



PLAN SUMMARY

State of Vermont

Presented by: **Gabriel D'Ulisse** Vice President and Managing Director

As Of: September 30, 2020

Report contains information up through the last business day of end period.

For Plan Sponsor or Consultant Use Only



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Section I: Plan Summary

Plan Summary and Benchmark Trends

Historical Plan Statistics

	6/30/2020	7/31/2020	8/31/2020	9/30/2020
Total Participants Balances	\$517,377,171	\$535,789,190	\$555,776,007	\$545,383,698
Contributions*	\$2,191,890	\$3,365,470	\$2,183,357	\$1,907,013
Distributions*	(\$3,751,962)	(\$2,241,255)	(\$1,835,685)	(\$1,990,448)
Cash Flow	(\$1,560,072)	\$1,124,214	\$347,673	(\$83,435)
Account Balances				
Average Participant Balance	\$65,507	\$67,779	\$70,262	\$68,922
Participation / Deferrals				
Participation Rate	78.0%	77.2%	77.0%	77.6%
Average Contribution Rate (%)	0.0%	0.0%	0.0%	0.0%
Total Participants with a Balance	7,898	7,905	7,910	7,913
Asset Allocation				
% of Plan Assets in Stable Value	21.5%	20.8%	20.1%	20.6%
% of Plan Assets for GoalMaker Participants	11.7%	11.9%	11.9%	12.1%
Participation Rate in GoalMaker	23.3%	23.5%	23.5%	23.7%
Number of Participants in GoalMaker	1,842	1,856	1,862	1,875
Number of Participants in One Fund	1,821	1,832	1,840	1,850
Number of Participants in Four or More Funds	4,720	4,724	4,728	4,731
Distributions				
Total Number of All Withdrawals*	266	249	241	260
Termination	\$3,329,275	\$1,793,958	\$1,270,332	\$1,195,386
Hardship	\$5,708	\$0	\$0	\$0
In Service	\$0	\$0	\$0	\$15,176
Coronavirus-Related Withdrawal	\$101,618	\$32,915	\$160,126	\$47,572
Subtotal of Termination, Hardship, Inservice, Coronavirus-Related Withdrawal	\$3,436,601	\$1,826,874	\$1,430,458	\$1,258,133
Amount of Distributions Representing Rollovers	\$3,133,657	\$1,470,764	\$420,408	\$689,692
% of Assets Distributed*	0.7%	0.4%	0.3%	0.4%

*Includes Rollovers

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CARES Data

	9/30/2020
CRDs	29
CARES Act Loans Initiations	0
CARES Act Loan Suspensions	0

CRDs by Range

	9/30/2020
Up to \$5k	7
\$5,001-\$10,000	5
\$10,001-\$25k	12
\$25,001-\$50k	3
\$75,001+	2

CRDs by Status 9/30/2020

	PPT Count	Total CRD
Active	26	\$549,549
Termed	3	\$59,556
Total	29	\$609,105

CRDs

	9/30/2020
Average	\$21,004
Median	\$14,310
Total CRDs	\$609,105

CRD-Corona Virus Related Distribution

Data is as of April 2020-September 2020, except Loan Suspensions, this is noting loans still suspended as of September 30, 2020

Plan Demographics Summary

	1/1/2019- 9/30/2019	1/1/2020- 9/30/2020
Total Participants*	7,678	7,913
Active Participants	5,624	5,761
Terminated Participants	2,041	2,139
Suspended Participants	2	0
Multiple Status Participants***	11	13
Average Participant Balance	\$66,121	\$68,922
Average Account Balance for Active Participants	\$54,534	\$57,948
Median Participant Balance	\$24,603	\$25,161
Median Participant Balance for Active Participants	\$19,976	\$20,761
Participants Age 50 and Over	4,471	4,625
Total Assets for Participants Age 50 and Over	\$423,448,618	\$456,343,391
Total (Contributions + Rollovers In)	\$23,043,618	\$21,113,258
Employee Contributions	\$17,822,603	\$19,006,473
Rollovers In	\$5,221,015	\$2,106,785
Total Distributions	(\$27,996,678)	(\$21,020,717)
Percentage of Assets Distributed	5.5%	3.9%
Market Value Gain / Loss****	\$20,051,781	\$39,722,147
Total Participant Balances	\$507,675,796	\$545,383,698

*Participant(s) with an account balance greater than \$0.

*** Participant(s) with an account balance greater than \$0 in more than one participant status category (e.g. Active status in one subplan but Terminated status in another subplan).

****This is not the equivalent of a plan level return on investment due to the timing of additions, distributions and underlying investment performance.

Rollovers In is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

Plan Features

GoalMaker	9/30/2019	9/30/2020
Plan Assets for Participants in GoalMaker	\$48,423,804	\$65,946,706
% of Plan Assets for GoalMaker Participants	9.5%	12.1%
# of Participants in GoalMaker	1,513	1,875
Participation Rate in GoalMaker	19.7%	23.7%
Prudential % of Participants in GoalMaker - As of 12/31/2019	52.3%	

Roth	9/30/2019	9/30/2020
Roth Assets	\$12,800,752	\$16,671,253
# of Participants in Roth	1,419	1,623
Participation Rate in Roth	18.5%	20.5%
Prudential % of Participants in Roth - As of 12/31/2019	13.6%	

Stable Value	9/30/2019	9/30/2020
Participation Rate in Stable Value	60.6%	60.1%
% of Plan Assets in Stable Value	20.3%	20.6%
Prudential % of Plan Assets in Stable Value - As of 12/31/2019	22.1%	

Transaction Summary

Transactions	1/1/2019 - 9/30/2019	1/1/2020 - 9/30/2020
Total Enrollees*	482	287
Number of Participants with Transfers	1,742	2,357
Distributions	2,578	2,457

*Number of participants that were enrolled into the plan within the reporting period. This can include those individuals who self enrolled or auto enrolled, if applicable on the plan. Rehires may not be included if their original enrollment date falls outside the reporting period.

Participant Activity

Call Center	1/1/2019 - 9/30/2019	1/1/2020 - 9/30/2020
Total Call Volume	2,133	1,553

Enrollment by Age Group

1/1/2020-9/30/2020							
	Less than 25	25-34	35-44	45-54	55-64	65+	Grand Total
Total	27	107	62	56	26	9	287

Benchmark Trends – Plan Features

<u>Plan Features</u>	<u>Your Plan</u>	<u>Prudential Book of Business</u>	<u>Industry Average*</u>	<u>Plan Sponsor Survey 2019**</u>	<u>Plan Sponsor Survey 2020***</u>
Auto Enrollment (Administered Through Prudential)	No	53.2%	27.9%	46.3%	48.2%
Auto Enrollment Default Rate	NA	3% (44.4% of Plans)	18.2%	38.9%	39.5%
Contribution Accelerator (Administered Through Prudential)	No	51.9%	25.0%	37.8%	40.0%
GoalMaker®	Yes	67.0%	0.0%	NA	NA
Investment Options	24.0	13.5	25.3	24.9	22.9
IncomeFlex®	No	25.3%	13.3%	9.9%	9.2%
Loans	No	63.5%	74.4%	91.6%	82.0%
Plan Allows Roth	Yes	32.8%	66.7%	71.8%	76.9%
Plan Allows Catch-Up Contributions (Administered Through Prudential)	Yes	48.1%	0.0%	NA	NA

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product.

The information is being presented by us solely in our role as the plan's service provider and/or record keeper.

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Prudential's Book of Business averages are as of 12/31/2019

External Benchmark Source: **PLANSPONSOR Defined Contribution Annual Survey**

*Annual Survey, 2020 (Industry Specific Results) – Government Municipal

**2019 Annual Survey, 2019 (Overall)

***2020 Annual Survey, 2020 (Overall)

Benchmark Trends – Participant Behavior

<u>Plan Features</u>	<u>Your Plan</u>	<u>Prudential Book of Business</u>	<u>Industry Average*</u>	<u>Plan Sponsor Survey 2019**</u>	<u>Plan Sponsor Survey 2020***</u>
Participation Rate	82.0%	70.5%	76.6%	79.2%	78.9%
Average Contribution Rate (%)	NA	7.6%	6.8%	6.8%	7.1%
Average Account Balance	\$68,922	\$73,876	\$89,180	\$102,586	\$103,108
Median Account Balance	\$25,161	\$70,895	\$67,239	\$77,204	\$79,970
% of Plan Assets in Stable Value	20.6%	22.1%	0.0%	NA	NA
% of Plan Assets in Day One Funds	NA	1.1%	0.0%	NA	NA
Average # of Funds Held	5.3	5.3	6.7	5.5	6.3
% of 55+ Participants Utilizing IncomeFlex®	N/A	9.5%	0.0%	NA	NA
% of Participants Utilizing GoalMaker®	23.7%	52.3%	0.0%	NA	NA
% of Participants have Outstanding Active Loans	N/A	13.6%	18.3%	13.5%	14.2%
Average Loan Balance	N/A	\$7,754	\$9,939	\$10,257	\$10,121

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External Benchmark Source: **PLANSPONSOR Defined Contribution Annual Survey**

*Annual Survey, 2020 (Industry Specific Results) – Government Municipal

**2019 Annual Survey, 2019 (Overall)

***2020 Annual Survey, 2020 (Overall)

Asset Allocation/Net Activity By Age

January 1, 2020 to September 30, 2020

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Total Participant Balances	\$264,816	\$10,071,357	\$37,093,580	\$105,807,723	\$177,886,662	\$214,259,562	\$545,383,698
% Assets	0.0%	1.8%	6.8%	19.4%	32.6%	39.3%	100.0%
Average Contribution Rate (\$)	\$0	\$40	\$52	\$190	\$468	\$321	\$276
Contributions	\$139,146	\$1,904,465	\$3,172,000	\$5,489,445	\$6,724,347	\$1,577,070	\$19,006,473
Rollovers In*	\$0	\$92,714	\$498,508	\$444,744	\$725,676	\$345,143	\$2,106,785
Total (Contributions + Rollovers In)	\$139,146	\$1,997,179	\$3,670,507	\$5,934,189	\$7,450,023	\$1,922,213	\$21,113,258
Cash Distributions	(\$8,013)	(\$66,683)	(\$399,395)	(\$1,019,391)	(\$2,325,082)	(\$3,922,850)	(\$7,741,414)
Rollovers Out	\$0	(\$69,567)	(\$572,822)	(\$1,868,402)	(\$5,092,090)	(\$5,676,421)	(\$13,279,303)
Total (Cash Distributions + Rollovers Out)	(\$8,013)	(\$136,250)	(\$972,218)	(\$2,887,794)	(\$7,417,172)	(\$9,599,271)	(\$21,020,717)
Net Activity	\$131,133	\$1,860,929	\$2,698,290	\$3,046,396	\$32,851	(\$7,677,057)	\$92,541
Total Participants**	75	989	1,373	1,867	2,012	1,599	7,915
Average Account Balance	\$3,531	\$10,183	\$27,016	\$56,673	\$88,413	\$133,996	\$68,905
<i>Prudential Avg. Account Balance as of 12/31/2019</i>	\$3,645	\$16,118	\$46,246	\$89,262	\$123,641	\$125,460	\$73,876
Median Account Balance	\$1,639	\$4,970	\$13,678	\$26,516	\$45,971	\$66,670	\$25,161
<i>Prudential Median Account Balance as of 12/31/2019</i>	\$4,531	\$11,969	\$31,729	\$52,216	\$78,108	\$116,384	\$70,895

*Rollovers In is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

**Total column for participant count is a sum of participants across each age group. E.g. If a participant has both a main account and beneficiary account within different age groups (decedent's date of birth), that participant will be counted twice.

Retirement Readiness

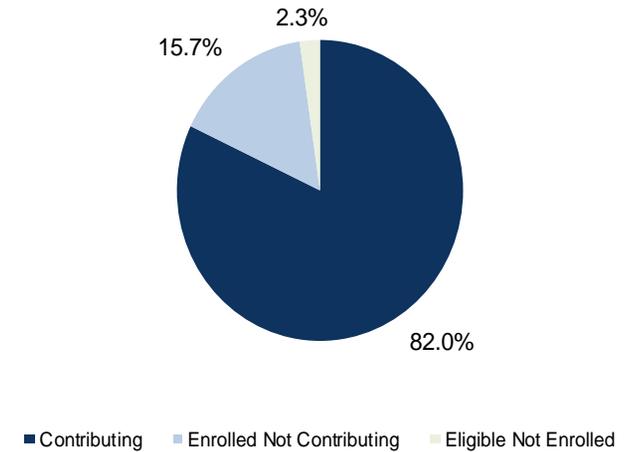
Participation Rate

	1/1/2019-9/30/2019	1/1/2020-9/30/2020
Total Eligible To Contribute Population	5,835	5,970
Contributing (A)	4,818	4,897
Enrolled Not Contributing (B)	876	937
Eligible Not Enrolled (C)	141	136

	1/1/2019-9/30/2019	1/1/2020-9/30/2020
Participation Rate *	82.6%	82.0%
<i>Prudential Book of Business 12/31/2019</i>	70.5%	
<i>Plan Sponsor Survey 2020 - National Average</i>	78.9%	

* Participation Rate is calculated by $A/(A+B+C)$

1/1/2020-9/30/2020



Definitions:

Contributing – Count of participants who are active/eligible and a contribution was received to an employee source (within the reporting period).

Enrolled Not Contributing – An individual who is enrolled in the plan, but did not have a contribution to an employee source (within the reporting period).

Eligible Not Enrolled – An individual who meets the requirements to join the plan, but has not enrolled in the plan (as of close of business on the last business day of the period).

Due to rounding, pie chart may not equal 100%

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Plan Activity

Contributions by Fund

INVESTMENT OPTIONS	1/1/2019 - 9/30/2019	%	1/1/2020 - 9/30/2020	%	Change	%
STATE OF VERMONT STABLE VALUE FUND	\$2,222,390	12.5%	\$2,493,614	13.1%	\$271,224	12.2%
VANGUARD DEVELOPED MARKETS INDEX FUND INSTITUTIONAL SHARES	\$1,380,489	7.8%	\$1,735,389	9.1%	\$354,900	25.7%
AMERICAN FUNDS THE GROWTH FUND OF AMERICA CLASS R-6	\$1,361,718	7.6%	\$1,468,696	7.7%	\$106,978	7.9%
VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES	\$1,146,447	6.4%	\$1,451,838	7.6%	\$305,392	26.6%
VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES	\$1,472,638	8.3%	\$1,425,255	7.5%	(\$47,383)	-3.2%
VANGUARD VALUE INDEX FUND INSTITUTIONAL SHARES	\$1,240,676	7.0%	\$1,369,623	7.2%	\$128,947	10.4%
T. ROWE PRICE RETIREMENT 2030 FUND CLASS	\$1,217,191	6.8%	\$1,345,347	7.1%	\$128,156	10.5%
VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES	\$1,296,542	7.3%	\$1,344,219	7.1%	\$47,677	3.7%
T. ROWE PRICE SMALL-CAP STOCK FUND CLASS	\$1,088,640	6.1%	\$1,154,057	6.1%	\$65,417	6.0%
T. ROWE PRICE RETIREMENT 2040 FUND CLASS	\$819,397	4.6%	\$1,021,114	5.4%	\$201,717	24.6%
T. ROWE PRICE RETIREMENT 2020 FUND CLASS	\$1,134,177	6.4%	\$1,008,586	5.3%	(\$125,590)	-11.1%
T. ROWE PRICE RETIREMENT 2050 FUND CLASS	\$373,241	2.1%	\$571,397	3.0%	\$198,156	53.1%
VANGUARD FTSE SOCIAL INDEX FUND INSTITUTIONAL SHARES	\$421,772	2.4%	\$456,768	2.4%	\$34,996	8.3%
DODGE & COX BALANCED FUND	\$644,990	3.6%	\$444,670	2.3%	(\$200,321)	-31.1%
DODGE & COX INTERNATIONAL STOCK FUND	\$493,403	2.8%	\$432,541	2.3%	(\$60,862)	-12.3%
LAZARD EMERGING MARKETS EQUITY PORTFOLIO INSTITUTIONAL SHARES	\$298,815	1.7%	\$285,560	1.5%	(\$13,255)	-4.4%
T. ROWE PRICE RETIREMENT 2010 FUND CLASS	\$346,139	1.9%	\$243,879	1.3%	(\$102,261)	-29.5%
CALVERT BOND FUND CLASS I	\$208,333	1.2%	\$184,030	1.0%	(\$24,304)	-11.7%
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$169,240	1.0%	\$151,722	0.8%	(\$17,518)	-10.4%
FPA NEW INCOME FUND	\$162,547	0.9%	\$123,588	0.7%	(\$38,959)	-24.0%
T. ROWE PRICE RETIREMENT BALANCED I FUND CLASS	\$123,712	0.7%	\$108,713	0.6%	(\$14,999)	-12.1%
PAX SUSTAINABLE ALLOCATION FUND INDIVIDUAL INVESTOR CLASS	\$118,525	0.7%	\$101,531	0.5%	(\$16,995)	-14.3%
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$81,580	0.5%	\$84,339	0.4%	\$2,759	3.4%
Total Assets Contributed	\$17,822,603	100.0%	\$19,006,473	100.0%	\$1,183,870	6.6%

Interfund Transfers

1/1/2020 to 9/30/2020

INVESTMENT OPTIONS	IN	OUT	NET
STATE OF VERMONT STABLE VALUE FUND	\$18,522,265	(\$8,939,382)	\$9,582,884
VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES	\$7,453,030	(\$3,799,268)	\$3,653,761
VANGUARD DEVELOPED MARKETS INDEX FUND INSTITUTIONAL SHARES	\$3,230,139	(\$1,798,607)	\$1,431,532
FPA NEW INCOME FUND	\$1,650,639	(\$1,055,299)	\$595,340
T. ROWE PRICE RETIREMENT I 2040 FUND I CLASS	\$816,494	(\$502,033)	\$314,461
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$1,007,309	(\$793,332)	\$213,976
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$380,858	(\$168,861)	\$211,997
CALVERT BOND FUND CLASS I	\$726,847	(\$526,281)	\$200,565
SELF DIRECTED BROKERAGE ACCOUNT	\$145,186	\$0	\$145,186
T. ROWE PRICE RETIREMENT BALANCED I FUND I CLASS	\$439,178	(\$297,817)	\$141,361
T. ROWE PRICE RETIREMENT I 2050 FUND I CLASS	\$290,956	(\$258,192)	\$32,764
T. ROWE PRICE RETIREMENT I 2010 FUND I CLASS	\$336,423	(\$363,212)	(\$26,789)
PAX SUSTAINABLE ALLOCATION FUND INDIVIDUAL INVESTOR CLASS	\$130,735	(\$212,177)	(\$81,442)
T. ROWE PRICE RETIREMENT I 2030 FUND I CLASS	\$1,475,251	(\$1,719,853)	(\$244,601)
LAZARD EMERGING MARKETS EQUITY PORTFOLIO INSTITUTIONAL SHARES	\$156,414	(\$467,176)	(\$310,762)
VANGUARD VALUE INDEX FUND INSTITUTIONAL SHARES	\$2,043,069	(\$2,359,264)	(\$316,195)
DODGE & COX INTERNATIONAL STOCK FUND	\$178,507	(\$1,101,546)	(\$923,039)
VANGUARD FTSE SOCIAL INDEX FUND INSTITUTIONAL SHARES	\$1,149,540	(\$2,231,117)	(\$1,081,577)
T. ROWE PRICE RETIREMENT I 2020 FUND I CLASS	\$760,060	(\$1,897,923)	(\$1,137,863)
AMERICAN FUNDS THE GROWTH FUND OF AMERICA CLASS R-6	\$3,890,882	(\$5,563,175)	(\$1,672,293)
T. ROWE PRICE SMALL-CAP STOCK FUND I CLASS	\$1,473,684	(\$3,539,469)	(\$2,065,784)
VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES	\$1,595,581	(\$3,699,816)	(\$2,104,234)
DODGE & COX BALANCED FUND	\$498,912	(\$2,847,118)	(\$2,348,206)
VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES	\$2,186,685	(\$6,397,726)	(\$4,211,041)
TOTAL	\$50,538,646	(\$50,538,646)	\$0

Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken				# of Withdrawals			
	1/1/2019 - 9/30/2019	1/1/2020 - 9/30/2020	Change	% Change	1/1/2019 - 9/30/2019	1/1/2020 - 9/30/2020	Change	% Change
Termination	\$22,593,025	\$15,869,958	(\$6,723,067)	-30%	959	918	(41)	-4%
Death Distribution	\$1,438,262	\$1,568,708	\$130,447	9%	73	55	(18)	-25%
Direct Transfer	\$1,366,152	\$940,874	(\$425,278)	-31%	24	24	0	0%
Installment Payment	\$1,372,418	\$1,375,864	\$3,445	0%	1,322	1,279	(43)	-3%
Required Minimum Distribution	\$860,158	\$480,123	(\$380,035)	-44%	173	80	(93)	-54%
Coronavirus-Related Withdrawal	\$0	\$609,105	\$609,105	n/a	0	29	29	n/a
In-Service Withdrawal	\$108,639	\$104,826	(\$3,814)	-4%	12	4	(8)	-67%
QDRO	\$191,984	\$326	(\$191,657)	-100%	6	2	(4)	-67%
Hardship Withdrawal	\$66,022	\$45,343	(\$20,679)	-31%	8	6	(2)	-25%
Return of Excess Deferrals/Contributions	\$0	\$25,574	\$25,574	n/a	0	59	59	n/a
Gross Adjustment	\$18	\$16	(\$1)	-8%	1	1	0	0%
Grand Total	\$27,996,678	\$21,020,717	(\$6,975,961)	-25%	2,578	2,457	(121)	-5%

1/1/2020 - 9/30/2020						
Distribution Sub-Type	Amount of Withdrawals Taken			# of Withdrawals		
	Age < 50	Age >= 50	Total	Age < 50	Age >= 50	Total
Rollover	\$785,285	\$12,494,018	\$13,279,303	26	108	134
Cash	\$669,574	\$7,071,840	\$7,741,414	80	2,243	2,323
Grand Total	\$1,454,859	\$19,565,858	\$21,020,717	106	2,351	2,457

Termination - A withdrawal that is taken when the participant is active and terminating from employment or is already in a 'Terminated' status.

Death Distribution - Distribution taken by a beneficiary. This could include required minimum distributions, installment payments, etc.

Direct Transfer - Non-taxable transfer of participant assets from one type of tax-deferred retirement plan or account to another.

Installment Payment - An installment distribution is a payment option that disburses funds over time (i.e. monthly, quarterly, yearly).

Required Minimum Distribution - Minimum amounts that a participant must withdraw annually upon reaching a certain age or retirement. This would exclude any beneficiary or QDRO accounts.

Coronavirus-Related Withdrawal - A distribution that is requested by a participant in which they meet certain qualifications under the CARES Act. Note, the 59 ½ early withdrawal tax penalty does not apply.

In-Service Withdrawal - A distribution that is taken while the participant is still active, before termination from employment.

QDRO - Distribution taken by the recipient of a QDRO. This could include required minimum distributions, installment payments, etc.

Hardship Withdrawal - A distribution which is requested by a participant because of an immediate and heavy financial need that cannot be satisfied from other resources.

Return of Excess Deferrals/Contributions - Could include Actual Contribution Percentage (ACP), Actual Deferral Percentage (ADP), Excess Deferrals, Excess Annual Editions and/or Ineligible Contributions.

Gross Adjustment - The total of all adjustments made to an account or plan in absolute terms, regardless of whether or not the adjustments were positive or negative.

Participant Transaction Statistics

	10/1/2019 - 12/31/2019	1/1/2020 - 3/31/2020	4/1/2020 - 6/30/2020	7/1/2020 - 9/30/2020
Call Center				
Unique Callers	373	511	275	243
Total Call Volume	559	776	414	363
Participant Website				
Unique Web Logins	2,549	3,092	2,538	2,671
Total Web Logins	37,007	42,213	42,221	43,684

Call Center Reason Category	10/1/2019 - 12/31/2019	1/1/2020 - 3/31/2020	4/1/2020 - 6/30/2020	7/1/2020 - 9/30/2020
Account Explanations	146	183	86	79
Allocation Changes & Exchange	13	14	10	10
Contributions	22	33	11	17
Disbursements	264	344	198	192
Enrollments	0	0	2	4
Forms	1	1	7	7
Fund Information	7	9	8	2
Hardships	24	17	11	1
IFX	1	0	0	1
IVR or Web Assistance	23	35	18	10
Loans	2	0	1	1
Other	19	36	18	11
Payment Questions	0	0	0	0
Plan Explanations	11	21	9	2
Regen Reg Letter	0	0	0	0
Status of Research	4	14	3	2
Tax Information	0	20	5	1
Website Processing	22	49	27	23
Total	559	776	414	363

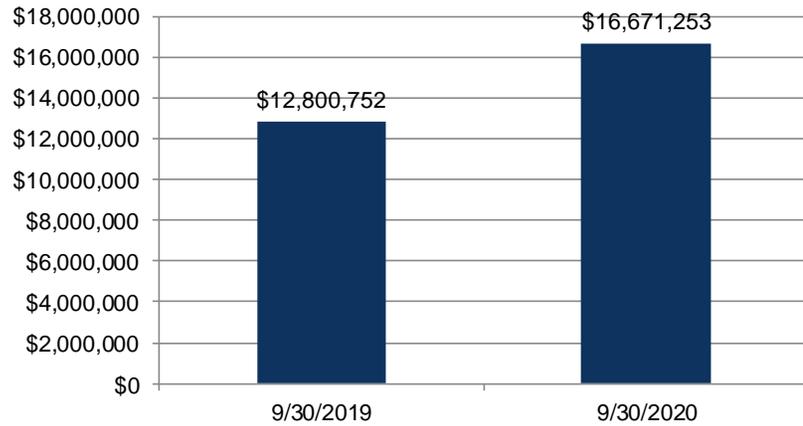
Definitions:

Unique Callers – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

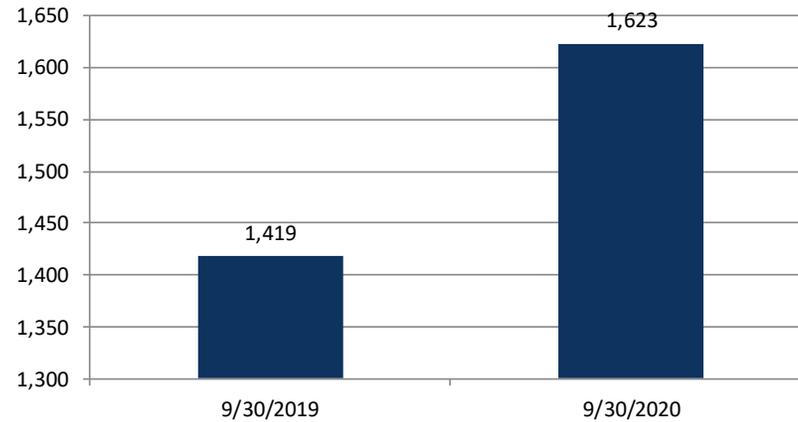
Total Call Volume – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

Roth Summary

Roth Assets



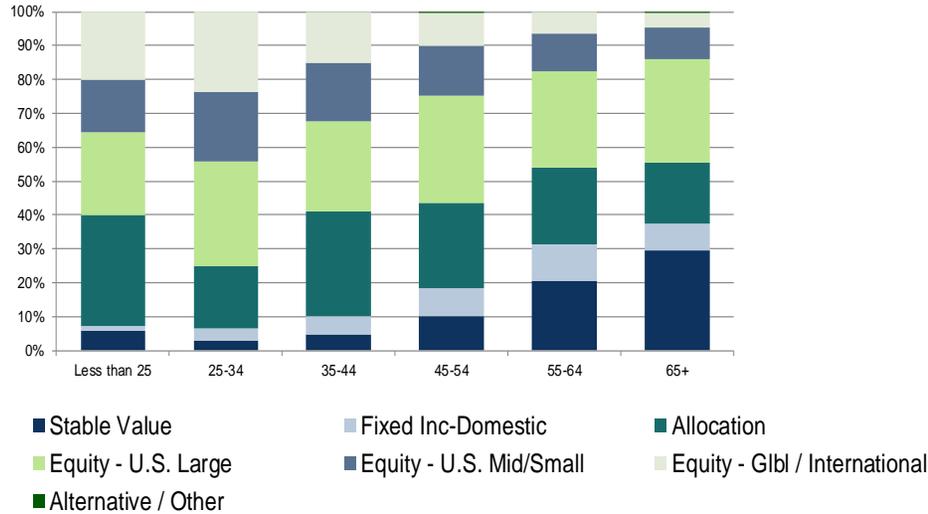
Roth Participants



	9/30/2019	9/30/2020
Roth Assets	\$12,800,752	\$16,671,253
# of Participants in Roth	1,419	1,623
Participation Rate in Roth	18.5%	20.5%
Prudential % of Participants in Roth - As of 12/31/2019	13.6%	

Investment Diversification

Assets by Asset Class and Age as of September 30, 2020



Asset Allocation

Asset Class	Your Plan Assets as of 9/30/2020	Your Plan % as of 9/30/2020
Stable Value	\$112,270,522	20.6%
Fixed Inc-Domestic	\$47,629,891	8.7%
Allocation	\$118,398,210	21.7%
Equity - U.S. Large	\$163,463,647	30.0%
Equity - U.S. Mid/Small	\$63,892,849	11.7%
Equity - Gbl / International	\$38,949,464	7.1%
Alternative / Other	\$779,115	0.1%
Total Participant Balances	\$545,383,698	100.0%

Fund Utilization By Age as of September 30, 2020

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Participants Invested in Only One Fund	23	189	294	399	470	478	1,853
Average # of Funds per Participant	4.2	6.2	6.3	5.7	5.0	4.0	5.3
<i>Prudential Participants Avg. # of Funds per Participant as of 12/31/2019</i>	5.5	5.5	5.5	5.5	5.3	4.2	5.3
% of Plan Assets in Stable Value	5.7%	2.7%	4.6%	10.0%	20.3%	29.6%	20.6%
<i>Prudential % of Plan Assets in Stable Value as of 12/31/2019</i>	9.0%	8.2%	10.3%	14.8%	25.3%	41.4%	22.1%

Utilization by Fund

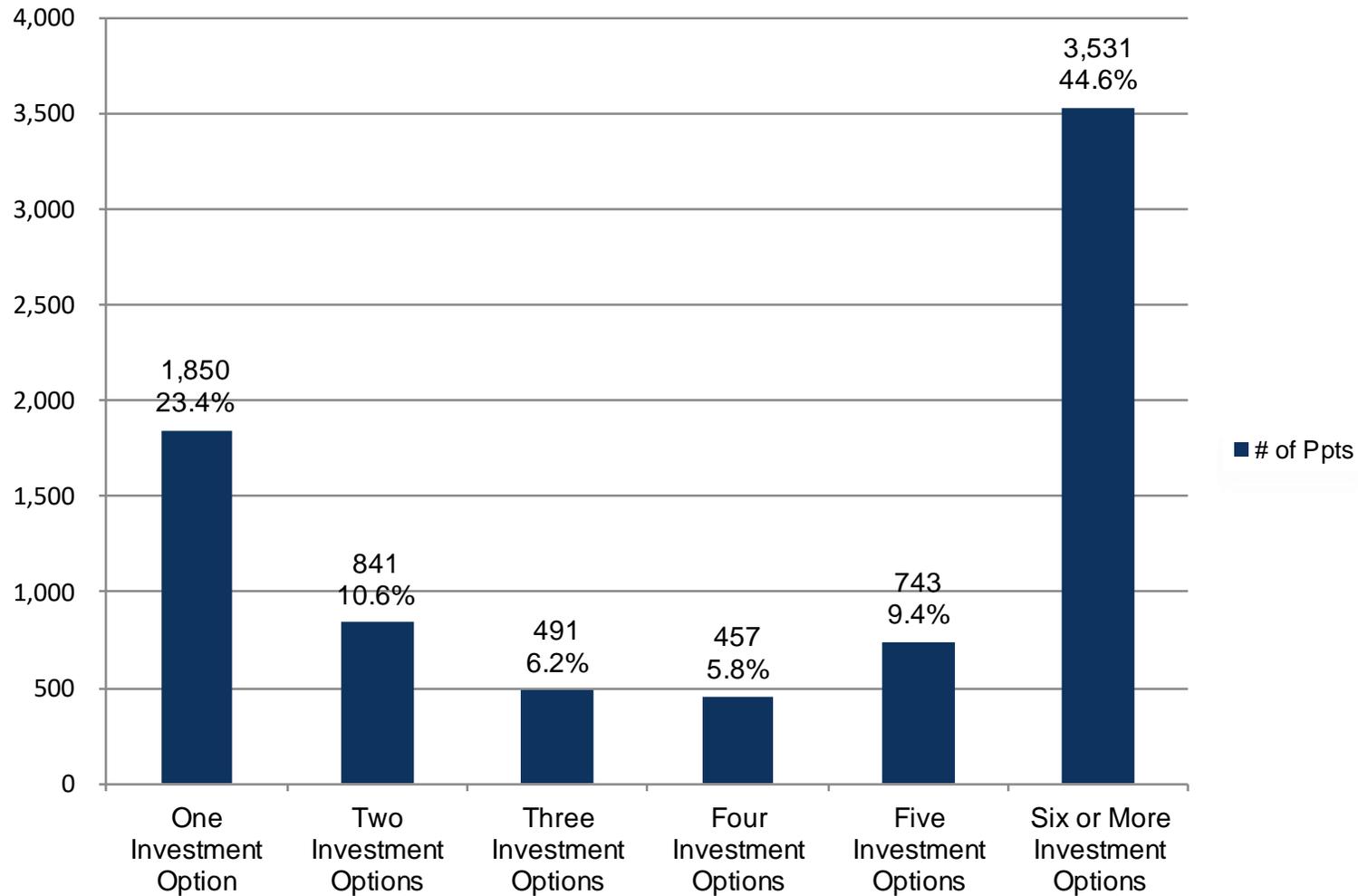
as of September 30, 2020

INVESTMENT OPTIONS	Balance	% Invested in Fund	# of Ppts	Ppts Using as Sole Investment
STATE OF VERMONT STABLE VALUE FUND	\$112,270,522	20.6%	4,752	545
VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES	\$59,834,273	11.0%	2,489	84
AMERICAN FUNDS THE GROWTH FUND OF AMERICA CLASS R-6	\$49,079,548	9.0%	4,178	18
T. ROWE PRICE SMALL-CAP STOCK FUND I CLASS	\$34,255,499	6.3%	4,192	5
VANGUARD VALUE INDEX FUND INSTITUTIONAL SHARES	\$32,434,513	5.9%	4,074	9
DODGE & COX BALANCED FUND	\$31,728,014	5.8%	1,017	49
VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES	\$29,637,350	5.4%	4,163	12
T. ROWE PRICE RETIREMENT I 2020 FUND I CLASS	\$28,860,515	5.3%	562	229
VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES	\$27,740,953	5.1%	3,015	8
T. ROWE PRICE RETIREMENT I 2030 FUND I CLASS	\$22,952,050	4.2%	599	247
VANGUARD FTSE SOCIAL INDEX FUND INSTITUTIONAL SHARES	\$22,115,314	4.1%	665	31
VANGUARD DEVELOPED MARKETS INDEX FUND INSTITUTIONAL SHARES	\$20,870,673	3.8%	3,432	0
T. ROWE PRICE RETIREMENT I 2040 FUND I CLASS	\$14,495,864	2.7%	501	250
DODGE & COX INTERNATIONAL STOCK FUND	\$10,124,201	1.9%	1,794	4
T. ROWE PRICE RETIREMENT I 2010 FUND I CLASS	\$9,937,291	1.8%	259	97
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$7,408,670	1.4%	1,672	1
FPA NEW INCOME FUND	\$7,109,063	1.3%	354	7
LAZARD EMERGING MARKETS EQUITY PORTFOLIO INSTITUTIONAL SHARES	\$5,519,479	1.0%	1,697	6
CALVERT BOND FUND CLASS I	\$5,371,205	1.0%	1,414	1
T. ROWE PRICE RETIREMENT BALANCED I FUND I CLASS	\$4,675,907	0.9%	237	41
T. ROWE PRICE RETIREMENT I 2050 FUND I CLASS	\$3,137,589	0.6%	328	201
PAX SUSTAINABLE ALLOCATION FUND INDIVIDUAL INVESTOR CLASS	\$2,610,979	0.5%	199	2
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$2,435,111	0.4%	569	3
SELF DIRECTED BROKERAGE ACCOUNT	\$779,115	0.1%	12	0
Total	\$545,383,698	100.0%		

The funds in **bold** type denote inclusion in the GoalMaker® product.

Investment Utilization

as of September 30, 2020



Due to rounding, bar graph may not equal 100%

GoalMaker® Participation

as of 9/30/2020

	12/31/2019	3/31/2020	6/30/2020	9/30/2020
Plan Assets for Participants in GoalMaker	\$54,924,726	\$52,085,946	\$60,655,804	\$65,946,706
# of Participants in GoalMaker	1,670	1,826	1,842	1,875
Participation Rate in GoalMaker	21.5%	23.0%	23.3%	23.7%
% of Plan Assets for GoalMaker Participants	10.2%	11.4%	11.7%	12.1%

Prudential Book of Business For Plans Offering GoalMaker – As of 12/31/2019

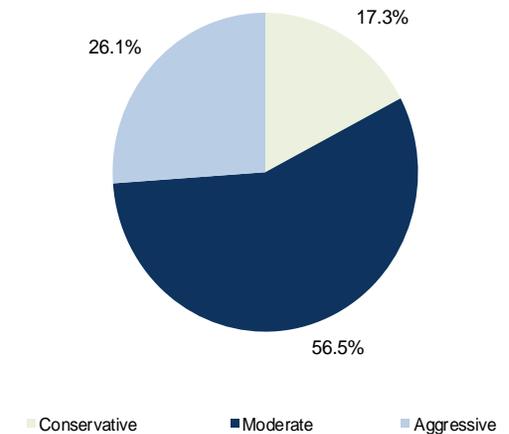
The participation rate in GoalMaker is 52.3%.

The percentage of plan assets for GoalMaker participants is 21.7%.

Participant Age Range	Conservative		Moderate		Aggressive		Total
	Active/Suspended	Terminated	Active/Suspended	Terminated	Active/Suspended	Terminated	
Less than 25	1	0	12	1	25	4	43
25-34	21	1	176	8	221	15	442
35-44	24	1	210	11	168	11	425
45-54	43	2	255	10	134	8	452
55-64	77	11	249	15	68	6	426
65+	21	12	31	15	6	2	87
Total	187	27	933	60	622	46	1,875

Participant Age Range	Conservative		Moderate		Aggressive		Total
	Active/Suspended	Terminated	Active/Suspended	Terminated	Active/Suspended	Terminated	
Less than 25	\$4,055	\$0	\$29,061	\$4,136	\$96,063	\$3,951	\$137,266
25-34	\$88,222	\$6,159	\$1,462,432	\$57,752	\$2,161,845	\$147,802	\$3,924,212
35-44	\$505,270	\$2,688	\$3,712,424	\$140,084	\$3,523,316	\$161,089	\$8,044,871
45-54	\$1,338,012	\$347,326	\$8,307,390	\$287,801	\$4,629,135	\$573,077	\$15,482,741
55-64	\$4,671,064	\$858,109	\$13,894,392	\$1,360,216	\$4,267,903	\$577,186	\$25,628,871
65+	\$1,786,428	\$1,824,040	\$4,167,354	\$3,868,802	\$761,262	\$320,859	\$12,728,745
Total	\$8,393,051	\$3,038,323	\$31,573,053	\$5,718,791	\$15,439,524	\$1,783,964	\$65,946,706

Percentage of Assets by GoalMaker® Participation Portfolio - As of 9/30/2020



1.7 Years

average length of time GoalMaker participants have been enrolled in GoalMaker

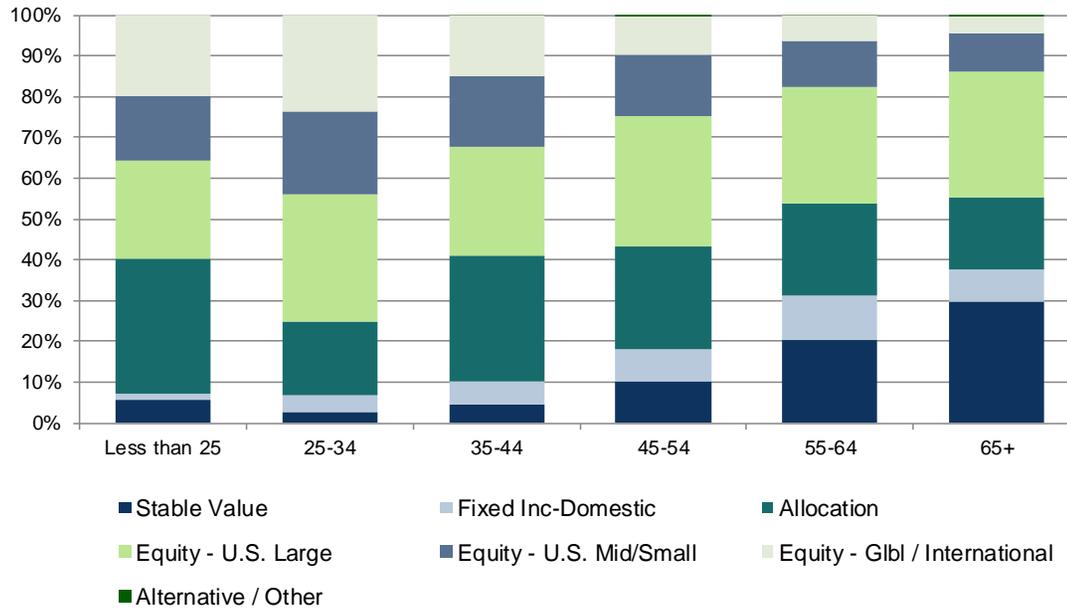
23.7%

GoalMaker participation rate for those who actively elected GoalMaker

Due to rounding, pie chart may not equal 100%

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Asset Allocation by Age Group



As of September 30, 2020

Asset Class	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$15,016	\$274,523	\$1,722,707	\$10,629,678	\$36,154,260	\$63,474,338	\$112,270,522
Fixed Inc-Domestic	\$4,291	\$390,907	\$2,079,477	\$8,601,509	\$19,520,938	\$17,032,769	\$47,629,891
Allocation	\$86,811	\$1,821,054	\$11,443,855	\$26,706,773	\$40,087,097	\$38,252,620	\$118,398,210
Equity - U.S. Large	\$64,089	\$3,146,923	\$9,885,248	\$33,703,713	\$50,946,046	\$65,717,628	\$163,463,647
Equity - U.S. Mid/Small	\$41,361	\$2,051,856	\$6,412,915	\$15,654,843	\$19,635,484	\$20,096,390	\$63,892,849
Equity - Gbl / International	\$53,249	\$2,386,094	\$5,539,409	\$10,250,853	\$11,475,582	\$9,244,277	\$38,949,464
Alternative / Other	\$0	\$0	\$9,969	\$260,353	\$67,255	\$441,538	\$779,115
Total Assets	\$264,816	\$10,071,357	\$37,093,580	\$105,807,723	\$177,886,662	\$214,259,562	\$545,383,698
% of Assets	0.0%	1.8%	6.8%	19.4%	32.6%	39.3%	100.0%
Total Participants	75	989	1,373	1,867	2,012	1,599	7,915
Avg Account Balance	\$3,531	\$10,183	\$27,016	\$56,673	\$88,413	\$133,996	\$68,905

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Rep Stats

	10/1/2019-12/31/2019	1/1/2020-3/31/2020	4/1/2020-6/30/2020	7/1/2020-9/30/2020	Total
Group Presentations	16	5	6	6	33
Individual Participant Meetings	448	544	407	494	1,893
New Enrollments as a result of Group/Individual Meeting*	122	110	18	45	295
GoalMaker as a result of Group/Individual Meeting*	156	156	27	48	387
Contribution Rate Increases	118	210	62	88	478
Number of Rollovers	19	22	8	17	66
Rollover Dollars	\$995,528	\$625,811	\$317,219	\$637,970	\$2,576,528

*Enrollments above obtained by TDA Education Representatives

ESG Funds

Plan # - Plan Name	Fund	Ticker	AUM as of 6/30/2020	# of PPT	% of AUM of the Plan
940010 - 940060 - 403(b) Exclusive & Non-Exclusive					
	Calvert Equity Fund Class I	CEYIX	\$2,917,036	143	
	PIMCO Total Return ESG Institutional	PTSAX	\$5,028,105	1193	
	Pax Global Environmental Mkts Instl	PGINX	\$191,249	51	
940020 - State Defined Contribution					
	Pax Global Environmental Mkts Instl	PGINX	\$184,074	5	
	PIMCO Total Return ESG Institutional	PTSAX	\$489,278	14	
940030 - Muni Defined Contribution					
	Pax Global Environmental Mkts Instl	PGINX	\$3,042	1	
940050 - 457b Plan					
	Pax Balanced Individual Investor	PAXWX	\$2,464,496	202	
	PIMCO Total Return ESG Institutional	PTSAX	\$7,004,444	1692	
	Vanguard FTSE Social Index I	VFTNX	\$19,946,703	659	
	Pax Global Environmental Mkts Instl	PGINX	\$1,933,522	575	

**State of Vermont ICMA-RC Stable Income fund Performance Reporting
As of 9/30/2020**

	Account Performance	Benchmark: ICE BofA US 3M Treasury Bill
	9/30/2020	
1 MONTH	0.19%	0.01%
3 MONTH	0.58%	0.04%
YTD	1.82%	0.64%
1 YEAR	2.47%	1.10%
3 YEAR	2.48%	1.69%
5 YEAR	2.36%	1.20%
SINCE INCEPTION	2.50%	N/A

*returns for periods greater than one year are annualized.

Assets and contributions reflect actual participant account balances and do not include outstanding loan balances, forfeitures, and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA).

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Prudential's Book of Business averages are as of 12/31/2019.

Section II: Economic Outlook



BUSINESS RESTRUCTURING AND A JOBLESS RECOVERY

by **Robert F. DeLucia, CFA**
Consulting Economist

Summary and Major Conclusions:

The US economy appears to be on track for a jobless recovery, wherein growth in employment lags growth in GDP. The corollary is that a disproportionate share of GDP growth will be derived from growth in labor productivity, as opposed to growth in hours worked. This conclusion is consistent with the outlook for massive business investment in digitization and automation. This combination of developments would be favorable for corporate earnings. In a broad economic context, the percentage share of gross national income earned by the business sector should increase while the share earned by labor should decrease.

- The central theme of this analysis is that trends in company earnings can be best understood as a persistent struggle between labor and capital. Corporate profitability is maximized during periods of weak labor markets, when businesses earn a growing percentage share of the national income pie at the expense of labor.
- Economic conditions over the next several years are likely to favor capital over labor, as net job creation trails GDP and the number of unemployed workers remains in recession territory. The implication is that company earnings could surprise investors on the upside in 2021 and 2022.
- There are two broad economic forces at work, affecting wages and selling prices. First, unemployment is likely to remain high over the next several years. Second, record business failures could accelerate the process of industry consolidation, enabling the largest companies in each industry to exercise greater pricing power.
- The coronavirus pandemic has triggered a massive wave of restructurings among business firms aimed at maximizing labor productivity. With widespread utilization of digital technologies, companies are automating their operations, resulting in faster growth in output and sales with fewer workers.
- A combination of slow growth in labor compensation and rising productivity should exert downward pressure on unit labor costs. A rough economic proxy for company profit margins is the statistical relationship between selling prices and unit labor costs.
- Unit labor costs (ULC) are defined as the total cost of labor to produce one unit of output. ULC are calculated using total compensation of workers adjusted lower for productivity growth.
- My forecast for the next several years assumes a 3% rise in worker compensation and a 2% growth rate in productivity. If so, this combination of trends would yield growth in ULC of only 1.0% annually. A rise in unit selling prices in excess of 2% should contribute to a widening in company profit margins.
- The business sector is undergoing a transformation unlike anything seen in decades. The most significant changes will likely take place in the areas of staffing, workplace management, and technology and will likely result in radical changes in the relationship between management and workers.
- Management consulting firm McKinsey & Company commissioned a survey of business executives from 800 companies across eight countries in order to gain more insight into how firms are responding to the crisis.

- The survey revealed that business firms are rapidly seizing the opportunity to transform their operations by taking advantage of revolutionary technologies in an effort to become more nimble, efficient, productive, flexible, and competitive in their industries.
- In response to the emergence of remote work, 85% of companies have adopted digital technologies to achieve greater interaction and connectivity among employees. Approximately 50% of companies have enhanced digitization of customer channels with the use of e-commerce and mobile applications.
- In addition to digitization, companies have accelerated their implementation of automation technologies, including robotics, autonomous vehicles, and artificial intelligence. These initiatives have been adopted in all industries surveyed, but companies in the financial services and technology sectors have been at the forefront.
- Equity market trends are determined by the level and direction of company earnings, with employment playing only a minor role. The equity market is indifferent to high unemployment, and responds directly to investor expectations regarding the future trend in company earnings.
- The US economy appears to be on track for a *jobless recovery*, which implies that net hiring will lag growth in GDP. The implication is that a disproportionate share of GDP growth will be derived from growth in labor productivity, which is consistent with rising business profits.
- In principle, accelerating growth in labor productivity is predicated upon rising business investment, most importantly in the areas of digitization, robotics, and other forms of automation. There is a strong correlation between labor productivity and company profitability.
- My forecast assumes that company earnings will increase by 20% in both 2021 and 2022. A combination of low bond yields and strong profit growth implies positive stock market returns during the next two calendar years.
- However, equity investors should exercise caution in the short term. Stock prices remain vulnerable in coming weeks and months because of apparent market complacency regarding imminent economic, political, and public health risks. The risk/reward equation at current equity market valuations appears unfavorable.

“COVID-19 has dramatically changed the way many jobs are performed, and employers are now planning how best to extract benefits from those changes as they prepare for business after the pandemic subsides. Greater digitization and automation, more demand for independent contractors, and increased reliance on remote work have the potential to deliver better productivity, lower costs, and enhanced resilience.”

The Post-Pandemic Workforce
McKinsey & Company
September 23, 2020

The COVID-19 pandemic has resulted in unprecedented disruptions to the world economy, most notably in the significantly altered behavior of consumers and businesses. This week's *Economic Perspective* focuses on the seismic changes underway within the business sector and labor market, with a special emphasis on the relationship between workers and employers and the implications for corporate profitability.

LABOR MARKET CONDITIONS

The labor market has been the segment of the economy most profoundly impacted by the pandemic. The COVID-19 pandemic has thrown millions of individuals out of work, implying a sluggish recovery in net job growth. Moreover, the future composition of workers is likely to differ radically from the makeup that existed prior to the pandemic. An in-depth analysis of the labor market reveals the following notable trends:

- ◆ The strong recovery in employment in the spring and early summer has stalled. Both the unemployment rate (7.9%) and initial jobless claims (835,000) remain squarely in recession territory.
- ◆ A large segment of the workforce has been disrupted by the pandemic. Nearly one-third of workers have either lost their jobs, had their hours reduced, or experienced a reduction in their salaries.
- ◆ There are numerous crosscurrents with respect to hiring and layoffs. The persistently high level of initial claims means that businesses continue to lay off workers at a rapid pace. Conversely, the decline in continuing unemployment claims suggests that reopening businesses continue to rehire furloughed workers.
- ◆ Monthly employment data reveal a sharp slowdown in net job creation, implying very weak employment conditions for permanent workers. Permanent job losses are rising at a faster pace than during the Great Recession.
- ◆ Service sector employment has massively lagged the recoveries in the manufacturing and construction sectors. Because service workers comprise the vast majority of the total workforce — fully 85% — a healthy recovery in employment is not possible without more aggressive hiring in the service sector.

The bottom line is that the labor market remains weak and has recovered only half of its losses from earlier in the year. Wage growth slowed from 3.5% in 2019 to only 2.0% in the second quarter. There are three macroeconomic implications of a weak labor market:

- ◆ Businesses have solidified *bargaining power* versus labor and should be able to increase profit margins through tight control of labor expenses.
- ◆ The cyclical rebound in *consumer spending* is likely to lag the pace experienced in typical economic recoveries in the past.
- ◆ Any future rise in *consumer inflation* is unlikely to be triggered by an acceleration in wage inflation.

BUSINESS TRANSFORMATION

The business sector is undergoing a transformation unlike anything witnessed in many decades. The coronavirus pandemic has disrupted normal business operations and planning to the point where massive reforms have become necessary. The most significant changes are taking place in the areas of staffing and workplace management, thereby bringing about radical changes in the relationship between management and workers.

McKinsey Survey: Last month, management consulting firm McKinsey & Company commissioned a survey of business executives from 800 companies across eight countries to gain more insight into how firms are responding to the crisis. Companies surveyed range in size from sales of \$1 billion to over \$10 billion. The main findings of the survey are as follows:

- ◆ In response to a sharp increase in remote work, 85% of companies have adopted digital technologies to achieve greater interaction and connectivity among employees.
- ◆ Approximately 50% of companies have implemented enhanced digitization of customer channels with the use of e-commerce and mobile applications.
- ◆ Nearly 35% have improved their management of supply chains by linking their suppliers with digital platforms.
- ◆ In addition to digitization, companies have accelerated their implementation of automation technologies, including robotics, autonomous vehicles, and artificial intelligence (AI).
- ◆ These initiatives have been adopted across all industries surveyed, but companies in the financial services and technology sectors have been at the forefront.
- ◆ The pandemic accelerated the ongoing trend toward outsourcing. In an endeavor to make labor a variable cost, 70% of executives surveyed expect to use more temporary workers and independent contractors on-site.

- ◆ The need for enhanced workplace safety, sanitation, data security, and efficiency will result in business demand for a new class of workers in the areas of health and hygiene, cybersecurity, and facilities management.

The bottom line is that business firms are rapidly seizing the opportunity to transform their operations to take advantage of revolutionary technologies in an effort to become more nimble, efficient, productive, flexible, and competitive in their industries.

CORPORATE PROFITABILITY

There are a number of reasons to be optimistic regarding the outlook for corporate earnings, and these fall into two broad categories: (1) The proven tendency for company earnings to increase at the fastest rate during the early years of an economic recovery; and (2) The observation that the coronavirus pandemic has sparked numerous significant structural changes pertaining to the labor market and business organization. As discussed in previous sections of this report, these structural changes should support higher levels of profitability in future years.

Classic Business Cycle: In principle, the first several years of a business cycle comprise the most dynamic phase of an economic expansion cycle. GDP growth typically exceeds that of the middle and later phases of an expansion, and corporate profit margins expand at the fastest rate, boosted by *operating leverage*. My forecast assumes that 2021 and 2022 will be the years of fastest profit growth in the next expansion cycle.

Business Transformation: Corporate profit models used by most economists are based upon year-over-year growth in nominal (current-dollar) GDP. This model is predicated upon three primary assumptions:

- Stability in the composition of GDP
- Symmetrical growth in employment and GDP
- Equivalent growth in selling prices and unit labor costs

My assumption is that these three relationships are not static and are likely to shift over the next two years. First, I expect above-average growth in GDP to be derived from durable goods manufacturing and investment in business equipment, rather than services — a favorable shift in output mix for company profit margins. Second, I expect growth in employment to lag that of GDP, which should also benefit profit margins. Finally, as discussed previously, average selling prices are likely to rise at a faster pace relative to unit labor costs, also positive for margins.

INVESTMENT IMPLICATIONS

A combination of a weak labor market and a large-scale restructuring of US corporations has significant implications for the equity market. Common stock values are determined by the level and direction of company earnings, while employment is of only minor relevance. In principle, if a rising trend in corporate earnings comes about because of labor market weakness — and an opportunity for businesses to reduce labor costs — the equity market will respond positively. Stated differently, the equity market is indifferent to high unemployment, and responds directly to the trend in company earnings.

The US economy appears to be on track for a jobless recovery, defined as an economic recovery in which growth in employment lags growth in GDP. The corollary is that a disproportionate share of GDP growth in coming years will be derived from growth in labor productivity, as opposed to growth in hours worked. This conclusion is consistent with the outlook for massive business investment in digitization and automation, including robotics, autonomous vehicles, and artificial intelligence. It is also consistent with business caution in adding to payrolls.

In a broad macroeconomic context, the percentage share of gross national income earned by the business sector should increase, while the share earned by labor should decrease. My forecast assumes that company earnings will increase by 20% in both 2021 and 2022, while annual wage growth could remain below 3%. A combination of solid earnings growth and historically depressed bond yields implies positive stock market returns over the next two years.

However, stock prices remain vulnerable in the short term because of apparent market complacency regarding imminent economic, political, and public health risks. The economic recovery has stalled in recent months, while the risk of a second wave of the pandemic remains elevated. Notwithstanding the prospects for solid profit growth in 2021 and 2022, the S&P 500 appears overvalued. The risk/reward equation appears unfavorable in the short term: Long-term investors should maintain an overweight position in common stocks versus bonds and cash, but should await a more attractive entry point to augment current stock holdings.



Robert F. DeLucia, CFA, was formerly Senior Economist and Portfolio Manager for Prudential Retirement. Prior to that role, he spent 25 years at CIGNA Investment Management, most recently serving as Chief Economist and Senior Portfolio Manager. He currently serves as the Consulting Economist for Prudential Retirement. Bob has 45 years of investment experience.

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