# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [X] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
NEW ERA LIFE INSURANCE COMPANY 401(K) PROFIT SHARING PLAN & TRUST

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1992

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
NEW ERA LIFE INS. CO

11720 KATY FWY STE 1700
HOUSTON, TX 77079-1243

**2b** Employer Identification Number (EIN)
74-2552025

**2c** Plan Sponsor's telephone number
281-368-7281

**2d** Business code (see instructions)
524140

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/15/2019 | MELISSA SEGURA |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 256 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 230 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 257 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 27 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 284 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 284 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 208 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 4 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | Insurance | **(1)** | Insurance |
| **(2)** | Code section 412(e)(3) insurance contracts | **(2)** | Code section 412(e)(3) insurance contracts |
| **(3)** [X] | Trust | **(3)** [X] | Trust |
| **(4)** | General assets of the sponsor | **(4)** | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
NEW ERA LIFE INSURANCE COMPANY 401(K) PROFIT SHARING PLAN & TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NEW ERA LIFE INS. CO

**D** Employer Identification Number (EIN)
74-2552025

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 2695351 | 2089568 |
| **(2)** U.S. Government securities | 1c(2) | 0 | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | |
| **(B)** All other | 1c(3)(B) | 0 | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | |
| **(B)** Common | 1c(4)(B) | 0 | |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | |
| **(8)** Participant loans | 1c(8) | 244809 | 222032 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 15615854 | 14624446 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | |
| | **(2)** Employer real property | 1d(2) | 0 | |
| **e** | Buildings and other property used in plan operation | 1e | 0 | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 18556014 | 16936046 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | |
| **h** | Operating payables | 1h | 0 | |
| **i** | Acquisition indebtedness | 1i | 0 | |
| **j** | Other liabilities | 1j | 0 | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 18556014 | 16936046 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 229283 | |
| | **(B)** Participants | 2a(1)(B) | 908732 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 29622 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1167637 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 30952 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 11560 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 42512 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 916384 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 916384 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -2125199 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1334 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1620384 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1620384 |
| f Corrective distributions (see instructions) | 2f | | 0 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 918 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 0 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 918 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1621302 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1619968 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: PMB HELIN DONOVAN, LLP **(2)** EIN: 74-3001153

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection.**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
NEW ERA LIFE INSURANCE COMPANY 401(K) PROFIT SHARING PLAN & TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NEW ERA LIFE INS. CO

**D** Employer Identification Number (EIN)
74-2552025

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1**

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 16-1470238

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# NEW ERA LIFE INSURANCE COMPANY 401(K) PROFIT SHARING PLAN & TRUST

Report of Independent Auditor and
Financial Statements with Supplementary Information

December 31, 2018 and 2017



**NEW ERA LIFE INSURANCE COMPANY**
**401(k) PROFIT SHARING PLAN & TRUST**
Index to Financial Statements and Supplemental Schedule
December 31, 2018 and 2017


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## Report of Independent Auditor

To the Plan Administrator
New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust

**Report on the Financial Statements**

We have audited the accompanying financial statements of New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

PMB Helin Donovan, LLP
14090 Southwest Freeway
Suite 300
Sugar Land, TX 77478

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2018 is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**PMB HELIN DONOVAN, LLP**

PMB Helin Donovan, LLP

October 14, 2019
Houston, Texas

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Statements of Net Assets Available for Benefits
December 31, 2018 and 2017

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Investments, at fair value | | |
| Money market funds | $ 2,089,568 | $ 2,695,351 |
| Mutual funds | 14,624,441 | 15,615,854 |
| Total investments, at fair value | 16,714,009 | 18,311,205 |
| Receivables | | |
| Notes receivable from participants | 222,032 | 244,809 |
| Total receivables | 222,032 | 244,809 |
| **TOTAL ASSETS** | 16,936,041 | 18,556,014 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 16,936,041 | $ 18,556,014 |

See accompanying notes and report of independent auditor.

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2018

| | |
|---|---|
| **ADDITIONS:** | |
| Additions to net assets attributable to: | |
| Investment income | |
| Net depreciation in fair value of investments | $ (2,125,206) |
| Dividends and interest | 947,337 |
| Total investment income | (1,177,869) |
| Interest on notes receivable from participants | 11,560 |
| Contributions | |
| Participants | 908,732 |
| Rollovers | 29,622 |
| Employer | 229,284 |
| Total contributions | 1,167,638 |
| **TOTAL ADDITIONS** | 1,329 |
| **DEDUCTIONS:** | |
| Deductions from net assets attributable to: | |
| Benefits paid to participants | 1,620,384 |
| Administrative expenses | 918 |
| **TOTAL DEDUCTIONS** | 1,621,302 |
| **NET DECREASE** | (1,619,973) |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | |
| **BEGINNING OF YEAR** | 18,556,014 |
| **END OF YEAR** | $ 16,936,041 |

See accompanying notes and report of independent auditor.

## NOTE 1 - DESCRIPTION OF PLAN

The following description of the New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General -** The Plan is a defined contribution plan with 401(k) option covering all employees of New Era Life Insurance Company ("Plan Sponsor", "Plan Administrator" or "the Company") except those who are covered by a collective bargaining agreement or are nonresident aliens. Employees are eligible to participate following the completion of one month of service and the attainment of 21 years of age. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Merrill Lynch ("Plan Custodian") serves as the trustee for the Plan.

**Contributions -** Participants may contribute up to 50% of pre-tax or post-tax annual compensation, as defined in the Plan, up to the maximum amount allowed by law ($18,500 for 2018). This Plan also allows for catch-up contributions up to $6,000 in 2018 for participants over 50 years of age. Participants may also contribute amounts representing distributions (rollovers) from other qualified defined benefit or contribution plans.

The Plan Sponsor makes a matching contribution, each pay period, equal to 50% of the contributing participant's elective deferral, up to 6.0% of the contributing participant's compensation. The Plan Sponsor may also make a discretionary profit-sharing contribution to be determined each Plan year. The profit-sharing contribution is allocated to each eligible employee in proportion to his or her compensation as a percentage of the compensation of all eligible employees. The Company elected not to make a profit-sharing contribution for the year ended December 31, 2018.

**Participant Directed Investments -** Participants direct the investment of their contributions and the Plan Sponsor contributions into various investment options offered by the Plan. The Plan currently offers one money market fund and thirty-three mutual funds as investment options for participants. Participants may change their investment options at any time. There are no non-participant directed investments as December 31, 2018 and 2017.

**Participant Accounts -** Each participant's account is credited with the participant's contributions and allocations of (a) the Plan Sponsor's contribution and (b) Plan earnings; and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Forfeited Accounts -** Unvested balances relating to terminated employees revert to the Plan and may be used to fund Company contributions. Forfeitures of $1,627 were used to reduce employer contributions during 2018. At December 31, 2018 and 2017, the balance of forfeited non-vested accounts totaled $3,940 and $1,627, respectively.

**Rollovers and Transfers**
Participants who have a balance in another qualified employee benefit plan, as described in Section 401(a) of the Internal Revenue Code, may transfer or rollover the lump sum values of their account directly into the Plan, provided it meets the requirements of the Internal Revenue Code.

**Vesting -** Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Plan Sponsor's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A year of service is defined as 1,000 hours. A participant is 100% vested after six years of credited service, summarized as follows:

| Years of Service | Vested Percentage |
|---|---|
| Less than 1 year | 0 % |
| 2 years | 20 % |
| 3 years | 40 % |
| 4 years | 60 % |
| 5 years | 80 % |
| 6 years or more | 100 % |

Contributions become immediately vested in full upon death, disability, or retirement of a participant. Participants will become fully vested in the Company's contributions upon termination of the Plan.

**Notes Receivable from Participants -** Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their account balance, whichever is less. The notes are secured by the balance in the participant's account and bear interest at the prime rate plus 1%. All notes receivable from participants must be repaid within 5 years, except those that are used for the purchase of a principal residence, in which case the repayment period may exceed five years but shall in no event extend beyond the borrowing participant's normal retirement date. Participants will not be allowed to have more than one note receivable outstanding at any one time. In most cases, repayment of the note will be made through after-tax payroll deductions.

**Distributions During Employment -** As a general rule, a participant's contributions will remain in the Plan as long as the participant remains employed by the Company. The Plan provides an exception to this rule for withdrawals of the participant's contributions if a participant becomes disabled. No other hardship withdrawals are permitted. Should a participant reach age 59-1/2 and not elect to terminate employment, the participant can take an in-service distribution from their vested account balance.

**Payment of Benefits -** Benefits become available to participants on the earliest date of five events: (1) termination of employment prior to normal retirement age, (2) termination of employment due to total and permanent disability, (3) death of the participant (benefits are payable to the participant's spouse or beneficiary), (4) upon the participant's retirement, or (5) when a participant reaches the age of 59-1/2.

Terminating participants with balances under $5,000 and over $1,000 are automatically rolled into an individual retirement account, unless they request a lump sum or rollover distribution. If the participant's account balance exceeds $5,000, the participant may choose to keep the funds in the Plan, request a direct rollover to another qualified plan, or take a lump sum distribution. Participants with balances less than $1,000 are paid in lump sum upon termination of employment, unless the participant requests a rollover distribution.

On termination of service due to death prior to retirement, a participant's vested balance will be paid to the participant's spouse or beneficiary in a lump sum or in installments payable over any period which does not exceed the life expectancy of the beneficiary.

On termination of service due to retirement, a participant will receive benefits in the form of a lump-sum payment. An election to change to other benefit options can be made (with consent of the participant's spouse, if applicable).

If the participant becomes disabled and is eligible for Social Security disability benefits or is determined disabled by a physician selected by the Plan Sponsor, the full value of the participant's account becomes 100% vested.

**Administrative Expenses -** Administrative expenses represent a fee charged by the Plan Custodian for loan and distribution administration. The administration fee is reflected as a reduction of the applicable participant account. The Company has paid other expenses of operating and maintaining the Plan. In the event the Company does not continue to pay the Plan expenses, the Plan expenses will be paid by the Plan and charged on a pro-rata basis to the value of the participants' account balances.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting -** The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Estimates -** The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates of the Plan include the estimate of the fair value of investments.

**Income Recognition -** The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consists of realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a settlement date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date

**Investment Valuation -** Money market and mutual funds are reflected in the accompanying Statements of Net Assets Available for Benefits at their estimated fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As further described at Note 3, fair value at December 31, 2018 and 2017, is based primarily on the quoted market prices of the underlying securities. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their value. Because of the inherent uncertainty of these valuations, the estimated values may differ from the actual fair values that may or may not be ultimately realized.

**Notes Receivable from Participants -** Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Delinquent participant loans are classified as distributions based upon the terms of the Plan document. For the year ended December 31, 2018, $11,560 was recorded as interest income on notes receivable from participants.

**Payment of Benefits -** Benefits are recorded when paid.

**Administrative Expenses -** Certain administrative expenses, including legal and accounting, are paid by the Plan Sponsor and accordingly, are not reflected in the accompanying financial statements of the Plan. Certain transaction processing fees are charged to participants and therefore are reflected in the accompanying statement of changes in net assets available for benefits as administrative expenses. Investment related expenses are included in net appreciation (depreciation) of the fair value of investments.

**Income Tax -** GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there were no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2015.

**Recently Issued Pronouncements -** Plan management is not aware of any recently issued accounting pronouncements applicable to the Plan's financial statements.

**Subsequent Events -** The Plan Administrator has evaluated subsequent events through October 14, 2019, which is the date the financial statements were available to be issued.

## NOTE 3 - FAIR VALUE OF INVESTMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Plan establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

- Level one — Valuation input based on quoted market prices in active markets for identical assets or liabilities;
- Level two — Valuation input based on inputs other than level one inputs that are either directly or indirectly observable; and
- Level three — Valuation input based on unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

The following tables present the assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy as reported on the statements of net assets available for benefits at December 31, 2018 and 2017. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair Value Measurements at December 31, 2018

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| Investments: | | | | |
| Money market funds | $ 2,089,568 | $ - | $ - | $ 2,089,568 |
| Mutual funds | 14,624,441 | - | - | 14,624,441 |
| Investments at fair value | $ 16,714,009 | $ - | $ - | $ 16,714,009 |

Fair Value Measurements at December 31, 2017

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| Investments: | | | | |
| Money market funds | $ 2,695,351 | $ - | $ - | $ 2,695,351 |
| Mutual funds | 15,615,854 | - | - | 15,615,854 |
| Investments at fair value | $ 18,311,205 | $ - | $ - | $ 18,311,205 |

The following is a description of the valuation methodologies used for assets measured at fair value:

- *Mutual funds* are valued based on quoted market prices in active markets.
- *Money market funds* are valued at cost plus accrued earnings, which approximates fair value.

There have been no changes in the methodologies used as of December 31, 2018 and 2017. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Plan has no financial instruments which were valued using Level 2 or Level 3 inputs as of December 31, 2018 and 2017. The Plan recognizes any transfers between levels in the fair value hierarchy as of the end of the reporting period. There were no transfers between levels for the year ended December 31, 2018.

## NOTE 4 - RELATED PARTY AND PARTY-IN-INTEREST-TRANSACTIONS

The Company provided certain Plan administrative services without compensation during the year ended December 31, 2018. In addition, the Company paid a total of $16,440 in Plan expenses for administrative, record keeping, investment management, and audit services, which are not included in the accompanying financial statements.

The Plan Custodian receives fees for administration and investment management. The investments of the Plan are maintained in a trust that was managed by the Plan Custodian as of December 31, 2018 and 2017.

## NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

## NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on April 10, 2014, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan's Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## NOTE 7 - RISKS AND UNCERTAINITIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

## NOTE 8 - FIDELITY BOND

The Plan was covered by a fidelity bond which exceeded the amount required under ERISA at the beginning of the Plan's fiscal year. The Company was in compliance with the ERISA bonding requirements.

## NOTE 9 - PROHIBITED TRANSACTIONS

During 2018, deferral elections made by certain participants for contributions to the Plan were not updated in the Plan Sponsor's payroll system, resulting in incorrect amounts being withheld from participant's compensation and funded into the Plan. The total of the additional contributions and lost earnings has not been determined but is not expected to be material to the Plan.

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
EIN # 74-2552025 Plan #001

December 31, 2018

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | **Identity of issuer, borrower, lessor, or similar party** | **Description of investment including maturity date, rate of interest, collateral, par, or maturity value** | **Cost** | **Current Value** |
| | **Money Market Funds** | | | |
| * | Blackrock | Ready Assets Government Liquidity Fund | ** | $ 2,089,568 |
| | **Mutual Funds** | | | |
| | Aberdeen | Diversified Alternatives A | ** | 260,221 |
| | Blackrock | Global Small Cap Fund | ** | 120,886 |
| | Blackrock | Health Sciences Opportunities Investment Fund | ** | 790,348 |
| | Blackrock | Global Allocation Fund | ** | 951,411 |
| | Blackrock | S&P 500 Index Fund | ** | 1,620,088 |
| | Blackrock | Science & Technology Opp Inv A | ** | 60,813 |
| | Blackrock | High Yield Bond | ** | 76,503 |
| | Delaware Funds | Diversified Income Fund | ** | 448,695 |
| | Hartford | Mid Cap R4 | ** | 971,244 |
| | J.P. Morgan | High Yield Fund | ** | 24,608 |
| | J.P. Morgan | Smart Retirement Income A | ** | 300,925 |
| | J.P. Morgan | Smart Retirement 2020 A | ** | 366,789 |
| | J.P. Morgan | Smart Retirement 2025 A | ** | 86,022 |
| | J.P. Morgan | Smart Retirement 2030 A | ** | 7,715 |
| | J.P. Morgan | Smart Retirement 2035 A | ** | 9,015 |
| | J.P. Morgan | Smart Retirement 2040 A | ** | 893 |
| | J.P. Morgan | Smart Retirement 2045 A | ** | 8,909 |
| | J.P. Morgan | Smart Retirement 2050 A | ** | 8,075 |
| | J.P. Morgan | Smart Retirement 2055 A | ** | 7,701 |
| | JHancock | Disciplined Value R2 | ** | 1,110,266 |
| | Lord Abbett | Mid Cap Value A | ** | 831,919 |
| | Natixis Funds | Loomis Sayles Strategic Income Fund | ** | 337,637 |
| | Nuveen Investments | Preferred Securities | ** | 22,628 |
| | Nuveen Investments | Small Cap Value Fund | ** | 811,777 |
| | Oppenheimer Funds | International Growth Fund | ** | 796,097 |
| | Oppenheimer Funds | Developing Market Fund | ** | 184,496 |
| | Oppenheimer Funds | Senior Floating Rate A | ** | 384,176 |
| | Pioneer | Fundamental Growth | ** | 1,250,620 |
| | Pioneer | Bond A | ** | 31,662 |
| | Prudential | Total Return Bond A | ** | 570,318 |
| | Templeton | Templeton Foreign A | ** | 545,824 |
| | Templeton | Global Bond A | ** | 44,749 |
| | Van Kampen Funds | Small Cap Growth Fund | ** | 198,643 |
| | Voya | Small Cap Opportunities A | ** | 558,502 |
| | Voya | Real Estate A | ** | 269,807 |
| | Wells Fargo | Advantage Precious Metals Fund | ** | 55,098 |
| | Wells Fargo | Core bond A | ** | 499,361 |
| | | | | 14,624,441 |
| * | **Participant notes receivable** | 4.25% - 6.25% | - | 222,032 |
| | **Total Assets Held for Investment Purposes** | | | $ 16,936,041 |

*** Party-in-interest**
**** Self-directed investment**

See accompanying notes and report of independent auditor.

# NEW ERA LIFE INSURANCE COMPANY 401(K) PROFIT SHARING PLAN & TRUST

Report of Independent Auditor and
Financial Statements with Supplementary Information

December 31, 2018 and 2017



**NEW ERA LIFE INSURANCE COMPANY**
**401(k) PROFIT SHARING PLAN & TRUST**
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## Report of Independent Auditor

To the Plan Administrator
New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust

**Report on the Financial Statements**

We have audited the accompanying financial statements of New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

PMB Helin Donovan, LLP
14090 Southwest Freeway
Suite 300
Sugar Land, TX 77478

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2018 is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**PMB HELIN DONOVAN, LLP**

PMB Helin Donovan, LLP

October 14, 2019
Houston, Texas

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Statements of Net Assets Available for Benefits
December 31, 2018 and 2017

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Investments, at fair value | | |
| Money market funds | $ 2,089,568 | $ 2,695,351 |
| Mutual funds | 14,624,441 | 15,615,854 |
| Total investments, at fair value | 16,714,009 | 18,311,205 |
| Receivables | | |
| Notes receivable from participants | 222,032 | 244,809 |
| Total receivables | 222,032 | 244,809 |
| **TOTAL ASSETS** | 16,936,041 | 18,556,014 |
| **LIABILITIES** | - | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 16,936,041 | $ 18,556,014 |

See accompanying notes and report of independent auditor.

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2018

| | |
|---|---|
| **ADDITIONS:** | |
| Additions to net assets attributable to: | |
| Investment income | |
| Net depreciation in fair value of investments | $ (2,125,206) |
| Dividends and interest | 947,337 |
| Total investment income | (1,177,869) |
| Interest on notes receivable from participants | 11,560 |
| Contributions | |
| Participants | 908,732 |
| Rollovers | 29,622 |
| Employer | 229,284 |
| Total contributions | 1,167,638 |
| **TOTAL ADDITIONS** | 1,329 |
| **DEDUCTIONS:** | |
| Deductions from net assets attributable to: | |
| Benefits paid to participants | 1,620,384 |
| Administrative expenses | 918 |
| **TOTAL DEDUCTIONS** | 1,621,302 |
| **NET DECREASE** | (1,619,973) |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | |
| **BEGINNING OF YEAR** | 18,556,014 |
| **END OF YEAR** | $ 16,936,041 |

See accompanying notes and report of independent auditor.

## NOTE 1 - DESCRIPTION OF PLAN

The following description of the New Era Life Insurance Company 401(k) Profit Sharing Plan & Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General -** The Plan is a defined contribution plan with 401(k) option covering all employees of New Era Life Insurance Company ("Plan Sponsor", "Plan Administrator" or "the Company") except those who are covered by a collective bargaining agreement or are nonresident aliens. Employees are eligible to participate following the completion of one month of service and the attainment of 21 years of age. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Merrill Lynch ("Plan Custodian") serves as the trustee for the Plan.

**Contributions -** Participants may contribute up to 50% of pre-tax or post-tax annual compensation, as defined in the Plan, up to the maximum amount allowed by law ($18,500 for 2018). This Plan also allows for catch-up contributions up to $6,000 in 2018 for participants over 50 years of age. Participants may also contribute amounts representing distributions (rollovers) from other qualified defined benefit or contribution plans.

The Plan Sponsor makes a matching contribution, each pay period, equal to 50% of the contributing participant's elective deferral, up to 6.0% of the contributing participant's compensation. The Plan Sponsor may also make a discretionary profit-sharing contribution to be determined each Plan year. The profit-sharing contribution is allocated to each eligible employee in proportion to his or her compensation as a percentage of the compensation of all eligible employees. The Company elected not to make a profit-sharing contribution for the year ended December 31, 2018.

**Participant Directed Investments -** Participants direct the investment of their contributions and the Plan Sponsor contributions into various investment options offered by the Plan. The Plan currently offers one money market fund and thirty-three mutual funds as investment options for participants. Participants may change their investment options at any time. There are no non-participant directed investments as December 31, 2018 and 2017.

**Participant Accounts -** Each participant's account is credited with the participant's contributions and allocations of (a) the Plan Sponsor's contribution and (b) Plan earnings; and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Forfeited Accounts -** Unvested balances relating to terminated employees revert to the Plan and may be used to fund Company contributions. Forfeitures of $1,627 were used to reduce employer contributions during 2018. At December 31, 2018 and 2017, the balance of forfeited non-vested accounts totaled $3,940 and $1,627, respectively.

**Rollovers and Transfers**
Participants who have a balance in another qualified employee benefit plan, as described in Section 401(a) of the Internal Revenue Code, may transfer or rollover the lump sum values of their account directly into the Plan, provided it meets the requirements of the Internal Revenue Code.

**Vesting -** Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Plan Sponsor's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A year of service is defined as 1,000 hours. A participant is 100% vested after six years of credited service, summarized as follows:

| Years of Service | Vested Percentage |
|---|---|
| Less than 1 year | 0 % |
| 2 years | 20 % |
| 3 years | 40 % |
| 4 years | 60 % |
| 5 years | 80 % |
| 6 years or more | 100 % |

Contributions become immediately vested in full upon death, disability, or retirement of a participant. Participants will become fully vested in the Company's contributions upon termination of the Plan.

**Notes Receivable from Participants -** Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their account balance, whichever is less. The notes are secured by the balance in the participant's account and bear interest at the prime rate plus 1%. All notes receivable from participants must be repaid within 5 years, except those that are used for the purchase of a principal residence, in which case the repayment period may exceed five years but shall in no event extend beyond the borrowing participant's normal retirement date. Participants will not be allowed to have more than one note receivable outstanding at any one time. In most cases, repayment of the note will be made through after-tax payroll deductions.

**Distributions During Employment -** As a general rule, a participant's contributions will remain in the Plan as long as the participant remains employed by the Company. The Plan provides an exception to this rule for withdrawals of the participant's contributions if a participant becomes disabled. No other hardship withdrawals are permitted. Should a participant reach age 59-1/2 and not elect to terminate employment, the participant can take an in-service distribution from their vested account balance.

**Payment of Benefits -** Benefits become available to participants on the earliest date of five events: (1) termination of employment prior to normal retirement age, (2) termination of employment due to total and permanent disability, (3) death of the participant (benefits are payable to the participant's spouse or beneficiary), (4) upon the participant's retirement, or (5) when a participant reaches the age of 59-1/2.

Terminating participants with balances under $5,000 and over $1,000 are automatically rolled into an individual retirement account, unless they request a lump sum or rollover distribution. If the participant's account balance exceeds $5,000, the participant may choose to keep the funds in the Plan, request a direct rollover to another qualified plan, or take a lump sum distribution. Participants with balances less than $1,000 are paid in lump sum upon termination of employment, unless the participant requests a rollover distribution.

On termination of service due to death prior to retirement, a participant's vested balance will be paid to the participant's spouse or beneficiary in a lump sum or in installments payable over any period which does not exceed the life expectancy of the beneficiary.

On termination of service due to retirement, a participant will receive benefits in the form of a lump-sum payment. An election to change to other benefit options can be made (with consent of the participant's spouse, if applicable).

If the participant becomes disabled and is eligible for Social Security disability benefits or is determined disabled by a physician selected by the Plan Sponsor, the full value of the participant's account becomes 100% vested.

**Administrative Expenses -** Administrative expenses represent a fee charged by the Plan Custodian for loan and distribution administration. The administration fee is reflected as a reduction of the applicable participant account. The Company has paid other expenses of operating and maintaining the Plan. In the event the Company does not continue to pay the Plan expenses, the Plan expenses will be paid by the Plan and charged on a pro-rata basis to the value of the participants' account balances.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting -** The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Estimates -** The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates of the Plan include the estimate of the fair value of investments.

**Income Recognition -** The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consists of realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a settlement date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date

**Investment Valuation -** Money market and mutual funds are reflected in the accompanying Statements of Net Assets Available for Benefits at their estimated fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As further described at Note 3, fair value at December 31, 2018 and 2017, is based primarily on the quoted market prices of the underlying securities. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their value. Because of the inherent uncertainty of these valuations, the estimated values may differ from the actual fair values that may or may not be ultimately realized.

**Notes Receivable from Participants -** Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Delinquent participant loans are classified as distributions based upon the terms of the Plan document. For the year ended December 31, 2018, $11,560 was recorded as interest income on notes receivable from participants.

**Payment of Benefits -** Benefits are recorded when paid.

**Administrative Expenses -** Certain administrative expenses, including legal and accounting, are paid by the Plan Sponsor and accordingly, are not reflected in the accompanying financial statements of the Plan. Certain transaction processing fees are charged to participants and therefore are reflected in the accompanying statement of changes in net assets available for benefits as administrative expenses. Investment related expenses are included in net appreciation (depreciation) of the fair value of investments.

**Income Tax -** GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there were no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2015.

**Recently Issued Pronouncements -** Plan management is not aware of any recently issued accounting pronouncements applicable to the Plan's financial statements.

**Subsequent Events -** The Plan Administrator has evaluated subsequent events through October 14, 2019, which is the date the financial statements were available to be issued.

## NOTE 3 - FAIR VALUE OF INVESTMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Plan establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

- Level one — Valuation input based on quoted market prices in active markets for identical assets or liabilities;
- Level two — Valuation input based on inputs other than level one inputs that are either directly or indirectly observable; and
- Level three — Valuation input based on unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

The following tables present the assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy as reported on the statements of net assets available for benefits at December 31, 2018 and 2017. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair Value Measurements at December 31, 2018

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| Investments: | | | | |
| Money market funds | $ 2,089,568 | $ - | $ - | $ 2,089,568 |
| Mutual funds | 14,624,441 | - | - | 14,624,441 |
| Investments at fair value | $ 16,714,009 | $ - | $ - | $ 16,714,009 |

Fair Value Measurements at December 31, 2017

| | Quoted Prices (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---|---|---|---|---|
| Investments: | | | | |
| Money market funds | $ 2,695,351 | $ - | $ - | $ 2,695,351 |
| Mutual funds | 15,615,854 | - | - | 15,615,854 |
| Investments at fair value | $ 18,311,205 | $ - | $ - | $ 18,311,205 |

The following is a description of the valuation methodologies used for assets measured at fair value:

- *Mutual funds* are valued based on quoted market prices in active markets.
- *Money market funds* are valued at cost plus accrued earnings, which approximates fair value.

There have been no changes in the methodologies used as of December 31, 2018 and 2017. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Plan has no financial instruments which were valued using Level 2 or Level 3 inputs as of December 31, 2018 and 2017. The Plan recognizes any transfers between levels in the fair value hierarchy as of the end of the reporting period. There were no transfers between levels for the year ended December 31, 2018.

## NOTE 4 - RELATED PARTY AND PARTY-IN-INTEREST-TRANSACTIONS

The Company provided certain Plan administrative services without compensation during the year ended December 31, 2018. In addition, the Company paid a total of $16,440 in Plan expenses for administrative, record keeping, investment management, and audit services, which are not included in the accompanying financial statements.

The Plan Custodian receives fees for administration and investment management. The investments of the Plan are maintained in a trust that was managed by the Plan Custodian as of December 31, 2018 and 2017.

## NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

## NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on April 10, 2014, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan's Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## NOTE 7 - RISKS AND UNCERTAINITIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

## NOTE 8 - FIDELITY BOND

The Plan was covered by a fidelity bond which exceeded the amount required under ERISA at the beginning of the Plan's fiscal year. The Company was in compliance with the ERISA bonding requirements.

## NOTE 9 - PROHIBITED TRANSACTIONS

During 2018, deferral elections made by certain participants for contributions to the Plan were not updated in the Plan Sponsor's payroll system, resulting in incorrect amounts being withheld from participant's compensation and funded into the Plan. The total of the additional contributions and lost earnings has not been determined but is not expected to be material to the Plan.

**NEW ERA LIFE INSURANCE COMPANY**
**401(K) PROFIT SHARING PLAN & TRUST**
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
EIN # 74-2552025 Plan #001

December 31, 2018

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | **Identity of issuer, borrower, lessor, or similar party** | **Description of investment including maturity date, rate of interest, collateral, par, or maturity value** | **Cost** | **Current Value** |
| | **Money Market Funds** | | | |
| * | Blackrock | Ready Assets Government Liquidity Fund | ** | $ 2,089,568 |
| | **Mutual Funds** | | | |
| | Aberdeen | Diversified Alternatives A | ** | 260,221 |
| | Blackrock | Global Small Cap Fund | ** | 120,886 |
| | Blackrock | Health Sciences Opportunities Investment Fund | ** | 790,348 |
| | Blackrock | Global Allocation Fund | ** | 951,411 |
| | Blackrock | S&P 500 Index Fund | ** | 1,620,088 |
| | Blackrock | Science & Technology Opp Inv A | ** | 60,813 |
| | Blackrock | High Yield Bond | ** | 76,503 |
| | Delaware Funds | Diversified Income Fund | ** | 448,695 |
| | Hartford | Mid Cap R4 | ** | 971,244 |
| | J.P. Morgan | High Yield Fund | ** | 24,608 |
| | J.P. Morgan | Smart Retirement Income A | ** | 300,925 |
| | J.P. Morgan | Smart Retirement 2020 A | ** | 366,789 |
| | J.P. Morgan | Smart Retirement 2025 A | ** | 86,022 |
| | J.P. Morgan | Smart Retirement 2030 A | ** | 7,715 |
| | J.P. Morgan | Smart Retirement 2035 A | ** | 9,015 |
| | J.P. Morgan | Smart Retirement 2040 A | ** | 893 |
| | J.P. Morgan | Smart Retirement 2045 A | ** | 8,909 |
| | J.P. Morgan | Smart Retirement 2050 A | ** | 8,075 |
| | J.P. Morgan | Smart Retirement 2055 A | ** | 7,701 |
| | JHancock | Disciplined Value R2 | ** | 1,110,266 |
| | Lord Abbett | Mid Cap Value A | ** | 831,919 |
| | Natixis Funds | Loomis Sayles Strategic Income Fund | ** | 337,637 |
| | Nuveen Investments | Preferred Securities | ** | 22,628 |
| | Nuveen Investments | Small Cap Value Fund | ** | 811,777 |
| | Oppenheimer Funds | International Growth Fund | ** | 796,097 |
| | Oppenheimer Funds | Developing Market Fund | ** | 184,496 |
| | Oppenheimer Funds | Senior Floating Rate A | ** | 384,176 |
| | Pioneer | Fundamental Growth | ** | 1,250,620 |
| | Pioneer | Bond A | ** | 31,662 |
| | Prudential | Total Return Bond A | ** | 570,318 |
| | Templeton | Templeton Foreign A | ** | 545,824 |
| | Templeton | Global Bond A | ** | 44,749 |
| | Van Kampen Funds | Small Cap Growth Fund | ** | 198,643 |
| | Voya | Small Cap Opportunities A | ** | 558,502 |
| | Voya | Real Estate A | ** | 269,807 |
| | Wells Fargo | Advantage Precious Metals Fund | ** | 55,098 |
| | Wells Fargo | Core bond A | ** | 499,361 |
| | | | | 14,624,441 |
| * | **Participant notes receivable** | 4.25% - 6.25% | - | 222,032 |
| | **Total Assets Held for Investment Purposes** | | | $ 16,936,041 |

*** Party-in-interest**
**** Self-directed investment**

See accompanying notes and report of independent auditor.