

Callan

TRUST
ADVISORY
GROUPCallan
GlidePath®
Funds

Callan GlidePath® Funds Quarterly Commentary (Share Class R6)

Second Quarter 2020

Fund	Morningstar Category	Overall Morningstar Rating™	# of Funds	3-year Morningstar Rating™	# of Funds	5-year Morningstar Rating™	# of Funds	10-year Morningstar Rating™	# of Funds
Callan GlidePath® Ret Inc Fund R6	Target-Date 2000-2010	★★★★	93	★★★★	93	★★★★	76	★★★★	59
Callan GlidePath® 2015 Fund R6	Target-Date 2015	★★★★	98	★★★★	98	★★★★	72	★★★★	48
Callan GlidePath® 2020 Fund R6	Target-Date 2020	★★★★	195	★★★★	195	★★★★	149	★★★★	95
Callan GlidePath® 2025 Fund R6	Target-Date 2025	★★★★	200	★★★	200	★★★★	159	★★★★	94
Callan GlidePath® 2030 Fund R6	Target-Date 2030	★★★★	209	★★★	209	★★★★	164	★★★★	103
Callan GlidePath® 2035 Fund R6	Target-Date 2035	★★★★	197	★★★	197	★★★	156	★★★★	91
Callan GlidePath® 2040 Fund R6	Target-Date 2040	★★★★	209	★★★	209	★★★	164	★★★★	103
Callan GlidePath® 2045 Fund R6	Target-Date 2045	★★★★	197	★★★	197	★★★	156	★★★★	90
Callan GlidePath® 2050 Fund R6	Target-Date 2050	★★★	209	★★★	209	★★★	164	★★★★	83
Callan GlidePath® 2055 Fund R6	Target-Date 2055	★★★	195	★★★	195	★★★	153	★★★★	36
Callan GlidePath® 2060 Fund R6	Target-Date 2060+	★★★	165	★★★	165	★★★	63	N/A	-

All Morningstar Ratings are based on R6 Share Class as of 6/30/2020. Other classes may have different performance characteristics.

See disclosures on pages 6 and 7.

Returns are net of investment fees. The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus, an investor's units, when redeemed, may be worth more or less than their original cost. Consider the fund's investment objectives, risks, charges, and expenses before investing.

Performance (Share Class R6)

Periods Ending 6/30/2020	Since Inception							Standard Deviation Since Inception	
	Last Quarter	Last Year	3 Years	5 Years	7 Years	10 Years	Inception Date		
Callan GlidePath Ret Income	8.52%	5.01%	5.92%	5.84%	6.75%	8.21%	5.63%	6/1/2008	9.14%
S&P Retirement Income	8.18%	5.39%	5.17%	4.70%	4.87%	5.54%	4.34%		6.18%
Callan GlidePath 2015	10.27%	4.23%	6.07%	6.14%	7.21%	8.81%	5.92%	5/1/2008	10.49%
S&P Target Date 2015	9.77%	4.72%	5.35%	5.30%	5.93%	7.10%	5.08%		8.95%
Callan GlidePath 2020	11.84%	3.56%	6.09%	6.30%	7.57%	9.35%	6.13%	5/1/2008	11.80%
S&P Target Date 2020	10.65%	4.32%	5.45%	5.56%	6.39%	7.76%	5.36%		10.22%
Callan GlidePath 2025	13.55%	2.98%	6.10%	6.43%	7.86%	9.71%	6.14%	6/1/2008	13.17%
S&P Target Date 2025	12.25%	3.65%	5.57%	5.82%	6.76%	8.31%	5.51%		11.53%
Callan GlidePath 2030	14.98%	2.40%	6.07%	6.49%	8.09%	10.06%	6.35%	5/1/2008	14.23%
S&P Target Date 2030	13.94%	2.91%	5.62%	6.02%	7.09%	8.78%	5.69%		12.70%
Callan GlidePath 2035	16.23%	1.79%	5.94%	6.48%	8.15%	10.16%	6.29%	6/1/2008	14.94%
S&P Target Date 2035	15.55%	2.12%	5.61%	6.17%	7.38%	9.16%	5.72%		13.77%
Callan GlidePath 2040	17.12%	1.46%	5.87%	6.43%	8.13%	10.14%	7.00%	7/1/2008	15.10%
S&P Target Date 2040	16.66%	1.56%	5.61%	6.28%	7.58%	9.43%	6.56%		14.29%
Callan GlidePath 2045	17.87%	1.27%	5.81%	6.42%	8.12%	10.15%	6.29%	6/1/2008	15.38%
S&P Target Date 2045	17.29%	1.19%	5.56%	6.34%	7.71%	9.61%	5.81%		14.93%
Callan GlidePath 2050	17.87%	1.28%	5.82%	6.43%	8.14%		8.36%	1/1/2011	12.46%
S&P Target Date 2050	17.61%	1.05%	5.57%	6.42%	7.88%		7.94%		12.28%
Callan GlidePath 2055	17.91%	1.28%	5.79%	6.42%	8.11%		8.36%	1/1/2011	12.46%
S&P Target Date 2055	17.76%	0.89%	5.54%	6.45%	7.98%		8.06%		12.42%
Callan GlidePath 2060	17.97%	1.37%	5.87%	6.48%			8.19%	7/1/2013	12.32%
S&P Target Date 2060+	17.93%	1.08%	5.71%	6.58%			8.07%		12.36%

Performance vs. Benchmarks (prior chart)

The second quarter of this year continued to be very volatile, but as the markets snapped back from the carnage of Q1, almost all risk assets delivered very sizeable positive returns. Although the markets seemed to have partially recovered for now, the strained environment of this global pandemic continues unabated. We at Callan hope that you and your loved ones remain safe and healthy. Callan remains fully operational and our employees are still working remotely and efficiently.

The **Callan GlidePath® Funds Series** (Share Class R6) consists of eleven **open-architecture, active-passive blend**, target retirement date funds (Retirement Income Fund to 2060 Fund). **The performance of our target date funds for the second quarter of 2020 was good versus both our benchmarks and target date peer groups.** Our net of fee 2Q returns ranged from 17.97% to 8.52%, with an average return of 14.92%. **All eleven funds bested their respective benchmarks**, the Standard & Poor's ("S&P") Target Date Indices. The net of fee differences for 2Q versus these benchmarks ranged from +1.31% to +.04% with average outperformance of +.60%. **The trailing one year results were less stellar as only four of eleven funds beat their benchmarks** with net of fee value-added ranging from +.39% to -.75%, with an average excess return of -.20%. Even after a mediocre trailing year our **medium and long term results continue to look very good** relative to benchmarks as all eleven funds are still ahead of their benchmarks for the last three years (average net outperformance of +.42% annualized). For the last five years all but two of our funds exceeded their benchmarks with an average net outperformance of +.38% annualized. All ten funds with at least seven years of history are ahead of their benchmarks for that period with an average net outperformance of +.79% annualized. The story is the same for the last ten years as all eight funds with that much history have surpassed their benchmarks by an average of +1.36% annualized. **Even longer term since inception performance (most funds started in 2008) has been extremely strong. All eight of our funds with track records longer than ten years have outperformed their S&P Target Date benchmarks since inception**, with a range of annualized net value-added of +1.29% to +.44% and an average of +0.71%.

Performance vs. Peers (chart below)

Net of Fee Returns for Callan Glidepath Funds (R6) as of June 30, 2020

Peer Rankings (percentile in parentheses) vs. Morningstar Target Date Groups

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Inception Date	Since Inception
Callan GlidePath Ret Income	8.52 (45)	5.01 (30)	5.92 (1)	5.84 (3)	6.75 (1)	8.21 (1)	6/1/2008	5.63 (1)
Callan GlidePath 2015	10.27 (44)	4.23 (59)	6.07 (15)	6.14 (1)	7.21 (1)	8.81 (1)	5/1/2008	5.92 (2)
Callan GlidePath 2020	11.84 (22)	3.56 (74)	6.09 (18)	6.30 (1)	7.57 (1)	9.35 (1)	5/1/2008	6.13 (2)
Callan GlidePath 2025	13.55 (21)	2.98 (78)	6.10 (27)	6.43 (7)	7.86 (1)	9.71 (1)	6/1/2008	6.14 (9)
Callan GlidePath 2030	14.98 (26)	2.40 (71)	6.07 (36)	6.49 (17)	8.09 (6)	10.06 (2)	5/1/2008	6.35 (15)
Callan GlidePath 2035	16.23 (43)	1.79 (75)	5.94 (52)	6.48 (25)	8.15 (15)	10.16 (9)	6/1/2008	6.29 (18)
Callan GlidePath 2040	17.12 (53)	1.46 (69)	5.87 (48)	6.43 (36)	8.13 (24)	10.14 (16)	7/1/2008	7.00 (26)
Callan GlidePath 2045	17.87 (62)	1.27 (65)	5.81 (52)	6.42 (39)	8.12 (23)	10.15 (17)	6/1/2008	6.29 (18)
Callan GlidePath 2050	17.87 (71)	1.28 (58)	5.82 (43)	6.43 (39)	8.14 (24)	--	1/1/2011	8.36 (19)
Callan GlidePath 2055	17.91 (74)	1.28 (58)	5.79 (50)	6.42 (39)	8.11 (30)	--	1/1/2011	8.36 (22)
Callan GlidePath 2060	17.97 (77)	1.37 (60)	5.87 (50)	6.48 (57)	8.19	--	7/1/2013	8.19

In order to compare our performance to other target date fund providers in the industry we also report percentile peer rankings (value in parentheses of tables) of our net of fee returns versus the relevant Morningstar target date fund peer groups. **Our second quarter return peer rankings were somewhat**

mediocre as only six of our eleven funds had rankings better than median. The average peer group ranking for the quarter across all the funds was 49th percentile with a best of 21st percentile and a worst of 77th percentile. **Our trailing one year rankings were disappointing as most of our funds ranked below median.** The average peer ranking for this period was 63rd percentile with a best of 30th percentile and a worst of 78th percentile. The funds' **long-term performance versus peers**, with most of our funds having a **ten-plus year track record, continues to be outstanding with an average since inception return ranking of 15th percentile** (better than 85% of peers). **All of the funds rank in or near the top quartile with four in the top decile (ranging from a best 1st percentile to a worst of 31st percentile).** We are also pleased with our intermediate term results. For the three year period all of our funds rank near median or better with peer rankings ranging from a best of 1st percentile to a worst of 52nd percentile. For five years all but one fund rank in the top half of peers with six in the top quartile. For the **last seven years all ten eligible funds are in or near the top quartile with five funds in the top decile. All eight funds with ten years of history are in the top quartile and six are in the top decile.** Most of our funds were incepted in 2008 near the beginning of the Global Financial Crisis ("GFC") so the track records include multiple market drawdowns/cycles including the GFC stress test. We are pleased that the objective, research-driven design of our asset allocation glide path, coupled with our prudent use of unique diversifying value-add asset classes (direct private commercial real estate funds, bank loans, stable value), has enabled us to deliver compelling long-term returns for retirement wealth accumulation over full market cycles, while still keeping risk levels and types appropriate for each investor age. **Morningstar has recognized our compelling risk/reward tradeoff with 5 Star or 4 Star Overall Morningstar Ratings on eight of our eleven rated funds (Retirement Income - 2045) using their proprietary risk-adjusted performance analysis (2050 - 2060 Funds are 3 Stars). All ten funds with the longer-term 10-year Morningstar Star Rating are rated 5 Stars (Retirement Income - 2030) or 4 Stars (2035 - 2055).**

Risk Management (chart below)

Callan GlidePath Funds (R6) Since Inception Ended June 30, 2020

Peer Rankings (percentile in parentheses) vs. Morningstar Target Date Groups

Net of Fee Risk Statistics vs. S&P Target Date Indices

	Inception Date	Returns	Sharpe Ratio	Up/Down Market	
				Capture	Batting Average
Callan GlidePath Ret Income	6/1/2008	5.63 (1)	0.55 (33)	147.50 (2)	63.45 (1)
Callan GlidePath 2015	5/1/2008	5.92 (2)	0.50 (14)	126.22 (10)	66.44 (3)
Callan GlidePath 2020	5/1/2008	6.13 (2)	0.47 (13)	127.68 (9)	66.44 (1)
Callan GlidePath 2025	6/1/2008	6.14 (9)	0.42 (26)	127.51 (10)	66.90 (1)
Callan GlidePath 2030	5/1/2008	6.35 (15)	0.40 (23)	128.19 (11)	63.70 (1)
Callan GlidePath 2035	6/1/2008	6.29 (18)	0.38 (26)	121.94 (12)	60.69 (8)
Callan GlidePath 2040	7/1/2008	7.00 (26)	0.42 (30)	114.75 (16)	61.11 (7)
Callan GlidePath 2045	6/1/2008	6.29 (18)	0.37 (24)	109.82 (25)	60.00 (9)
Callan GlidePath 2050	1/1/2011	8.36 (19)	0.62 (22)	104.56 (17)	57.89 (13)
Callan GlidePath 2055	1/1/2011	8.36 (22)	0.62 (23)	102.14 (10)	52.63 (24)
Callan GlidePath 2060	7/1/2013	8.19	0.60	99.99	55.95

While returns are clearly important, we also diligently manage risk, and remain focused on retirement income replacement outcomes for plan participants. Therefore we are pleased that our commitment to diversification and risk management has generated impressive long-term performance results without taking undue risk. The attractiveness of the **efficient return to risk tradeoff** that we have been able to deliver over the long-term is reflected in the compelling peer rankings of our funds' Sharpe

Ratios and Up/Down Market Capture Ratios, two industry standard measures of efficiency in the risk/reward tradeoff. Our funds have an **average since inception Sharpe Ratio peer ranking of 24th percentile with six funds placing in the top quartile** (best 13th percentile, worst 33rd percentile). The funds also have an **average since inception Up/Down Market Capture Ratio** (up market capture / down market capture) **peer ranking of 14th percentile** (best 2nd percentile, worst 28th percentile) with all of the funds in or near the top quartile. **All of our funds have an Up/Down Market Capture Ratio of 100% or better** with an **average of 119%** (upside capture 19% greater than downside capture). We believe these long-term risk-adjusted performance metrics illustrate the investment efficiency of our asset allocation glide path, its unique diversification, and our prudent risk management.

Another risk management goal is to generate good consistency of excess return versus our benchmarks as we strive to cumulate that consistency into significant long-term outperformance. The consistency of our excess returns versus our S&P Target Date Index benchmarks is highlighted by the **high monthly Batting Averages** of our funds, both on an absolute basis and relative to target date fund peers. **All funds have since inception batting averages better than 50%** (.500 in baseball lingo) with an **average of 61%** (best 67%, worst 53%). This long-term record of performance consistency is stellar relative to other target date fund providers. **Eight of our funds have top decile batting average rankings since inception and all are top quartile**, with an **average ranking of 8th percentile** (best 1st percentile for four of our funds, worst 24th percentile).

Asset Allocation

We do not employ tactical market timing and therefore keep the asset allocations of the fund series closely aligned with their glide path target allocations. We feel that the uniquely diversified and well-engineered nature of our strategic glidepath is a long term advantage to our investors. We do not want to risk potentially undermining this long term advantage by attempting to time the markets.

Expense Ratios (chart below)

Total Expense Ratios for Callan GlidePath Funds (R6)
Peer Rankings (percentile in parentheses) vs. Morningstar Target Date Groups
as of June 30, 2020

	Total Expense Ratio (w/percentile rank)
CAI GlidePath Ret Income	0.53 (71)
CAI GlidePath 2015 Fund	0.54 (61)
CAI GlidePath 2020 Fund	0.55 (68)
CAI GlidePath 2025 Fund	0.55 (66)
CAI GlidePath 2030 Fund	0.56 (68)
CAI GlidePath 2035 Fund	0.56 (68)
CAI GlidePath 2040 Fund	0.55 (70)
CAI GlidePath 2045 Fund	0.54 (72)
CAI GlidePath 2050 Fund	0.54 (74)
CAI GlidePath 2055 Fund	0.54 (73)
CAI GlidePath 2060 Fund	0.54 (71)

We continue to be proud of our **low expense ratios**, particularly given that our funds are **open-architecture, highly diversified, combine active and passive management**, and provide access to **unique diversifying and return enhancing non-traditional investments** like direct private commercial real estate funds, bank loans, and stable value. The total expense ratios on the Callan GlidePath® Funds (R6) **rank as a series in the cheapest third of peers** versus the relevant Morningstar Target Date peer universes with an **average total expense ratio of 0.55%** and an **average expense ratio ranking of 69th**

percentile (cheaper than 69% of all peers including purely passive target date funds). The best expense ratio ranking of our funds versus peers is 74th percentile and the worst is 61st percentile. The total expense ratios range from 0.53% to 0.56% with all funds being cheaper than peer group medians.

Subadvisor Performance

The second quarter performance for our subadvisors employing actively managed strategies was reasonably good and in aggregate added value. Eleven of our nineteen active subadvisors (58%) beat their respective individual benchmarks for the quarter net of fees, while the others underperformed. Our five passive subadvisor strategies tracked their respective indices reasonably well, and in aggregate actually added value above their indices. The table below details our current subadvisor investment and fee structure.

Detailed Subadvisor Investment and Fee Structure

Asset Class / Manager	Product	% of Asset Class	Asset Class Fee
Large Cap U.S. Equity			0.02%
BlackRock	Russell 1000 Index Fund	100%	
Small Cap U.S. Equity			0.50%
Eagle Asset Management	Carillon Eagle Small Cap Growth	15%	
Victory Capital Management	Sycamore Small Cap Value	15%	
Callan LLC	Pleiades Small Cap Equity	30%	
PIMCO	StocksPLUS Small Cap	20%	
BlackRock	S&P 600 Index	20%	
Non-U.S. Equity			0.46%
American Funds	EuroPacific Growth Fund	15%	
Dodge & Cox	International Equity	15%	
Sprucegrove	All Country World ex-US	15%	
Marathon-London	Active ACWI ex US	15%	
Dimensional Fund Advisors	Emerging Mkts Core Equity	6.25%	
American Century	Emerging Markets	6.25%	
Lazard Asset Management	EAFE Advantage Small Cap	12.5%	
BlackRock	MSCI EAFE Index	15%	
U.S. Fixed Income			0.20%
BlackRock	Total Return	30%	
Fidelity Institutional Asset Mgmt	Core Plus Fixed Income	25%	
Loomis Sayles	Core Disciplined Alpha	25%	
BlackRock	U.S. Aggregate Bond Index	20%	
Bank Loans			0.44%
Voya Investment Management	Senior Loan Fund	100%	
Stable Value			0.37%
Galliard Capital Management	Stable Return Fund	100%	
Short Term Bond			0.04%
BlackRock	Gov't/Corporate 1-3 yr Index	100%	
Inflation Protected Securities			0.15%
Brown Brothers Harriman	Intermediate Inflation-Idx Securities	100%	
Direct Real Estate			0.83%
Principal Real Estate Investors	US Property Account	50%	
Prudential Investment Mgmt	PRREF II	50%	
Wilmington Fee (0.10%) / Callan Fee (0.15%)			0.25%
Total Expense Ratio Range (Class R6)			0.53-0.56%

General 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 performance data shown represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate. An investor’s units when redeemed may be worth more or less than the original investment. The Funds’ portfolio statistics change over time. The Funds should not be invested in based solely on age or retirement date, and the stated asset allocation may be subject to change. Investments in the Funds are not insured or guaranteed by any bank, the FDIC, or any other governmental entity.

Participation in the Funds is governed by a Declaration of Trust and terms of the participation materials which must be reviewed and signed by the plan sponsor in order to invest in the Fund.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved the Fund or passed upon the accuracy or adequacy of this disclosure statement.

Funds Legal Structure

The Funds are part of the Wilmington Trust, N.A. Collective Investment Trust operated by the Trustee. The Trust is 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.

Performance

Total return performance reflects all investment fees, Trustee fees, capital gains, income, dividends, and any applicable expenses incurred in the operation of the Fund.

The primary benchmark shown for the Funds are the Standard & Poor’s Target Date Index Series. The index automatically adjusts its asset allocation over time to reflect reductions in potential risk as an investor’s target date approaches. The Funds’ portfolio may differ significantly from the securities in the index.

The peer groups shown for the Funds are the Morningstar Target-Date Funds universe. Each Morningstar Target-Date Funds universe contains target-date portfolios that provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind for retirement. The portfolios in each universe aim to provide investors with an optimal level of return and risk, based solely on the universe’s target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

The Funds’ performance and net expense ratios are ranked against the relevant Morningstar universe for comparison purposes only.

Morningstar Disclosure

The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Ratings shown are for the R6 share class only; other classes may have different performance characteristics.

© 2020 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Investment Fees

The participant will incur management fees, trustee fees, and other operating expenses related to the Funds. Other operating expenses may include, but are not limited to, audit expenses, custody service fees, tax form preparation expenses, legal and other fees.

The participants in the Funds will also incur expenses from the Underlying Funds, which includes management fees, audit fees, trustee fees, and other expenses (the “Acquired Fund Fees and Expenses”) in relation to the management of the Underlying Fund. Some of the Acquired Fund Fees and Expenses are expensed directly to the Underlying Fund and are not charged directly to in the Funds. They are not direct costs paid by the Funds and are not used to calculate the Funds’ net asset value. They have no impact on the costs associated with fund operations. However, some of the Acquired Fund Fees and Expenses are accrued for in the Funds and therefore impact the Funds’ net asset value.

Investment Risk

The Callan GlidePath® Funds may invest in any or all of the following investments, each of which poses its own unique set of risks.

Foreign Securities Funds/Emerging Markets Funds: Funds that invest in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Small Cap Funds: Funds that invest in stocks of small companies involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Fixed Income Funds: Funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Funds containing Direct Property Investments or Real Estate Investment Trusts (REITs): Funds that invest directly in real properties or indirectly through REITs involve special additional risks. These risks include, risks associated with a lack of liquidity during times of stress in the real estate markets; risks associated with valuation standards; risks associated with the financing of the underlying properties; and general risks affecting the real estate market. Historically REITs have experienced a greater degree of market volatility than the overall stock market average.

General Disclaimer

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 Fund. However, the information is not warranted to be accurate or timely by Callan or Wilmington Trust, N.A., the Funds’ Trustee. Neither Callan nor its content providers are responsible for any damages arising from any use of this information. This material is for general informational purposes only.

About Callan LLC

Founded in 1973, Callan is one of the largest independently-owned investment management and consulting firms in the United States. Headquartered in San Francisco, with offices across the country, Callan provides research, education, decision support, and advice to institutional investors, representing approximately \$2 trillion in total assets.