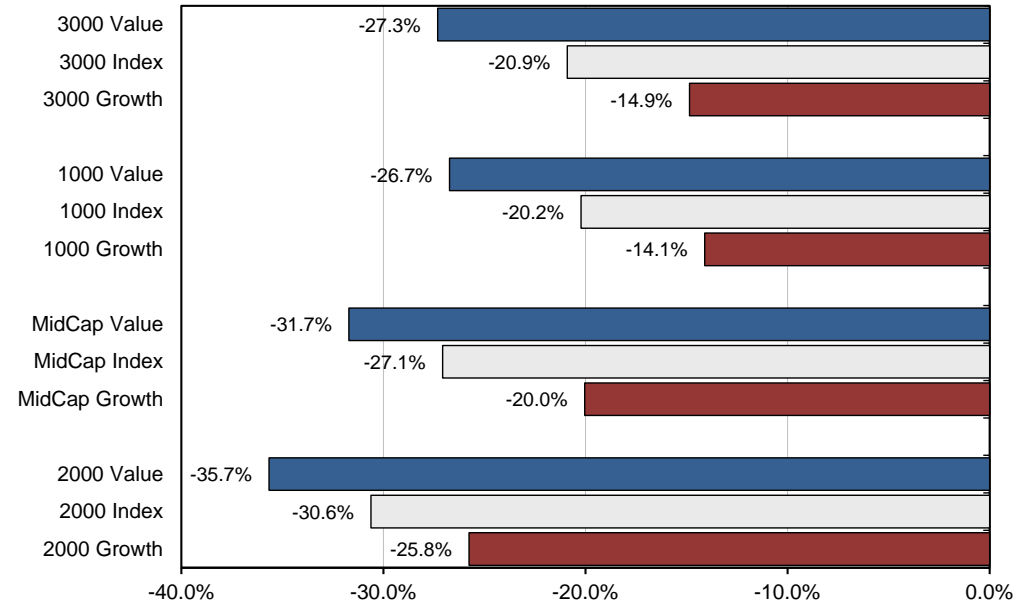


Source: Investment Metrics

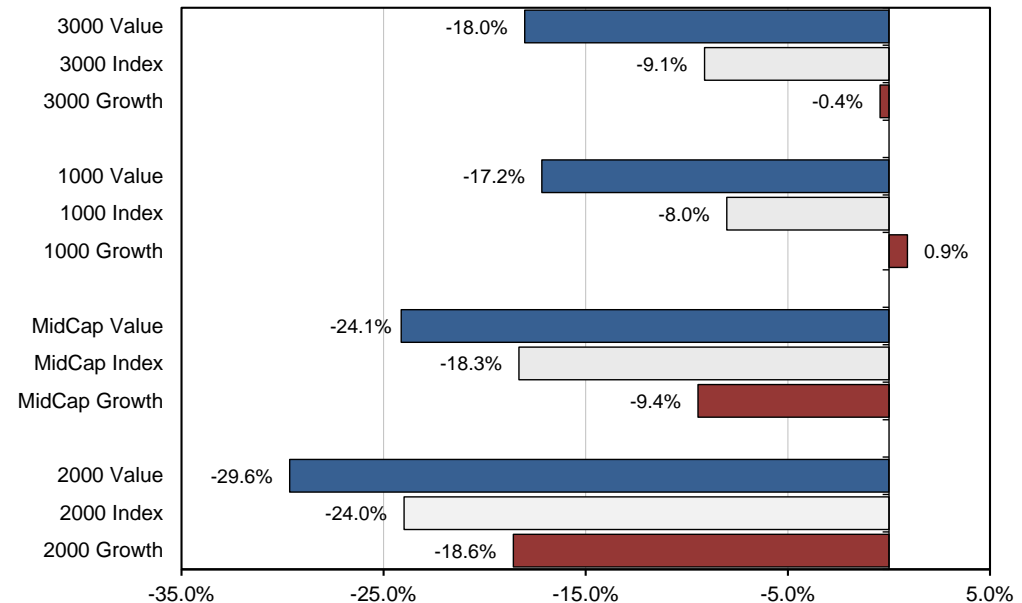


- US equity returns were significantly lower during the 1st quarter with varied results across both style and market capitalization. Concerns related to the Coronavirus, in combination with signs that the US economy could be entering into recession weighed on equities. Labor markets came under significant pressure during the quarter as companies began laying off employees in response to the government's decision to mandate a shelter-in-place approach to dealing with the pandemic. In response to the deteriorating economic conditions, the Fed took unprecedented action on March 15th and lowered the Fed Fund's rate to between 0% to 0.25%. The Fed also announced that it would be purchasing up to \$500 billion in US Treasury bonds and \$200 billion in mortgage-backed bonds. Subsequently, the Fed announced on March 23rd that it would begin purchasing unlimited amounts of US Treasury and mortgage-backed bonds. This announcement was well received by investors and marked the recent low in equity markets.
- During the quarter, higher market capitalization stocks were down less than lower market capitalization stocks across the style spectrum. The large cap Russell 1000 Index lost -20.2% during the period versus a -30.6% return for the small cap Russell 2000 Index. Investors preferred large cap stocks relative to small cap stocks as they are typically viewed as less risky during periods of rising market volatility given the size of their balance sheets and ability to generate cash flow. When viewed over the most recent 1-year period, large cap stocks significantly outpaced small cap stocks with the Russell 1000 posting a -8.0% loss compared to the -24.0% drawdown in the Russell 2000.
- In general, value stocks underperformed growth stocks across market capitalizations during the 1st quarter despite value stocks trading near all-time lows based on valuation metrics. Importantly, value indexes contain large exposures to such sectors as energy, consumer durables and financials, all of which came under pressure during the quarter. Large cap growth stocks held up better than large cap value stocks due to larger weightings in the technology and industrials sectors as well as a smaller exposure to the underperforming energy sector. The Russell 1000 Growth Index was the least negative style index for the period, returning -14.1%. The small cap value index posted the weakest relative return for the quarter with a loss of -35.7%. Results over the 1-year period were mixed with value stocks underperforming across market capitalizations while large cap stocks outpaced both mid and small cap stocks due in large part to the exposure to technology stocks and relative underweights to both energy and financial stocks.

Quarter Performance - Russell Style Series



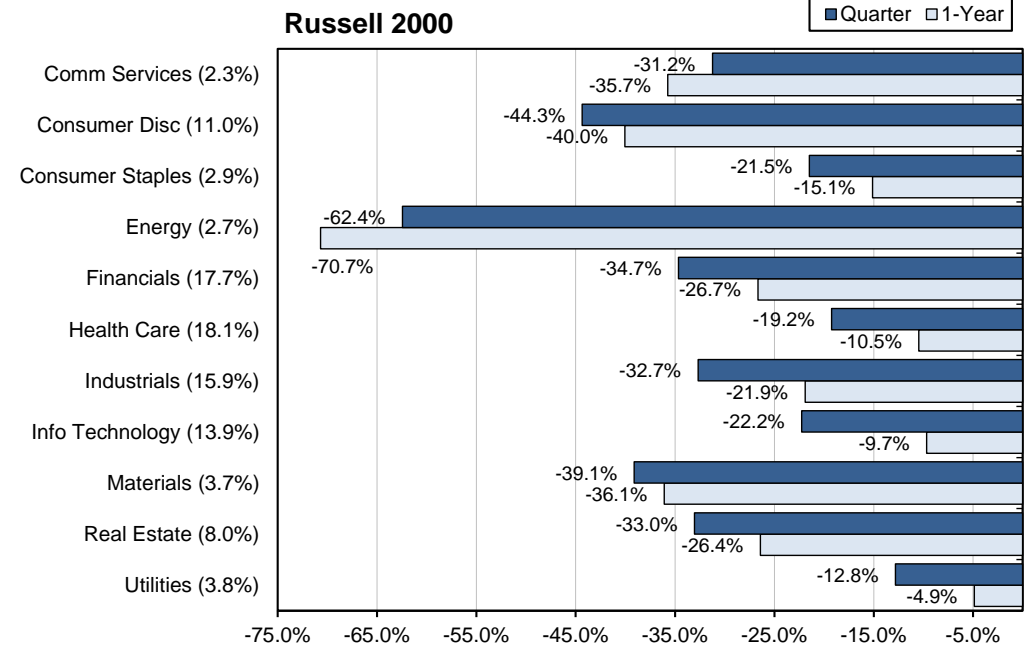
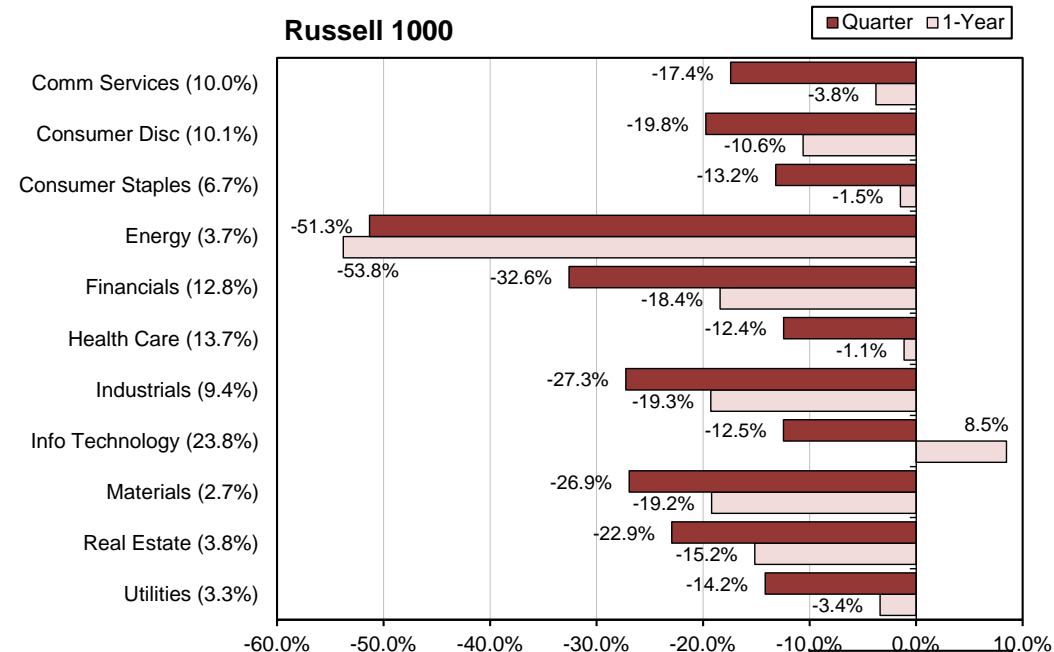
1-Year Performance - Russell Style Series



Source: Investment Metrics



- Generally, sector performance was negative across large cap sectors for the 1st quarter. The outlier during the period was the energy sector which saw significant losses due primarily to the drop in oil prices as a result of demand destruction related to the Coronavirus and the inability of OPEC to agree on production cuts. Health care and technology were the two of the least negative during the quarter returning -12.4% and -12.5%. Energy stocks fell a staggering -51.3% during the quarter as crude oil prices fell as global economic growth receded during the period. Financial stocks also lagged, declining -32.6%, as interest rates fell and a flat yield curve, in combination with fewer borrowers, increased pressure on financial stocks. Returns over the 1-year period were also generally negative with only the technology sector showing a positive return (+8.5%). Similar to the quarter's results, energy stocks underperformed by a considerable margin relative to other sectors. Industrials, materials, and financials also lagged for the year returning -19.3%, -19.2% and -18.4% respectively.
- Quarterly results for small capitalization sectors were generally worse than their large capitalization counterparts with only utilities outperforming during the period. All eleven economic sectors saw substantial losses during the period with only three of eleven sectors outpacing the Russell 2000 Index return for the quarter. Similar to large capitalization sectors, defensive sectors were less negative as investors gravitated toward their relative safety and higher yields. Utilities was the least negative sector, returning -12.8%, while healthcare and consumer staples returned -19.2% and -21.5%, respectively. The cyclically oriented energy sector was the largest detractor for the period, posting a disconcerting loss of -62.4% as global energy prices collapsed. Consumer discretionary stocks also fell substantially during the quarter returning -44.3% as consumer activity fell sharply following the decision to impose shelter-in-place orders. Financial stocks, which were down -34.7% for the quarter, were negatively impacted by the Fed's decision to lower interest rates and the significant decline in lending activity. Similar to quarterly performance, the trailing 1-year period returns were broadly negative. Utilities, technology and health care sectors were the down the least, returning -4.9%, -9.7% and -10.5%, respectively.



Source: Morningstar Direct

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





**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of March 31, 2020

| Top 10 Weighted Stocks   |        |              |               |                        |
|--------------------------|--------|--------------|---------------|------------------------|
| Russell 1000             | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Microsoft Corp           | 5.09%  | 0.3%         | 35.5%         | Information Technology |
| Apple Inc                | 4.47%  | -13.2%       | 35.6%         | Information Technology |
| Amazon.com Inc           | 3.48%  | 5.5%         | 9.5%          | Consumer Discretionary |
| Facebook Inc A           | 1.70%  | -18.7%       | 0.1%          | Communication Services |
| Berkshire Hathaway Inc B | 1.53%  | -19.3%       | -9.0%         | Financials             |
| Alphabet Inc Class C     | 1.49%  | -13.0%       | -0.9%         | Communication Services |
| Johnson & Johnson        | 1.49%  | -9.5%        | -3.6%         | Health Care            |
| Alphabet Inc A           | 1.48%  | -13.2%       | -1.3%         | Communication Services |
| JPMorgan Chase & Co      | 1.20%  | -35.0%       | -8.4%         | Financials             |
| Visa Inc Class A         | 1.18%  | -14.1%       | 3.8%          | Information Technology |

| Top 10 Weighted Stocks        |        |              |               |                        |
|-------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000                  | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Teladoc Health Inc            | 0.77%  | 85.2%        | 178.8%        | Health Care            |
| NovoCure Ltd                  | 0.40%  | -20.1%       | 39.8%         | Health Care            |
| Amedisys Inc                  | 0.40%  | 10.0%        | 48.9%         | Health Care            |
| Generac Holdings Inc          | 0.39%  | -7.4%        | 81.9%         | Industrials            |
| Lumentum Holdings Inc         | 0.38%  | -7.1%        | 30.4%         | Information Technology |
| Repligen Corp                 | 0.35%  | 4.4%         | 63.4%         | Health Care            |
| Haemonetics Corp              | 0.35%  | -13.3%       | 13.9%         | Health Care            |
| ACADIA Pharmaceuticals Inc    | 0.33%  | -1.2%        | 57.4%         | Health Care            |
| Trex Co Inc                   | 0.32%  | -10.8%       | 30.3%         | Industrials            |
| Rexford Industrial Realty Inc | 0.32%  | -9.7%        | 16.6%         | Real Estate            |

| Top 10 Performing Stocks (by Quarter) |        |              |               |                        |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 1000                          | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Moderna Inc                           | 0.03%  | 53.1%        | 47.2%         | Health Care            |
| Legg Mason Inc                        | 0.02%  | 37.2%        | 86.1%         | Financials             |
| Taubman Centers Inc                   | 0.01%  | 36.6%        | -15.3%        | Real Estate            |
| Virtu Financial Inc A                 | 0.00%  | 31.9%        | -7.8%         | Financials             |
| Zscaler Inc                           | 0.02%  | 30.9%        | -14.2%        | Information Technology |
| Regeneron Pharmaceuticals Inc         | 0.17%  | 30.0%        | 18.9%         | Health Care            |
| Citrix Systems Inc                    | 0.07%  | 28.0%        | 44.0%         | Information Technology |
| RingCentral Inc Class A               | 0.07%  | 25.6%        | 96.6%         | Information Technology |
| NortonLifeLock Inc                    | 0.04%  | 25.4%        | 40.9%         | Information Technology |
| Tesla Inc                             | 0.32%  | 25.3%        | 87.2%         | Consumer Discretionary |

| Top 10 Performing Stocks (by Quarter) |        |              |               |                        |
|---------------------------------------|--------|--------------|---------------|------------------------|
| Russell 2000                          | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Waitr Holdings Inc Class A            | 0.00%  | 282.0%       | -90.0%        | Consumer Discretionary |
| Novavax Inc                           | 0.03%  | 241.2%       | 23.3%         | Health Care            |
| Vir Biotechnology Inc                 | 0.02%  | 172.5%       | N/A           | Health Care            |
| Athersys Inc                          | 0.03%  | 143.9%       | 100.0%        | Health Care            |
| Forty Seven Inc                       | 0.17%  | 142.4%       | 490.5%        | Health Care            |
| Kala Pharmaceuticals Inc              | 0.01%  | 138.2%       | 6.3%          | Health Care            |
| Aduro Biotech Inc                     | 0.01%  | 132.2%       | -31.2%        | Health Care            |
| Tocagen Inc                           | 0.00%  | 128.8%       | -88.8%        | Health Care            |
| Inovio Pharmaceuticals Inc            | 0.05%  | 125.5%       | 99.5%         | Health Care            |
| Neon Therapeutics Inc                 | 0.00%  | 123.7%       | -59.1%        | Health Care            |

| Bottom 10 Performing Stocks (by Quarter) |        |              |               |                        |
|--|--------|--------------|---------------|------------------------|
| Russell 1000                             | Weight | 1-Qtr Return | 1-Year Return | Sector                 |
| Centennial Resource Dev. Inc A           | 0.00%  | -94.3%       | -97.0%        | Energy                 |
| Kosmos Energy Ltd                        | 0.00%  | -84.0%       | -85.0%        | Energy                 |
| Apache Corp                              | 0.01%  | -83.5%       | -87.5%        | Energy                 |
| Transocean Ltd                           | 0.00%  | -83.1%       | -86.7%        | Energy                 |
| Apergy Corp                              | 0.00%  | -83.0%       | -86.0%        | Energy                 |
| Targa Resources Corp                     | 0.01%  | -82.7%       | -81.7%        | Energy                 |
| Norwegian Cruise Line Holdings Ltd       | 0.01%  | -81.2%       | -80.1%        | Consumer Discretionary |
| MFA Financial Inc                        | 0.00%  | -79.7%       | -76.9%        | Financials             |
| Chesapeake Energy Corp                   | 0.00%  | -79.1%       | -94.4%        | Energy                 |
| Macerich Co                              | 0.00%  | -78.4%       | -85.6%        | Real Estate            |

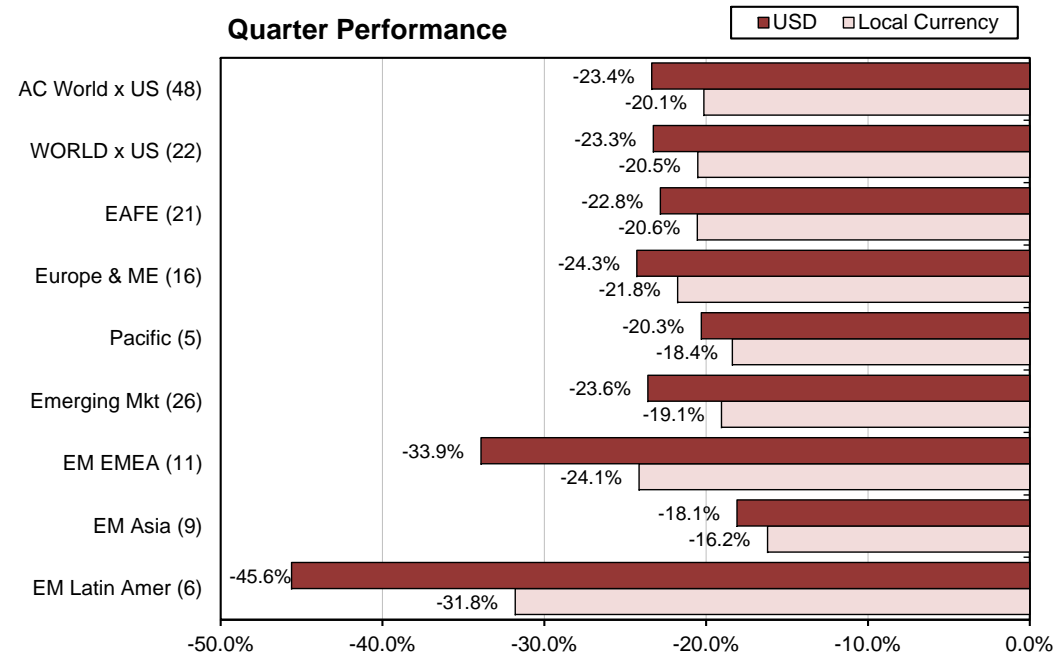
| Bottom 10 Performing Stocks (by Quarter) |        |              |               |        |
|--|--------|--------------|---------------|--------|
| Russell 2000                             | Weight | 1-Qtr Return | 1-Year Return | Sector |
| Independence Contract Drilling Inc       | 0.00%  | -93.0%       | -97.5%        | Energy |
| QEP Resources Inc                        | 0.01%  | -92.5%       | -95.6%        | Energy |
| Whiting Petroleum Corp                   | 0.00%  | -90.9%       | -97.4%        | Energy |
| Amplify Energy Corp                      | 0.00%  | -90.4%       | -93.0%        | Energy |
| Penn Virginia Corp                       | 0.00%  | -89.8%       | -93.0%        | Energy |
| Pacific Drilling SA                      | 0.00%  | -89.8%       | -97.1%        | Energy |
| Nine Energy Service Inc                  | 0.00%  | -89.7%       | -96.4%        | Energy |
| Forum Energy Technologies Inc            | 0.00%  | -89.4%       | -96.5%        | Energy |
| Oasis Petroleum Inc                      | 0.01%  | -89.3%       | -94.2%        | Energy |
| SM Energy Co                             | 0.01%  | -89.1%       | -93.0%        | Energy |

Source: Morningstar Direct

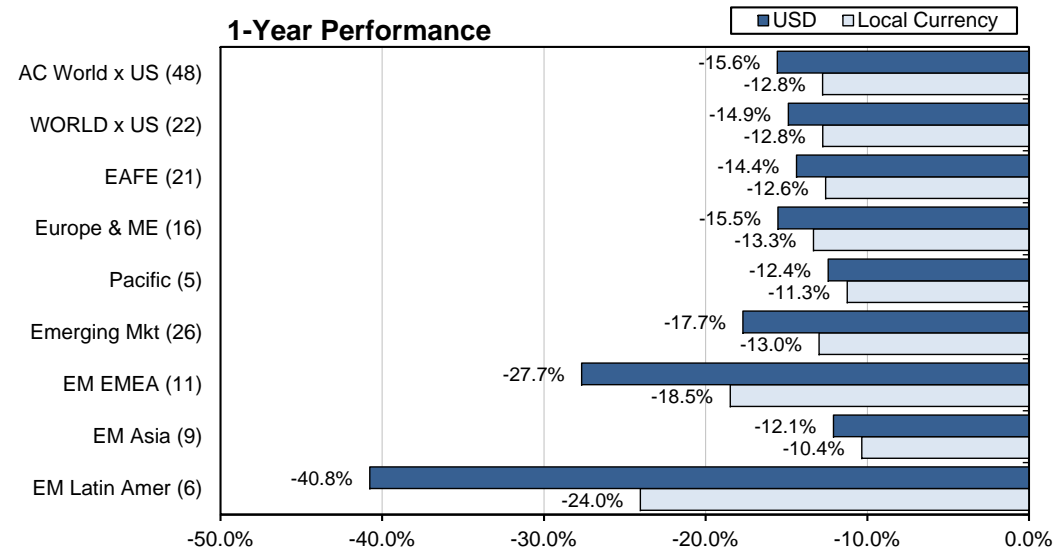


- International equity returns were negative in USD terms for the 1st quarter as markets were negatively impacted by the Coronavirus. In local currency terms, developed and emerging markets performed slightly better due to US dollar (USD) strength against most major currencies which created a significant headwind for US investors. The MSCI ACWI ex US Index lost -20.1% in local currency terms while a USD investor experienced a loss of -23.4% due to the aforementioned currency effect. Similar to US markets, international equity markets were severely impacted by concerns regarding headwinds from slowing economic data. Global central banks reacted by providing additional stimulus measures which are designed to provide the market with liquidity and restore confidence. The European Central Bank (ECB) and the Japanese Central Bank (JCB) announced new programs to purchase securities in an effort to boost markets while the Bank of England (BOE) cut its policy rate to 0.1% and announced additional quantitative easing in an effort to counteract a deterioration in the economy.
- Results for developed market international indices were negative in both local currency terms and USD terms for the 1st quarter. Prior to the onset of the Coronavirus, there were notable developments within the political sphere. The UK formally withdrew from the EU in January. While there remains much uncertainty surrounding what the relationship between the UK and the EU will look like, both sides are continuing to negotiate for a final withdrawal later this year. In Europe, Italy and Spain were hard hit by the Coronavirus. Already beset by relatively low GDP growth in historical terms, the region is expected to experience recession. In Japan, the economy was already under pressure as a result of declining trade with China prior to the onset of the Coronavirus. The Olympics were also rescheduled to 2021 in an effort to reduce the number of potential infections.
- Emerging markets continued their trend from 2019, underperforming relative to developed markets during the 1st quarter. The MSCI Emerging Markets Index fell -23.6% and -19.1% in USD and local currency terms, respectively. The US and China made headway in resolving their trade war by signing the Phase One trade deal in January. Countries with greater sensitivities to commodity prices or a strong USD tended to underperform during the period. Regionally, Asian countries outperformed both EMEA and Latin America, primarily due to their aggressive response to the Coronavirus. Within Latin America, Brazil and Mexico were hard hit as a result of the selloff in oil prices. Argentina underperformed as the country considered delaying the payment of interest on its sovereign debt.

**Quarter Performance**



**1-Year Performance**



Source: MSCI Global Index Monitor (Returns are Net)



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of March 31, 2020

| MSCI - EAFE            | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 5.5%          | -18.0%         | -11.5%        |
| Consumer Discretionary | 11.1%         | -26.8%         | -15.0%        |
| Consumer Staples       | 12.6%         | -13.5%         | -8.5%         |
| Energy                 | 4.0%          | -36.2%         | -37.9%        |
| Financials             | 16.5%         | -31.6%         | -24.7%        |
| Health Care            | 14.3%         | -8.9%          | 7.1%          |
| Industrials            | 14.2%         | -26.4%         | -16.0%        |
| Information Technology | 7.6%          | -17.7%         | -1.7%         |
| Materials              | 6.7%          | -26.8%         | -20.5%        |
| Real Estate            | 3.3%          | -27.6%         | -27.1%        |
| Utilities              | 4.2%          | -13.2%         | -5.1%         |
| <b>Total</b>           | <b>100.0%</b> | <b>-22.8%</b>  | <b>-14.4%</b> |

| MSCI - ACWixUS         | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 7.5%          | -14.1%         | -9.9%         |
| Consumer Discretionary | 11.8%         | -24.1%         | -12.9%        |
| Consumer Staples       | 10.5%         | -14.7%         | -9.9%         |
| Energy                 | 5.2%          | -38.5%         | -37.1%        |
| Financials             | 19.2%         | -31.0%         | -24.9%        |
| Health Care            | 10.5%         | -9.2%          | 4.6%          |
| Industrials            | 11.4%         | -26.2%         | -17.1%        |
| Information Technology | 10.2%         | -17.5%         | 1.3%          |
| Materials              | 7.0%          | -27.5%         | -22.8%        |
| Real Estate            | 3.0%          | -27.6%         | -25.9%        |
| Utilities              | 3.7%          | -15.9%         | -8.7%         |
| <b>Total</b>           | <b>100.0%</b> | <b>-23.4%</b>  | <b>-15.6%</b> |

| MSCI - Emerging Mkt    | Sector Weight | Quarter Return | 1-Year Return |
|------------------------|---------------|----------------|---------------|
| Communication Services | 13.1%         | -9.6%          | -8.2%         |
| Consumer Discretionary | 15.4%         | -18.1%         | -8.3%         |
| Consumer Staples       | 6.6%          | -19.8%         | -15.7%        |
| Energy                 | 5.9%          | -39.9%         | -35.8%        |
| Financials             | 21.6%         | -31.1%         | -27.6%        |
| Health Care            | 3.6%          | -8.5%          | -8.5%         |
| Industrials            | 4.9%          | -28.0%         | -26.5%        |
| Information Technology | 16.9%         | -17.8%         | 3.2%          |
| Materials              | 6.7%          | -30.7%         | -31.3%        |
| Real Estate            | 2.9%          | -26.7%         | -21.5%        |
| Utilities              | 2.5%          | -26.0%         | -23.4%        |
| <b>Total</b>           | <b>100.0%</b> | <b>-23.6%</b>  | <b>-17.7%</b> |

| Country                          | MSCI-EAFE Weight | MSCI-ACWixUS Weight | Quarter Return | 1-Year Return |
|----------------------------------|------------------|---------------------|----------------|---------------|
| Japan                            | 26.3%            | 17.4%               | -16.8%         | -6.7%         |
| United Kingdom                   | 15.1%            | 10.0%               | -28.8%         | -23.0%        |
| France                           | 10.8%            | 7.1%                | -27.6%         | -17.7%        |
| Switzerland                      | 10.7%            | 7.1%                | -11.5%         | 3.5%          |
| Germany                          | 8.3%             | 5.5%                | -27.0%         | -17.5%        |
| Australia                        | 5.9%             | 3.9%                | -33.3%         | -26.3%        |
| Netherlands                      | 4.2%             | 2.7%                | -20.7%         | -7.7%         |
| Hong Kong                        | 3.8%             | 2.5%                | -17.3%         | -21.1%        |
| Sweden                           | 2.8%             | 1.8%                | -21.4%         | -11.2%        |
| Spain                            | 2.6%             | 1.7%                | -29.8%         | -26.5%        |
| Denmark                          | 2.2%             | 1.4%                | -8.0%          | 4.5%          |
| Italy                            | 2.2%             | 1.4%                | -29.3%         | -21.4%        |
| Singapore                        | 1.2%             | 0.8%                | -28.2%         | -22.3%        |
| Finland                          | 1.0%             | 0.7%                | -19.1%         | -18.0%        |
| Belgium                          | 0.9%             | 0.6%                | -32.6%         | -30.2%        |
| Israel                           | 0.6%             | 0.4%                | -18.1%         | -18.4%        |
| Ireland                          | 0.6%             | 0.4%                | -25.7%         | -8.3%         |
| Norway                           | 0.5%             | 0.4%                | -33.4%         | -31.3%        |
| New Zealand                      | 0.3%             | 0.2%                | -16.4%         | -1.0%         |
| Portugal                         | 0.2%             | 0.1%                | -13.1%         | -2.5%         |
| Austria                          | 0.2%             | 0.1%                | -42.9%         | -39.7%        |
| <b>Total EAFE Countries</b>      | <b>100.0%</b>    | <b>66.0%</b>        | <b>-22.8%</b>  | <b>-14.4%</b> |
| Canada                           |                  | 6.3%                | -27.5%         | -19.9%        |
| <b>Total Developed Countries</b> |                  | <b>72.3%</b>        | <b>-23.3%</b>  | <b>-14.9%</b> |
| China                            |                  | 11.3%               | -10.2%         | -5.8%         |
| Taiwan                           |                  | 3.4%                | -19.1%         | 1.3%          |
| Korea                            |                  | 3.3%                | -22.5%         | -16.8%        |
| India                            |                  | 2.1%                | -31.1%         | -30.9%        |
| Brazil                           |                  | 1.4%                | -50.2%         | -41.9%        |
| South Africa                     |                  | 1.0%                | -40.3%         | -37.1%        |
| Russia                           |                  | 0.9%                | -36.4%         | -14.4%        |
| Saudi Arabia                     |                  | 0.7%                | -24.0%         | -28.9%        |
| Thailand                         |                  | 0.6%                | -33.8%         | -32.5%        |
| Mexico                           |                  | 0.5%                | -35.5%         | -31.9%        |
| Malaysia                         |                  | 0.5%                | -19.2%         | -21.1%        |
| Indonesia                        |                  | 0.4%                | -39.6%         | -36.8%        |
| Qatar                            |                  | 0.3%                | -17.3%         | -15.1%        |
| Philippines                      |                  | 0.2%                | -32.2%         | -30.5%        |
| Poland                           |                  | 0.2%                | -36.5%         | -39.9%        |
| Chile                            |                  | 0.2%                | -33.6%         | -47.1%        |
| United Arab Emirates             |                  | 0.2%                | -27.1%         | -30.3%        |
| Turkey                           |                  | 0.1%                | -30.1%         | -19.8%        |
| Peru                             |                  | 0.1%                | -35.8%         | -39.4%        |
| Colombia                         |                  | 0.1%                | -49.7%         | -47.3%        |
| Hungary                          |                  | 0.1%                | -39.0%         | -31.3%        |
| Greece                           |                  | 0.1%                | -45.2%         | -30.4%        |
| Argentina                        |                  | 0.0%                | -39.3%         | -51.0%        |
| Egypt                            |                  | 0.0%                | -27.1%         | -10.8%        |
| Czech Republic                   |                  | 0.0%                | -38.5%         | -38.3%        |
| Pakistan                         |                  | 0.0%                | -39.7%         | -39.0%        |
| <b>Total Emerging Countries</b>  |                  | <b>27.7%</b>        | <b>-23.6%</b>  | <b>-17.7%</b> |
| <b>Total ACWixUS Countries</b>   |                  | <b>100.0%</b>       | <b>-23.4%</b>  | <b>-15.6%</b> |

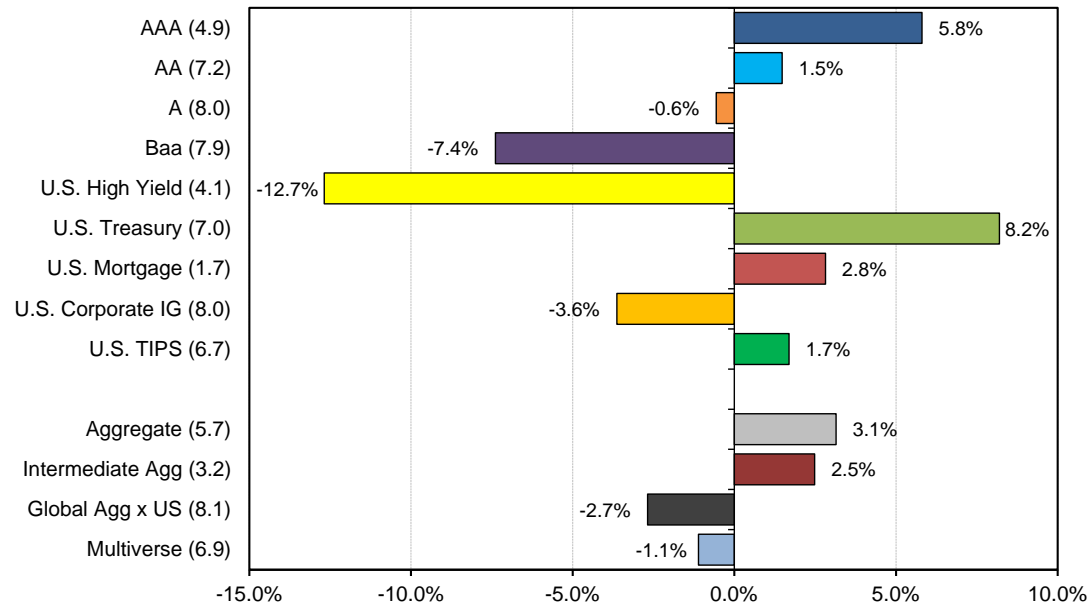
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

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

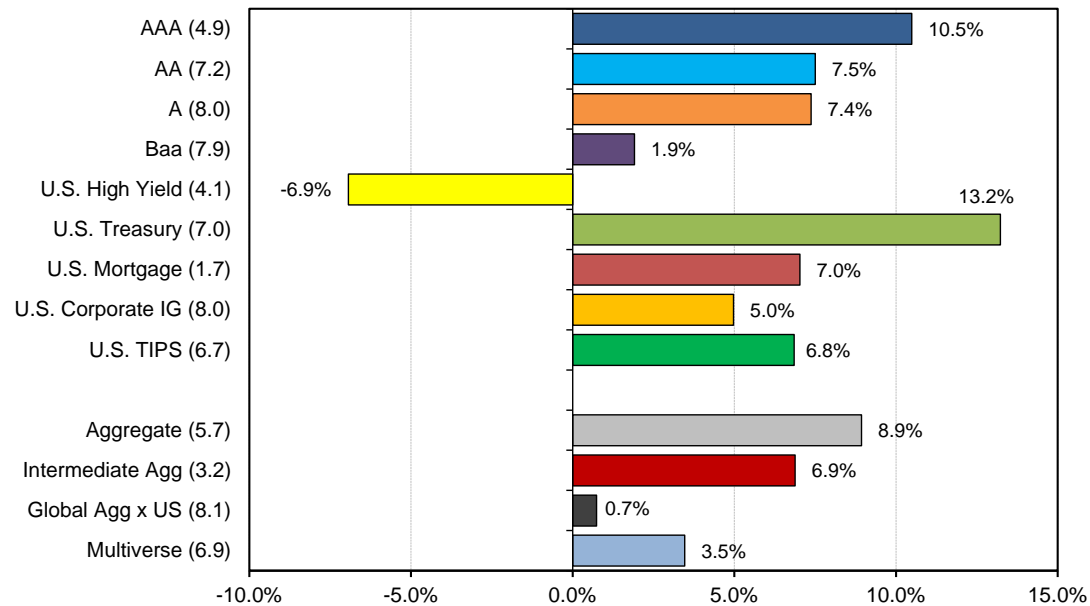


- Fixed income market returns during the 1st quarter were bifurcated between high- and low-quality bonds. Interest rates fell across the US Treasury Yield Curve through the quarter as investors sought safety and lower volatility assets. As a result of the deterioration of the US economy, the Fed took unprecedented action and lowered interest rates to between 0% to 0.25%. As a result, short term interest rates fell dramatically. The benchmark US Treasury 10-Year bond yield fell by more than 120 basis points during the quarter ending the period at a yield of 0.70%. In addition to lowering interest rates, the Fed committed to purchasing near unlimited US Treasury bonds and Agency mortgage bonds while implementing additional programs that allow for the purchase of corporate bonds. The bellwether Bloomberg Barclays US Aggregate Index posted positive returns for both the 1st quarter and the 1-year period, returning 3.1% and 8.9%, respectively.
- Within investment grade credit, higher quality issues outperformed lower quality issues during the quarter. More specifically, investors rotated out of lower quality issues due to the expectation for deterioration in the economy as a result of shelter-in-place protection measures. On an absolute basis, without negating the duration differences in the sub-indices, high yield credit was the worst performing sector returning -12.7% for the quarter, while AAA was the best performing, returning 5.8%. High yield spreads relative to comparable US Treasury issues widened to their highest levels since the 2008 Financial Crisis at nearly 1,100 basis points. Within investment grade bonds, Baa also underperformed, returning -7.4%. Much has been made in recent years about the growth of Baa bond issues outstanding and the potential for downgrades should a recession ensue. Returns over the 1-year period show generally positive returns with only high yield bonds posting a negative result. Within investment grade bonds, AAA bonds outperformed returning 10.5% compared to 7.5%, 7.4% and 1.9%, respectively, for AA, A and Baa rated issues.
- Within the Bloomberg Barclays US Aggregate Bond Index, defensive US Treasury, government agency and mortgage backed sectors outperformed investment grade corporate issues over the 1-year period. The defensive sectors benefited from the flight to quality as investors preferred lower volatility issues despite their lower relative yields. Over the 1-year period, US Treasury bonds returned 13.2% while US mortgage backed and investment grade corporate issues returned 7.0% versus a 5.0%, respectively. High yield bonds were the only negative performer for the year in the chart primarily due to the quarter's dramatic spread widening and resulting weak performance. Additionally, commodity-related lower quality issues were negatively impacted with the significant decline in oil prices.

**Quarter Performance**



**1-Year Performance**

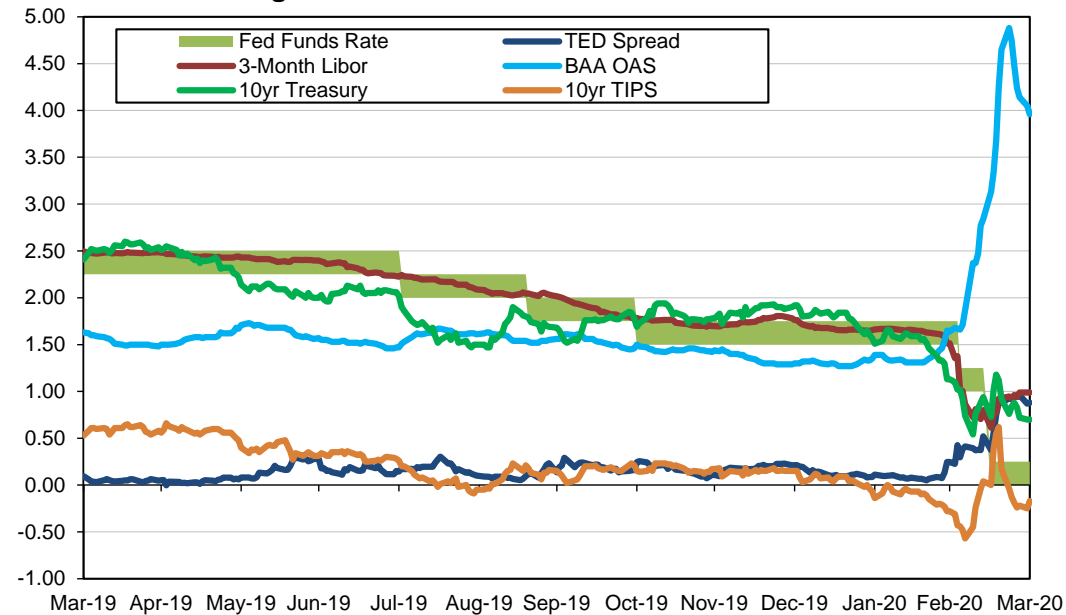


Source: Bloomberg

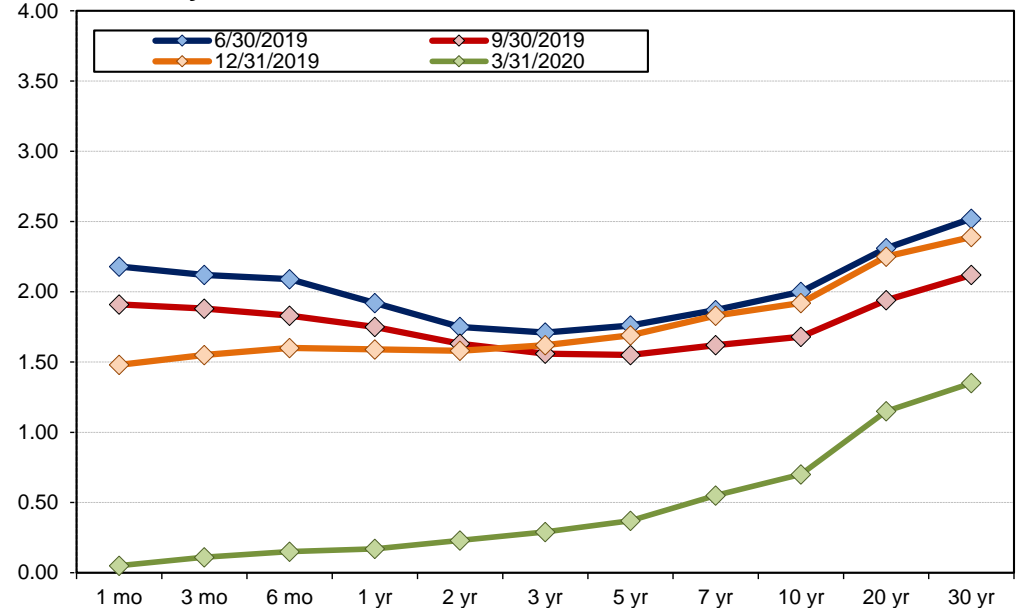


- Global fixed income returns continued their relative underperformance when compared to their domestic counterparts during the 1st quarter. Yields across developed markets fell in the first quarter following the onset of the Coronavirus. While the number of negative yielding bonds has recently subsided, countries such as Germany, Sweden and Switzerland continue to have lower, or in some cases negative yields. As mentioned, the USD appreciated against most developed currencies during the quarter, acting as a headwind to global bond index performance. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was -2.7% for the period. Global bonds also trailed over the 1-year period with the Global Aggregate ex US Index returning 0.7% versus 8.9% return for the domestic Bloomberg Barclays Aggregate Index. Global growth is expected to slow considerably in the 1st and 2nd quarters as countries continue to manage through the Coronavirus pandemic. Importantly, global central banks are acting in coordination to provide sufficient liquidity in an effort to calm markets. As a result, interest rates, and bond returns, are expected to remain low until economic activity resumes.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that over the last year, the 10-year Treasury yield (green line) has fallen from roughly 2.5% to roughly 0.7%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates an abrupt increase in credit spreads during the 1st quarter of 2020 as investors moved to higher quality assets during the quarter's risk-off environment. Prior to that, spreads had remained relatively range bound over the previous three quarters as investors sought out higher relative yields in corporate bonds. The orange line illustrates US Treasury TIPS which reflect investor expectations of future inflation. Over the trailing year, TIPS yields had already been trending generally lower due to concerns about the sustainability of global economic growth. Following the drawdown in the 1st quarter, TIPS yields were negative as investors believed that the US economy would enter a recession.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. The downward shift in US interest rates is clearly visible over the last quarter. The primary driver of this change in the curve was due to the supportive actions taken by the Fed, which reversed recent interest rate increases, and a broad flight to the perceived safety of US Treasury securities.

1-Year Trailing Market Rates



Treasury Yield Curve

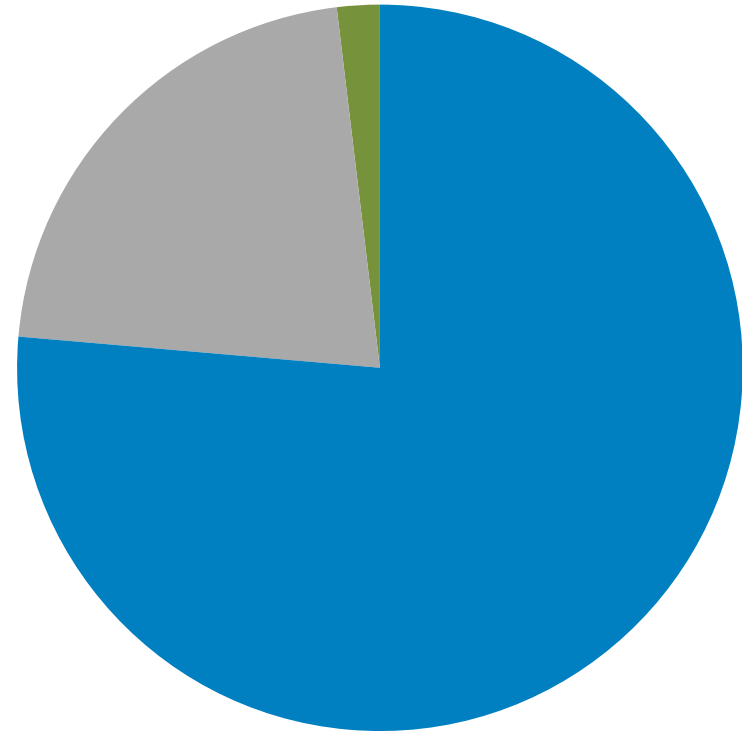
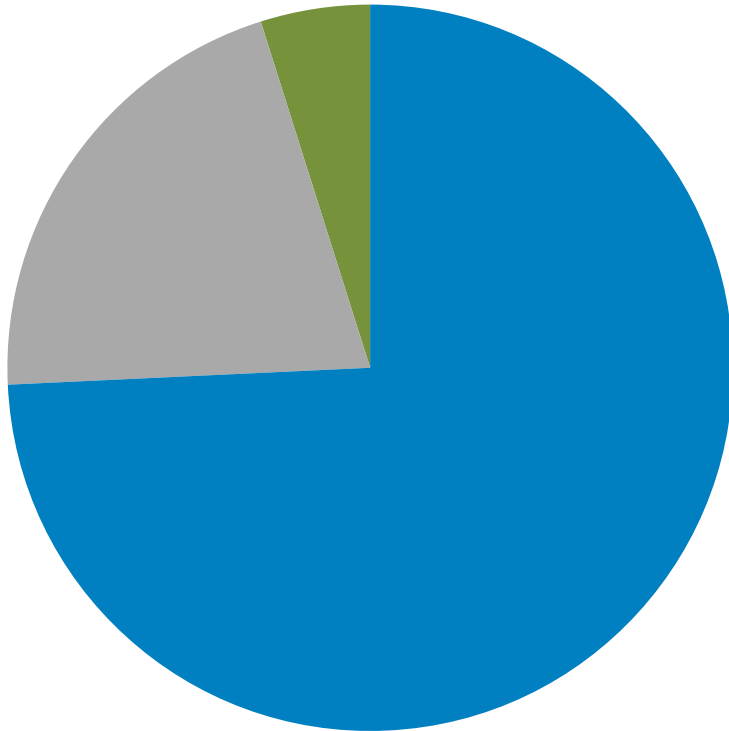


Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



Asset Allocation By Segment as of  
 December 31, 2019 : \$14,689,877

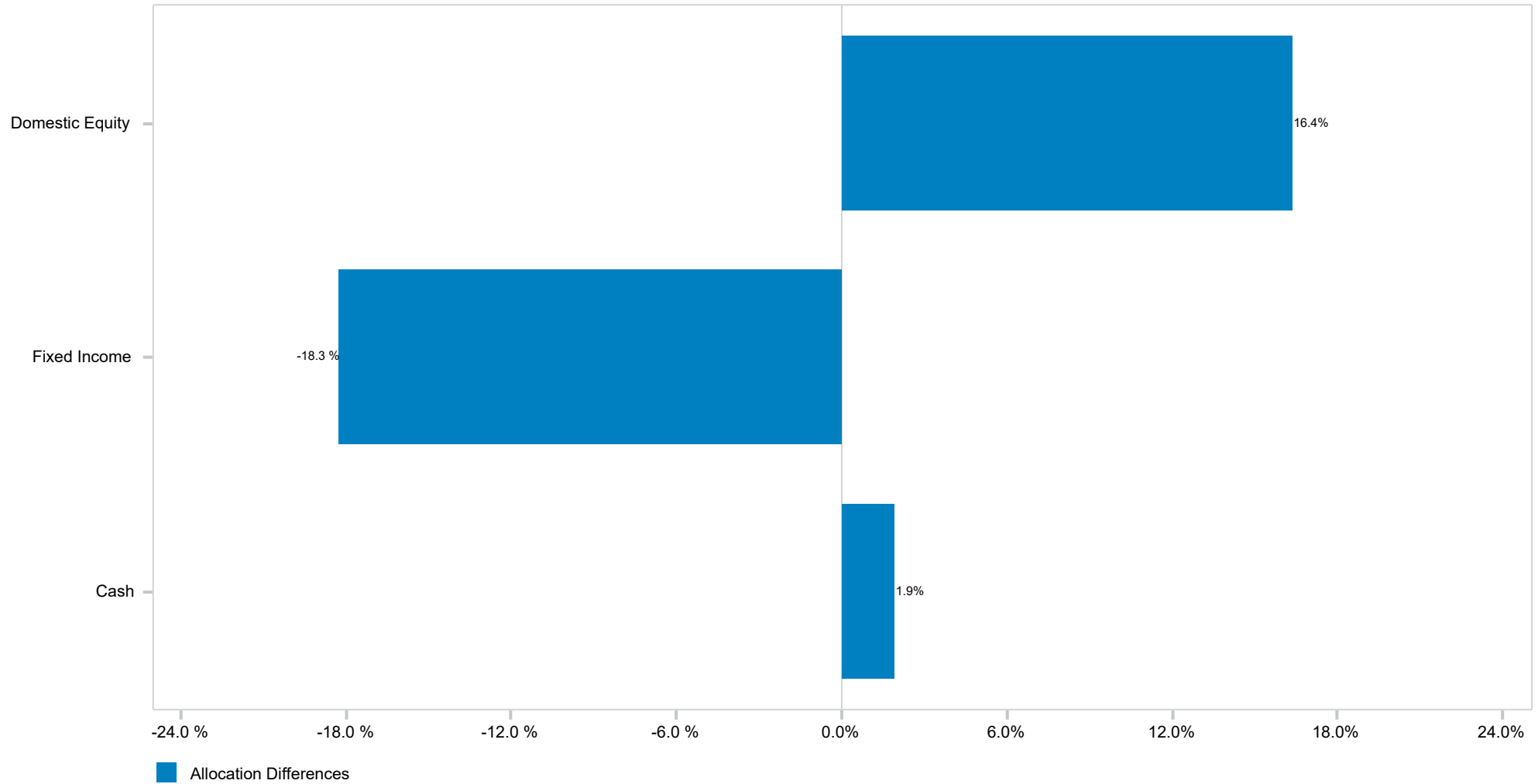
Asset Allocation By Segment as of  
 March 31, 2020 : \$12,476,549



| Allocation            |              |            | Allocation            |              |            |
|-----------------------|--------------|------------|-----------------------|--------------|------------|
| Segments              | Market Value | Allocation | Segments              | Market Value | Allocation |
| Equity                | 10,908,890   | 74.3       | Equity                | 9,528,106    | 76.4       |
| Domestic Fixed Income | 3,064,850    | 20.9       | Domestic Fixed Income | 2,711,145    | 21.7       |
| Cash Equivalent       | 716,138      | 4.9        | Cash Equivalent       | 237,298      | 1.9        |



Asset Allocation vs. Target Allocation



Asset Allocation vs. Target Allocation

|                 | Market Value<br>\$ | Allocation (%) | Target (%) |
|-----------------|--------------------|----------------|------------|
| Domestic Equity | 9,528,106          | 76.4           | 60.0       |
| Fixed Income    | 2,711,145          | 21.7           | 40.0       |
| Cash            | 237,298            | 1.9            | 0.0        |
| Total Fund      | 12,476,549         | 100.0          | 100.0      |



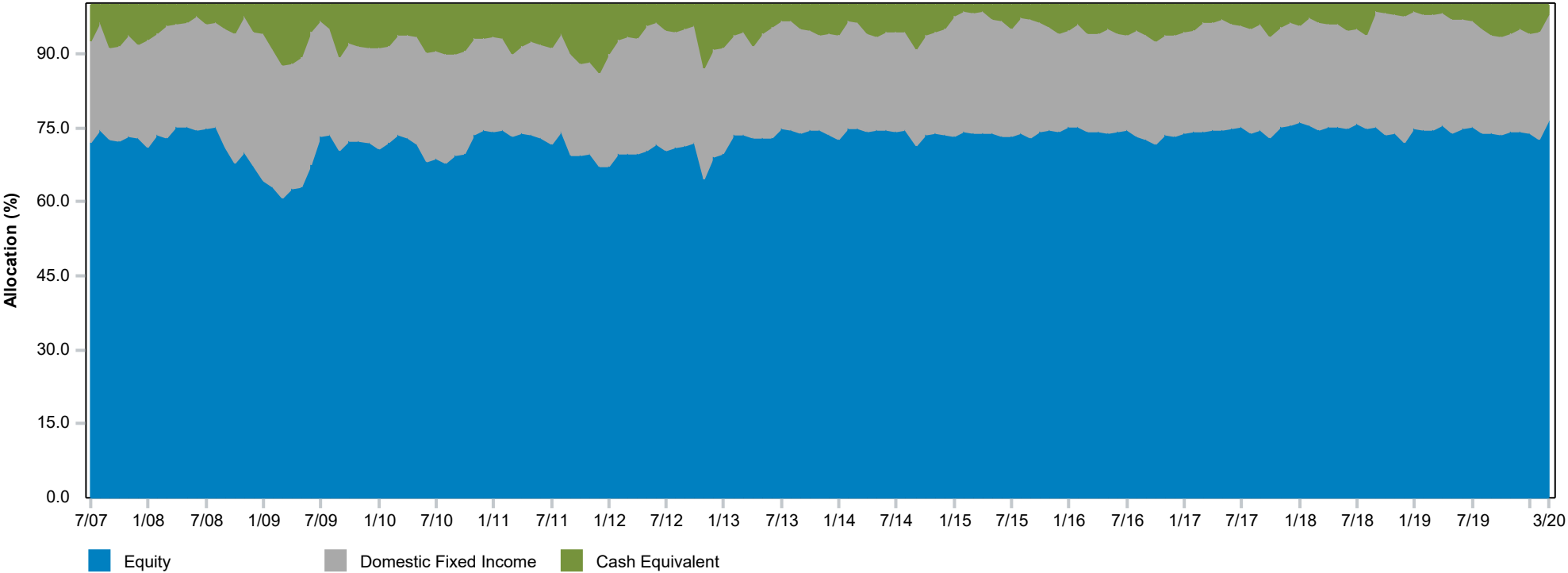


**Ocean City Wright Fire Control District**  
**Asset Allocation History**  
As of March 31, 2020

**Asset Allocation History by Portfolio**

|                                  | Mar-2020          |               | Dec-2019          |               | Sep-2019          |               | Jun-2019          |               | Mar-2019          |               |
|----------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
|                                  | (\$)              | %             | (\$)              | %             | (\$)              | %             | (\$)              | %             | (\$)              | %             |
| <b>Bowen, Hanes Equity</b>       | <b>9,397,087</b>  | <b>75.32</b>  | <b>11,414,428</b> | <b>77.70</b>  | <b>10,526,183</b> | <b>75.46</b>  | <b>10,050,796</b> | <b>75.07</b>  | <b>9,678,720</b>  | <b>74.99</b>  |
| <b>Bowen, Hanes Fixed Income</b> | <b>3,079,462</b>  | <b>24.68</b>  | <b>3,275,450</b>  | <b>22.30</b>  | <b>3,422,774</b>  | <b>24.54</b>  | <b>3,337,900</b>  | <b>24.93</b>  | <b>3,227,433</b>  | <b>25.01</b>  |
| <b>Total Fund</b>                | <b>12,476,549</b> | <b>100.00</b> | <b>14,689,877</b> | <b>100.00</b> | <b>13,948,957</b> | <b>100.00</b> | <b>13,388,696</b> | <b>100.00</b> | <b>12,906,153</b> | <b>100.00</b> |

**Asset Allocation History by Asset Class**





Ocean City Wright Fire Control District

Financial Reconciliation

As of March 31, 2020

| Quarter to Date           |                            |                  |                |                 |                    |                   |               |                     |                            |
|---------------------------|----------------------------|------------------|----------------|-----------------|--------------------|-------------------|---------------|---------------------|----------------------------|
|                           | Market Value<br>01/01/2020 | Net<br>Transfers | Contributions  | Distributions   | Management<br>Fees | Other<br>Expenses | Income        | Apprec./<br>Deprec. | Market Value<br>03/31/2020 |
| Bowen, Hanes Equity       | 11,414,428                 | -54,000          | -              | -               | -12,078            | -                 | 43,548        | -1,994,811          | 9,397,087                  |
| Bowen, Hanes Fixed Income | 3,275,450                  | 54,000           | 334,815        | -412,824        | -4,026             | -14,250           | 25,002        | -178,705            | 3,079,462                  |
| <b>Total Fund</b>         | <b>14,689,877</b>          | <b>-</b>         | <b>334,815</b> | <b>-412,824</b> | <b>-16,105</b>     | <b>-14,250</b>    | <b>68,550</b> | <b>-2,173,516</b>   | <b>12,476,549</b>          |

| Fiscal Year to Date       |                            |                  |                |                 |                    |                   |                |                     |                            |
|---------------------------|----------------------------|------------------|----------------|-----------------|--------------------|-------------------|----------------|---------------------|----------------------------|
|                           | Market Value<br>10/01/2019 | Net<br>Transfers | Contributions  | Distributions   | Management<br>Fees | Other<br>Expenses | Income         | Apprec./<br>Deprec. | Market Value<br>03/31/2020 |
| Bowen, Hanes Equity       | 10,526,183                 | 234,000          | -              | -               | -23,745            | -                 | 82,940         | -1,422,292          | 9,397,087                  |
| Bowen, Hanes Fixed Income | 3,422,774                  | -234,000         | 749,999        | -694,518        | -7,894             | -35,136           | 49,327         | -171,089            | 3,079,462                  |
| <b>Total Fund</b>         | <b>13,948,957</b>          | <b>-</b>         | <b>749,999</b> | <b>-694,518</b> | <b>-31,639</b>     | <b>-35,136</b>    | <b>132,267</b> | <b>-1,593,381</b>   | <b>12,476,549</b>          |



**Ocean City Wright Fire Control District**  
**Trailing Returns**  
As of March 31, 2020

**Comparative Performance**

|   | QTR           |             | FYTD          |             | 1 YR         |             | 3 YR        |             | 4 YR        |             | 5 YR        |              | Inception   |              | Inception Date    |
|---|---------------|-------------|---------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------------|
| <b>Total Fund (Gross)</b>                             | <b>-14.38</b> | <b>(73)</b> | <b>-10.42</b> | <b>(84)</b> | <b>-4.27</b> | <b>(40)</b> | <b>5.20</b> | <b>(4)</b>  | <b>6.64</b> | <b>(4)</b>  | <b>4.47</b> | <b>(15)</b>  | <b>5.65</b> | <b>(46)</b>  | <b>07/01/2005</b> |
| Total Fund Policy                                     | -11.39        | (24)        | -6.67         | (20)        | -1.53        | (14)        | 4.34        | (10)        | 5.62        | (20)        | 4.60        | (12)         | 5.68        | (43)         |                   |
| All Public Plans-Total Fund Median                    | -13.12        |             | -8.54         |             | -4.76        |             | 2.84        |             | 4.84        |             | 3.54        |              | 5.58        |              |                   |
| <b>Total Fund (Net)</b>                               | <b>-14.47</b> |             | <b>-10.62</b> |             | <b>-4.68</b> |             | <b>4.74</b> |             | <b>6.18</b> |             | <b>4.00</b> |              | <b>5.10</b> |              | <b>07/01/2005</b> |
| <b>Total Equity</b>                                   | <b>-17.42</b> | <b>(16)</b> | <b>-12.69</b> | <b>(40)</b> | <b>-5.78</b> | <b>(21)</b> | <b>6.15</b> | <b>(19)</b> | <b>7.93</b> | <b>(35)</b> | <b>5.12</b> | <b>(61)</b>  | <b>9.02</b> | <b>(82)</b>  | <b>01/01/2010</b> |
| Total Equity Policy                                   | -20.39        | (55)        | -13.33        | (46)        | -8.74        | (57)        | 3.50        | (61)        | 6.49        | (59)        | 5.02        | (62)         | 9.05        | (81)         |                   |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -20.02        |             | -13.76        |             | -8.37        |             | 4.08        |             | 7.05        |             | 5.73        |              | 10.58       |              |                   |
| <b>Bowen, Hanes Equity</b>                            | <b>-17.42</b> | <b>(16)</b> | <b>-12.69</b> | <b>(40)</b> | <b>-5.78</b> | <b>(21)</b> | <b>6.15</b> | <b>(19)</b> | <b>7.93</b> | <b>(35)</b> | <b>5.12</b> | <b>(61)</b>  | <b>9.02</b> | <b>(82)</b>  | <b>01/01/2010</b> |
| Total Equity Policy                                   | -20.39        | (55)        | -13.33        | (46)        | -8.74        | (57)        | 3.50        | (61)        | 6.49        | (59)        | 5.02        | (62)         | 9.05        | (81)         |                   |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -20.02        |             | -13.76        |             | -8.37        |             | 4.08        |             | 7.05        |             | 5.73        |              | 10.58       |              |                   |
| <b>Total Fixed Income</b>                             | <b>-4.13</b>  | <b>(97)</b> | <b>-3.22</b>  | <b>(97)</b> | <b>0.35</b>  | <b>(97)</b> | <b>2.04</b> | <b>(99)</b> | <b>2.76</b> | <b>(98)</b> | <b>2.22</b> | <b>(100)</b> | <b>3.74</b> | <b>(100)</b> | <b>01/01/2010</b> |
| Total Fixed Income Policy                             | 3.15          | (25)        | 3.33          | (24)        | 8.93         | (27)        | 4.82        | (47)        | 3.71        | (69)        | 3.36        | (72)         | 3.94        | (95)         |                   |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.73          |             | 1.99          |             | 7.83         |             | 4.77        |             | 3.80        |             | 3.47        |              | 4.36        |              |                   |
| <b>Bowen, Hanes Fixed Income</b>                      | <b>-4.13</b>  | <b>(97)</b> | <b>-3.22</b>  | <b>(97)</b> | <b>0.33</b>  | <b>(97)</b> | <b>2.04</b> | <b>(99)</b> | <b>2.76</b> | <b>(98)</b> | <b>2.21</b> | <b>(100)</b> | <b>3.74</b> | <b>(100)</b> | <b>01/01/2010</b> |
| Blmbg. Barc. U.S. Aggregate Index                     | 3.15          | (25)        | 3.33          | (24)        | 8.93         | (27)        | 4.82        | (47)        | 3.71        | (69)        | 3.36        | (72)         | 3.97        | (92)         |                   |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.73          |             | 1.99          |             | 7.83         |             | 4.77        |             | 3.80        |             | 3.47        |              | 4.36        |              |                   |

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



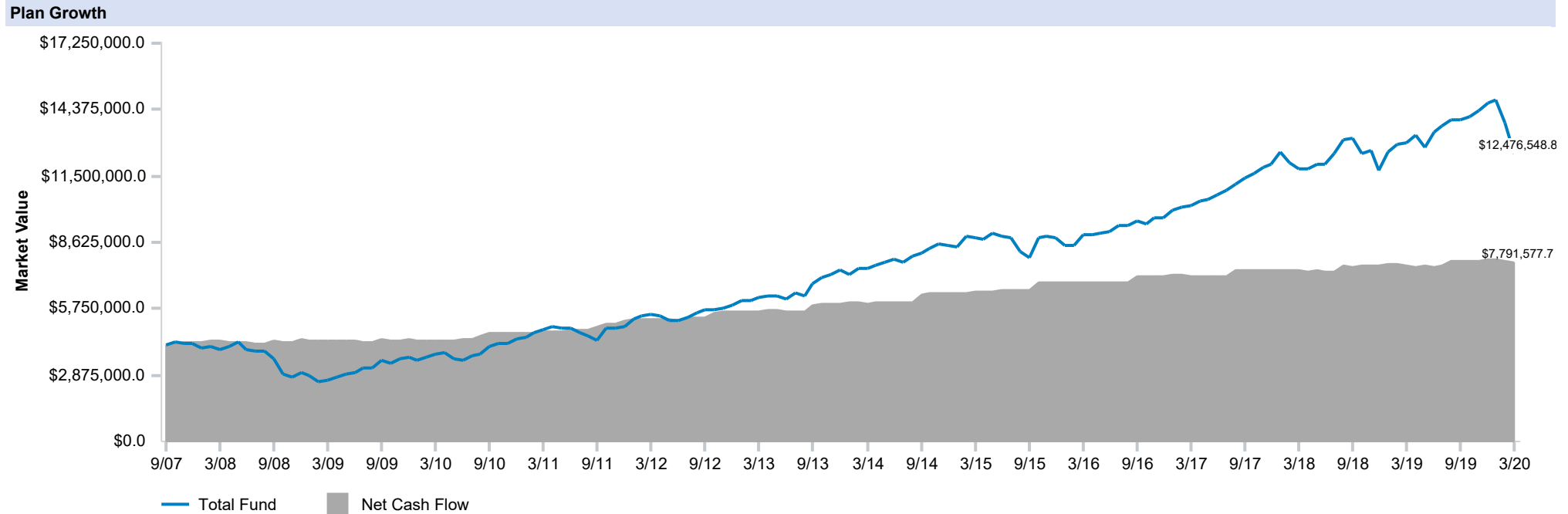
**Ocean City Wright Fire Control District**  
**Fiscal Year Returns**  
As of March 31, 2020

**Comparative Performance**

|   | FYTD          |             | Oct-2018<br>To<br>Sep-2019 |             | Oct-2017<br>To<br>Sep-2018 |             | Oct-2016<br>To<br>Sep-2017 |             | Oct-2015<br>To<br>Sep-2016 |             | Oct-2014<br>To<br>Sep-2015 |             | Oct-2013<br>To<br>Sep-2014 |             |
|---|---------------|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|-------------|
| <b>Total Fund (Gross)</b>                             | <b>-10.42</b> | <b>(84)</b> | <b>4.53</b>                | <b>(43)</b> | <b>13.52</b>               | <b>(1)</b>  | <b>16.78</b>               | <b>(2)</b>  | <b>12.51</b>               | <b>(6)</b>  | <b>-5.30</b>               | <b>(97)</b> | <b>12.79</b>               | <b>(7)</b>  |
| Total Fund Policy                                     | -6.67         | (20)        | 6.28                       | (10)        | 7.84                       | (36)        | 11.07                      | (65)        | 10.22                      | (36)        | -0.22                      | (37)        | 11.03                      | (30)        |
| All Public Plans-Total Fund Median                    | -8.54         |             | 4.32                       |             | 7.13                       |             | 11.82                      |             | 9.74                       |             | -0.78                      |             | 9.93                       |             |
| <b>Total Fund (Net)</b>                               | <b>-10.62</b> |             | <b>4.07</b>                |             | <b>13.02</b>               |             | <b>16.30</b>               |             | <b>11.99</b>               |             | <b>-5.78</b>               |             | <b>12.13</b>               |             |
| <b>Total Equity</b>                                   | <b>-12.69</b> | <b>(40)</b> | <b>3.88</b>                | <b>(43)</b> | <b>17.66</b>               | <b>(44)</b> | <b>21.66</b>               | <b>(18)</b> | <b>15.65</b>               | <b>(20)</b> | <b>-7.34</b>               | <b>(96)</b> | <b>16.26</b>               | <b>(81)</b> |
| Total Equity Policy                                   | -13.33        | (46)        | 3.01                       | (51)        | 14.13                      | (74)        | 18.93                      | (47)        | 13.32                      | (51)        | -2.53                      | (82)        | 15.82                      | (83)        |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -13.76        |             | 3.09                       |             | 17.24                      |             | 18.74                      |             | 13.34                      |             | 0.11                       |             | 19.19                      |             |
| <b>Bowen, Hanes Equity</b>                            | <b>-12.69</b> | <b>(40)</b> | <b>3.88</b>                | <b>(43)</b> | <b>17.66</b>               | <b>(44)</b> | <b>21.66</b>               | <b>(18)</b> | <b>15.65</b>               | <b>(20)</b> | <b>-7.34</b>               | <b>(96)</b> | <b>16.28</b>               | <b>(81)</b> |
| Total Equity Policy                                   | -13.33        | (46)        | 3.01                       | (51)        | 14.13                      | (74)        | 18.93                      | (47)        | 13.32                      | (51)        | -2.53                      | (82)        | 15.82                      | (83)        |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -13.76        |             | 3.09                       |             | 17.24                      |             | 18.74                      |             | 13.34                      |             | 0.11                       |             | 19.19                      |             |
| <b>Total Fixed Income</b>                             | <b>-3.22</b>  | <b>(97)</b> | <b>6.13</b>                | <b>(99)</b> | <b>1.47</b>                | <b>(3)</b>  | <b>3.19</b>                | <b>(5)</b>  | <b>4.82</b>                | <b>(94)</b> | <b>-0.23</b>               | <b>(99)</b> | <b>3.99</b>                | <b>(77)</b> |
| Total Fixed Income Policy                             | 3.33          | (24)        | 10.30                      | (70)        | -1.22                      | (87)        | 0.07                       | (84)        | 5.19                       | (80)        | 2.94                       | (62)        | 3.96                       | (80)        |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.99          |             | 10.43                      |             | -0.75                      |             | 0.61                       |             | 5.66                       |             | 3.02                       |             | 4.45                       |             |
| <b>Bowen, Hanes Fixed Income</b>                      | <b>-3.22</b>  | <b>(97)</b> | <b>6.11</b>                | <b>(99)</b> | <b>1.47</b>                | <b>(3)</b>  | <b>3.19</b>                | <b>(5)</b>  | <b>4.80</b>                | <b>(94)</b> | <b>-0.23</b>               | <b>(99)</b> | <b>3.99</b>                | <b>(77)</b> |
| Blmbg. Barc. U.S. Aggregate Index                     | 3.33          | (24)        | 10.30                      | (70)        | -1.22                      | (87)        | 0.07                       | (84)        | 5.19                       | (80)        | 2.94                       | (62)        | 3.96                       | (80)        |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.99          |             | 10.43                      |             | -0.75                      |             | 0.61                       |             | 5.66                       |             | 3.02                       |             | 4.45                       |             |

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.





**Trailing Returns**

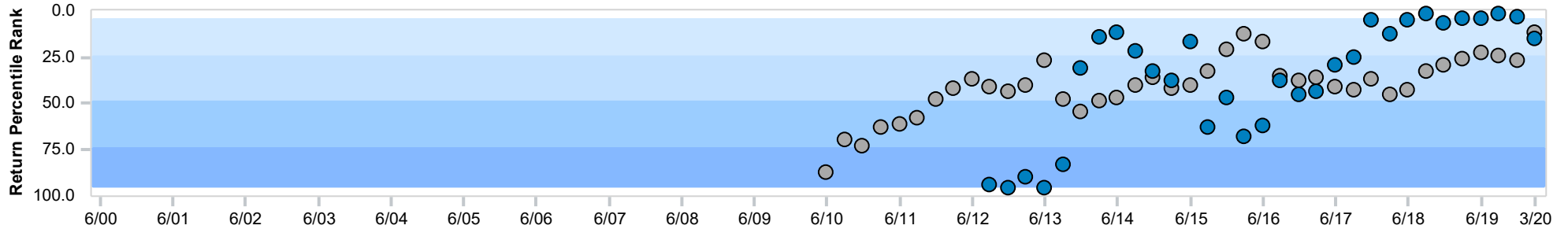
|                   | QTR         | YTD         | 1 YR       | 2 YR      | 3 YR      | 5 YR      | 7 YR      | 10 YR     | 15 YR |
|-------------------|-------------|-------------|------------|-----------|-----------|-----------|-----------|-----------|-------|
| Total Fund        | -14.38 (73) | -14.38 (73) | -4.27 (40) | 1.50 (13) | 5.20 (4)  | 4.47 (15) | 6.65 (6)  | 7.02 (19) | N/A   |
| Total Fund Policy | -11.39 (24) | -11.39 (24) | -1.53 (14) | 2.08 (10) | 4.34 (10) | 4.60 (12) | 6.14 (15) | 7.02 (19) | N/A   |
| Median            | -13.12      | -13.12      | -4.76      | -0.43     | 2.84      | 3.54      | 5.20      | 6.32      | 5.66  |

**Fiscal Year Returns**

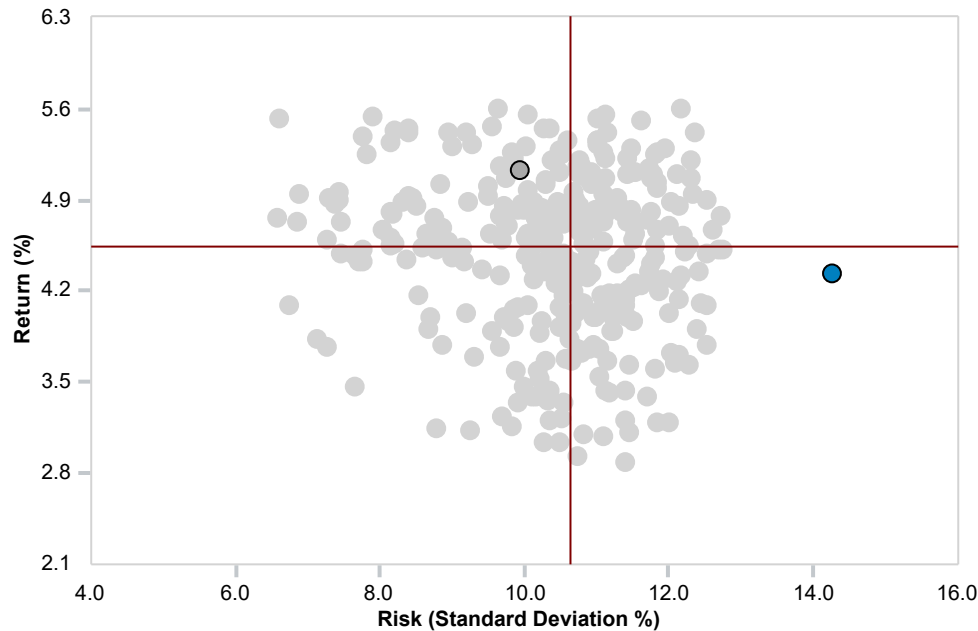
|                   | FYTD        | FY 2019   | FY 2018   | FY 2017    | FY 2016    | FY 2015    | FY 2014    | FY 2013    |
|-------------------|-------------|-----------|-----------|------------|------------|------------|------------|------------|
| Total Fund        | -10.42 (84) | 4.53 (43) | 13.52 (1) | 16.78 (2)  | 12.51 (1)  | -5.30 (99) | 12.79 (2)  | 10.58 (72) |
| Total Fund Policy | -6.67 (20)  | 6.28 (10) | 7.84 (38) | 11.07 (66) | 10.22 (30) | -0.22 (38) | 11.03 (18) | 11.30 (63) |
| Median            | -8.54       | 4.30      | 7.31      | 11.79      | 9.58       | -0.61      | 9.40       | 12.12      |



5 Year Rolling Percentile Ranking

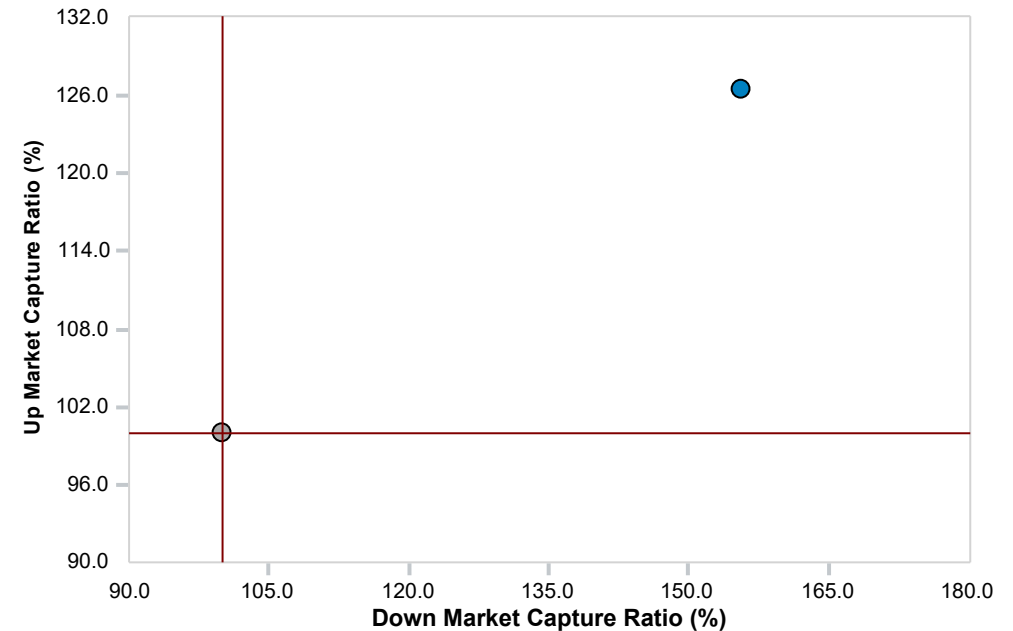


Risk vs Return: October 2007 to Present



● Total Fund    ● Total Fund Policy

Up/Down Markets: October 2007 to Present



● Total Fund    ● Total Fund Policy

Historical Statistics: October 1, 2007 To March 31, 2020

|                   | Consistency | Maximum Drawdown | Alpha | Active Return | Sharpe Ratio | Information Ratio | Treynor Ratio | Beta | Tracking Error |
|-------------------|-------------|------------------|-------|---------------|--------------|-------------------|---------------|------|----------------|
| Total Fund        | 60.00       | -39.64           | -2.40 | -0.21         | 0.32         | -0.04             | 0.03          | 1.40 | 5.07           |
| Total Fund Policy | 0.00        | -27.92           | 0.00  | 0.00          | 0.47         | N/A               | 0.05          | 1.00 | 0.00           |



**Multi Timeperiod Statistics**

|   | 1 Qtr<br>Return |             | 1<br>Quarter<br>Ending<br>Dec-2019<br>Return |             | 1<br>Quarter<br>Ending<br>Sep-2019<br>Return |             | 1<br>Quarter<br>Ending<br>Jun-2019<br>Return |             | 3 YR<br>Return |             | 5 YR<br>Return |              | 3 YR<br>Down<br>Market<br>Capture |              | 5 YR<br>Down<br>Market<br>Capture |              |
|---|-----------------|-------------|--|-------------|--|-------------|--|-------------|----------------|-------------|----------------|--------------|-----------------------------------|--------------|-----------------------------------|--------------|
| <b>Total Fund</b>                                     | <b>-14.38</b>   | <b>(73)</b> | <b>4.62</b>                                  | <b>(75)</b> | <b>2.57</b>                                  | <b>(2)</b>  | <b>4.20</b>                                  | <b>(2)</b>  | <b>5.20</b>    | <b>(4)</b>  | <b>4.47</b>    | <b>(15)</b>  | <b>136.90</b>                     | <b>(3)</b>   | <b>157.28</b>                     | <b>(1)</b>   |
| Total Fund Policy                                     | -11.39          | (24)        | 5.33   | (44)        | 1.55   | (7)         | 3.89   | (5)         | 4.34           | (10)        | 4.60           | (12)         | 100.00                            |              | 100.00                            |              |
| All Public Plans-Total Fund Median                    | -13.12          |             | 5.23   |             | 0.84   |             | 3.26   |             | 2.84           |             | 3.54           |              | 105.41                            |              | 106.80                            |              |
| <b>Total Fund - Net</b>                               | <b>-14.47</b>   |             | <b>4.50</b>                                  |             | <b>2.46</b>                                  |             | <b>4.08</b>                                  |             | <b>4.74</b>    |             | <b>4.00</b>    |              | <b>138.43</b>                     |              | <b>159.52</b>                     |              |
| Total Fund Policy                                     | -11.39          |             | 5.33   |             | 1.55   |             | 3.89   |             | 4.34           |             | 4.60           |              | 100.00                            |              | 100.00                            |              |
| <b>Total Equity</b>                                   | <b>-17.42</b>   | <b>(16)</b> | <b>5.72</b>                                  | <b>(89)</b> | <b>2.92</b>                                  | <b>(17)</b> | <b>4.86</b>                                  | <b>(31)</b> | <b>6.15</b>    | <b>(19)</b> | <b>5.12</b>    | <b>(61)</b>  | <b>99.11</b>                      | <b>(53)</b>  | <b>115.45</b>                     | <b>(8)</b>   |
| Total Equity Policy                                   | -20.39          | (55)        | 8.86   | (37)        | 1.03   | (67)        | 4.22   | (51)        | 3.50           | (61)        | 5.02           | (62)         | 100.00                            |              | 100.00                            |              |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -20.02          |             | 8.23   |             | 1.53   |             | 4.26   |             | 4.08           |             | 5.73           |              | 99.90                             |              | 97.86                             |              |
| <b>Total Fixed Income</b>                             | <b>-4.13</b>    | <b>(97)</b> | <b>0.95</b>                                  | <b>(7)</b>  | <b>1.52</b>                                  | <b>(96)</b> | <b>2.14</b>                                  | <b>(97)</b> | <b>2.04</b>    | <b>(99)</b> | <b>2.22</b>    | <b>(100)</b> | <b>-37.99</b>                     | <b>(100)</b> | <b>15.57</b>                      | <b>(100)</b> |
| Total Fixed Income Policy                             | 3.15            | (25)        | 0.18   | (58)        | 2.27   | (70)        | 3.08   | (70)        | 4.82           | (47)        | 3.36           | (72)         | 100.00                            |              | 100.00                            |              |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.73            |             | 0.22   |             | 2.33   |             | 3.12   |             | 4.77           |             | 3.47           |              | 88.96                             |              | 90.41                             |              |

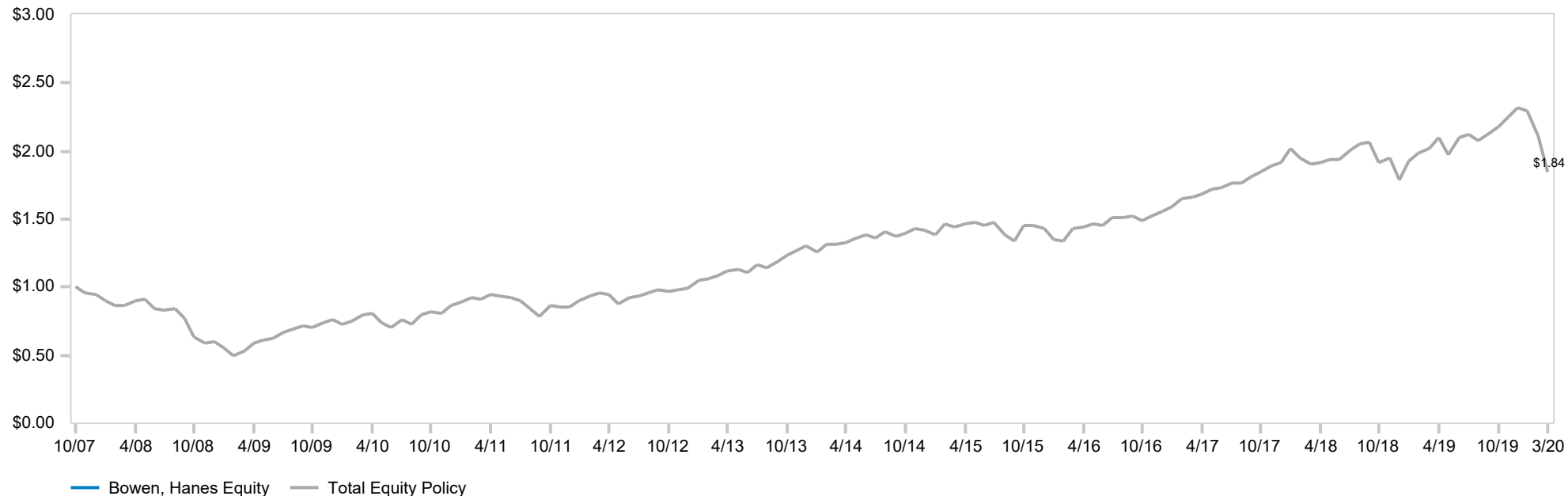


**Ocean City Wright Fire Control District  
Compliance Statistics  
As of March 31, 2020**

|   | 1 Qtr<br>Return |             | 1<br>Quarter<br>Ending<br>Dec-2019<br>Return |             | 1<br>Quarter<br>Ending<br>Sep-2019<br>Return |             | 1<br>Quarter<br>Ending<br>Jun-2019<br>Return |             | 3 YR<br>Return |             | 5 YR<br>Return |              | 3 YR<br>Down<br>Market<br>Capture |              | 5 YR<br>Down<br>Market<br>Capture |              |
|---|-----------------|-------------|--|-------------|--|-------------|--|-------------|----------------|-------------|----------------|--------------|-----------------------------------|--------------|-----------------------------------|--------------|
| <b>Total Equity Strategies</b>                        |                 |             |  |             |  |             |  |             |                |             |                |              |                                   |              |                                   |              |
| <b>Bowen, Hanes Equity</b>                            | <b>-17.42</b>   | <b>(16)</b> | <b>5.72</b>                                  | <b>(89)</b> | <b>2.92</b>                                  | <b>(17)</b> | <b>4.86</b>                                  | <b>(31)</b> | <b>6.15</b>    | <b>(19)</b> | <b>5.12</b>    | <b>(61)</b>  | <b>99.11</b>                      | <b>(53)</b>  | <b>115.44</b>                     | <b>(8)</b>   |
| Total Equity Policy                                   | -20.39          | (55)        | 8.86   | (37)        | 1.03   | (67)        | 4.22   | (51)        | 3.50           | (61)        | 5.02           | (62)         | 100.00                            |              | 100.00                            |              |
| IM U.S. Large Cap Core Equity (SA+CF) Median          | -20.02          |             | 8.23   |             | 1.53   |             | 4.26   |             | 4.08           |             | 5.73           |              | 99.90                             |              | 97.86                             |              |
| <b>Total Fixed Income Strategies</b>                  |                 |             |  |             |  |             |  |             |                |             |                |              |                                   |              |                                   |              |
| <b>Bowen, Hanes Fixed Income</b>                      | <b>-4.13</b>    | <b>(97)</b> | <b>0.95</b>                                  | <b>(7)</b>  | <b>1.52</b>                                  | <b>(96)</b> | <b>2.12</b>                                  | <b>(97)</b> | <b>2.04</b>    | <b>(99)</b> | <b>2.21</b>    | <b>(100)</b> | <b>-37.99</b>                     | <b>(100)</b> | <b>15.57</b>                      | <b>(100)</b> |
| Blmbg. Barc. U.S. Aggregate Index                     | 3.15            | (25)        | 0.18   | (58)        | 2.27   | (70)        | 3.08   | (70)        | 4.82           | (47)        | 3.36           | (72)         | 100.00                            |              | 100.00                            |              |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.73            |             | 0.22   |             | 2.33   |             | 3.12   |             | 4.77           |             | 3.47           |              | 88.96                             |              | 90.41                             |              |



**Growth of a Dollar**



**Trailing Returns**

|                     | QTR         | YTD         | 1 YR       | 2 YR       | 3 YR      | 5 YR      | 7 YR      | 10 YR     | 15 YR |
|---------------------|-------------|-------------|------------|------------|-----------|-----------|-----------|-----------|-------|
| Bowen, Hanes Equity | -17.42 (16) | -17.42 (16) | -5.78 (21) | 1.22 (25)  | 6.15 (19) | 5.12 (61) | 8.22 (75) | 8.59 (83) | N/A   |
| Total Equity Policy | -20.39 (55) | -20.39 (55) | -8.74 (57) | -1.53 (62) | 3.50 (61) | 5.02 (62) | 7.78 (80) | 8.71 (82) | N/A   |
| Median              | -20.02      | -20.02      | -8.37      | -0.71      | 4.08      | 5.73      | 9.23      | 10.30     | 7.74  |

**Fiscal Year Returns**

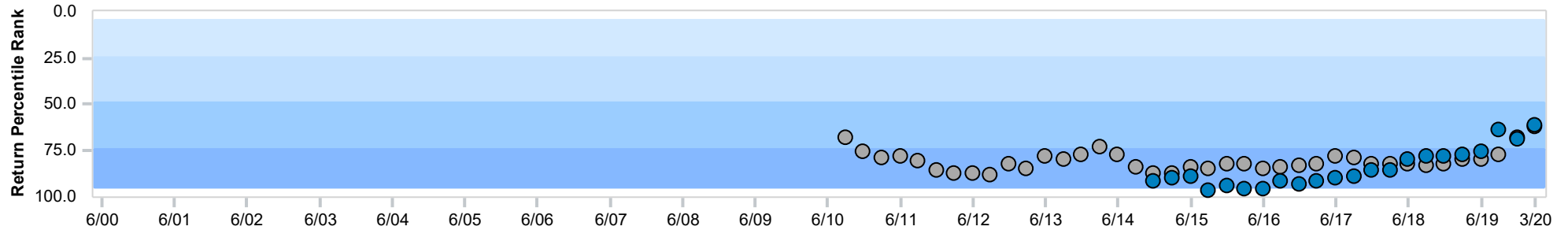
|                     | FYTD        | FY 2019   | FY 2018    | FY 2017    | FY 2016    | FY 2015    | FY 2014    | FY 2013    |
|---------------------|-------------|-----------|------------|------------|------------|------------|------------|------------|
| Bowen, Hanes Equity | -12.69 (40) | 3.88 (43) | 17.66 (44) | 21.66 (18) | 15.65 (20) | -7.34 (96) | 16.26 (81) | 15.38 (91) |
| Total Equity Policy | -13.33 (46) | 3.01 (51) | 14.13 (74) | 18.93 (47) | 13.32 (51) | -2.53 (82) | 15.82 (83) | 20.66 (50) |
| Median              | -13.76      | 3.09      | 17.24      | 18.74      | 13.34      | 0.11       | 19.19      | 20.61      |

Long-term composite performance. Actual client results may vary.  
October 2007 represents the beginning of the current market cycle.  
Peer Group: IM U.S. Large Cap Core Equity (SA+CF)

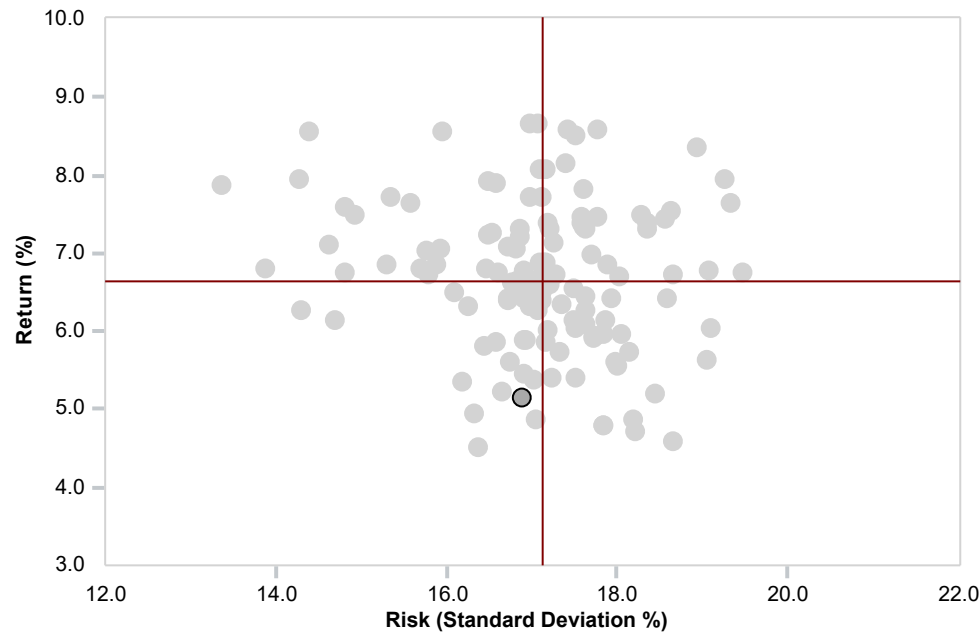




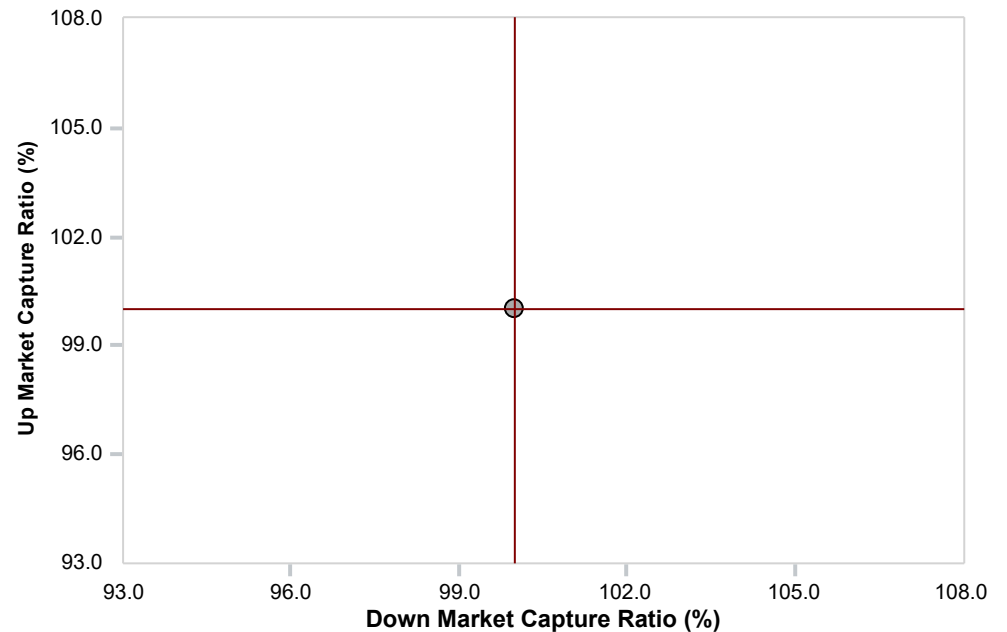
**5 Year Rolling Percentile Ranking**



**Risk vs Return: October 2007 to Present**



**Up/Down Markets: October 2007 to Present**



● Bowen, Hanes Equity    ● Total Equity Policy

● Bowen, Hanes Equity    ● Total Equity Policy

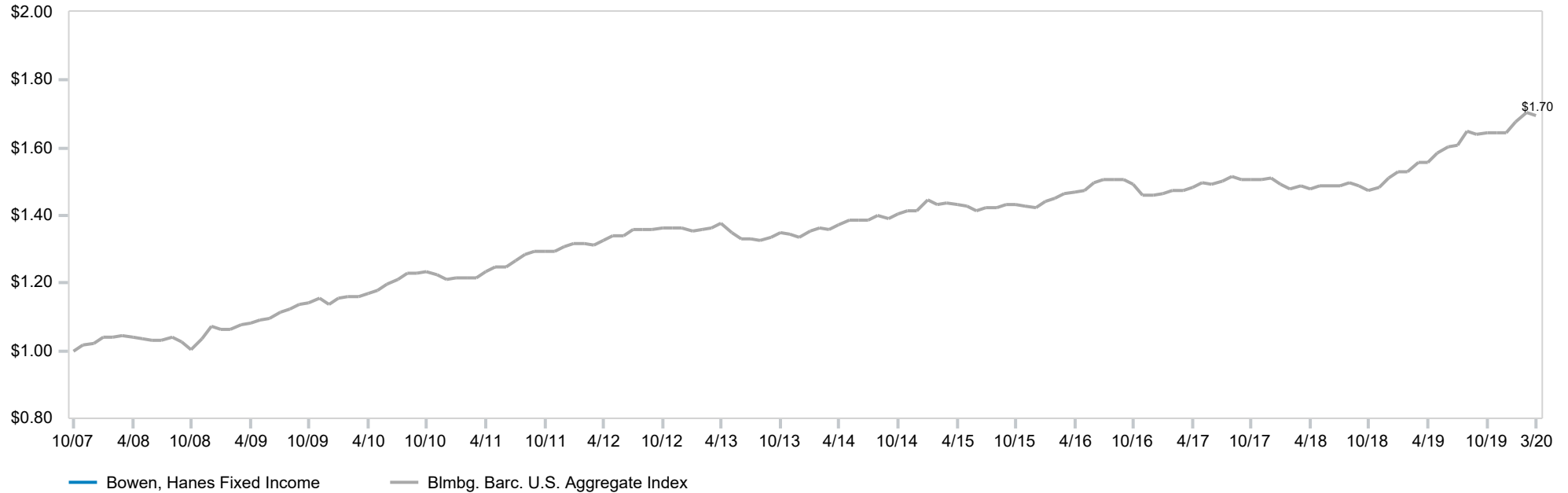
**Historical Statistics: October 1, 2007 To March 31, 2020**

|                     | Consistency | Maximum Drawdown | Alpha | Active Return | Sharpe Ratio | Information Ratio | Treynor Ratio | Beta | Tracking Error |
|---------------------|-------------|------------------|-------|---------------|--------------|-------------------|---------------|------|----------------|
| Bowen, Hanes Equity | N/A         | N/A              | N/A   | N/A           | N/A          | N/A               | N/A           | N/A  | N/A            |
| Total Equity Policy | 0.00        | -45.80           | 0.00  | 0.00          | 0.34         | N/A               | 0.06          | 1.00 | 0.00           |

Long-term composite performance. Actual client results may vary.  
 October 2007 represents the beginning of the current market cycle.  
 Peer Group: IM U.S. Large Cap Core Equity (SA+CF)



**Growth of a Dollar**



**Trailing Returns**

|                                   | QTR        | YTD        | 1 YR      | 2 YR      | 3 YR      | 5 YR       | 7 YR       | 10 YR      | 15 YR     |
|-----------------------------------|------------|------------|-----------|-----------|-----------|------------|------------|------------|-----------|
| Bowen, Hanes Fixed Income         | -4.13 (97) | -4.13 (97) | 0.33 (97) | 2.00 (99) | 2.04 (99) | 2.21 (100) | 2.07 (100) | 3.36 (100) | N/A       |
| Blmbg. Barc. U.S. Aggregate Index | 3.15 (25)  | 3.15 (25)  | 8.93 (27) | 6.68 (37) | 4.82 (47) | 3.36 (72)  | 3.19 (83)  | 3.88 (91)  | 4.40 (93) |
| Median                            | 1.73       | 1.73       | 7.83      | 6.32      | 4.77      | 3.47       | 3.38       | 4.26       | 4.77      |

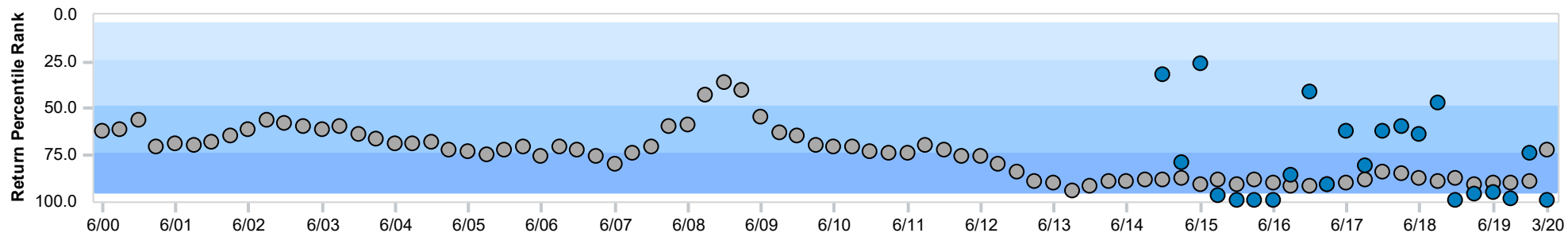
**Fiscal Year Returns**

|                                   | FYTD       | FY 2019    | FY 2018    | FY 2017   | FY 2016   | FY 2015    | FY 2014   | FY 2013    |
|-----------------------------------|------------|------------|------------|-----------|-----------|------------|-----------|------------|
| Bowen, Hanes Fixed Income         | -3.22 (97) | 6.11 (99)  | 1.47 (3)   | 3.19 (5)  | 4.80 (94) | -0.23 (99) | 3.99 (77) | -1.08 (41) |
| Blmbg. Barc. U.S. Aggregate Index | 3.33 (24)  | 10.30 (70) | -1.22 (87) | 0.07 (84) | 5.19 (80) | 2.94 (62)  | 3.96 (80) | -1.68 (78) |
| Median                            | 1.99       | 10.43      | -0.75      | 0.61      | 5.66      | 3.02       | 4.45      | -1.27      |

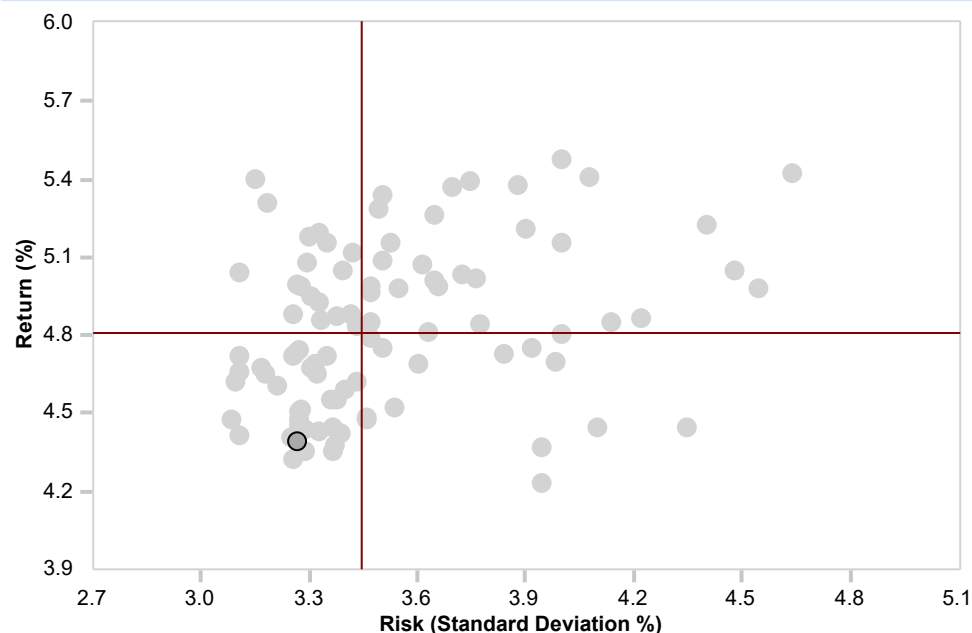
Long-term composite performance. Actual client results may vary. October 2007 represents the beginning of the current market cycle. Peer Group: IM U.S. Broad Market Core Fixed Income (SA+CF)



5 Year Rolling Percentile Ranking

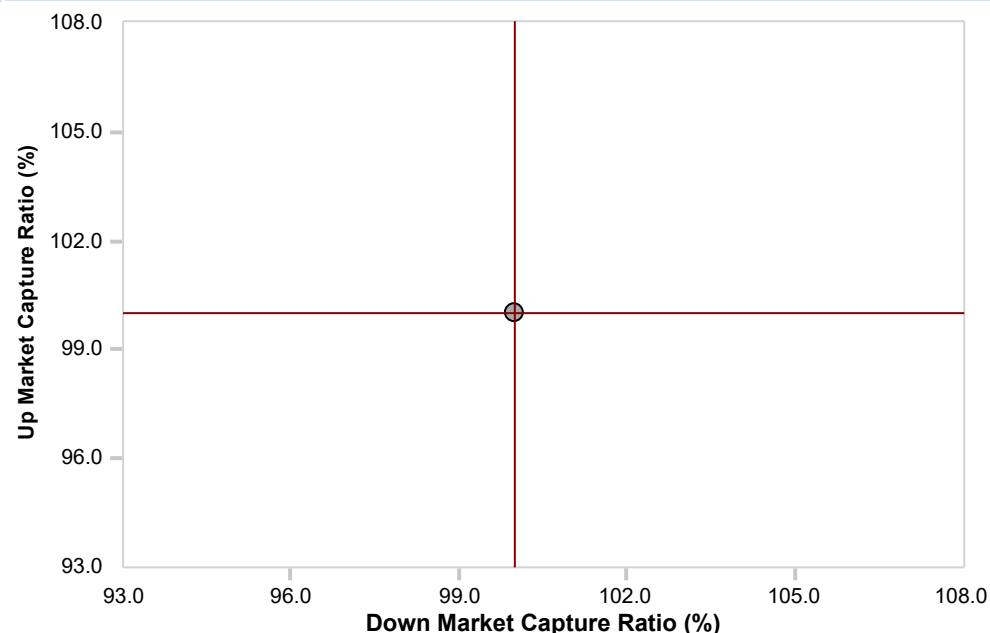


Risk vs Return: October 2007 to Present



● Bowen, Hanes Fixed Income    ● Blmbg. Barc. U.S. Aggregate Index

Up/Down Markets: October 2007 to Present



● Bowen, Hanes Fixed Income    ● Blmbg. Barc. U.S. Aggregate Index

Historical Statistics: October 1, 2007 To March 31, 2020

|                                   | Consistency | Maximum Drawdown | Alpha | Active Return | Sharpe Ratio | Information Ratio | Treynor Ratio | Beta | Tracking Error |
|-----------------------------------|-------------|------------------|-------|---------------|--------------|-------------------|---------------|------|----------------|
| Bowen, Hanes Fixed Income         | N/A         | N/A              | N/A   | N/A           | N/A          | N/A               | N/A           | N/A  | N/A            |
| Blmbg. Barc. U.S. Aggregate Index | 0.00        | -2.98            | 0.00  | 0.00          | 1.13         | N/A               | 0.04          | 1.00 | 0.00           |

Long-term composite performance. Actual client results may vary.  
October 2007 represents the beginning of the current market cycle.  
Peer Group: IM U.S. Broad Market Core Fixed Income (SA+CF)



**Total Fund Policy**

|                                   | Weight (%) |
|-----------------------------------|------------|
| <b>Jun-2005</b>                   |            |
| FTSE 3 Month T-Bill               | 100.00     |
| <b>Aug-2005</b>                   |            |
| S&P 500 Index                     | 60.00      |
| Blmbg. Barc. U.S. Gov't/Credit    | 40.00      |
| <b>Apr-2010</b>                   |            |
| S&P 500 Index                     | 45.00      |
| MSCI EAFE Index                   | 15.00      |
| Blmbg. Barc. U.S. Aggregate Index | 40.00      |

**Total Equity Policy**

|                 | Weight (%) |
|-----------------|------------|
| <b>Sep-2005</b> |            |
| S&P 500 Index   | 100.00     |
| <b>Apr-2010</b> |            |
| S&P 500 Index   | 75.00      |
| MSCI EAFE Index | 25.00      |

**Total Fixed Income Policy**

|                                   | Weight (%) |
|-----------------------------------|------------|
| <b>Sep-2005</b>                   |            |
| Blmbg. Barc. U.S. Gov't/Credit    | 100.00     |
| <b>Apr-2010</b>                   |            |
| Blmbg. Barc. U.S. Aggregate Index | 100.00     |



| <b>Total Fund Compliance:</b>   | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|---|------------|-----------|------------|
| 1. The Total Plan return equaled or exceeded the Net 7.25% actuarial earnings assumption over the trailing three year period. |            | ✓         |            |
| 2. The Total Plan return equaled or exceeded the Net 7.25% actuarial earnings assumption over the trailing five year period.  |            | ✓         |            |
| 3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.                    | ✓          |           |            |
| 4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.                     |            | ✓         |            |
| 5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.         | ✓          |           |            |
| 6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.          | ✓          |           |            |

| <b>Equity Compliance:</b>   | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|---|------------|-----------|------------|
| 1. Total Equity return equaled or exceeded the benchmark over the trailing three year period.                           | ✓          |           |            |
| 2. Total Equity return equaled or exceeded the benchmark over the trailing five year period.                            | ✓          |           |            |
| 3. The Total Equity return ranked within the top 40th percentile of its peer group over the trailing three year period. | ✓          |           |            |
| 4. The Total Equity return ranked within the top 40th percentile of its peer group over the trailing five year period.  |            | ✓         |            |
| 5. Total Equity investments do not exceed 75% of the market value of Plan assets.                                       |            | ✓         |            |
| 6. Total market value of foreign securities do not exceed 25% of the market value of Plan assets.                       | ✓          |           |            |

| <b>Fixed Income Compliance:</b>   | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|---|------------|-----------|------------|
| 1. Total Fixed Income return equaled or exceeded the benchmark over the trailing three year period.                           |            | ✓         |            |
| 2. Total Fixed Income return equaled or exceeded the benchmark over the trailing five year period.                            |            | ✓         |            |
| 3. The Total Fixed Income return ranked within the top 40th percentile of its peer group over the trailing three year period. |            | ✓         |            |
| 4. The Total Fixed Income return ranked within the top 40th percentile of its peer group over the trailing five year period.  |            | ✓         |            |
| 5. 80% of the fixed income investments have a minimum rating of investment grade at time of purchase.                         | ✓          |           |            |

| <b>Manager Compliance:</b>  | <b>Bowen - Equity</b> |           |            | <b>Bowen - Fixed</b> |           |            |  |  |  |  |  |  |
|---|-----------------------|-----------|------------|----------------------|-----------|------------|--|--|--|--|--|--|
|   | <b>Yes</b>            | <b>No</b> | <b>N/A</b> | <b>Yes</b>           | <b>No</b> | <b>N/A</b> |  |  |  |  |  |  |
| 1. Manager outperformed the index over the trailing three year period.                | ✓                     |           |            |                      | ✓         |            |  |  |  |  |  |  |
| 2. Manager outperformed the index over the trailing five year period.                 | ✓                     |           |            |                      | ✓         |            |  |  |  |  |  |  |
| 3. Manager ranked within the top 40th percentile over the trailing three year period. | ✓                     |           |            |                      | ✓         |            |  |  |  |  |  |  |
| 4. Manager ranked within the top 40th percentile over the trailing five year period.  |                       | ✓         |            |                      | ✓         |            |  |  |  |  |  |  |
| 5. Manager has had less than 4 consecutive quarters of underperformance.              | ✓                     |           |            | ✓                    |           |            |  |  |  |  |  |  |
| 6. Manager three year down market capture ratio is less than the index.               | ✓                     |           |            | ✓                    |           |            |  |  |  |  |  |  |
| 7. Manager five year down market capture ratio is less than the index.                |                       | ✓         |            | ✓                    |           |            |  |  |  |  |  |  |
| 8. Manager reports compliance with PFIA.  | ✓                     |           |            | ✓                    |           |            |  |  |  |  |  |  |



---

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



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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**OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT FIREFIGHTERS'  
PENSION TRUST FUND**

**SUMMARY PLAN DESCRIPTION**

**March 3, 2020**

**IS YOUR BENEFICIARY FORM CURRENT? IN THE EVENT YOU DIE, YOUR BENEFIT OR CONTRIBUTIONS WILL BE DISTRIBUTED TO THE PERSON OR PERSONS DESIGNATED BY NAME ON THE BENEFICIARY FORM ON FILE WITH THE PENSION PLAN. NO PROVISION IN YOUR LAST WILL AND TESTAMENT WILL CHANGE THIS SELECTION. PLEASE BE SURE THAT YOUR BENEFICIARY FORM DESIGNATES THE PERSON OR PERSONS YOU INTEND TO RECEIVE YOUR BENEFITS AND THAT YOU REVIEW THIS CHOICE IN THE EVENT OF A MAJOR LIFE CHANGE SUCH AS A DIVORCE OR THE DEATH OF YOUR BENEFICIARY.**

**OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT FIREFIGHTERS'  
PENSION TRUST FUND**

**SUMMARY PLAN DESCRIPTION**

**INTRODUCTION**

The Board of Trustees (the “Board”) of the Ocean City-Wright Fire Control District Firefighters' Pension Trust Fund (the “Plan”) is pleased to present this booklet which briefly explains the provisions of your Firefighters' Pension Plan. As a participant in the Plan, you are included in a program of benefits to help you meet your financial needs at retirement, or in the event of disability or death.

This booklet can assist you in preparing for your retirement and financial future. If you need further information on any of the topics presented in this booklet, please contact any member of the Board. They will either answer questions you might have to help you understand your benefits or otherwise get you an answer to your questions. We urge you to read and understand this booklet in order to become familiar with the benefits of the Plan and how they contribute to your financial security and how they will enrich your retirement years.

The information presented is only a summary of the Plan as provided in the ordinances of the Ocean City-Wright Fire Control District. This booklet has been updated through Ordinance 2017-12, dated November 2, 2017. If there are any conflicts between the information in this booklet and the ordinances of the Ocean City-Wright Fire Control District, the ordinances shall govern. The provisions of this Summary Plan Description shall not constitute a contract between you and the Board. The Plan shall be administered in accordance with state and federal law, notwithstanding any provisions in this booklet or ordinances to the contrary. A copy of the ordinance establishing the Plan can be obtained from the District office, which is located at 2 Racetrack Road, N.E., Ft. Walton Beach, Florida 32547.

\_\_\_\_\_  
Chair, Board of Trustees, Ocean City-Wright  
Fire Control District Firefighters' Pension  
Trust Fund

\_\_\_\_\_  
Date

1. **BOARD OF TRUSTEES AND PLAN ADMINISTRATION**

A. Administration.

(1) The Ocean City-Wright Fire Control District Firefighters' Pension Trust Fund is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom shall be legal residents of the District who are appointed by the District Board of Fire Commissioners, 2 of whom are members of the Plan who are elected by a majority of the Firefighters who are members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a 4 year term.

(2) DROP participants can be elected as but not vote for elected Trustees.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chair of the Board is designated as agent for the service of legal process.

2. **ELIGIBILITY FOR PLAN MEMBERSHIP**

Each person employed by the District Fire Department, except those who opt out of the Plan, as a full-time Firefighter, except for those who elect to opt out of the Plan, becomes a member of the Plan as a condition of his employment. All Firefighters are therefore eligible for Plan benefits as provided for in the Plan document and by applicable law.

3. **PLAN BENEFITS**

All claims for benefits under the Plan shall be made in writing to the Board.

A. Normal Retirement Eligibility. You are eligible for retirement upon the earlier of the attainment of age 50 and the completion of 25 years of Credited Service or the attainment of age 55 and the completion of 10 years of Credited Service.

B. Amount of Normal Retirement Benefits. The amount of the normal retirement benefit is based on your Credited Service and Average Final Compensation:

"Credited Service" is generally your period of employment as a Firefighter in the Fire Department measured in years and parts of years. Credited Service will include credit for up to 5 years for a break in employment for military service, pursuant to conditions provided for under state or federal law, provided that you are reemployed within 1 year of discharge under honorable conditions. Additional Credited Service time may also be available (See subsection L. below).

"Average Final Compensation" is 1/12 of your average salary of the 3 best years of the last 5 years of Credited Service prior to your termination, retirement or death or your career average as a full-time Firefighter, whichever is greater. If you were **hired on or after October 1, 2014**, "Average Final Compensation" is 1/12 of the annual average base pay plus Paramedic or EMT incentive pay. A year is defined as 12 consecutive months.

"Salary" is the total compensation for services you rendered to the District as a Firefighter reportable on your W-2 form plus all tax deferred, tax sheltered, or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned on or after October 1, 2014, Salary shall not include more than 300 hours of overtime per calendar year. Provided however, in any event, payments for overtime in excess of 300 hours per year accrued as of October 1, 2014 and attributable to service earned prior to the October 1, 2014, may still be included in Salary for pension purposes even if the payment is not actually made until on or after October 1, 2014. In any event, with respect to unused sick leave and unused annual leave accrued prior to October 1, 2014, Salary will include the lesser of the amount of sick or annual leave time accrued on October 1, 2014, or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on October 1, 2014.

The normal retirement benefit is calculated by multiplying 3%, times years of Credited Service times your Average Final Compensation:  $(3\% \times CS \times AFC = \text{normal retirement benefit})$ .

Normal and early retirement payments will commence on the first day of the month coincident with or next following your last day of employment. Early retirees may defer the commencement of benefits. The benefit is paid to you for your life, but you or your beneficiary shall receive at least 120 monthly benefit payments in any event.

Upon vesting, you shall be entitled, at the Plan's expense, to receive two actuarial studies (one preliminary and one final) to estimate your retirement benefits. Any additional studies shall be provided only at your expense.

C. Early Retirement. You are eligible for early retirement upon the attainment of age 50 and the completion of 10 years of Credited Service.

D. Amount of Early Retirement Benefits. The amount of the early retirement benefit is calculated in the same manner as for normal retirement and is available as follows:

- (1) Beginning on the date on which you would have qualified for normal retirement; or
- (2) Beginning immediately upon retirement, but if beginning immediately, the amount of the monthly benefit is reduced by 3% for each year by which the commencement of benefits precedes the date which would have been your normal retirement date determined based upon your actual years of Credited Service.

E. Supplemental Benefit. All current and future Normal and Early Retirees, their joint pensioners and beneficiaries (not Vested Terminated Persons, Disability Retirees, or Pre-Retirement Death Beneficiaries) shall receive a supplemental monthly benefit in an amount equal to \$10.00 for each year of Credited Service commencing upon retirement and ceasing at the earlier of death or age 65.

F. Supplemental Benefit - Share Plan. Pursuant to Florida law, a separate member "share account" has been created for each member of the Plan. This supplemental benefit may or may not be funded and thus, you may or may not receive a retirement benefit from the share plan. If the share plan is funded, at retirement, termination (vested), disability or death, there shall be an additional benefit paid to you. The share plan is funded solely with state premium tax money and the funding that is received for this share plan is allocated to your share account based on a formula which gives you an allocation based on your years of Credited Service or another formula

to be determined. Your share account receives its proportionate share of the income or loss on the assets in the Plan.

G. Other Retirement Options: At retirement, certain additional options are available as follows:

- (1) Optional Forms of Retirement. In lieu of the amount and form of retirement income payable under normal and early retirement, you may elect to receive a retirement benefit in a different form so long as the form you elect is of equal actuarial value as the normal benefit. The optional forms of benefits which are available are:
  - (a) A retirement income of a monthly amount payable to you for your lifetime only.
  - (b) A retirement income of a modified monthly amount, payable to you during your lifetime and following your death, 100%, 75%, 66 2/3% or 50% of such monthly amount payable to a joint pensioner for his lifetime. Except where the joint pensioner is your spouse, the payments to the joint pensioner as a percentage of the payments to you will not exceed the applicable percentage provided for in the applicable table in the Treasury regulations.
  - (c) If you retire prior to the time at which social security benefits are payable, you may elect to receive an increased retirement benefit until such time as social security benefits shall be assumed to commence and a reduced benefit thereafter in order to provide, to as great an extent as possible, a more level retirement allowance during the entire period of retirement.
- (2) Deferred Retirement Option Plan (DROP).
  - (a) If you become eligible for normal retirement, and are still employed by the District as a Firefighter, you have the option of "retiring" from the Plan but continuing your employment as a firefighter for an additional 5 years. An election to participate in the DROP constitutes an irrevocable election to resign from the service of the District not later than 5 years from the commencement of DROP participation. You must request, in writing, to enter the DROP.
  - (b) Upon entering the DROP, your retirement benefit is immediately calculated and each monthly benefit payment is deposited into your DROP account. You may elect to either have your account credited with interest at the rate of 6.5% per annum or credited or debited with an investment return or loss equal to the net investment return realized by the Plan for that quarter. One change in election is permitted.
  - (c) At the time of termination of employment at the end of the DROP period, you will receive your account balance in a lump sum and you will also begin receiving your monthly retirement benefit.

- (d) Once you enter the DROP, you are no longer eligible for disability or pre-retirement death benefits, nor do you accrue any additional Credited Service. Your retirement benefit is fixed as of your entry date. You pay no member contributions to the Plan once you enter the DROP.
- (e) Participation in the DROP is not a guarantee of employment and DROP participants shall be subject to the same employment standards and policies that are applicable to employees who are not DROP participants.
- (f) Additional information about the DROP can be obtained from the Board.

H. Disability Retirement. You are considered disabled when you become totally and permanently unable to perform useful and efficient service as a Firefighter. A written application is made to the Board for a disability pension and the Board receives evidence of the disability and decides whether or not the pension is to be granted. If the pension is granted, the benefit amount shall be:

- (1) If the injury or disease is service connected, a benefit equal to 3% of your Average Final Compensation multiplied by the total years of Credited Service, but in any event your minimum in line of duty disability benefit shall be 42% of your Average Final Compensation.
- (2) If the injury or disease is not service connected, a benefit equal to 3% of your Average Final Compensation multiplied by the total years of Credited Service. This non-service connected benefit is only available if you have at least 10 years of Credited Service.

Eligibility for disability benefits. Subject to (4) below, you must be an active member of the Plan on the date the Board determines your entitlement to a disability benefit.

- (1) Terminated persons, either vested or non-vested, are not eligible for disability benefits.
- (2) If you voluntarily terminate your employment either before or after filing an application for disability benefits, you are not eligible for disability benefits.
- (3) If you are terminated by the District for any reason other than for medical reasons, either before or after you file an application for disability benefits, you are not eligible for disability benefits.
- (4) The only exception to (1) above is:
  - (a) If you are terminated by the District for medical reasons and you have already applied for disability benefits before the medical termination, or;
  - (b) If you are terminated by the District for medical reasons and you apply within 30 days after your medical termination date.

If either (4)(a), or (4)(b) above applies, your application will be processed and fully considered by the Board.

Your disability benefit terminates upon the earlier of death, with 120 payments guaranteed, or recovery. You may, however, select a "life only" or "joint and survivor" optional form of benefit as described above under "Optional Forms of Retirement".

Your benefit will be reduced if you receive workers' compensation benefits and your combined benefit exceeds 100% of your final Salary. The pension benefit will be reduced so that the total does not exceed 100%, except that the pension benefit shall not be reduced below the greater of 42% of Average Final Compensation or 2.75% of Average Final Compensation times years of Credited Service.

Any condition or impairment of health caused by hypertension or heart disease resulting in death or total and permanent disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence; provided that you have successfully passed a physical examination on entering into service and there is no evidence of the condition at that time.

For conditions diagnosed on or after January 1, 1996, if you suffer a condition or impairment of health that is caused by hepatitis, meningococcal meningitis, or tuberculosis, which results in total and permanent disability, it shall be presumed that the disability is in the line of duty, unless the contrary is shown by competent evidence as provided for in Section 112.181, Florida Statutes; provided that the statutory conditions have been met.

To receive disability benefits, you must establish to the satisfaction of the Board, that such disability was not occasioned primarily by:

- (1) Excessive or habitual use of any drugs, intoxicants or narcotics.
- (2) Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections or while committing a crime.
- (3) Injury or disease sustained while serving in any branch of the Armed Forces.
- (4) Injury or disease sustained after your employment as a Firefighter with the Ocean City-Wright Fire Control District shall have terminated.

As a disabled pensioner, you are subject to periodic medical examinations as directed by the Board to determine whether a disability continues. You may also be required to submit statements from your doctor, at your expense, confirming that your disability continues.

I. Death Before Retirement. If you die prior to retirement from the Fire Department, your beneficiary shall receive the following benefit:

- (1) Prior to Vesting or Eligibility for Retirement. If you were not receiving monthly benefits or were not yet vested or eligible for early or normal retirement, your beneficiary shall receive a refund of 100% of your accumulated contributions.
- (2) Deceased Members Vested or Eligible for Retirement with Spouse as Beneficiary. If you die and, at the date of your death were vested or eligible for early or normal retirement, your spouse beneficiary shall be entitled to a benefit as follows:
  - (a) If you were vested, but not eligible for normal or early retirement, your spouse beneficiary shall receive a benefit

payable for 10 years, beginning on the date that you would have been eligible for early or normal retirement, at the option of your spouse beneficiary. The benefit shall be calculated as for normal retirement based on your Credited Service Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable. Your spouse beneficiary may also elect to receive an immediate benefit, payable for 10 years, which is actuarially reduced to reflect the commencement of benefits prior to your early retirement date.

- (b) If you were eligible for normal or early retirement, your spouse beneficiary shall receive a benefit payable for 10 years, or if elected within 6 months of your death for the life of the spouse beneficiary on an actuarially equivalent basis, beginning on the first day of the month following your death or at your otherwise normal retirement date, at the option of your spouse beneficiary. If no election is made for a benefit payable for life then the benefit will be payable for 10 years. The benefit shall be calculated as for normal retirement based on your Credited Service and Average Final Compensation as of the date of your death and reduced as for early retirement, if applicable.
  - (c) Your spouse beneficiary may not elect an optional form of benefit, except as provided for in subsection (b), above, however, the Board may elect to make a lump sum payment if the total commuted value of benefit is less than \$1,000.00.
  - (d) Your spouse beneficiary may, in lieu of any benefit provided for in (a) or (b) above, elect to receive a refund of your accumulated contributions.
  - (e) If your spouse beneficiary commences receiving a benefit under (a) or (b) above, but dies before all payments are made, the remaining benefit shall be paid to the estate of the spouse beneficiary.
- (3) Deceased Members Vested or Eligible for Retirement with Non-Spouse Beneficiary. If your beneficiary is not your spouse, the benefits payable to your non-spouse beneficiary are the same as those to a spouse beneficiary, however, the date of commencement of those benefits may be required to be earlier, with the resulting reduction in the amount.

J. Termination of Employment and Vesting.

- (1) If you were hired **prior to October 1, 2014**, and your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:
  - (a) If you have less than 7 years of Credited Service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Plan.



- (b) If you have 7 or more years of Credited Service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your Credited Service, Average Final Compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined based upon your actual years of Credited Service provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.
- (2) If you were hired **on or after October 1, 2014**, and your employment is terminated, either voluntarily or involuntarily, the following benefits are payable:
- (a) If you have less than 10 years of Credited Service upon termination, you shall be entitled to a refund of the money you have contributed or you may leave it deposited with the Plan.
  - (b) If you have 10 or more years of Credited Service upon termination, you shall be entitled to a monthly retirement benefit. The benefit shall be determined in the same manner as for normal or early retirement and shall be based upon your Credited Service, Average Final Compensation and the benefit accrual rate as of the date of termination. The benefit shall be payable to you starting at your otherwise normal or early retirement date, determined based upon your actual years of Credited Service provided you do not elect to withdraw your contributions and provided you survive to your otherwise normal or early retirement date. If you do not withdraw your accumulated contributions and do not survive to your otherwise normal or early retirement date, your designated beneficiary shall be entitled to a benefit as provided herein for a deceased member, vested or eligible for retirement under Death Before Retirement.

The Internal Revenue Code provides that certain eligible lump sum distributions from the Plan may be directly rolled over into qualified individual retirement accounts, annuities or certain other pension plans. A 20% withholding shall be required on taxable portions of such lump sum distributions not directly transferred to a new custodian.

K. Reemployment After Retirement. If you retire under normal or early retirement and wish to be reemployed by the District, you should be aware that your ability to continue to receive your pension benefit upon reemployment may be restricted.

L. Additional Credited Service. In addition to Credited Service actually earned in the employment of the Fire Department, you may also receive Credited Service as follows:

- (1) "Buy-Back" for Prior Fire Service. The time that you previously served as a Firefighter with the Ocean City-Wright Fire Control District during a period of previous employment and for which period accumulated contributions were withdrawn from the Plan shall be added to your years of Credited Service provided that within the first 90 days of your reemployment you pay into the Plan the withdrawn contributions with interest.

If, after 90 days from your reemployment you have failed to purchase Credited Service pursuant to the previous paragraph or if you served as a full-time paid firefighter for any other municipal, county or special district fire department in the United States, you will receive Credited Service only if:

- (a) You contribute to the Plan a sum equal to:
  - (i) the amount that you would have contributed to the Plan, based on your salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the time for which you are requesting credit, plus
  - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of Credited Service, plus
  - (iii) the amount charged by the actuary for determining the amount you must contribute.
- (b) Multiple requests to purchase Credited Service may be made at any time prior to retirement.
- (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
- (d) The maximum credit under this subsection for service other than with the Ocean City-Wright Fire Control District, when combined with Credited Service purchased for military service prior to employment, shall be 5 years of Credited Service and shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits. There shall be no maximum purchase of credit for prior service with the Ocean City-Wright Fire Control District and such credit shall count for all purposes, including vesting.
- (e) In no event, however, may Credited Service be purchased pursuant to this subsection for prior service with any other municipal, county or special district fire department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan.

- (2) "Buy-Back" of Time Lost Due to Absences Authorized by the Family and Medical Leave Act. If you are absent on unpaid leave under the Family & Medical Leave Act, you may purchase lost Credited Service by making an actuarially determined contribution to the Plan, such that there is no cost to the Plan in allowing such Credited Service, within strict time periods provided for in the Plan document.
- (3) "Buy-Back" for Military Service Prior to Employment. The time that you serve or have served on active duty in the military service of the Armed Forces of the United States, the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily and honorably or under honorable conditions, prior to first and initial employment with the Ocean City-Wright Fire Control District shall be added to your years of Credited Service provided that:
  - (a) You contribute to the Plan a sum equal to:
    - (i) the amount that you would have contributed to the Plan, based on your Salary and the member contribution rate in effect at the time that the Credited Service is requested, had you been a member of the Plan for the years or fractional parts of years for which you are requesting credit, plus
    - (ii) an additional amount to be determined by the Board's actuary so that there is no cost to the Plan in giving you the additional years of Credited Service, plus
    - (iii) the amount charged by the actuary for determining the amount you must contribute.
  - (b) Multiple requests to purchase Credited Service may be made at any time prior to retirement.
  - (c) Payment of the required amount shall be made within 6 months of your request for credit, but not later than your retirement date, and shall be made in one lump sum payment upon receipt of which Credited Service shall be given.
  - (d) The maximum credit under this subsection, when combined with Credited Service purchased for prior fire service with an employer other than the Ocean City-Wright Fire Control District, shall be 5 years and shall count for all purposes except vesting and eligibility for not-in-line of duty disability benefits.
- (4) Rollovers or Transfers of Funds to Purchase Service. In the event you are eligible to purchase additional Credited Service as provided above, you may be eligible to rollover or transfer funds from another retirement program in which you participate (traditional IRA, deferred compensation plan maintained by a government employer 457 plan, 401k plan, profit sharing plan, defined benefit plan, money purchase plan, annuity plan or tax sheltered annuity) in order to pay all or part of the cost of purchasing such additional Credited Service.

M. Contributions and Funding. The District is paying the portion of the cost of the Plan over and above your contributions and all or a portion of amounts received from the state insurance rebates pursuant to a mutual consent agreement between the District and the Union. You contribute 7% of your Salary to the Plan. Your contribution will be excluded from your gross income for withholding purposes so you will realize income tax benefits.

N. Maximum Benefits. In no event will the annual benefits paid from this Plan exceed \$220,000 annually, subject to certain cost of living adjustments and actuarial reductions, under certain circumstances, prior to age 62 as set forth in Section 415 of the Internal Revenue Code.

If you began participation for the first time on and after January 1, 1980, you cannot receive a benefit in excess of 100% of your Average Final Compensation. If you began participation prior to this date, you are not subject to the 100% limitation.

You cannot receive a benefit in excess of 100% of your Average Final Compensation.

O. Forfeiture of Pension. If you are convicted of the certain crimes listed in the Plan document committed prior to retirement, or if your employment is terminated by reason of your admitted commission, aid or abetment of these crimes, you shall forfeit all rights and benefits under the Plan, except for the return of your contributions as of the date of your termination.

P. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful for you to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan.

If you violate the previous paragraph, you commit a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the Plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Q. Claims Procedure Before the Board. You may request, in writing, that the Board review any claim for benefits under the Plan. The Board will review the case and enter a decision as it deems proper within not more than 180 days from the date of the receipt of such written request, or in the case of a disability claim, from receipt of a medical release and completed interrogatories. The time period may be extended if you agree to the extension.

The Board's decision on your claim will be contained in an order which will be in writing and will include:

- (1) The specific reasons for the Board's action;
- (2) A description of any additional information that the Board feels is necessary for you to perfect your claim;
- (3) An explanation of the review procedure next open to you which includes a formal evidentiary hearing.

4. **NON-FORFEITURE OF PENSION BENEFITS**

A. Liquidation of Plan Assets. In the event of repeal, or if contributions to the Plan are discontinued by the District, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Plan. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Firefighters' exclusive benefit. In any event, your contributions to the Plan are non-forfeitable.

5. **VESTING OF BENEFITS**

If you were hired **prior to October 1, 2014**, your retirement benefits are vested after 7 years of Credited Service.

If you were hired **on or after October 1, 2014**, your retirement benefits are vested after 10 years of Credited Service.

6. **APPLICABLE LAW**

The Plan is governed by certain federal, state and local laws, including, but not limited to the following:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 175, Florida Statutes, "Municipal Firefighters' Retirement Trust Funds".
- C. Part VII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the Ocean City-Wright Fire Control District.
- E. Administrative rules and regulations adopted by the Board.

7. **PLAN YEAR AND PLAN RECORDS**

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on the basis of the Plan year.

8. **APPLICABLE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS**

There is a current collective bargaining agreement between the District and the Firefighters. Pension benefits are bargainable.

9. **FINANCIAL AND ACTUARIAL INFORMATION**

- A. A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".
- B. A copy of the detailed accounting report of the Plan's expenses for the fiscal year is available for review upon request to the Board Secretary.
- C. A copy of the administrative expense budget for the Plan, for each fiscal year is available for review upon request to the Board Secretary.

## 10. DIVORCE OR DISSOLUTION OF MARRIAGE

Federal and state law provides certain restrictions regarding the payment of your pension benefits in the event of your divorce or dissolution of marriage. Immediately upon your involvement in such a legal proceeding, you should provide a member of the Board with the name and address of your attorney or your name and address if you have no attorney. The Board's attorney will then provide you or your attorney with information concerning the legal restrictions regarding your pension benefits. In addition, a copy of any proposed order must be submitted to the Board prior to entry by the court. Failure to do so may require you to pay any expenses incurred by the Board in correcting an improper court order.

Effective January 1, 2019, changes in the federal tax laws have eliminated tax deductions for alimony if a marriage was dissolved or a property settlement agreement was made on or after January 1, 2019. Modifications to existing orders or agreements on or after January 1, 2019, may be tax deductible if both parties agree.

## 11. EX-SPOUSES AS BENEFICIARY OR JOINT PENSIONER

The Florida Legislature has adopted Section 732.703, Florida Statutes. This law nullifies the designation of your ex-spouse as a beneficiary or joint annuitant / joint pensioner on your Plan retirement benefits. This law went into effect on July 1, 2012.

After July 1, 2012, if you want your ex-spouse to be a beneficiary or joint annuitant/joint pensioner for your Plan benefit, you will have to make that designation AFTER the dissolution of marriage. If you currently have an ex-spouse as a beneficiary or joint annuitant/joint pensioner, and want to keep this designation, you will have to designate the ex-spouse again after July 1, 2012.

To reconfirm your current beneficiary, or to designate a new beneficiary, complete a new Designation of Beneficiary Form (PF-3).

To reconfirm your current joint annuitant/joint pensioner, or to designate a new joint annuitant/joint pensioner (if authorized by the current Plan provisions), indicate such change on a Change or Confirmation of Designated Joint Annuitant or Joint Pensioner Form (PF-25). If necessary, the Plan Administrator will submit the new form to the actuary of the Plan for recalculation of your benefit. There may be a charge to you to make this change.

To obtain either of the above forms, or if you have any questions, please contact your Plan Administrator.

## 12. EXCLUSION OF HEALTH INSURANCE PREMIUMS FROM INCOME

When you retire because of disability or have worked to the date you are immediately eligible for normal retirement (not early retirement), you can elect to exclude from income, distributions made from your benefit that are used to pay the premiums for accident or health insurance or long-term care insurance. The premium can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the Plan to the insurance provider using pension form PF-22 which authorizes the distribution. (This form may be obtained from your Plan Administrator) You can exclude from income the smaller of the amount of the insurance premiums or \$3,000.00. You can only make this election for amounts that would otherwise be included in your income.

**EXHIBIT "A"**

**BOARD OF TRUSTEES**

The names and addresses of the members of the Board of Trustees are:

Chairman: Clint Aden  
233 Racetrack Road, N.E.  
Fort Walton Beach, FL 32547

Vice-Chairman: Brad Sasser  
233 Racetrack Road, N.E.  
Fort Walton Beach, FL 32547

Secretary: Jennifer Benedict  
233 Racetrack Road, N.E.  
Fort Walton Beach, FL 32547

Member: Walter Ebbert  
233 Racetrack Road, N.E.  
Fort Walton Beach, FL 32547

Member: Mike Taylor  
233 Racetrack Road, N.E.  
Fort Walton Beach, FL 32547

OCEAN CITY-WRIGHT FIRE CONTROL DISTRICT FIREFIGHTERS'  
PENSION TRUST FUND  
SUMMARY OF PRINCIPAL VALUATION RESULTS

| A. Participant Data                    | New Assump<br><u>10/1/2018</u> | Old Assump<br><u>10/1/2018</u> | <u>10/1/2017</u> |
|--|--------------------------------|--------------------------------|------------------|
| Actives                                | 39                             | 39                             | 37               |
| Service Retirees                       | 16                             | 16                             | 15               |
| Beneficiaries                          | 0                              | 0                              | 0                |
| Disability Retirees                    | 2                              | 2                              | 1                |
| Terminated Vested                      | <u>13</u>                      | <u>13</u>                      | <u>11</u>        |
| <br>Total                              | <br>70                         | <br>70                         | <br>64           |
| <br>Total Annual Payroll               | <br>\$2,210,640                | <br>\$2,210,640                | <br>\$2,244,828  |
| Payroll Under Assumed Ret. Age         | 1,947,982                      | 1,947,982                      | 2,095,594        |
| <br>Annual Rate of Payments to:        |                                |                                |                  |
| Service Retirees                       | 928,085                        | 928,085                        | 855,085          |
| Beneficiaries                          | 0                              | 0                              | 0                |
| Disability Retirees                    | 35,909                         | 35,909                         | 18,363           |
| Terminated Vested                      | 191,141                        | 191,141                        | 116,084          |
| <br>B. Assets                          |                                |                                |                  |
| <br>Actuarial Value (AVA) <sup>1</sup> | <br>11,962,849                 | <br>11,962,849                 | <br>10,759,573   |
| Market Value (MVA) <sup>1</sup>        | 13,213,327                     | 13,213,327                     | 11,441,263       |
| <br>C. Liabilities                     |                                |                                |                  |
| <br>Present Value of Benefits          |                                |                                |                  |
| Actives                                |                                |                                |                  |
| Retirement Benefits                    | 9,945,543                      | 9,534,407                      | 10,594,389       |
| Disability Benefits                    | 82,597                         | 79,352                         | 87,356           |
| Death Benefits                         | 44,679                         | 42,895                         | 50,668           |
| Vested Benefits                        | 752,573                        | 702,521                        | 850,859          |
| Refund of Contributions                | 131,784                        | 130,489                        | 91,750           |
| Service Retirees                       | 11,200,488                     | 10,934,531                     | 10,054,269       |
| Beneficiaries                          | 0                              | 0                              | 0                |
| Disability Retirees                    | 499,577                        | 484,937                        | 248,005          |
| Terminated Vested                      | 985,418                        | 940,535                        | 691,952          |
| Share Plan Balances <sup>1</sup>       | <u>0</u>                       | <u>0</u>                       | <u>0</u>         |
| <br>Total                              | <br>23,642,659                 | <br>22,849,667                 | <br>22,669,248   |



| C. Liabilities - (Continued)                    | New Assump<br><u>10/1/2018</u> | Old Assump<br><u>10/1/2018</u> | <u>10/1/2017</u> |
|---|--------------------------------|--------------------------------|------------------|
| Present Value of Future Salaries                | 16,403,764                     | 16,162,611                     | 16,644,422       |
| Present Value of Future<br>Member Contributions | 1,148,263                      | 1,131,383                      | 1,165,110        |
| Normal Cost (Retirement)                        | 290,068                        | 273,158                        | 288,682          |
| Normal Cost (Disability)                        | 6,213                          | 6,005                          | 5,951            |
| Normal Cost (Death)                             | 2,498                          | 2,390                          | 2,557            |
| Normal Cost (Vesting)                           | 55,049                         | 51,324                         | 57,799           |
| Normal Cost (Refunds)                           | <u>18,972</u>                  | <u>18,900</u>                  | <u>13,508</u>    |
| Total Normal Cost                               | 372,800                        | 351,777                        | 368,497          |
| Present Value of Future<br>Normal Costs         | 2,983,224                      | 2,769,414                      | 2,799,273        |
| Accrued Liability (Retirement)                  | 7,565,470                      | 7,328,463                      | 8,355,702        |
| Accrued Liability (Disability)                  | 31,789                         | 30,967                         | 41,176           |
| Accrued Liability (Death)                       | 24,487                         | 23,877                         | 31,287           |
| Accrued Liability (Vesting)                     | 332,912                        | 317,667                        | 438,313          |
| Accrued Liability (Refunds)                     | 19,294                         | 19,276                         | 9,271            |
| Accrued Liability (Inactives)                   | 12,685,483                     | 12,360,003                     | 10,994,226       |
| Share Plan Balances <sup>1</sup>                | <u>0</u>                       | <u>0</u>                       | <u>0</u>         |
| Total Actuarial Accrued Liability (EAN AL)      | 20,659,435                     | 20,080,253                     | 19,869,975       |
| Unfunded Actuarial Accrued<br>Liability (UAAL)  | 8,696,586                      | 8,117,404                      | 9,110,402        |
| Funded Ratio (AVA / EAN AL)                     | 57.9%                          | 59.6%                          | 54.1%            |

| D. Actuarial Present Value of<br>Accrued Benefits                            | New Assump<br><u>10/1/2018</u> | Old Assump<br><u>10/1/2018</u> | <u>10/1/2017</u> |
|--|--------------------------------|--------------------------------|------------------|
| Vested Accrued Benefits  |                                |                                |                  |
| Inactives + Share Plan Balances <sup>1</sup>                                 | 12,685,483                     | 12,360,003                     | 10,994,226       |
| Actives  | 4,524,010                      | 4,349,594                      | 4,072,603        |
| Member Contributions   | <u>951,060</u>                 | <u>951,060</u>                 | <u>1,062,371</u> |
| Total  | 18,160,553                     | 17,660,657                     | 16,129,200       |
| Non-vested Accrued Benefits  | <u>643,534</u>                 | <u>627,414</u>                 | <u>1,081,339</u> |
| Total Present Value<br>Accrued Benefits (PVAB)                               | 18,804,087                     | 18,288,071                     | 17,210,539       |
| Funded Ratio (MVA / PVAB)  | 70.3%                          | 72.3%                          | 66.5%            |
| Increase (Decrease) in Present Value of<br>Accrued Benefits Attributable to: |                                |                                |                  |
| Plan Amendments  | 0                              | 0                              |                  |
| Assumption Changes   | 516,016                        | 0                              |                  |
| New Accrued Benefits   | 0                              | 755,105                        |                  |
| Benefits Paid  | 0                              | (933,362)                      |                  |
| Interest   | 0                              | 1,255,789                      |                  |
| Other  | <u>0</u>                       | <u>0</u>                       |                  |
| Total  | 516,016                        | 1,077,532                      |                  |

|                                  | New Assump       | Old Assump       |                  |
|----------------------------------|------------------|------------------|------------------|
| Valuation Date                   | 10/1/2018        | 10/1/2018        | 10/1/2017        |
| Applicable to Fiscal Year Ending | <u>9/30/2020</u> | <u>9/30/2020</u> | <u>9/30/2019</u> |

#### E. Pension Cost

|   |      |      |      |
|---|------|------|------|
| Normal Cost (with interest)   |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 19.8 | 18.7 | 18.2 |
| Administrative Expenses (with interest)   |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 3.5  | 3.5  | 3.4  |
| Payment Required to Amortize<br>Unfunded Actuarial Accrued<br>Liability over 30 years<br>(as of 10/1/2018, with interest) |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 34.0 | 32.8 | 32.9 |
| Minimum Required Contribution   |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 57.3 | 55.0 | 54.5 |
| Expected Member Contributions   |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 7.0  | 7.0  | 7.0  |
| Expected District and State Contribution  |      |      |      |
| % of Total Annual Payroll <sup>2</sup>  | 50.3 | 48.0 | 47.5 |

#### F. Past Contributions

|                                |                  |
|--------------------------------|------------------|
| Plan Years Ending:             | <u>9/30/2018</u> |
| Total Required Contribution    | 1,107,854        |
| District and State Requirement | 954,593          |
| Actual Contributions Made:     |                  |
| Members (excluding buyback)    | 153,260          |
| District                       | 911,984          |
| State                          | <u>243,014</u>   |
| Total                          | 1,308,258        |

G. Net Actuarial (Gain)/Loss (794,220)

<sup>1</sup> The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2018 and 9/30/2017.

<sup>2</sup> Contributions developed as of 10/1/2018 are expressed as a percentage of total annual payroll at 10/1/2018 of \$1,947,982.