

**SUMMARY ANNUAL REPORT**

**March 31, 2019**

This is a summary of the annual report for the Cornell-Hart Pension Plan Employee Elective 401(k) Plan, Tax ID Number 93-0747524, for the Plan Year that ended March 31, 2019. The annual report will be filed with the Department of Labor, as required by the Employee Retirement Income Security Act of 1974 (ERISA).

**BASIC FINANCIAL STATEMENT**

The Cornell-Hart Pension Trust was established as of June 1, 1979 and offered a 401(k) option as well as the Pension Plan. The value of the Employee Elective 401(k) Plan assets as of March 31, 2019 totaled \$48,634,269 compared to \$44,802,629 as of March 31, 2018. This resulted in an increase of \$3,831,640 in Plan assets during the Plan Year. A total of 936 persons were participants or beneficiaries of the 401(k) Plan as of March 31, 2019.

The Net Investment Income for the Trust amounted to an increase of \$2,159,178; Employer Contributions for the period totaled \$0; Participant Elective 401(k) Contributions totaled \$3,455,449; Participant Rollover Contributions totaled \$14,508. Benefits Paid to Participants totaled \$1,733,944 and Administrative Expenses totaled \$88,841.

**YOUR RIGHTS TO ADDITIONAL INFORMATION**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items included in that report are: an accountant's report; financial information and information on payments to service providers; assets held for investment; transactions in excess of 5 percent of Trust assets; and information regarding any common or collective trusts, pooled or separate accounts, master trusts or 103-12 investment entities in which the Trust participates. To obtain a copy of the full annual report or any part thereof, write or call BeneSys, Inc. at PMB #116, 5331 SW Macadam Ave, #258, Portland Oregon 97239, (800) 547-4457 or (503) 224-0048. The charge to cover copying costs will be \$25.00 for the full annual report, or \$.50 per page for any part thereof.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of the income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions of the report are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan, PMB #116, 5331 SW Macadam Ave, #258, Portland Oregon 97239, and at the US Department of Labor in Washington DC, or to obtain a copy from the US Department of Labor upon payment of copying costs. Requests to the Department of Labor should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

#### **BOARD OF TRUSTEES**

##### **UNION**

Garth Bachman  
Daniel Buckhalter  
Mike Bridges  
Christina Daniels

##### **MANAGEMENT**

Timothy J. Gauthier  
Andy Busack  
Gabe Gourde

#### **ADMINISTRATIVE OFFICE**

BeneSys, Inc.  
PMB #116, 5331 SW Macadam Ave, #258  
Portland, Oregon 97239  
(503) 224-0048 or (800) 547-4457

#### **AUDITOR**

Bjorklund & Montplaisir

#### **LEGAL COUNSEL**

Brownstein, Rask, Sweeney, Kerr, Grimm, DeSylvia & Hay, LLP

#### **INVESTMENT MANAGER**

Ferguson Wellman Capital Management

#### **RECORDKEEPER/CUSTODIAN**

Empower Retirement Services  
(800) 338-4015  
[www.empower-retirement.com](http://www.empower-retirement.com)

**TO:** All Participants, Pensioners, Beneficiaries and Alternate Payees in Cornell-Hart 401(k) Plan

**FROM:** Board of Trustees

**DATE:** February 2020

**RE:** Qualified Default Investment Alternative Notice

You have the right to direct the investment of your 401(k) Plan contributions among the investment alternatives offered by the Cornell-Hart Pension Trust. Properly investing Pension Plan and 401(k) Plan contributions is important for planning your future retirement income. You should consider your investment decisions carefully.

This Notice provides information regarding where 401(k) Plan contributions will be invested if you do not make an investment decision. You may make investment decisions for your 401(k) Plan contributions by contacting a representative from Empower Retirement Services by phoning 1-800-338-4015. The Plans' Empower Retirement contract numbers are:

Cornell-Hart Pension Trust 401(k) Plan: 337773-01

Default Investment Account

If you do not provide investment directions or if contributions are received by the Cornell-Hart Pension Trust before your investment directions are received by Empower Retirement Services, contributions will be invested in the Ferguson Wellman Moderate Balanced Fund. Please see the attached information to learn about the Ferguson Wellman Moderate Balanced Fund's investment objectives, risk and return characteristics, fees, and expenses.

Right to Make Investment Decisions

You may make changes to your investments as allowed by the 401(k) Plan. This includes transferring contributions from the Ferguson Wellman Moderate Balanced Fund to other investment options offered by the Trustees. Transfer of your 401(k) contributions out of the Ferguson Wellman Moderate Balanced Fund and into other investment options offered by the Cornell-Hart Pension Trust is not subject to restrictions, fees, or expenses except fees or expenses charged for the ongoing operation of the Ferguson Wellman

Moderate Balanced Fund. See the information under the heading, "Default Investment Account," for information regarding fees and expenses.

#### Additional Information

For additional information about the Ferguson Wellman Moderate Balanced Fund and other investment options offered by the Cornell-Hart Pension Trust, please do one of the following:

- Speak with a representative from Empower Retirement Services by phoning 1-800-338-4015;
- Go to the internet at **[www.empower-retirement.com](http://www.empower-retirement.com)**;
- Consult the Summary Plan Description for an explanation of the 401(k) Plan's features and information. You may access the Summary Plan Description via **[www.cornellbenefits.org](http://www.cornellbenefits.org)** or request a copy from the Trust Office at 1-800-547-4457.

#### Fiduciary Reliance on ERISA 404(c)

The Plan's investments and rules, including the default investment described in this notice, are intended to meet the requirements of Section 404(c) of ERISA. As a result, the Plan's fiduciaries may be relieved of any investment losses to your Plan account. Only you will be responsible for the investment results to your Plan account, including the results of the default investment.

# Ferguson Wellman Moderate Balanced Fund

## December 31, 2019

### Description

The Ferguson Wellman Moderate Balanced Fund seeks to generate consistent long-term capital growth with below average market risk. The investment team allocates the Fund in a balanced strategy using Large-Cap U.S. Equities, International Equities, Real Estate Investment Trusts, and Investment-Grade Fixed Income Securities. The total allocation to all equities may range from 25% to 55%, and the total allocation to fixed income may range from 45% to 75%.

### Asset Allocation as of December 31, 2019

1. Stocks .....41.4%
2. Bonds.....55.3%
3. Money Market Funds .....3.3%

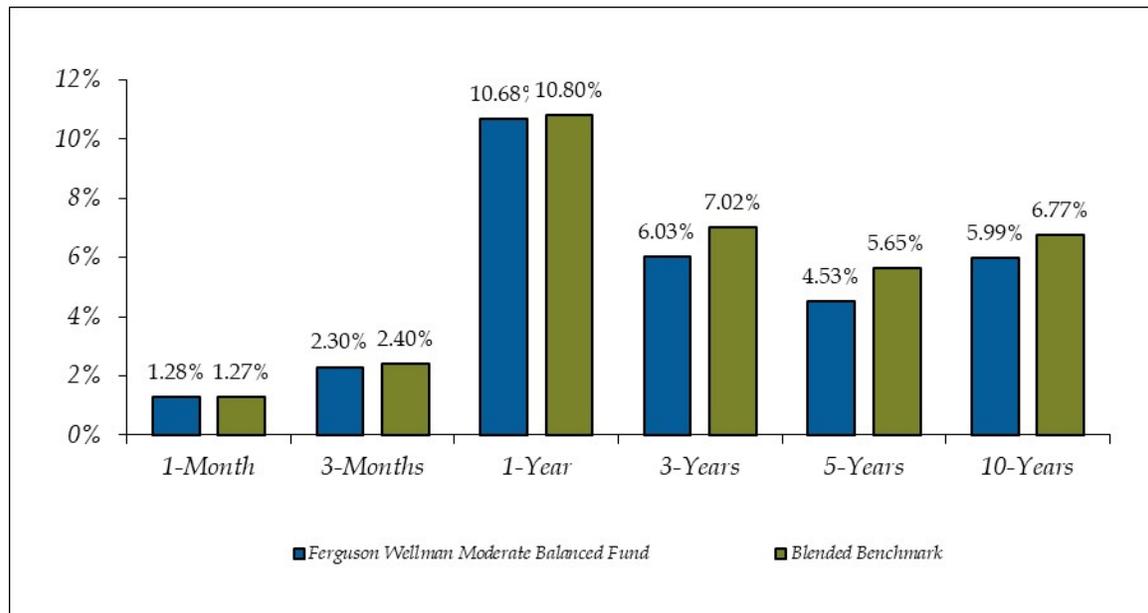
*Fund investments change daily and may differ from those shown above.*

### Portfolio Characteristics as of December 31, 2019

Inception .....12/31/96  
 Managers .....G. Hosfield / B. Houle  
 Managers since .....12/31/96  
 Total Net Assets (\$ mil.) .....\$15.5  
 Expense Ratio .....0.48%

*Expense ratios include management fees, custody fees, and other fund expenses. Expense ratios do not include transaction costs.*

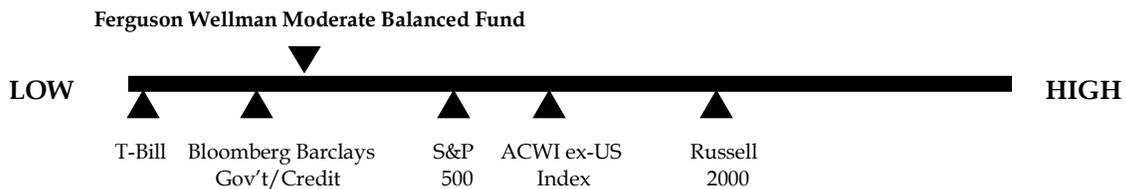
### Net-of-Fees Performance for Periods Ending December 31, 2019



## Performance Disclosures

1. The "Blended Benchmark" is a blend of the benchmarks for each asset class weighted by the neutral allocation as specified in investment policy. The blend is 28% S&P 500, 3% Russell 2000, 3% NAREIT All-REIT, 6% MSCI ACWI ex-US, 57% Bloomberg Barclays Intermediate Government/Credit Bond, and 3% Bloomberg Barclays 3-Month T-Bill. (See below for description of benchmarks)
2. Performance Results include the reinvestment of dividends and interest.
3. Returns for 3-Years, 5-Years, and 10-Years are annualized.
4. Current and past performance is not indicative of future results.

## Potential Risk



The risk indicator is based on the standard deviation for the past 36 months. The greater the standard deviation, the larger the differences between actual returns and the annualized total return and, therefore, the higher the risk.

Ferguson Wellman Capital Management, Inc., is the investment advisor for the Ferguson Wellman Moderate Balanced Fund. The Ferguson Wellman Moderate Balanced Fund is not a publicly traded mutual fund and is only available to participants in the Cornell Pension Trust.

## Benchmarks

Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

The S&P 500 Index covers 500 industrial, utility, transportation, and financial companies of the US markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

The Russell 2000 Index is an index measuring the performance of the 2,000 smallest companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks.

The NAREIT Real-Time index includes all REITs currently trading on the New York Stock Exchange, the NASDAQ National Market System and the American Stock Exchange.

Morgan Stanley Capital International All Country World Index ex-US (MSCI ACWI ex-US) is a market capitalization weighted index composed of companies representative of the market structure of developed and emerging countries around the world. The index is calculated with gross dividends reinvested with US Dollars.

The Bloomberg Barclays U.S. Intermediate Government/Credit Index tracks the performance of U.S. dollar-denominated fixed-rate Treasury, Agency and investment-grade rated sovereign and corporate debt securities having at least one, but no greater than 10 years remaining to maturity.

The Bloomberg Barclays 3-Month T-Bill Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. The Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value.

**NOTICE REGARDING EMPLOYEE'S RIGHTS AND OBLIGATIONS  
UNDER  
CORNELL-HART EMPLOYEE ELECTIVE 401(K) PLAN  
February 2020**

The IRS requires that all employees eligible to participate in the Cornell-Hart Pension Plan Employee Elective 401(k) Plan (the "Plan") receive the following information regarding their rights and obligations under the Plan. This notice is required because the Plan relies on the safe harbor of IRC § 401(k)(12) that relieves the Plan from performing the actual deferral percentage test of IRC § 401(k)(3)(A)(ii):

- **401(k) Elective Deferral Contributions.** Each employee for whom employer contributions are made may elect to contribute the 401(k) amount specified by the Trustees from time to time. The amount is set to keep the account balances within the yearly maximum fixed by law. For 2020, you can elect to make a 401(k) contribution anytime by written notice to your employer to have your deferrals withheld from your paycheck and contributed to the Plan. You can stop anytime, by written notice to your employer. You can re-start, or re-stop, as often as you choose. For 2020, the contribution amounts are:

Journeyman and Apprentice<sup>1</sup>

\$1 per hour or greater up to the maximum allowed amount. The maximum contribution total for 2020 is \$19,500 if you are under the age of 50, for age 50 or older an additional \$6,500 is allowed.

Non-bargaining Unit Employee<sup>1</sup>

\$1 per hour or greater up to the maximum allowed amount. The maximum contribution total for 2020 is \$19,500 if you are under the age of 50, for age 50 or older an additional \$6,500 is allowed.

- **Safe Harbor Plan.** The Plan is a Safe Harbor Plan under Internal Revenue Code Section 401(k)(12). The Plan meets the Safe Harbor by classifying a portion of the employer contribution to a Non-Highly Compensated Participant's basic account equal to 3% of the Non-Highly Compensated Participant's compensation as a qualified non-elective contribution under IRC § 401(k)(12)(C).

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<sup>1</sup> Journeymen, Apprentices and Non-Bargaining Unit Employees individually select the per hour deferral amount. Rates are subject to change by the Trustees.

- **Voluntary Contributions.** As of January 1, 2010, you may no longer make additional contributions to the Plan on an after-tax basis each year.
- **Vesting.** You are 100 percent vested at all times in all amounts in your 401(k) account and voluntary account, even if you stop working for a contributing employer.
- **Benefit Distributions.** Distribution of your account balances will begin upon approval of an application for benefits made after:
  - (1) Your retirement from covered employment at the regular retirement age of 55 or older; or
  - (2) Your permanent disability or death at any age; or
  - (3) Your termination of covered employment for 12 months at any age provided your 401(k), voluntary and rollover accounts total \$5,000 or less.
- **Cornell-Hart Pension Trust Booklet.** Your Plan booklet has a summary of the Plan's rules. The Plan Document which contains the full text of the Plan determines your actual rights and benefits. This summary notice is required for the limited purpose of satisfying the safe harbor testing rules of IRC § 401(k)(12). You should refer to your booklet to answer any questions. If you do not have a booklet dated April 1, 2018, you may view and print the booklet at [www.cornellbenefits.org](http://www.cornellbenefits.org) or contact the Trust Office at 800-547-4457 or 503-224-0048 and request a copy.