VISTA 401(k) NEWS

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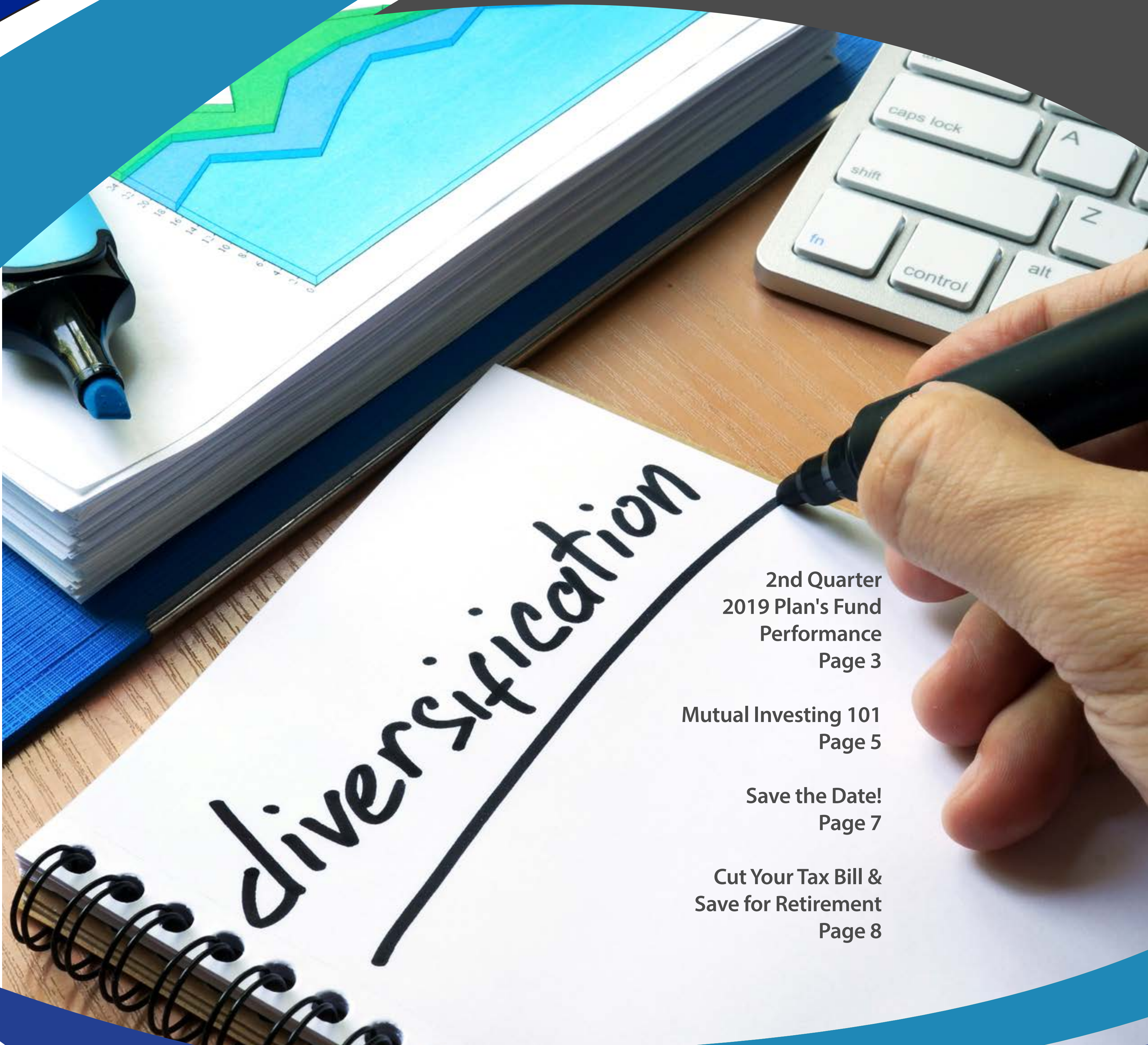

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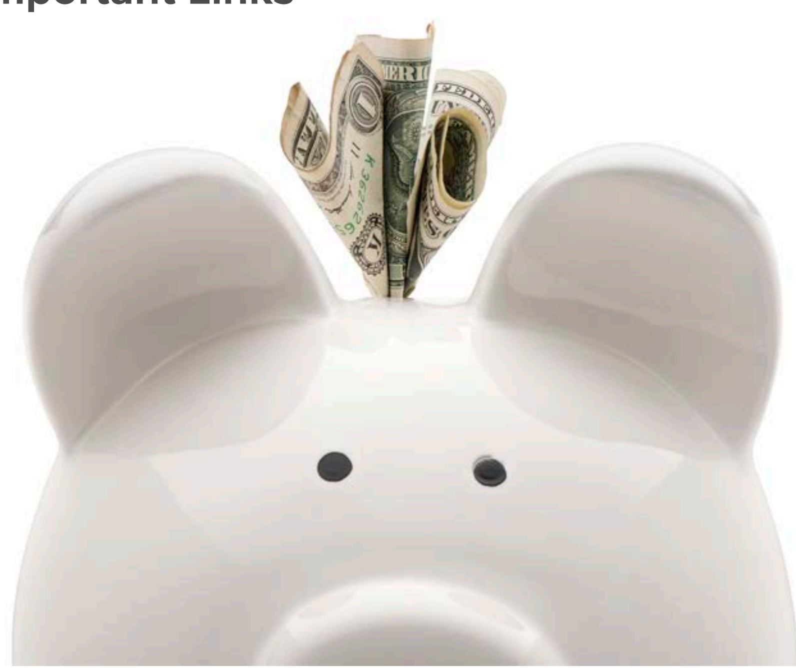

2nd Quarter 2019 Plan's Fund Performance

By MICHAEL SHERIDAN • Senior Consultant

Around this time last year, we recommended that you take some profits from your stock funds and reinvest them in bond funds. We thought that there may be a correction and we were right. We did not know as to the scope of that correction – so that there were sizeable losses at year end.

We then thought there would be a recovery and we were right again, but we did not predict the size of those gains so that at the end of the first quarter, all the losses from the second half of last year were made up and we were back to even.

We then predicted there would be modest gains in the second quarter of 2019 and the economy might be slowing down for the rest of the year, but we would end up the year with small gains.

We were way off again because the second quarter, added to the first, made the first half of the year one of the best in the history of the stock markets and the bond markets responded with significant gains as well.

The average gains of all stock funds were up 17% for the year and your plan's funds mostly met that result or exceeded it in the first half. The winner was Fidelity; Growth Strategies, our actively managed mid-cap fund – which gained 23.6% in the first half.

Intermediate-maturity, investment-grade bond funds gained an average of 6.3% for the year – which is exceptional and our plan's Intermediate term bond fund, Fidelity; Total Bond, gained 7.03% for the first half.

Overall, we are quite pleased with the plan's performance, except for the American Funds; Investment Company of America (ICA) a Large Cap Value fund. We will recommend at the late August Advisory Council meeting of your School District's leaders that the fund be placed on our Watch List.

So, what do we predict for the balance of the year? We don't know except for uncertainty. You might notice in the various media that the so-called expert analysts are mostly silent in this matter. The sensible writers – and I count myself in the group – are still predicting small gains. Based on our government's economic policies, trade and tariffs with China, and

2nd Quarter 2019 Plan's Fund Performance (continued)

the Federal Reserve's end-of-year decisions on rate increases or decreases, it makes it impossible to truly predict the near future.

I am writing this column on July 9, 2019 (I always wait until the Wall Street Journal's monthly supplement on investing in funds and ETFs). In another section of that paper, there was an interesting article on domestic investment-grade bond purchasing.

As of May 31, of this year, mutual funds and individual investors purchased 54% of those bonds. That is the largest amount since the Treasury Department published the data. The funds have the cash because investors are buying bond funds. This pushes down the current yield of bonds because current yields move in the opposite direction of demand and existing bond prices.

This is the biggest reason behind the rise in the bond funds during the first half – demand and avoidance of volatility.

We do not see a recession on the horizon. The US economy is strong, but supply and demand cycles along with the uncertainty mentioned above should "predict" (I am fed up with predictions!) for a slow down for the last half.

For those of you whose outlook is beyond 2019, I suggest you continue with your risk profile, with a slight adjustment to more bond funds, except the Inflation-Adjusted fund. As always, I suggest diversify, diversify, diversify!

Mutual Investing 101

By ROBERT PUMPHREY • Retirement Plan Specialist

As a participant of your school district-sponsored 401(k) plan, all your investment choices are with a mutual fund company. Investing in mutual funds can be the easiest, and perhaps, the least stressful way to invest in the market. This article is written to provide you, whether you are a new participant or a long-term participant of the Vista 401(k) Plan, a broad-based knowledge about mutual funds and allow you to become a more informed investor.

A mutual fund, according to the U.S. Securities and Exchange Commission, is "a company that brings together money from many people and invests it in stocks, bonds, or other assets." In other words, a mutual fund is like a basket, and that basket holds investments or assets, like stocks, bonds and cash. When you buy a mutual fund, you purchase a piece of that fund, or basket. You do not actually own any of the investments the mutual fund owns. However, while you may not own the investments themselves, they are important because the value of the fund is based on the assets it holds. As the stocks and bonds with the fund increase in value, the fund increases in value. Conversely, as those same stocks and bonds decrease in value, the fund also decreases in value.

As you invest in mutual funds within the Vista 401(k) Plan, they have two key benefits: diversification and professional management. Diversification means owning many different types of assets at one time. Most mutual funds offer instant diversification because each fund, or basket, owns a variety of different stocks or bonds. When you purchase a mutual fund, you are essentially buying a piece of every asset held by the fund.

A professional money manager constantly monitors the stocks and bonds in a mutual fund portfolio. The portfolio manager of each fund primary spends most of his/her time researching and selecting the proper assets to reach the fund's investment goals. Therefore, these professionals devote considerably more time to select the right stock or bond than an individual investor providing the investor with "peace of mind." In addition to the two "key benefits," the

Vista 401(k) Plan allows you the convenience and liquidity to adjust your fund allocation with relative ease and you can start investing in mutual funds as low as $25 a paycheck.

Within the Vista 401(k) Plan, there are three asset classes of mutual funds are:

- Money Market Funds – Relatively low-risk and low-return short-term investments consisting of short-time debt instruments, such as Treasury Bills. These funds are stable, but gains may not keep up with inflation. Within the Vista 401(k) portfolio, we have the Vanguard Federal Money Market as an example of a money market fund.
- Bond Funds (Fixed-Income) – These funds are to provide current income on a steady basis, generally investing primarily in government and corporate debt. Bond funds are higher risk than money market funds. Examples of Bond funds in the Vista 401(k) include the Government Bond, Inflation-Adjusted Bond both from American Century and Fidelity Advisor's Total Bond fund.
- Stock Funds (Equities) – Funds that invest in stocks represent the largest category of mutual funds, with the objective being long-term growth with some income. In general, stock funds are the highest risk and highest reward within the short-term period but tend to outperform other investments in the long run.

We need to make a distinction between mutual funds that are actively managed and those that are passively managed (indexed). Managers of active funds rely on research, market forecasts and their own judgment and experience in selecting stocks to buy. Managers of passive funds mirror the components of a market index. It's an investment strategy that states that professional managers are not able to consistency beat the benchmarks of the stock indexes, for example, the S&P 500 or the Russell 2000. In simple terms, actively managed funds have a pilot at the controls and passively managed fund is on autopilot. For example, when you view the monthly Fund Performance of the Vista 401(k) portfolio, we address active versus passive funds within the same heading of fund, as follows:

- Small Cap – T Rowe Price Small Cap (active) – Vanguard Small Cap (passive)
- Mid Cap – Fidelity Growth Strategies (active) – Vanguard Mid Cap (passive)
- Large Cap – American Funds Investment Company of America (active) – Vanguard Institutional (passive)
- Balanced – Vanguard Wellesley Admiral (active) – Vanguard Balanced (passive)

This was a very brief article of the basics of mutual funds and what they are and how they can help you achieve your financial goals as Vista 401(k) Plan investor. We encourage you to stay engaged with how your funds are performing and regularly rebalance your portfolio, if needed.

Be sure to log into the Vista 401(k) Mobile App for more information!

Save the Date!

By SARAH VITO • Retirement Plan Representative

Most of us look toward the future when planning for retirement, when in truth there is no time like the present. Each stage of life offers a unique opportunity to make an impact on your life as a retiree. This guide will take you step by step through the critical stages and milestones of your retirement saving journey.

Ages 18-20

Welcome to adulthood! This chapter opens with your first road trips, college finals and embarking on your career journey! It's easy to be distracted during this transition from childhood, so remember to be mindful of the future while enjoying the present. If you earn income at 18, take advantage of your new ability to save for your future in an IRA and 401(k). The earlier you start, the better. Put away even a few dollars a month to build healthy financial habits and boost compounding interest potential of your retirement savings.

Ages 21-35

These formative years set the pace for adult life, especially your retirement. Financial freedom during your later years is attainable. Surprisingly, the critical ingredient to a prosperous savings is not the amount of money deposited, but rather the length of time it is invested. According to a Vanguard study, if you save "just under $4,500 over a 45-year career, you could have over $1 million by the time you retire." Find a simple and automatic way to save, such as electing for payroll-deducted contributions to your 401(k). Trust us, you'll thank yourself later.

Ages 35-50

Now you're hitting your stride. Perhaps you've become a homeowner, started a family or taken a few rewarding steps in your career. It is important to keep your eye on the prize. Now is the time to focus on achieving your financial goals. Fully analyze your finances by pinpointing any unnecessary expenses and put them toward maximizing your 401(k) contributions. Monitor your investments and reach out if you need assistance interpreting your plan. You may still focus on growth during these years, as long as you reevaluate your investments as you move through different stages of life.

Ages 50-69

Here are the years where you start hitting retirement savings milestones. At age 50 retirement may be right around the corner, so take advantage of the additional "catch-up contributions" in your 401(k). Set goals to accomplish the $25,000 annual contribution maximum. If you are lucky enough to retire at 55 years old, you may withdraw from your 401(k) plan without an additional 10% tax penalty. Still working? Don't fret! In a few short years, at age 59.5, you can withdraw without the burden of an extra tax penalty whether you are retired or not. It is increasingly important to consider rebalancing your investments as you approach retirement. Check out the Vista 401(k) website for resources, such as the "Risk Tolerance Questionnaire" to help guide you toward an informed and suitable portfolio.

Ages 70+

Congratulations! Your hard work has paid off and its time to enjoy your golden years. The final major date to mark on your 401(k) calendar is 70.5. This is the year you begin taking your Required Minimum Distribution or RMD. Luckily, if you are too busy driving across this great nation to fill out the form, Vista 401(k) will automatically calculate and distribute a check for the required amount from your account at the end of the year. Otherwise, the world is your oyster! Trust your wisdom, cherish the little things and check on your investments at least once a year.

Cut Your Tax Bill & Save for Retirement

By TONI MILTON • Sr. Retirement Plan Specialist

Saving money is probably the most essential part of planning for retirement. As a School Board employee, your employer pays into the Florida Retirement System (FRS) on your behalf. As a retiree, you will receive a percentage of the average of your five highest-earning years. Ask yourself, is this enough to sustain a carefree retirement lifestyle?

Everyone loves a tax break! The good news is your employer offers you a tax-deferred, automatic saving benefit that has no waiting period to enroll. You can cut your tax bill by taking advantage of the pre-tax contributions to your employer's 401(k) plan.

Let's face it. Most people have a hard time setting aside money for savings each month. A 401(k) account takes care of that with automatic saving. The money is automatically moved from your paycheck to your 401(k) account before you can get your hands on it. With a 401(k) plan, you are, in effect, paying yourself first with money that otherwise would have been spent. Year after year that can add up to big savings. You can save on your tax bill and save for your retirement.

This plan offers something for everyone no matter what stage you are in life. Ideally, you'd start saving for retirement as soon as you start earning paychecks. The sooner you begin saving, the more time your money has to grow. Each year's gains can generate their own gains so, the longer period of time you contribute into a 401(k) account, the more time your funds can accumulate.

If you are at the end of your journey and have made the decision to enroll in DROP, you have a very important decision to make. Should you take a lump sum payment, or should you do a direct rollover of my DROP accumulation to an eligible retirement plan?
If you decide to take a lump sum payment, 20% will be withheld for federal income taxes. For example, if your lump-sum distribution is $100,000, then $20,000 will be withheld for taxes. What a hit.

If you are considering a direct rollover, where do you put the money? When you rollover your distribution, you defer paying income taxes until you withdraw funds from the account. When considering a direct rollover, why not look into putting the money into the 401(k) plan or your existing 401(k) account?
A good retirement plan should provide quality investment options across a broad range of objectives. Your employer's 401(k) plan does just that. The Vista 401(k) has 25 mutual funds in the portfolio, covering a full range of investment objectives.

The Vista 401(k) Plan was designed to be a long-term retirement option. It's an inexpensive way to create a high-quality, diversified portfolio. How you save can be just as important as how much you save. Inflation and the type of investments you make plays an important role in how much you'll save at retirement.

Learn more about your plan's investment options by asking questions. Putting your savings in different types of investments by diversifying is a key way to reduce risk and improve your long-term returns. Your investment mix could change over time, depending on a number of factors like age, goals and financial circumstances.

We encourage you to take advantage of this effective means to put aside retirement savings while giving yourself a tax break in the process!

The DROP Box

- ***Are you enrolled in DROP and close to retiring?***
- ***Do you have questions about what to do with your DROP benefits?***
- ***Would you like to speak with a 401(k) Plan Specialist about your distribution options?***

CALL 866-325-1278 or EMAIL 401k@vista401k.com

When you retire, you don't have the option of leaving your DROP benefits with the State of Florida. You are required to select a payout method from the following three choices:

- Lump Sum Distribution – less income tax withholding (under age 55, an additional 10% tax penalty withheld)
- Direct Rollover – no tax withholding
- Partial Distribution and Direct Rollover – some income tax withholding

Here are some good reasons to rollover the DROP payout into a Vista 401(k) account:

- If you take the DROP funds as a payment directly to yourself, these funds will be taxable income for the current tax year.
- If you qualify for normal retirement from the School Board and reach the age of 55, you qualify to withdraw your funds without incurring the age 59½ withdrawal penalty from your 401(k) Plan. This means that if you choose to rollover your DROP funds to your Vista 401(k) Account, instead of a traditional IRA, you can withdraw funds before age 59½, without a penalty.

If you entered DROP in 2014, your DROP benefit will be distributed in 2019.
We also accept rollovers from your BENCOR, 403(b) or 457 accounts, so you can have all of your retirement funds in one convenient account. Call us at 866-325-1278 or email us at: 401k@vista401k.com for one-on-one support from our experienced Retirement Services Team.

Visit Vista401k.com for more information.

Carefully consider the investment objectives, risks, charges and expenses of the underlying fund before you invest. This and other important information is contained in the prospectus, which should be read carefully before investing. You can request underlying fund prospectuses from the Vista 401(k) website at **www.vista401k.com** or call us at 866-325-1278.

PERFORMANCE CHART

FUNDCOMPANY	FUND	TICKER	MORNINGSTAR CATEGORY	Current Fund Operating Expense	June 2019	YTD	Average Annual Performance 1 Year	3 Years	5 Years
TOTAL RETURNS (%) as of 06/30/2019; 1, 3, and 5 year returns are annualized.									
International									
American Funds	EuroPacific	REREX	Foreign Lg Growth	0.83%	6.6%	17.4%	1.6%	10.5%	4.1%
Small Cap Stock									
Vanguard	Small Cap Index	VSMAX	Small Blend	0.05%	7.1%	19.5%	2.3%	12.4%	7.7%
T.Rowe Price	Small-Cap	OTCFX	Small Growth	0.89%	7.4%	24.2%	10.6%	16.5%	10.3%
Mid Cap Stock									
Fidelity	Growth Strategies	FDEGX	Mid Cap Growth	0.59%	7.6%	25.3%	12.0%	13.1%	10.0%
Vanguard	Mid Cap Index	VIMAX	Mid Cap Blend	0.05%	7.1%	21.9%	7.8%	12.3%	8.8%
Large Cap Stock									
American Funds	Investment Co. of America	RICEX	Large Blend	0.64%	6.1%	13.8%	4.2%	10.8%	8.2%
T.Rowe Price	Blue Chip Growth	PABGX	Large Growth	0.97%	6.3%	20.7%	10.0%	21.4%	14.6%
T.Rowe Price	Dividend Growth	TADGX	Large Blend	0.91%	6.1%	19.8%	16.4%	13.6%	11.2%
Vanguard	Institutional Index	VINIX	Large Blend	0.04%	7.0%	18.5%	10.4%	14.2%	10.7%
Balanced									
Vanguard	Balanced Index	VBAIX	50% to 70% Equity	0.07%	4.7%	13.7%	9.0%	9.4%	7.4%
Vanguard	Wellesley Admiral	VWIAX	30% to 50% Equity	0.16%	3.2%	10.6%	10.2%	6.1%	5.9%
Vanguard	Wellington Admiral	VWENX	50% to 70% Equity	0.17%	4.4%	12.9%	10.4%	9.8%	7.6%
Mixed Asset Target Date									
American Funds	2010 Target Date	RHATX	Tgt Date 2000-2010	0.47%	3.0%	8.8%	6.4%	5.8%	4.7%
American Funds	2015 Target Date	RHBTX	Tgt Date 2015	0.47%	3.2%	9.2%	6.5%	6.3%	5.0%
American Funds	2020 Target Date	RHCTX	Tgt Date 2020	0.48%	3.5%	9.8%	6.4%	7.1%	5.5%
American Funds	2025 Target Date	RHDTX	Tgt Date 2025	0.50%	4.1%	11.0%	6.3%	8.2%	6.0%
American Funds	2030 Target Date	RHETX	Tgt Date 2030	0.52%	4.6%	12.4%	6.1%	9.7%	6.8%
American Funds	2035 Target Date	RHFTX	Tgt Date 2035	0.54%	5.3%	14.1%	6.0%	11.0%	7.5%
American Funds	2040 Target Date	RHGTX	Tgt Date 2040	0.54%	5.6%	14.7%	5.9%	11.4%	7.7%
American Funds	2045 Target Date	RHHTX	Tgt Date 2045	0.54%	5.7%	14.9%	5.9%	11.6%	7.8%
American Funds	2050 Target Date	RHITX	Tgt Date 2050	0.55%	5.8%	15.1%	5.9%	11.8%	7.9%
Bond									
American Century	Government Bond	CPTNX	Intermediate Govmt	0.47%	0.8%	4.7%	6.5%	1.4%	2.1%
American Century	Inflation-Adjusted Bond	ACITX	Inflation Protected	0.47%	0.7%	6.1%	4.0%	1.7%	1.3%
Fidelity Advisor	Total Bond	FEPIX	Intermediate Term	0.50%	1.3%	7.0%	7.7%	3.3%	3.3%
Cash/Money Market									
Vanguard	Federal Money Market	VMFXX	Money Market	0.11%	0.2%	1.2%	2.2%	1.3%	0.8%
Broad Base Benchmarks									
S & P 500 TR USD					7.1%	18.5%	10.4%	14.2%	10.7%
Barclays US Aggregate Bond					1.3%	6.1%	7.9%	2.3%	3.0%

Sources: direct reports from the Fund Companies and www.morningstar.com as of 07/03/2019.

There are no sales (front-end load), transfer or surrender charges for any mutual funds in the Vista 401(k) Plan. Any charges or fees imposed by a fund to the public are waived for Vista 401(k) participants.

The Current Fund Operating Expense is comprised of Management fees, Distribution and/or Service (12b-1) fees and Other expenses. The fees shown in this column are expressed as a percentage of assets on an annual basis, i.e. 0.85% of assets.

For further information visit www.vista401k.com or call 866-325-1278 to speak to a Retirement Services Team representative.

Important Links

Risk Tolerance Assessment

VISIT THIS LINK

To take an Investment Risk Assessment for your 401(k) Account

Confirmed your beneficiary?

COMPLETE THIS FORM

To confirm or update the beneficiary information on your Vista 401(k) Account

Fund Performance

CLICK HERE

To view Vista 401(k) Fund Performance for June 2019

Invest in your future and contribute to your retirement today through the Vista 401(k) Plan!

Increase your Contributions

COMPLETE THIS FORM

To increase contributions to your 401(k) Account

CLICK HERE TO ENROLL

Have Questions?

CLICK HERE

To see answers to the most frequently asked questions

Visit us on **Facebook** and **Twitter**

Stay up to date on market activity and other important Vista 401(k) Plan information.