

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div> This Form is Open to Public Inspection
---	---	--

Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>	
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.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ 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:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>NC SOFT WEST 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>09/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>09/01/2001</u>					
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) <u>NC INTERACTIVE, LLC</u> <u>3180 139TH AVE SE STE 500</u> <u>BELLEVUE, WA 98005-4095</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>46-1675226</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>206-588-7219</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>511190</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>46-1675226</u>	2c Plan Sponsor's telephone number <u>206-588-7219</u>	2d Business code (see instructions) <u>511190</u>	
2b Employer Identification Number (EIN) <u>46-1675226</u>					
2c Plan Sponsor's telephone number <u>206-588-7219</u>					
2d Business code (see instructions) <u>511190</u>					

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.	09/20/2021	KIMBERLY LANCE
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)
v. 200204

3a Plan administrator's name and address ☒ 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: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	936
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)	351
a(2) Total number of active participants at the end of the plan year		6a(2)	389
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	507
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	896
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	896
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	876
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	45
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 2S 2T 3B 3H 3D			
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) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> 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 2020 Form M-1 annual report. If the plan was not required to file the 2020 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 _____

<div>SCHEDULE A (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection</div>
---	--	--

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020	
A Name of plan NCSOFT WEST 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NC INTERACTIVE, LLC	D Employer Identification Number (EIN) 46-1675226

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
--------	---	--

1 Coverage Information:

(a) Name of insurance carrier
STANDARD INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
93-0242990	69019	812543	89	01/01/2020	12/31/2020

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	
6	Contracts With Allocated Funds:		
a	State the basis of premium rates ▶		
b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶		
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐		
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☐ other ▶		
b	Balance at the end of the previous year	7b	1199569
c	Additions: (1) Contributions deposited during the year	7c(1)	14058
	(2) Dividends and credits.....	7c(2)	0
	(3) Interest credited during the year.....	7c(3)	0
	(4) Transferred from separate account.....	7c(4)	0
	(5) Other (specify below)..... ▶ OTHER INCOME	7c(5)	747431
	(6) Total additions	7c(6)	761489
d	Total of balance and additions (add lines 7b and 7c(6))	7d	1961058
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	82533
	(2) Administration charge made by carrier.....	7e(2)	3779
	(3) Transferred to separate account.....	7e(3)	0
	(4) Other (specify below)..... ▶ OTHER EXPENSES	7e(4)	726311
	(5) Total deductions	7e(5)	812623
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	1148435

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2020
		This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan NCSOFT WEST 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 NC INTERACTIVE, LLC	D Employer Identification Number (EIN) 46-1675226	

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	108908	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

USI ADVISORS INC

06-1397347

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	40000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	7134	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVS INTL SMMID CO Y - INVESCO INV 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIONEER BOND Y - DST ASSET MANAGER 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.23%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2020 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan <u>NCSOFT WEST 401(K) PLAN</u>	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NC INTERACTIVE, LLC</u>	D Employer Identification Number (EIN) <u>46-1675226</u>

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	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	33684	32915
(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)	149	220
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	151889	164862
(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)	42057130	48837377
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1199569	1148435
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	43442421	50183809

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	43442421	50183809
--	-----------	----------	----------

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)	589377	
(B) Participants	2a(1)(B)	3216923	
(C) Others (including rollovers).....	2a(1)(C)	825163	
(2) Noncash contributions	2a(2)	0	4631463
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	8402	
(F) Other	2b(1)(F)	28660	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		37062
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	1482077
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	1482077	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(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)		6554750
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		12705352

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	5813546	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		5813546
f Corrective distributions (see instructions)	2f		8683
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	7134	
(4) Other.....	2i(4)	134601	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		141735
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		5963964

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6741388
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: SWEENEY CONRAD, P.S.

(2) EIN: 91-1301672

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:

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.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	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?		X	
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.)	X		
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan NCSOFT WEST 401(K) PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NC INTERACTIVE, LLC		D Employer Identification Number (EIN) 46-1675226
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): 04-6568107		
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2020 v. 200204		

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): _____

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

NCSoft West 401(k) Plan

EIN: 46-1675226

Plan No. 001

Financial Statements and Supplemental Schedule

December 31, 2020 and 2019

NCSOFT WEST 401(k) PLAN
Financial Statements and Supplemental Schedule
December 31, 2020 and 2019

Index

	Pages
Independent Auditors' Report	1
 Financial Statements:	
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits.....	3
Notes to Financial Statements	4-10
 Supplemental Schedule Required by the Department of Labor:	
Schedule of Assets (Held at End of Year)	11

INDEPENDENT AUDITORS' REPORT

September 9, 2021

To the Plan Administrator of
NCSOFT West 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of NCSOFT West 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan's investment assets, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2020, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Sweeney Conrad, P.S.

Sweeney Conrad, P.S.
Kirkland, Washington

NCSoft West 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2020	2019
ASSETS		
Investments at fair value (Notes 3, 5, and 6):	\$ 48,837,597	\$ 42,057,279
Investments at contract value (Notes 4 and 5):	1,148,435	1,199,569
	<hr/>	
Total investments	49,986,032	43,256,848
	<hr/>	
Receivables:		
Employer contributions	32,915	33,684
Notes receivable from participants	164,862	151,889
	<hr/>	
Total receivables	197,777	185,573
	<hr/>	
Net assets available for benefits	\$ 50,183,809	\$ 43,442,421
	<hr/>	

See accompanying notes to financial statements

NCSoft West 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2020

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments	\$ 6,583,410
Dividends and interest	<u>1,482,077</u>

Total investment income	<u>8,065,487</u>
-------------------------	------------------

Interest on notes receivable from participants	<u>8,402</u>
--	--------------

Contributions:

Participant contributions	3,216,923
Rollovers	825,163
Employer matching contributions	<u>589,377</u>

Total contributions	<u>4,631,463</u>
---------------------	------------------

Total additions	<u>12,705,352</u>
-----------------	-------------------

Deductions from net assets attributed to:

Benefits paid to participants	5,822,229
Administrative expenses (Notes 1 and 6)	<u>141,735</u>

Total deductions	<u>5,963,964</u>
------------------	------------------

Net increase in net assets available for benefits	6,741,388
---	-----------

Net assets available for benefits:

Beginning of the year	<u>43,442,421</u>
-----------------------	-------------------

End of the year	<u>\$ 50,183,809</u>
-----------------	----------------------

NCSOFT WEST 401(k) PLAN

Notes to Financial Statements

December 31, 2020 and 2019

NOTE 1 – ORGANIZATION AND DESCRIPTION OF THE PLAN

The provisions of the NCSOFT West 401(k) Plan (the Plan) were effective September 1, 2001. The Plan has been amended and restated to comply with current legislation. The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering eligible employees of NC Interactive, LLC (the Company) and related subsidiaries which are adopting employers of the Plan. Through November 14, 2019, the adopting employers were ArenaNet, LLC and Carbine, LLC. Effective November 15, 2019, Carbine, LLC was removed as an adopting employer. Effective October 12, 2020, NCW NCP LLC was added as an adopting employer. Substantially all employees are eligible to participate in the Plan if they are 18 years of age or older and can enroll immediately upon meeting the eligibility requirements. Employees must be making deferral contributions to receive employer matching contributions. There is no service requirement to receive discretionary profit sharing contributions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Fiduciary Committee is responsible for oversight of the Plan, determines the appropriateness of the Plan's investment offerings, and monitors investment performance.

Contributions

The Plan provides for automatic enrollment of participants. Newly eligible participants are enrolled in the Plan at a salary reduction rate of 3%. Participants may elect to contribute up to 85% of their pretax or Roth after-tax annual compensation, as defined in the Plan document and within statutory limits. Participants may elect to change or stop the payroll deductions at any time. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. These contributions are paid to the Plan after each pay period. Participants may also contribute amounts representing distributions from other qualified plans.

The Plan provides for employer matching contributions of 50% on the first 3% of compensation that a participant contributes to the Plan. Employer matching contribution are funded each pay period.

Additionally, the Company may authorize discretionary profit sharing contributions each year. No profit sharing contributions were made in 2020 or 2019. Profit sharing contributions, if any, are paid to the Plan in the following year.

NOTE 1 – ORGANIZATION AND DESCRIPTION OF THE PLAN (continued)

Participant Accounts

Individual accounts are maintained by the Plan's third party administrator. Each account is credited with the participant's contribution, the Company's contributions, allocations of investment income and losses on the individual account balances, and administrative expenses. Distribution and loan fees are deducted from the respective participant's account. Allocations are based on participant compensation, account balances, or specific participant transactions, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investment Options

Participants direct participant and employer contributions among various mutual funds and one guaranteed investment contract held by Fidelity Management Trust Company (Fidelity Trust). Through August 1, 2019, the Plan had two collective trust funds that were held by Principal Life Insurance Company (Principal Life) and Principal Trust Company (Principal Trust), which were subject to a put option and no longer offered as an investment option for new contributions. Effective August 2, 2019, the collective trust funds were fully liquidated and transferred to Fidelity.

Vesting

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the employer contributions and earnings thereon is based on years of credited service, as defined in the Plan document, with 25% vesting each year, and 100% vesting after four years of service. Upon normal retirement (65), death, or disability, participants become fully vested in all benefits.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$500 and up to the lesser of \$50,000 or 50% of their vested account balance. Terms of the notes receivable may not exceed five years except for the purchase of a primary residence. The notes receivable are secured by the vested balance in the participant's account and bear interest at a reasonable interest rate as determined by the Plan Administrator at the time of issuance. Interest rates range from 3.60% to 6.50% for all receivables outstanding at December 31, 2020. Principal and interest is paid ratably through payroll deductions.

Effective March 27, 2020, the Plan adopted provisions under the CARES Act of 2020, which allows participants who are financially impacted by the COVID-19 pandemic to take loans up to a maximum of \$100,000 during 2020, and defer loan repayments until 2021.

Payment of Benefits

Benefits are recorded when paid. Benefits may be distributed upon retirement, death, disability, or other termination of employment. Benefits equal to the value of the participant's vested account may be paid in a lump-sum or installments depending on certain factors as described in the Plan document and at the participant's election. Under certain hardship circumstances, participants may request a distribution of their vested deferral account balance prior to retirement. Upon attainment of age 59½, participants may request a distribution of all vested account balances prior to retirement.

NOTE 1 – ORGANIZATION AND DESCRIPTION OF THE PLAN (continued)

Payment of Benefits (continued)

Effective March 27, 2020, the Plan adopted provisions of the CARES Act of 2020, which allows participants who are financially impacted by the COVID-19 pandemic to take penalty-free withdrawals up to a maximum of \$100,000 during 2020.

Forfeited Accounts

Upon termination, participants' non-vested account balances are forfeited. Forfeitures may be used to pay administrative expenses or to reduce employer contributions. At December 31, 2020 and 2019, forfeited non-vested accounts totaled \$11,490 and \$8,401, respectively. During 2020, forfeitures of \$325 were used to pay administrative expenses and forfeitures of \$49,634 were used to reduce employer matching contributions.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees for individual transactions such as distributions and loans are deducted from the respective participant's account. Investment related expenses, and revenue sharing fees or credits, are included in net appreciation or depreciation in fair value of investments.

Subsequent Events

The Plan has evaluated subsequent events through September 9, 2021, the date the financial statements were available to be issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are significant accounting policies used by the Plan:

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). 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. The Plan's Fiduciary Committee determines the Plan's valuation policies utilizing information provided by the investment advisers and insurance company. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest, if any. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2020 or 2019. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced, and a benefit payment is recorded.

NOTE 3 – FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds– Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

The Plan's investments reported at fair value consist solely of mutual funds, which are valued as of December 31, 2020 and 2019 using level one measurements.

NOTE 4 – GUARANTEED INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan holds a traditional fully benefit-responsive investment contract (guaranteed investment contract) with Standard Insurance Company (Standard Insurance). The investment contract is reported at contract value. Contract value is the relevant measure for insurance contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses. The contract value of the insurance company traditional general account investment contracts is \$1,148,435 and \$1,199,569 at December 31, 2020 and 2019, respectively.

The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is established by the contract issuer and may not be less than 1%. The crediting rate is reviewed on a quarterly basis for resetting. The contract permits the insurance company to terminate the agreement with 30 days advance written notice prior to the scheduled maturity date.

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Examples of such events include the following:

- 1) Amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan)
- 2) Changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions
- 3) Bankruptcy of the Plan Sponsor or other Plan Sponsor events (i.e., divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan
- 4) The failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974

Upon occurrence of any of these events, a market value adjustment or other withdrawal restrictions may apply. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

The guaranteed investment contract may be terminated by Plan management at any time with a written, thirty-day notice. Standard may terminate the contract after sending a written, thirty-day notice, with reasonable cause which may include any of the following circumstances:

- 1) Standard believes Plan management is not abiding by state and federal law
- 2) The Plan has not rendered performance necessary to comply with the terms of the contract
- 3) The balance of all investment funds has fallen below \$25,000
- 4) The Internal Revenue Service disqualifies the Plan
- 5) If the Plan has not been adopted within a reasonable period of time

NOTE 5 – INFORMATION CERTIFIED BY TRUSTEE

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Fidelity Trust, the trustee, has certified that the following data included in the accompanying financial statements, notes, and supplemental schedule is complete and accurate.

- 1) Fair value of investments as of December 31, 2020 and 2019.
- 2) Contract value of the guaranteed investment contract as of December 31, 2020 and 2019.
- 3) Outstanding balances of notes receivable from participants as of December 31, 2020 and 2019.
- 4) Dividends and interest, net appreciation in fair value of investments, and interest on notes receivable from participants for the year ended December 31, 2020.

The Plan's independent auditor did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements, notes, and supplemental schedule.

NOTE 6 – RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Investments, an affiliate of the Plan's trustee. Therefore, transactions with Fidelity Investments and its affiliates qualify as party-in-interest transactions. Fees are paid by the Plan to these parties for administrative services. Additionally, these affiliates collect revenue sharing from the Plan's investments to pay for administrative services.

NOTE 7 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants are 100% vested in their accounts.

During the year ended December 31, 2019, the Company incurred a significant amount of involuntary terminations. The Company determined that a partial plan termination occurred during that period and as a result, the accounts of affected participants became 100% vested.

NOTE 8 – TAX STATUS

The Plan operates under provisions of a Fidelity Management & Research Co. volume submitter plan which received an opinion letter from the Internal Revenue Service dated March 31, 2014, which stated that the volume submitter plan, as then designed, was acceptable under the applicable sections of the Internal Revenue Code (IRC) for use by employers for the benefit of their employees. Although the Plan has been amended since receiving the opinion letter, the Plan Administrator believes that the Plan is designed, and is currently being operated in compliance with the applicable requirements of the IRC, and therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

NOTE 8 – TAX STATUS (continued)

GAAP requires the Plan Administrator to evaluate the tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan allows participants to invest in investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with the 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 financial statements.

**SUPPLEMENTAL SCHEDULE
REQUIRED BY THE DEPARTMENT OF LABOR**

NCSOFT WEST 401(k) PLAN
EIN: 46-1675226
Plan No. 001
Schedule H, Item 4i;
Schedule of Assets (Held at End of Year)
December 31, 2020

(a) Party- in- interest	(b) Identity of issue, borrower, lessor or other similar party	(c) Description of investment including maturity dates, rates of interest, collateral, par or maturity value	(e) Current Value
	T. Rowe Price Retirement 2050 Fund	Mutual fund	\$ 6,587,439
	T. Rowe Price Retirement 2045 Fund	Mutual fund	5,949,949
	ClearBridge Large Cap Growth I Fund	Mutual fund	5,935,652
*	Fidelity 500 Index Fund	Mutual fund	4,635,598
	T. Rowe Price Retirement 2035 Fund	Mutual fund	4,171,213
	T. Rowe Price Retirement 2040 Fund	Mutual fund	3,405,641
	Vanguard Equity-Income Fund	Mutual fund	2,992,565
	John Hancock International Growth Fund	Mutual fund	2,638,085
	T. Rowe Price Retirement 2055 Fund	Mutual fund	2,521,425
	T. Rowe Price Mid-Cap Growth Fund	Mutual fund	1,959,840
*	Fidelity Small Cap Index Fund	Mutual fund	1,569,211
	Pioneer Bond Fund	Mutual fund	1,382,902
*	Fidelity Mid Cap Index Fund	Mutual fund	1,207,302
	Vanguard Explorer Investors Fund	Mutual fund	1,100,163
	T. Rowe Price Retirement 2030 Fund	Mutual fund	1,068,336
	American Funds New World Fund	Mutual fund	542,485
	T. Rowe Price Retirement 2060 Fund	Mutual fund	407,613
	Invesco International Small-Mid Company Fund	Mutual fund	332,177
	T. Rowe Price Retirement 2025 Fund	Mutual fund	291,712
	PIMCO Diversified Income Fund	Mutual fund	58,042
	Vanguard Mid-Cap Value Index Fund	Mutual fund	38,125
	Wells Fargo Special Small Cap Value Fund	Mutual fund	26,480
	T. Rowe Price Retirement 2020 Fund	Mutual fund	13,439
	T. Rowe Price Retirement Balanced Fund	Mutual fund	1,983
*	Fidelity Government Money Market	Mutual fund	220
	Standard Stable Asset Fund	Guaranteed investment contract	1,148,435
*	Notes Receivable from Participants	Mature through 2030, with interest at 3.60% - 6.50%	164,862

This schedule was derived from data certified by Fidelity Management Trust Company

We put **people** first.



September 10, 2021

To the Fiduciary Committee, Plan Administrator, and management of
NCSOFT West 401(k) Plan

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of NCSOFT West 401(k) Plan (the Plan) as of and for the year ended December 31, 2020, and have issued our report thereon dated September 9, 2021. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures or consideration of internal control with respect to the information summarized in Note 5 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the investment trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to Eric Garay and Janet Kim Lin dated February 22, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed one audit adjustment that was recorded by management – see attached Journal Entry Listing.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 9, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

New Accounting Pronouncement

In July 2019, the American Institute of Certified Public Accountants (AICPA) Auditing Standards Board (ASB) issued SAS No. 136, which prescribes certain new performance requirements for ERISA plan financial statement audits, and changes the form and content of the related auditor's report. SAS No. 136, as amended, is meant to improve auditor performance and enhance the quality of employee benefit plan audits, and increase the communicative value and transparency of the auditor's report for ERISA plan financial statements. We have provided you with a copy of the AICPA Plan Advisory that includes more information and example audit reports.

This information is intended solely for the use of the Fiduciary Committee, Plan Administrator, and management of the NCSOFT West 401(k) Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

Sweeney Conrad, P.S.

SWEENEY CONRAD, P.S.

NCSOFT West 401(k) Plan
Journal Entry Listing
December 31, 2020

		DR	CR
AJE #1	Employer match receivable	\$ 32,915	
	Employer match contributions		\$ 32,915
	<i>To record the 2020 employer match true up.</i>		



Employee Benefit Plan
Audit Quality Center

Plan advisory

New audit standard for employee benefit plans: An overview for plan management



The AICPA EBPAQC is a firm-based, volunteer membership center created with the goal of promoting quality employee benefit plan audits. Center members demonstrate their commitment to ERISA audit quality by joining and agreeing to adhere to the Center's membership requirements. EBPAQC member firms receive valuable ERISA audit and firm best practice tools and resources that are not available from any other source. Visit the Center website at aicpa.org/EBPAQC to see a list of EBPAQC member firms and find other valuable tools prepared for plan sponsors and other stakeholders. For more information, contact the EBPAQC at ebpqac@aicpa.org.

Disclaimer: This publication has not been approved, disapproved or otherwise acted upon by any senior technical committees of and does not represent an official position of the American Institute of CPAs. It is distributed with the understanding that the AICPA Employee Benefit Plan Audit Quality Center is not rendering legal, accounting or other professional services in this publication. The application and impact of laws can vary widely based on the specific facts involved. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© 2021 Association of International Certified Professional Accountants. All rights reserved. AICPA and American Institute of CPAs are trademarks of the American Institute of Certified Public Accountants and are registered in the United States, the European Union and other countries. The Globe Design is a trademark owned by the her countries. The Globe Design is a trademark of the Association of International Certified Professional Accountants and licensed to the AICPA. 2012-09051.

Contents

4	Introduction
5	Summary of Key Changes
8	New Form of Auditor's Reports – Illustrations

Introduction

The AICPA Employee Benefit Plan Audit Quality Center (EBPAQC) has prepared this advisory to provide plan management (the plan sponsor, administrator, or trustee) with an understanding of the changes to audits of employee benefit plan financial statements subject to the Employee Retirement Income and Security Act (ERISA) following the issuance of Statement on Auditing Standards No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*, as amended. SAS No. 136 does not apply to plans not subject to ERISA, such as plans sponsored by governmental entities.

Why did the audit standards for employee benefit plans change?

In July 2019, the American Institute of Certified Public Accountants (AICPA) Auditing Standards Board (ASB) issued SAS No. 136, which prescribes certain new performance requirements for ERISA plan financial statement audits, and changes the form and content of the related auditor's report. SAS No. 136, as amended, is meant to improve auditor performance and enhance the quality of employee benefit plan audits, and increase the communicative value and transparency of the auditor's report for ERISA plan financial statements. SAS No. 136, as amended, has been codified in AU-C section 703, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*, in AICPA Professional Standards.

When will the changes be effective?

AU-C section 703 is effective for audits of financial statements for periods ending on or after December 15, 2021, and early adoption is permitted. Discuss with your auditor their anticipated timeline for adopting AU-C section 703.

What has changed?

New requirements for plan auditors. There are expanded requirements in all phases of an audit, including:

- engagement acceptance and obtaining additional management representations,
- performing risk assessment procedures related to the plan instrument, plan tax status and prohibited transactions, and responding to identified risks,
- communicating additional matters (reportable findings) with those charged with plan governance,
- performing certain additional audit procedures unique to auditing ERISA plans, and
- issuing a new form of the auditor's report.

ERISA Section 103(a)(3)(C) audits. A new name and a different audit report.

There are significant changes when management elects to instruct the auditor not to perform any additional procedures with respect to investment information certified by a qualified institution pursuant to ERISA Section 103(a)(3)(C). These audits will no longer be referred to as a "limited scope audit," but are now referred to as an "ERISA Section 103(a)(3)(C) audit." These audits will no longer be considered as having a scope limitation, and the auditor will follow new performance and reporting requirements. Accordingly, the auditor will no longer issue a disclaimer of opinion, but instead would issue an ERISA-Section 103(a)(3)(C) auditor's report in accordance with AU-C Section 703 that contains a two-pronged opinion that is based on the audit and on the procedures performed relating to the certified investment information. It provides an opinion on whether the amounts and disclosures in the financial statements not covered by the certification are presented fairly, in all material respects, in accordance with the applicable financial reporting framework, and an opinion on whether the certified investment information in the financial statements agrees to or is derived from, in all material respects, the certification.

How do the changes affect plan management?

As part of the auditor's acceptance of the audit engagement, the auditor will request plan management to acknowledge in the engagement letter certain management responsibilities that are specific to audits of ERISA plans, such as for maintaining a current plan instrument, administering the plan, and providing the auditor with a draft Form 5500 that is substantially complete prior to the dating of the auditor's report. See the "Engagement acceptance" section of this plan advisory for further details. In addition, the new standard requires that the auditor obtain certain written management representations at the conclusion of the engagement regarding those responsibilities. It also includes new acknowledgements related to management's responsibilities with respect to the investment certification when management elects to have an ERISA Section 103(a)(3)(C) audit.

Your auditor may request additional information from you in order to perform the plan audit, which may require you to spend more time preparing for the audit.

Summary of Key Changes

Engagement acceptance

Before the plan's auditor can accept performing the audit under the new standard, the auditor is required to obtain management's agreement that it acknowledges and understands its responsibility for the following (these are in addition to other matters that the auditor may ask management to acknowledge):

- Maintaining a current plan instrument, including all plan amendments
- Administering the plan and determining that the plan's transactions that are presented and disclosed in the ERISA plan financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
- When management elects to have an ERISA Section 103(a)(3)(C) audit, determining whether:
 - an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances
 - the investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8,
 - the certification meets the requirements in 29 CFR 2520.103-5, and
 - the certified investment information is appropriately measured, presented, and disclosed in accordance with the applicable financial reporting framework.

As part of engagement acceptance when management elects to have an ERISA Section 103(a)(3)(C) audit, the auditor is required to inquire of management about how management determined that the entity preparing and certifying the investment information is a qualified institution under DOL rules and regulations.

For all ERISA audits, the auditor also is required to obtain the agreement of plan management or those charged with governance to provide to the auditor, prior to the dating of the auditor's report, a draft Form 5500 that is substantially complete. A draft of Form 5500 that is substantially complete is one that includes the forms and schedules that could have a material effect, involving both qualitative and quantitative considerations, on the information in the financial statements and ERISA-required supplemental schedules.

Reportable findings

Under AU-C section 703, The auditor is required to evaluate whether certain matters identified during the audit result in "reportable findings," which are defined as matters that are one or more of the following:

- An identified instance of noncompliance or suspected noncompliance with laws or regulations.
- A finding arising from the audit that is, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.
- An indication of deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention.

When planning the audit engagement, the auditor may establish an understanding with management or those charged with governance about what would be considered a reportable finding.

Procedures for an ERISA Section 103(a)(3)(C) audit

The EBPAQC has developed a tool, *Conditions for plan management to elect an ERISA Section 103(a)(3)(C) audit*, to assist plan management in determining whether the conditions to elect an ERISA Section 103(a)(3)(C) audit have been met. When management elects to have an ERISA Section 103(a)(3)(C) audit, the auditor is required to:

- Evaluate management's assessment of whether the entity issuing the certification is a qualified institution under DOL rules and regulations.
- Identify which investment information is certified.
- Perform the following procedures on the certified investment information:
 - Obtain from management and read the certification as it relates to investment information prepared and certified by a qualified institution.
 - Compare the certified investment information with the related information presented and disclosed in the ERISA plan financial statements and ERISA-required supplemental schedules.
 - Read the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the applicable financial reporting framework.
- Perform audit procedures on the financial statement information, including the disclosures, not covered by the certification as well as noninvestment-related information based on the assessed risk of material misstatement. Plans may hold investments in which only a portion are covered by a certification from a qualified institution. In that case, the auditor should perform audit procedures on the investment information that has not been certified.

Written representations from plan management

At the conclusion of the engagement, in addition to the requirements under AU-C section 580, *Written Representations*, the auditor will request the following written representations from management:

- That management has provided the auditor with the most current plan instrument for the audit period, including all plan amendments.
- Acknowledgement of its responsibility for administering the plan and determining that the plan's transactions that are presented and disclosed in the ERISA plan financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
- When management elects to have an ERISA Section 103(a)(3)(C) audit, acknowledgement that management's election of the ERISA Section 103(a)(3)(C) audit does not affect its responsibility for the financial statements and for determining whether:
 - an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances,
 - the investment information is prepared and certified by a qualified institution as described in 29 CFR 2520.103-8,
 - the certification meets the requirements in 29 CFR 2520.103-5, and

- the certified investment information is appropriately measured, presented, and disclosed in accordance with the applicable financial reporting framework.

Considerations relating to Form 5500 filing

Plan management will need to provide the auditor with a draft Form 5500 prior to dating the auditor's report that is substantially complete (see the "Engagement acceptance" section above).

The auditor will read the draft Form 5500 in order to identify material inconsistencies, if any, with the audited ERISA plan financial statements. If the auditor identifies a material inconsistency or a material misstatement of fact, they will determine whether the audited ERISA plan financial statements or the draft Form 5500 needs to be revised.

Communication of reportable findings with management or those charged with governance

The auditor is required to communicate in writing to those charged with governance, on a timely basis, reportable findings from the audit procedures performed. Such communication should be included with the required communication with those charged with governance (in accordance with AU-C sections 250, 260, or 265), as appropriate, either in a separate section or placed in such communications as the auditor deems appropriate. The auditor is not permitted to issue a written communication stating that no reportable findings were identified during the audit. The written communication should include the following:

- A description of the reportable finding(s).
- Sufficient information to enable those charged with governance and management to understand the context of the communication.
- An explanation on the potential effects of the reportable finding(s) on the financial statements or to the plan.

New form of auditor's reports – Illustrations

The following illustrates the new form of the auditor's report.

Illustration 1 — An auditor's report on financial statements for a defined contribution retirement plan subject to ERISA

Independent Auditor's Report	
<p data-bbox="203 464 492 495"><i>[Appropriate Addressee]</i></p> <p data-bbox="203 516 308 548">Opinion</p> <p data-bbox="203 569 1112 758">We have audited the financial statements of ABC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements.</p> <p data-bbox="203 779 1112 936">In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of ABC 401(k) Plan as of December 31, 20X2 and 20X1, and the changes in its net assets available for benefits for the year ended December 31, 20X2, in accordance with accounting principles generally accepted in the United States of America.</p> <p data-bbox="203 957 428 989">Basis for Opinion</p> <p data-bbox="203 1010 1112 1251">We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ABC 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p data-bbox="203 1272 974 1304">Responsibilities of Management for the Financial Statements</p> <p data-bbox="203 1325 1112 1514">Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.</p> <p data-bbox="203 1535 1112 1692">In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for <i>[insert the time period set by the applicable financial reporting framework]</i>.</p> <p data-bbox="203 1713 1112 1902">Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.</p>	<p data-bbox="1144 558 1404 747"><i>The identification of the plan as one subject to ERISA is new and unique to ERISA plan auditor's reports.</i></p> <p data-bbox="1144 1535 1404 1902"><i>The second and third paragraphs under the "Responsibilities of Management for the Financial Statements" header are new and reflect management's additional responsibilities under AU-C section 703 and new reporting standards for auditors.</i></p>

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 ABC 401(k) Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter—Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of *[identify title of supplemental schedules and periods covered]* are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to

This section is specific to the ERISA-required supplemental schedules as required by AU-C sections 725 and 703.

<p>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 GAAS.</p> <p>In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.</p> <p>In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.</p> <p>[Signature of the auditor's firm] [City and state where the auditor's report is issued] [Date of the auditor's report]</p>	<p><i>The auditor's opinion on the form and content of the supplemental schedules is new for non-section 103(a)(3)(C) audits.</i></p>
---	---

Illustration 2 — An Auditor's Report on Financial Statements for a Defined Contribution Retirement Plan Subject to ERISA When Management Elects an ERISA Section 103(a)(3)(C) Audit

<p style="text-align: center;">Independent Auditor's Report</p> <p><i>[Appropriate Addressee]</i></p> <p>Scope and Nature of the ERISA Section 103(a)(3)(C) Audit</p> <p>We have performed audits of the financial statements of ABC 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 20X2 and 20X1, and the related statement of changes in net assets available for benefits for the year ended December 31, 20X2, and the related notes to the financial statements.</p> <p>Management, having determined it is permissible in the circumstances, has elected to have the audits of ABC 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).</p> <p>Management has obtained certifications from a qualified institution as of December 31, 20X2 and 20X1, and for the year ended December 31, 20X2,</p>	<p><i>This paragraph communicates management's election of an ERISA Section 103(a)(3)(C) audit.</i></p> <p><i>It is management's responsibility for determining whether</i></p>
---	---

<p>stating that the certified investment information, as described in Note X to the financial statements, is complete and accurate.¹</p> <p>Opinion</p> <p>In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section</p> <ul style="list-style-type: none"> the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. the information in the accompanying financial statements related to assets held by² and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). <p>Basis for Opinion</p> <p>We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ABC 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.</p> <p>Responsibilities of Management for the Financial Statements</p> <p>Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.</p> <p>In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for [insert the time period set by the applicable financial reporting framework].</p> <p>Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that</p>	<p><i>the certification meets these objectives.</i></p> <p><i>The two-part opinion.</i></p> <p><i>The second and third paragraphs under the "Responsibilities of Management for the Financial Statements" header are new and reflect management's additional responsibilities under AU-C section 703 and</i></p>
---	--

¹ If the note to the financial statements does not identify the names of the qualified certifying institutions and periods covered, then such information may be included in the auditor's report.

² This sentence may need to be modified when the certification is provided by an insurance entity, which provides benefits under the plan or holds plan assets.

<p>the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.</p> <p>Auditor's Responsibilities for the Audit of the Financial Statements</p> <p>Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.</p> <p>In performing an audit in accordance with GAAS, we:</p> <ul style="list-style-type: none"> • Exercise professional judgment and maintain professional skepticism throughout the audit. • Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. • Obtain an understanding of internal control relevant to the audit 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 ABC 401(k) Plan's internal control. Accordingly, no such opinion is expressed. • Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. • Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC 401(k) Plan's ability to continue as a going concern for a reasonable period of time. <p>Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.</p>	<p><i>new reporting standards for auditors.</i></p> <p><i>This section describes the auditor's responsibilities.</i></p>
---	--

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Supplemental Schedules Required by ERISA

The supplemental schedules of [*identify the title of supplemental schedules and periods covered*] are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by³ a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

[*Signature of the auditor's firm*]

[*City and state where the auditor's report is issued*]

[*Date of the auditor's report*]

This is new content required by AU-C section 703 specific to ERISA Section 103(a)(3)(C) audits relating to the ERISA-required supplemental schedules.

³ See footnote 2.