



A Message from the Advisor of the Callan GlidePath® Funds

March 27th, 2020

Like many around the world, we are saddened by the loss of life and the disruption caused by the outbreak of the coronavirus (COVID-19). Our hearts go out to those directly affected by the virus as well as those whose lives are being disrupted by the downstream social and economic effects.

From an investment standpoint the outbreak of the virus has created many uncertainties about the world which have led to extreme volatility in the global capital markets. One of the results of this has been a severe drop in global equity prices after what has been an almost uninterrupted 11-year bull market for stocks.

In times like these it is important to remember that all of the Callan GlidePath® Funds are designed for the long-term and employ an investment strategy that explicitly considers periods of volatility and declining markets. Each Fund has a target asset allocation that becomes increasingly conservative over time to achieve the appropriate risk for each stage of a participant's savings career. As the advisor, we employ disciplined rebalancing rules for each Fund to make sure that it stays very close to its target asset allocation over time.

This means that when stock prices decline, the Funds will generally be buying stocks and selling bonds to bring the Funds back to their desired targets. During times when stocks rise sharply, the Funds will generally be selling stocks to buy bonds to get back to target. This disciplined rebalancing process can be difficult in the moment; however, over the long-term it results in a natural pattern of buying low and selling high. This pattern ultimately contributes to better risk-adjusted returns for those investors with the discipline to carry it out.

One of the most important lessons learned by long-term investors from past financial crises – the 2008 Global Financial Crisis and the 2000 Dot.com collapse to name two recent ones – is “stay-the-course”. Changing asset allocation policy or introducing “market timing” during periods of extreme price volatility introduces unanticipated risks into a long-term plan. Investors that have stuck with their long-term plan, even during what appears to be the darkest hour of a crisis, have generally been compensated for doing so.

As the advisor to the Callan GlidePath® Funds we are committed to staying-the-course during these difficult times. We are also committed to safeguarding the health and safety of our employees, our clients, and the community at large. To that end, on March 12th we implemented a work remote policy for all of our employees. Our Business Continuity Plan had been tested before the onset of this crisis and ensures

that all employees can complete their normal job functions while working remotely. Additionally, our Investment Research and Operations teams have been in contact with all of the investment manager subadvisors and other service providers that support the Callan GlidePath® Funds, to discuss their contingency plans. Our team remains confident that the investment and operational infrastructure supporting the GlidePath® Funds is robust, and that the Funds will continue to operate per normal course of business through this difficult period.

These times of uncertainty are difficult for even the most seasoned investors. As the advisor to the Callan GlidePath® Funds, investing on your behalf, we want to assure you that we will remain committed to a disciplined, long-term, strategic approach in good times and in bad. We believe that being disciplined, especially in the most difficult of times, is what distinguishes the most successful investors.

Thank you for your ongoing confidence,



Gregory C. Allen
Portfolio Manager



Mark Andersen
Portfolio Manager



Ivan (Butch) Cliff
Portfolio Manager

Disclosures

The Callan GlidePath® Funds (the “Funds”) are part of a collective trust maintained by the Wilmington Trust, N.A. (the “Trustee”) that invests in underlying mutual fund and collective trust investments (the “Underlying Funds”). The Funds are part of the Wilmington Trust, N.A. Collective Investment Trust operated by the Trustee and advised on a non-discretionary basis by Callan LLC (“Callan”), a registered investment advisor. The Trustee maintains ultimate fiduciary authority over the management of, and investments made in the Funds. The Funds are not mutual funds and are not registered as an investment company under the Investment Company Act of 1940, as amended.

Investing involves risk including loss of principal. There can be no assurance that the Funds will achieve their stated objectives. An investor may experience losses, at any time, including near, at, or after a Fund's target retirement year. In addition, there is no guarantee that an investor's investment in a Fund will provide any income at or through the years following the Fund's target retirement year in amounts adequate to meet the investor's goals or retirement needs. Past performance should not be considered indicative of future results. Investments in the Funds are not insured or guaranteed by any bank, the FDIC, or any other governmental entity.

This commentary was prepared by Callan on the basis of the information available at the time of publication, in an effort to provide accurate and timely information about the Funds; however, there can be no assurance regarding its completeness or accuracy. Information herein constitutes Callan's judgment and analysis as of the date of this material and is subject to change without notice.