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January 1, 2020

401k PORTFOLIO JANUARY 2020 UPDATE & NEWSLETTER

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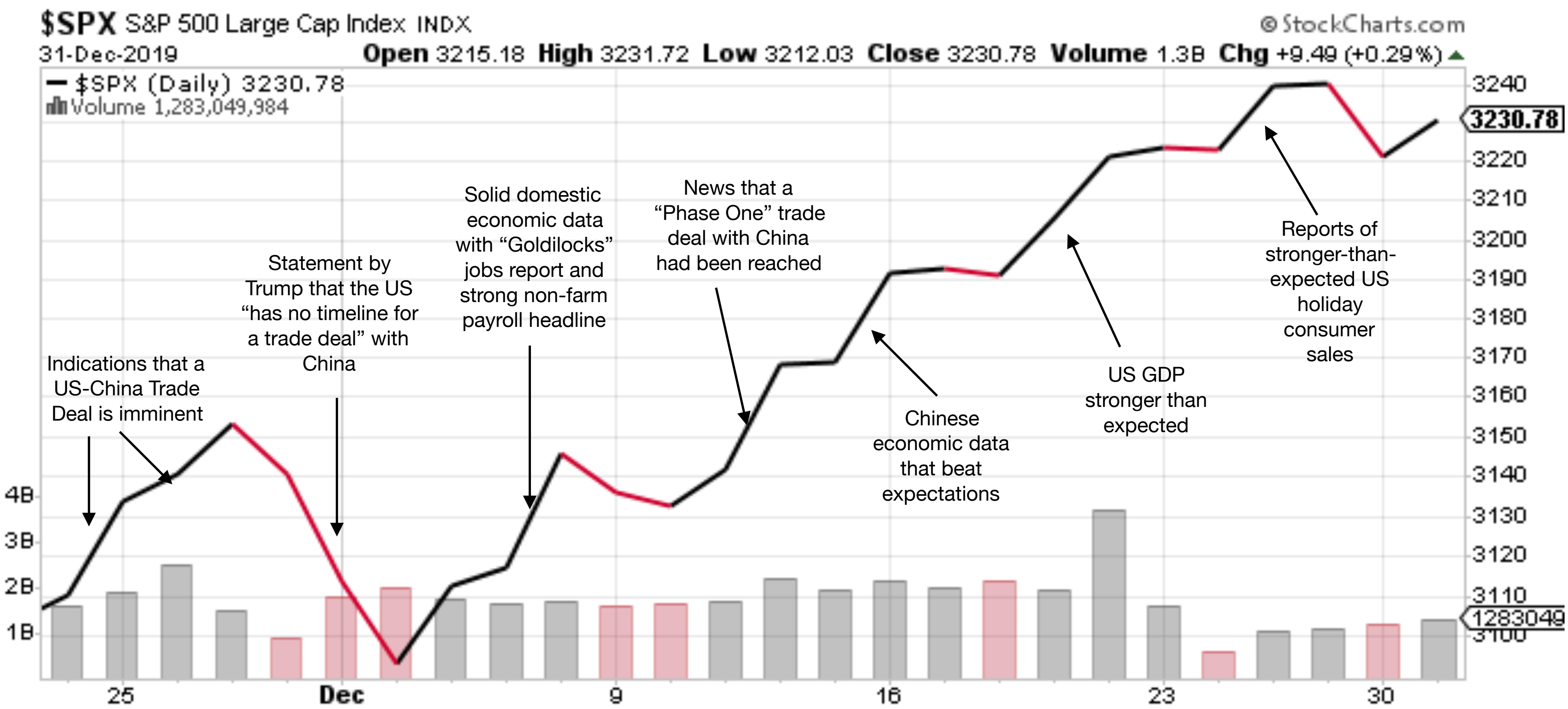
January 2020 Newsletter

Happy New Year!

In a December to remember, the month is ending with a bang, as all major US indices rose almost 3%, and all broke records. Over the full year 2019, the DJII ended up 22.3%, S&P 500 +28.9% and NASDAQ +35.2%. The S&P 500's yearly return is its second best annual return since 1997. (2013 +29.6%)

EZTracker's model portfolios reflect the current markets' strengths. Therefore, we are not making any changes in our model portfolios at this time – all EZTracker model portfolios remain diversified and reflect the strategy we've used since 2002 to deliver superior long-term performance.



What a difference a year makes!

During the last months of 2018, worries about interest rates, slowing economic growth, an escalating trade war, and upcoming recession risks abounded, causing markets to retreat by 19% over the 3-months Sept 24-Dec 24, 2018. At that time, EZTracker acknowledged the volatility and our model portfolios remained defensive, averaging a 4.5% outperformance for the full year 2018 versus Aggressive benchmarks, 2.2% for Moderate, and 0.2% for Conservative portfolios.

In retrospect, 2019 was also a year of volatility, which was not surprising due to the numerous macroeconomic uncertainties facing the markets, the global and domestic economies, and geopolitical uncertainties. Volatility, however, **does not** automatically equate to poor investment performance. For the domestic markets, resilient corporate earnings, stable economic growth and an accommodative Federal Reserve combined with rising optimism towards U.S. - China trade (especially toward the end of the year) all helped to deliver an amazing year of positive returns.

Some highlights from 2019:

- The Fed remained active this year, cutting rates three times and signaling a pause for the time being;
- The U.S. 10-year Treasury closed at a healthy 1.92% yield while many foreign government bonds remain in negative territory;
- Markets are still focused on the prospects of a comprehensive US-China trade deal, with investors encouraged by recent official announcement of a "Phase One" signing ceremony on January 15th. Dialing back on some existing tariffs seems enough to relieve some pressure on the global economy and re-energize stock market bulls. Full details are still not clear, however what has been disclosed so far is promising. The tentative agreement unwinds some of the new tariffs that were threatened by Trump earlier in the year., however the 25% tariff on $250 billion of Chinese imports remains, with the possibility of a further tariff increase if China doesn't follow through on its commitments. The trade agreement marks the first time trade talks have led to an actual reduction of tariffs rather than a delay.
- Government data showed payrolls jumped 266,000 last month, the most since January 2019, with the jobless rate dropping to 3.5% and average hourly earnings exceeding expectations. Markets have received this to be a sign that the American economy isn't close to signaling a recession.

What We're Watching

Southwest

December's **University of Michigan Consumer Sentiment Index'** strong measure of 99.3 represented a 2.6% gain from November's 96.8. The increase reflected improved sentiment across all income distribution levels, however the top third gained the most. Reduced inflation expectations – to their lowest in over four years - had the largest effect.

Index Analysis: Over the full year 2019, large cap stocks once again outperformed small caps. Large cap outperformance was partially due to investors' rising future recession fears, as larger companies' broader reach and diversity historically desensitize them to a slowing economy.

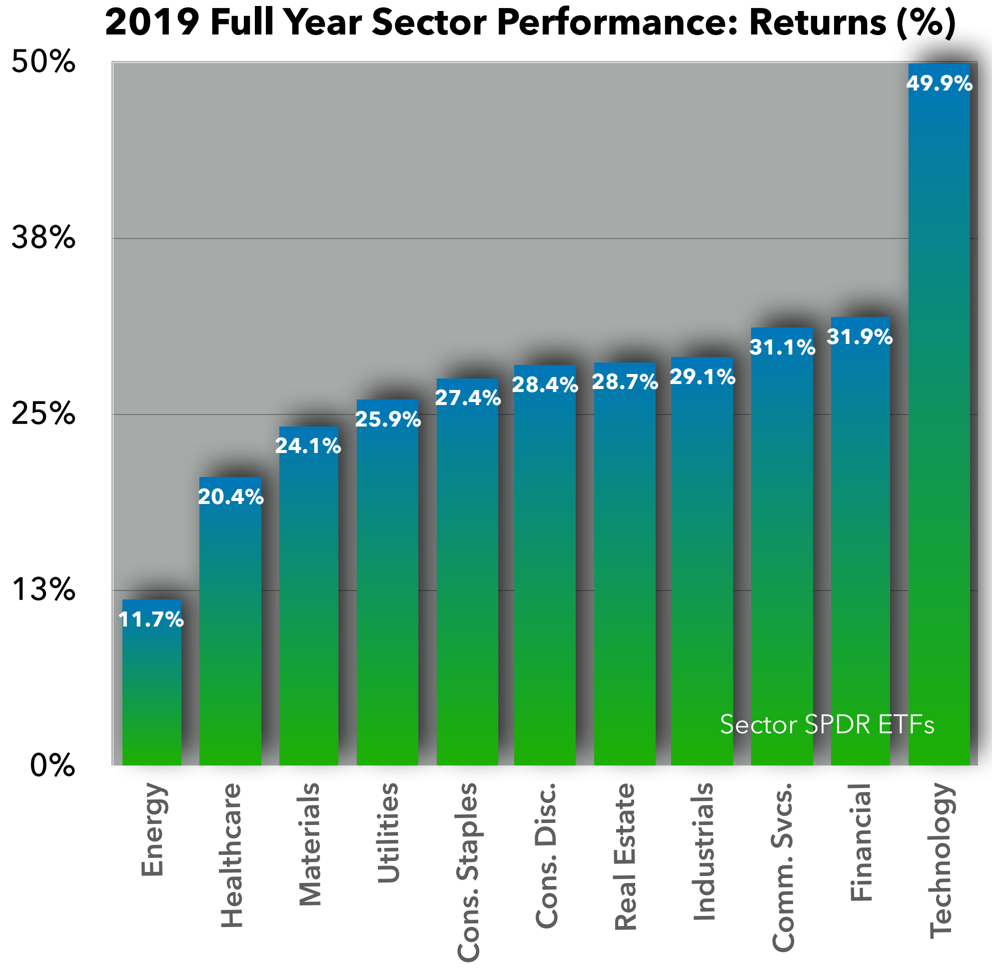
From an investment style standpoint, growth stocks outperformed value stocks, mainly due to strength in technology, consumer sectors and industrials. Growth stocks are considered stocks that have the potential to outperform the overall market over time because of their future potential, while value stocks are classified as stocks that are currently trading below what they are really worth and will, therefore, provide a superior return.

2019 Full Year Index Perf: Returns (%)

	Value	Blend	Growth
Large Cap	25.9%	33.2%	34.7%
Mid Cap	24.6%	31.8%	36.6%
Small Cap	19.7%	29.5%	28.0%

Morningstar YTD thru 12/27

2019 Full Year Sector Performance: Returns (%)



On a **sector level, all eleven S&P 500 Index sectors** finished the year with positive returns. Technology had the highest YTD returns, approaching 50%, led by FAANG (Facebook, Apple, Amazon, Netflix, Google). Financials performed second best, partially because their strong avg. dividend yield exceeded that of the 10-yr Treasuries. Traditional defensive stock sectors carrying high dividend yields (Utilities and REITS) similarly performed well, fueled by falling T-yields and concerns about future economic growth. Energy had the lowest returns from oil price declines and reduced sector demand.

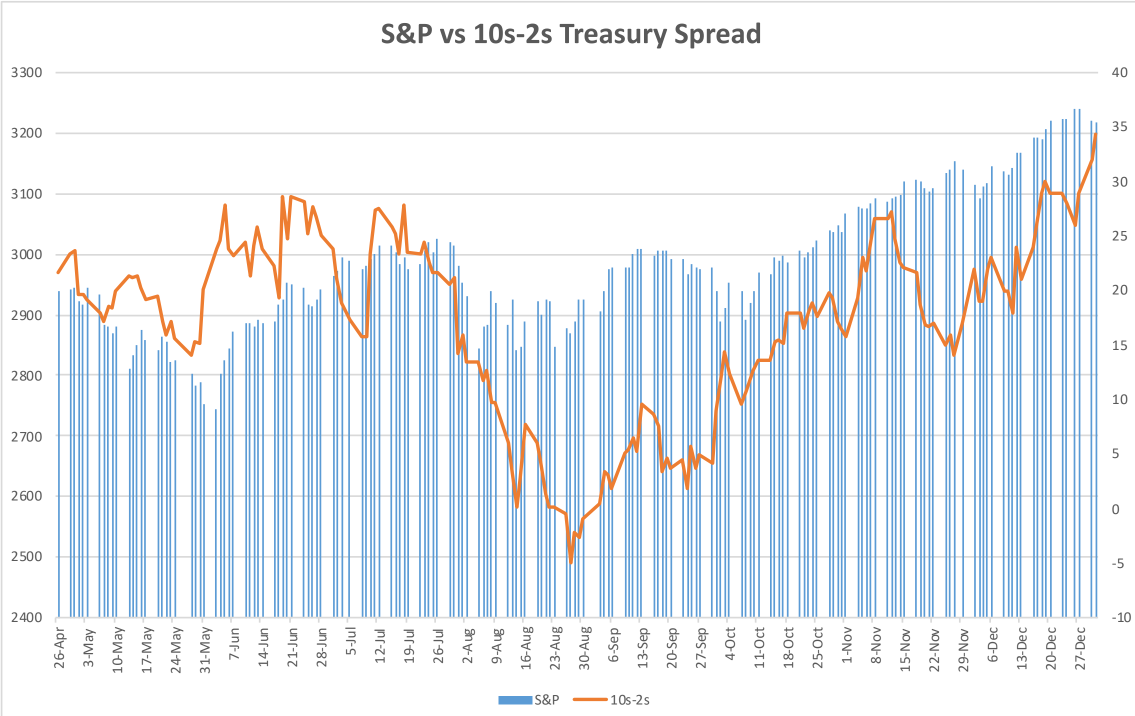
Which sectors lead the market is often a leading indicator: strength in cyclicals implies expectations of continued overall growth, while outperforming defensive sectors signal reduced confidence in global growth rebound.

Looking internationally, developed and emerging markets remained volatile from global economic growth concerns combined with pressures from a strong US Dollar. Developed markets outperformed EM due to the ECB's cutting interest rates and restarting quantitative easing (QE) for the first time since 2018. From June thru November 2019, **EZTracker's** model portfolios underweighted international and emerging markets, shifting exposure to US domestic stocks– during that period domestic equities outperformed international and EM sectors by 13%+.

Switching to fixed income markets, bond prices were broadly higher (US 10-year treasury yields began the year yielding 2.66% and ended the year at 1.92%), as expected given global rate cuts, rising concerns about future economic growth, and subdued inflation readings. Longer-duration bonds once again outperformed shorter, which is reflective of a market that is responding to the recent rate cuts and threats of potentially slowing economic growth.

What We're Watching

Southwest



The yield curve, as measured by the spread (difference) between the yield on the 10-year and the 2-year Treasury note, has steepened over the past month to the widest levels seen in over a year, ending 2019 at 35 bps. An encouraging macro signal, this implies an expectation of continuing economic growth over the medium to longer term. Still, the question facing investors is how the 10s-2s spread changes over the next few months. This remains one of the key indicators EZTracker monitors for signs of economic growth.

Expectations of 2020

While we of course cannot predict the future, we share "expert" analyst predictions for 2020 and show how the same analysts performed in 2019. Keep in mind that the "experts" missed on their 2019 forecast by approximately 8% (on average) after missing the prior year by almost 12%.

Company	Analyst	2019 S&P Prediction	Actual 2019 S&P	% Miss 2019	2020 S&P Prediction	2020 Proj vs. 2019 Close
Deusche Bank	Binky Chadha	3250	3231	0.6%	3250	0.6%
BMO	Brian Belski	3,150	3231	2.5%	3400	5.2%
Citi	Tobias Levkovich	3100	3231	4.0%	3375	4.5%
J.P. Morgan	Dubravko Lakos-Bujas	3100	3231	4.0%	3400	5.2%
Credit Suisse	Jonathan Golub	3025	3231	6.4%	3425	6.0%
Goldman Sachs	David Kostin	3000	3231	7.1%	3400	5.2%
Barclays	Maneesh Deshpande	3000	3231	7.1%	3300	2.1%
Cannaccord Genuity	Tony Dwyer	2950	3231	8.7%	3350	3.7%
BofA Merrill Lynch	Savita Subramanian	2900	3231	10.2%	3300	2.1%
RBC	Lori Calvasina	2900	3231	10.2%	3350	3.7%
Morgan Stanley	Michael Wilson	2750	3231	14.9%	3000	-7.1%
UBS Group	Francois Trahan	2550	3231	21.1%	3000	-7.1%
	Average	2973	3231	8.1%	3296	2.0%

We understand that markets always face uncertainties at the start of a new year, and we are committed to monitoring these situations and their impact on your retirement portfolio. At EZTracker, we understand that volatility, regardless of the cause, can be unnerving, *even if it is not atypical*. We remain committed to helping you navigate this ever-changing market environment, with a focus on ensuring continued progress on achieving your long-term investment goals. As always, successful investing remains a marathon, not a sprint – so it remains critical to stay invested, remain patient, and stick to a plan.

Bottom line, U.S. markets were resilient in 2019 and the performance remains impressive. However, our experience has taught us that resilience only goes so far, and risks still need to be monitored closely. The EZTracker team remains dedicated to helping you successfully navigate this market environment as we have since EZTracker began in 2002. We remain vigilant towards risks to portfolios and the economy, and we thank you for your ongoing confidence and trust.

Model Portfolios | January 2020 Newsletter

Southwest

EZTracker provides model portfolios designed for different investment needs. The model portfolios reflect the changes below. Your percentages may vary somewhat, make sure you have the correct funds and approximately these percentages.

Current Subscribers:

Pilots' 401k Portfolios:

Aggressive, Moderate, & Conservative Portfolios:

There are NO CHANGES this month.

Pilot's Expanded Portfolio:

There are NO CHANGES this month.

Non-Pilots' 401k/Profit Sharing Portfolios:

Aggressive, Moderate, & Conservative Portfolios:

There are NO CHANGES this month.

Expanded Portfolio (Non-Pilots & Profit Sharing Plan):

There are NO CHANGES this month.

New Subscribers:

or those who haven't made any changes in a few months

Rebalance your 401k using the chart below for the portfolio you want to follow. **Rebalance** directions on page 13

Southwest Pilots' Portfolio	Symbol	Aggressive	Moderate	Conservative
Vanguard Institutional Index Instl Pl	VIIIX	40%	32%	18%
Blackrock Fundamental US Large Company		[redacted]	[redacted]	[redacted]
Vanguard Extended Market Index Fund	VEMPX	[redacted]	[redacted]	[redacted]
American Funds EuroPacific GR6	RERGX	[redacted]	[redacted]	[redacted]
Vanguard Total Bond Market Index -Inst	VBTIX	[redacted]	[redacted]	[redacted]
Southwest Non-Pilots' Portfolio/Profit Sharing	**Symbol**	[redacted]	[redacted]	**[redacted]tive**
Vanguard Institutional 500 Index Trust		[redacted]	[redacted]	[redacted]
Harbor Capital Appreciation Instl	HACAX	[redacted]	[redacted]	[redacted]
FIAM Small Cap Core Class O		[redacted]	[redacted]	[redacted]
American Funds EuroPacific GR6	RERGX	[redacted]	[redacted]	[redacted]
Vanguard Institutional Total Bond Market Index	VBTIX	5%	30%	60%

Visit www.eztracker401k.com or call 201-503-6445 for more information

Pilots' Expanded Portfolio.
For information and details see p. 9-11
The EZTracker Pilots' Expanded Portfolio uses ETFs available through the Schwab Self-Directed Brokerage Link. All Schwab ETFs trade commission free. Non-Schwab ETFs incur a $4.95 commission charge. This model portfolio is constructed using the data on page 7. As 5% of your 401k must remain in the core 401k, allocate a minimum of 5% to the Vanguard Total Money Market (VMFXX).

Pilot's Expanded Portfolio	401k	Brokerage	Total
Vanguard Federal Money Mark[redacted]	[redacted]	[redacted]	[redacted]
Schwab U.S. Large Cap (SCHX[redacted]	[redacted]	[redacted]	[redacted]%
Technology Select Sector SPD[redacted]	[redacted]	[redacted]	[redacted]%
Vanguard FTSE Developed Ma[redacted]	[redacted]	[redacted]	[redacted]%
Invesco S&P 500 Equal Weight[redacted]	[redacted]	[redacted]	[redacted]%
Communication Services Selec[redacted]	[redacted]	[redacted]	[redacted]%
iShares Core U.S. Aggregate B[redacted]	[redacted]	[redacted]	[redacted]%
Vanguard Mid-Cap ETF (VO)	[redacted]	[redacted]	[redacted]%
	100%	100.0%	100%

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*non-Schwab ETF. $4.95 Commission.

Expanded Portfolio Other SW Employees/ Profit Sharing Plan.
For information and details see p. 9 &12.
The EZTracker Expanded 401k Portfolio for ALL other SW Employees and the Southwest Profit Sharing Plan uses selected mutual funds to supplement the choices currently available in the 401k plan. The supplemental mutual funds are available through the SDA. *Southwest employees can use the SDA for a maximum of 50% of their 401k or Profit Sharing.*

Expanded Portfolios - NonPilots & Profit Sharing Plan	401k	Brokerage	Total
Vanguard U.S. Institutional Index (VIIIX)	100%		40%
Schwab Large Cap Growth Fund (SWLSX)		33.3%	20%
Schwab US Mid-Cap Index Fund (SWMCX)		25.0%	15%
Schwab US Aggregate Bond Index Fund (SWAGX)		8.3%	5%
Schwab International Index Fund (SWISX)		33.3%	20%
	100%	100.0%	100%

Note: If you need assistance, call the Empower Service Center: 1-866-588-2728

Model Portfolios | January 2020 Newsletter

Southwest

All the model portfolios consist of core holdings representing major market segments, plus top performers based on current market conditions. Some market conditions may cause us to deviate from the following indicative percentages.

Aggressive Portfolio:
95-100% invested in equities. This is a high risk/high reward portfolio.

Moderate Portfolio:
70% invested in equities and 30% invested in bonds or the money market fund or Stable Value Fund

Conservative Portfolio:
40% invested in equities and 60% invested in bonds or the money market fund or Stable Value Fund.

Brokerage Portfolio: These are high risk/high reward portfolios for subscribers looking for a wider selection of investment options.

- The Pilot's Expanded Portfolio is 95-100% invested in equities using the PRCA Brokerage Link and an expanded list of Schwab ETFs. This is a high risk/high reward portfolio.
- The Expanded Portfolio for non-pilots/Profit Sharing is 50% invested in the core 401k investment options and 50% invested in an expanded list of Schwab mutual funds.

Performance

Southwest Pilots 401k

Current Performance Through Dec 31, 2019	MTD Dec *	YTD 2019
EZTracker Aggressive	3.95%	19.42%
EZTracker Moderate	2.93%	14.76%
EZTracker Conservative	1.71%	9.59%
EZTracker Brokerage	3.69%	24.46%
Morningstar Benchmarks		
Aggressive Target Risk Index	3.83%	25.79%
Moderate Target Risk Index	2.45%	18.88%
Conservative Target Risk Index	0.84%	11.00%
S&P 500	**3.87%**	**28.88%**

Southwest Non-Pilots 401k/Profit Sharing

Current Performance Through Dec 31, 2019	MTD Dec *	YTD 2019
EZTracker Aggressive	4.38%	19.78%
EZTracker Moderate	3.22%	14.96%
EZTracker Conservative	1.88%	9.67%
EZTracker Brokerage	3.73%	20.89%
Morningstar Benchmarks		
Aggressive Target Risk Index	3.83%	25.79%
Moderate Target Risk Index	2.45%	18.88%
Conservative Target Risk Index	0.84%	11.00%
S&P 500	**3.87%**	**28.88%**

** Performance since last newsletter*

Morningstar Target Risk Index
The Morningstar Target Risk Index series serve as benchmarks to help with investment selections. They cover a global set of stocks, bonds and commodities. While not investable indices, they represent challenging benchmarks for long-term investing plans such as the EZTracker model portfolios.

Historical Performance
Any investment strategy should be measured one way: Results over time. Not one-week, one-month, not even one-year. While past performance is not a guarantee of future performance, our record has been excellent in delivering long-term returns. As with any long-term investing strategy, you should not expect dramatic short-term results to offset past losses.

Annual % Total Returns

Pilots 401k	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EZTracker Aggressive	9.95	6.36	20.18	13.79	-27.29	20.36	14.70	-8.53	10.75	25.59	5.62	-3.77	6.67	19.47	-4.00	19.42
EZTracker Moderate	6.97	4.54	13.90	10.94	-18.46	13.64	10.35	-4.09	7.32	17.66	5.01	-2.69	4.28	13.87	-2.76	14.76
EZTracker Conservative	3.98	2.64	7.82	6.71	-8.40	9.22	7.26	-1.48	4.95	10.59	3.51	-0.72	3.42	8.78	-1.01	9.59
EZTracker Expanded					Portfolio Started 4/25/11				6.46	25.97	9.08	-0.91	4.34	17.70	-7.47	24.46
401k for Others & Profit	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
EZTracker Aggressive	14.10	10.89	19.44	8.39	-16.21	19.64	7.76	-10.97	9.55	28.52	6.13	-3.29	8.09	18.86	-5.28	19.78
EZTracker Moderate	9.87	7.62	14.90	7.16	-10.04	15.09	6.24	-6.67	6.63	19.95	4.20	-1.94	5.85	14.47	-3.86	14.96
EZTracker Conservative	5.64	4.35	10.44	5.92	-3.80	9.80	4.55	-3.44	4.37	11.68	3.16	-0.67	3.98	10.53	-1.57	9.67
EZTracker Expanded					Portfolio Started 4/25/11				4.83	27.20	5.35	-0.69	10.58	17.70	-5.61	20.89
Morningstar Benchmarks	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Aggressive Target Risk Index						32.00	16.75	-3.60	16.07	24.53	5.23	-2.67	11.34	21.95	-8.17	25.79
Moderate Target Risk Index						21.77	12.33	0.59	12.04	14.31	4.89	-1.79	8.57	14.66	-4.76	18.88
Conservative Target Risk Index						9.56	7.07	4.38	7.36	2.97	3.38	-0.92	4.67	7.00	-1.20	11.00

All data for the model portfolios and the market indices are based on total returns which include reinvestment of dividends.
See the EZTracker website (www.eztracker401k.com) for historical data for all model portfolios.

Monthly Fund Data-Southwest Pilots

Southwest Pilots

The following represents data on all funds available in the Southwest Airlines 401k and Profit Sharing plans for this month.

Fund	Fund Symbol	Total Returns				YTD	Tracker AVG
		1 MO	3 MO	6 MO	12 MO		
Vanguard Institutional Index Instl Pl	VIIIX	3.02%	9.07%	10.92%	31.48%	0.00%	29.72%
Vanguard Total Stock Market Index	VITSX	2.87%	9.01%	10.20%	30.81%	0.00%	28.85%
Blackrock Fundamental US Large Company		3.03%	8.83%	10.76%	28.88%	0.00%	28.10%
American Funds EuroPacific GR6	RERGX	4.30%	10.09%	8.34%	27.40%	0.00%	27.34%
Vanguard Extended Market Index Fund	VEMPX	2.17%	8.90%	7.15%	28.07%	0.00%	25.25%
American Funds 2055 Target Date Retirement		3.13%	8.87%	8.65%	25.09%	0.00%	24.94%
American Funds 2050 Target Date Retirement		3.14%	8.88%	8.60%	25.04%	0.00%	24.91%
American Funds 2060 Target Date Retirement		3.10%	8.82%	8.57%	25.01%	0.00%	24.82%
American Funds 2045 Target Date Retirement		3.04%	8.66%	8.46%	24.68%	0.00%	24.46%
American Funds 2040 Target Date Retirement		3.01%	8.53%	8.39%	24.40%	0.00%	24.19%
American Funds 2035 Target Date Retirement		2.90%	8.00%	8.00%	23.29%	0.00%	23.01%
Vanguard Total International Stock Index-Inst	VTSNX	4.27%	9.05%	7.30%	21.56%	0.00%	23.00%
Schwab Fundamental US Small Co. Index	SFSNX	2.56%	7.15%	7.71%	24.42%	0.00%	22.82%
DFA World ex US Core Equity	DFWIX	4.73%	9.79%	7.30%	19.98%	0.00%	22.80%
DFA Global Real Estate Securities	DFGEX	0.64%	1.61%	7.76%	26.40%	0.00%	19.85%
American Funds 2030 Target Date Retirement		2.45%	6.51%	6.80%	20.06%	0.00%	19.54%
American Funds 2025 Target Date Retirement		2.20%	5.65%	6.11%	17.85%	0.00%	17.35%
American Funds 2020 Target Date Retirement		1.86%	4.54%	5.27%	15.59%	0.00%	14.86%
American Funds 2015 Target Date Retirement		1.82%	4.22%	5.10%	14.94%	0.00%	14.23%
American Funds 2010 Target Date Retirement		1.65%	3.83%	4.67%	13.88%	0.00%	13.11%
Loomis Sayles Core Plus Bond	NERYX	0.11%	0.32%	2.28%	8.96%	0.00%	6.36%
Vanguard Total Bond Market Index -Inst	VBTIX	-0.14%	0.03%	2.46%	8.73%	0.00%	6.05%
Vanguard Short-Term Inflation Protected	VTSPX	0.72%	1.05%	1.45%	4.82%	0.00%	4.38%
Vanguard Total International Bond Index	VTIFX	-0.45%	-1.30%	1.68%	7.89%	0.00%	4.26%
Wells Fargo Stable Asset		0.19%	0.66%	1.33%	2.49%	2.49%	2.55%
Vanguard Federal Money Market	VMFXX	0.13%	0.45%	1.00%	2.17%	2.17%	2.05%

Monthly Fund Data-Southwest NonPilots

Southwest® Non-Pilots

The following represents data on all funds available in the Southwest Airlines 401k and Profit Sharing plans for this month.

Fund	Fund Symbol	Total Returns				YTD	Tracker Avg
		1 MO	3 MO	6 MO	12 MO		
FIAM Small Cap Core Class O		5.70%	13.07%	8.57%	32.63%	32.63%	32.71%
Harbor Capital Appreciation Instl	HACAX	2.58%	12.43%	10.04%	33.28%	0.00%	31.82%
Vanguard Institutional 500 Index Trust		3.02%	9.07%	10.92%	31.48%	0.00%	29.72%
American Funds EuroPacific GR6	RERGX	4.30%	10.09%	8.34%	27.40%	0.00%	27.34%
Dodge & Cox Stock Fund	DODGX	3.40%	10.09%	10.32%	24.83%	0.00%	26.53%
Vanguard Institutional Extended Market Index	VIEIX	2.16%	8.89%	7.14%	28.05%	0.00%	25.23%
Vanguard Target Retirement 2060 Trust Select		3.07%	8.04%	8.39%	25.13%	0.00%	24.35%
Vanguard Target Retirement 2045 Trust Select		3.07%	8.02%	8.37%	25.07%	0.00%	24.29%
Vanguard Target Retirement 2050 Trust Select		3.04%	8.02%	8.37%	25.05%	0.00%	24.27%
Vanguard Target Retirement 2055 Trust Select		3.06%	8.03%	8.33%	25.06%	0.00%	24.26%
Vanguard Target Retirement 2065 Trust Select		3.01%	8.00%	8.29%	24.96%	0.00%	24.14%
Vanguard Institutional Total International Stock	VTSNX	4.27%	9.05%	7.30%	21.56%	0.00%	23.00%
Vanguard Target Retirement 2040 Trust Select		2.81%	7.40%	7.92%	23.93%	0.00%	22.95%
Vanguard Target Retirement 2035 Trust Select		2.54%	6.68%	7.43%	22.56%	0.00%	21.39%
Vanguard Target Retirement 2030 Trust Select		2.27%	5.97%	6.94%	21.14%	0.00%	19.81%
Vanguard Target Retirement 2025 Trust Select		1.99%	5.25%	6.40%	19.67%	0.00%	18.17%
Vanguard Target Retirement 2020 Trust Select		1.73%	4.47%	5.72%	17.69%	0.00%	16.15%
Vanguard Target Retirement 2015 Trust Select		1.24%	3.27%	4.69%	14.88%	0.00%	13.14%
Vanguard Target Retirement Income Select		1.03%	2.66%	4.20%	13.20%	0.00%	11.51%
Southwest Common Stock	LUV	-5.31%	-0.66%	6.39%	16.14%	16.14%	9.02%
Vanguard Institutional Total Bond Market Index	VBTIX	-0.14%	0.03%	2.46%	8.73%	0.00%	6.05%
PIMCO Total Return Collective Trust II	PTTRX	-0.24%	-0.29%	2.06%	8.26%	0.00%	5.33%
Vanguard Shrt-Term Inf-Prot Sec Idx Adm	VTSPX	0.72%	1.05%	1.45%	4.82%	0.00%	4.38%
Stable Value Fund		0.17%	0.52%	1.07%	2.14%	2.14%	2.13%

Expanded Portfolios-Southwest Pilots & NonPilots

Pilots' Expanded Portfolio

*In 2011 we added a new 401k portfolio for Pilots – **the Expanded Portfolio**. The decision to add this portfolio comes as a result of requests from pilots to make use of the PCRA and pressure from the SWPA 401k committee to limit trading activity in the core 401k plan. The Schwab Personal Choice Retirement Account (PRCA) is a self-directed brokerage account that supplements your core retirement account investments and provides access to a greatly expanded range of investments. Pilots can use the PCRA for up to 95% of their 401k. Our new portfolio reflects this flexibility.*

- *The **Expanded Portfolio** is based on 100+ ETFs we believe provide a great range of investment options. These ETFs provide a much wider range of investment options than provided in the basic 401k plan for Southwest pilots. These Schwab ETFs that trade commission-free through the PCRA and have sufficient trading volume to insure good liquidity.*

We've selected ETFs rather than mutual funds:

- *so this portfolio will not be burdened by trading restrictions imposed by most mutual funds.*
- *to provide excellent transparency. You can check the composition of any ETF (www.morningstar.com or www.etfdb.com).*
- *to provide the flexibility of adding coverage of other market segments in the future.*

To get started and to open a PCRA account is easy.

1. Go to www.swapa.org and click on the 401k tab and log-in.
2. Click on the $ sign in the lower right corner and log into your plan.
3. On your account page, select "Investments" from the top menu bar.
4. Select "Schwab Self-Directed Brokerage Account". Here you will able to get information about starting your account as well as a wide range of general information about this option for your 401k.

To use this portfolio, you must open a Self-Directed Brokerage Account through Schwab. Any questions, call 1-888-393-7272
See the updated Pilot 401k Expanded Portfolio on page 4.

In addition to these ETF holdings, 5% of your 401k must remain within the core 401k plan. Allocate this 5% to the Vanguard Total Money Market (VNFXX). All contributions from your paychecks should be going to the Money Market Fund and then transferred to the PRCA.

Expanded Portfolio for All Other Southwest Employees and the Profit Sharing Plan

*In June 2011 we added a new 401k portfolio for all non-pilot employees at Southwest – **the Expanded Portfolio**. This portfolio can also be used by all Southwest employees to manage their Profit Sharing Plan. The decision to add this portfolio is the result of requests from employees to make use of the expanded options available to them and to provide investment opportunities in market segments not available in the plans. The Self-Directed Brokerage Account (SDA) can be used to supplement your core retirement account investments and provides access to a greatly expanded range of investments. Southwest employees (non-pilots) managing their 401k and all Southwest employees (including pilots) managing their Profit Sharing Plans can use the SDA for up to 50% of the plan. Our new portfolio reflects this flexibility.*

*The **Expanded Portfolio** adds 50 mutual funds to the current list of investment options available in the 401k. We have selected these mutual funds because:*

- *They represent investment segments currently under-represented in the 401k (small/mid cap funds, international funds and bond funds).*
- *Because of the 50% limitation on investing through the SDA, we wanted to have the flexibility to start with a limited number of funds and add funds as needed.*
- *All of the selected funds are No-Load/No Transaction Fee funds. There are no commissions, although there are trading restrictions.*

To get started and to open a SDA account is easy.

1. Go to: www.freedomtoretire.com and log-in
2. Select Retirement Brokerage Services – Self Directed Account
3. You can view a demo, open your account and get a User's Guide.
4. After you have opened your SDA account, you can transfer up to 50% of your 401k balance to the Retirement Brokerage Services SDA.
5. See the Expanded Model Portfolio on page 4.

Note: If you need assistance, call the Empower Service Center: 1-866-588-2728

Pilot Expanded Portfolio/Profit Sharing

Southwest Pilots

This is an aggressive portfolio designed for investors who are comfortable using online brokerage services and want to take a more active role in managing their 401k portfolios.

Symbol	Name	1 Mo	3 Mo	6 Mo	12 Mo	YTD	EZT Avg	AVG Value (MM)	AVG Volume (K)	Expense
SMH	VanEck Vectors Semiconductor ETF	7.98%	20.48%	30.26%	64.44%	64.44%	67.18%	477	3,688	0.35
SOXX	iShares PHLX Semiconductor ETF	7.93%	19.19%	27.58%	62.43%	62.43%	63.89%	98	430	0.46
XSD	SPDR S&P Semiconductor ETF	8.41%	18.06%	25.86%	64.65%	64.65%	63.81%	10	100	0.35
PALL	Aberdeen Standard Physical Palladium	5.96%	15.12%	25.89%	53.94%	53.94%	55.04%	5	32	0.60
SIL	Global X Silver Miners ETF	13.09%	19.49%	25.28%	34.74%	34.74%	50.52%	6	185	0.65
TAN	Invesco Solar ETF	10.36%	5.18%	9.27%	66.53%	66.53%	49.83%	5	177	0.70
ERUS	iShares MSCI Russia ETF	8.77%	16.26%	14.87%	49.33%	49.33%	48.67%	8	192	0.59
XLK	Technology Select Sector SPDR Fund	4.32%	14.20%	18.22%	49.86%	49.86%	47.23%	761	8,963	0.13
QTEC	First Trust NASDAQ-100 Technology Index	5.30%	14.62%	17.62%	48.21%	48.21%	46.77%	16	168	0.60
IXN	iShares Global Tech ETF	4.85%	14.43%	17.90%	47.87%	47.87%	46.39%	13	67	0.46
FTEC	Fidelity MSCI Information Technology	3.98%	13.96%	17.03%	48.93%	48.93%	45.76%	16	233	0.08
VGT	Vanguard Information Technology ETF	3.96%	13.90%	16.87%	48.61%	48.61%	45.46%	102	445	0.10
RSX	VanEck Vectors Russia ETF	8.82%	15.73%	11.72%	40.79%	40.79%	42.03%	134	5,517	0.64
EWT	iShares MSCI Taiwan ETF	6.87%	15.95%	20.59%	33.33%	33.33%	41.86%	143	3,652	0.59
RDVY	First Trust Rising Dividend Achievers ETF	3.88%	13.25%	16.60%	37.70%	37.70%	38.96%	8	237	0.50
KBWB	Invesco KBW Bank ETF	3.40%	13.90%	17.12%	35.90%	35.90%	38.36%	11	201	0.35
IHF	iShares U.S. Healthcare Providers ETF	3.25%	24.43%	17.75%	22.35%	22.35%	36.97%	11	62	0.43
XBI	SPDR S&P Biotech ETF	1.56%	24.74%	8.44%	32.56%	32.56%	36.71%	419	4,867	0.35
IYG	iShares U.S. Financial Services ETF	2.66%	11.77%	14.40%	37.64%	37.64%	36.25%	7	50	0.42
ITB	iShares U.S. Home Construction ETF	-2.32%	2.69%	16.50%	48.71%	48.71%	35.77%	101	2,279	0.42
MGK	Vanguard Mega Cap Growth ETF	3.24%	10.39%	13.10%	37.39%	37.39%	34.97%	20	149	0.07
IWY	iShares Russell Top 200 Growth ETF	3.42%	11.23%	13.21%	36.20%	36.20%	34.94%	6	69	0.20
MOAT	VanEck Vectors Morningstar Wide Moat	1.93%	10.65%	15.54%	34.79%	34.79%	34.32%	21	394	0.48
SPHB	Invesco S&P 500 High Beta ETF	5.63%	13.25%	9.80%	33.96%	33.96%	34.17%	6	132	0.25
ASHR	Xtrackers Harvest CSI 300 China A-Shares	8.54%	10.50%	6.31%	36.51%	36.51%	33.74%	82	2,909	0.65
PKW	Invesco BuyBack Achievers ETF	2.56%	10.62%	11.01%	34.09%	34.09%	31.79%	6	85	0.63
SPHQ	Invesco S&P 500 Quality ETF	3.46%	9.54%	11.45%	33.63%	33.63%	31.69%	12	348	0.15
QUAL	iShares Edge MSCI USA Quality Factor	2.83%	9.79%	11.35%	33.89%	33.89%	31.56%	100	1,050	0.15
IBB	iShares Nasdaq Biotechnology ETF	0.77%	21.17%	10.59%	25.21%	25.21%	31.50%	272	2,436	0.47
VOOV	Vanguard S&P 500 Value ETF	3.01%	9.88%	13.04%	31.75%	31.75%	31.46%	5	44	0.15
SPYV	SPDR Portfolio S&P 500 Value ETF	3.03%	9.89%	12.96%	31.70%	31.70%	31.41%	39	1,156	0.04
XLG	Invesco S&P 500 Top 50 ETF	2.93%	10.29%	12.15%	32.04%	32.04%	31.32%	6	29	0.20
IVE	iShares S&P 500 Value ETF	3.00%	9.82%	12.92%	31.63%	31.63%	31.29%	100	803	0.18
OEF	iShares S&P 100 ETF	3.15%	10.09%	12.24%	31.87%	31.87%	31.28%	44	325	0.20
IUSV	iShares Core S&P U.S. Value ETF	3.07%	9.68%	12.61%	31.48%	31.48%	31.00%	30	490	0.04
ARKK	ARK Innovation ETF	-0.38%	17.13%	4.70%	35.08%	35.08%	30.83%	10	210	0.75
MGC	Vanguard Mega Cap ETF	2.89%	9.39%	11.40%	31.15%	31.15%	29.91%	8	79	0.07
VOO	Vanguard S&P 500 ETF	2.97%	9.04%	10.96%	31.35%	31.35%	29.63%	680	2,403	0.03
IVV	iShares Core S&P 500 ETF	2.92%	8.97%	10.92%	31.25%	31.25%	29.49%	1,070	3,461	0.04
SPY	SPDR S&P 500 ETF Trust	2.90%	8.99%	10.90%	31.22%	31.22%	29.46%	17,933	58,413	0.09
XHB	SPDR S&P Homebuilders ETF	-0.67%	3.47%	9.72%	41.30%	41.30%	29.36%	84	1,856	0.35
SCHX	Schwab US Large-Cap ETF	2.77%	8.96%	10.62%	31.21%	31.21%	29.22%	66	896	0.03
IWV	iShares Russell 3000 ETF	2.80%	8.99%	10.36%	30.66%	30.66%	28.81%	46	255	0.20
IWP	iShares Russell Mid-Cap Growth ETF	1.19%	8.13%	7.34%	35.04%	35.04%	28.20%	38	256	0.24
XLC	Communication Services Select Sector	2.26%	8.53%	9.45%	31.05%	31.05%	27.98%	144	2,793	0.13
VBK	Vanguard Small-Cap Growth ETF	1.50%	9.40%	7.07%	32.75%	32.75%	27.66%	27	142	0.07
SCZ	iShares MSCI EAFE Small-Cap ETF	4.15%	11.03%	10.70%	24.67%	24.67%	27.58%	62	1,022	0.39
IDV	iShares International Select Dividend ETF	4.87%	10.46%	11.54%	23.56%	23.56%	27.51%	23	705	0.49
VOT	Vanguard Mid-Cap Growth ETF	2.07%	7.51%	6.86%	33.76%	33.76%	27.38%	18	120	0.07
IQLT	iShares Edge MSCI International Quality	4.00%	9.70%	7.84%	28.17%	28.17%	27.12%	8	259	0.30
IWO	iShares Russell 2000 Growth ETF	2.26%	11.41%	7.11%	28.48%	28.48%	26.87%	109	537	0.24
VOX	Vanguard Communication Services ETF	2.24%	8.67%	8.99%	28.02%	28.02%	26.14%	13	141	0.10
VO	Vanguard Mid-Cap ETF	2.43%	6.91%	7.53%	30.97%	30.97%	26.09%	82	478	0.04
VGK	Vanguard FTSE Europe ETF	4.51%	9.93%	7.99%	24.85%	24.85%	25.80%	172	3,093	0.09
IEUR	iShares Core MSCI Europe ETF	4.55%	9.90%	7.87%	24.95%	24.95%	25.78%	23	472	0.09
IWR	iShares Russell Mid-Cap ETF	2.20%	7.04%	7.59%	30.23%	30.23%	25.67%	58	1,008	0.19
JHMM	John Hancock Multi-Factor Mid Cap ETF	2.09%	7.00%	7.94%	30.01%	30.01%	25.66%	5	121	0.45
VWO	Vanguard FTSE Emerging Markets ETF	7.07%	11.85%	7.24%	20.76%	20.76%	25.59%	479	11,365	0.12
HEZU	iShares Currency Hedged MSCI Eurozone	1.70%	5.97%	9.26%	29.48%	29.48%	25.31%	11	345	0.50

Pilot Expanded Portfolio/Profit Sharing

Symbol	Name	1 Mo	3 Mo	6 Mo	12 Mo	YTD	EZT Avg	AVG Value (MM)	AVG Volume (K)	Expense
SCHE	Schwab Emerging Markets Equity ETF	6.98%	11.92%	7.18%	20.27%	20.27%	25.28%	26	990	0.13
VTWO	Vanguard Russell 2000 ETF	2.89%	9.97%	7.54%	25.81%	25.81%	25.21%	24	190	0.15
RHS	Invesco S&P 500 Equal Weight Consumer Staples ETF	2.95%	4.52%	10.30%	28.17%	28.17%	25.06%	3	18	0.40
FNDE	Schwab Fundamental Emerging Markets	7.07%	12.19%	6.88%	19.69%	19.69%	24.99%	11	369	0.39
XAR	SPDR S&P Aerospace & Defense ETF	-1.47%	2.25%	5.49%	39.33%	39.33%	24.88%	23	212	0.35
SPSM	SPDR Portfolio Small Cap ETF	2.89%	9.30%	7.46%	25.86%	25.86%	24.82%	14	464	0.05
IYJ	iShares U.S. Industrials ETF	0.28%	5.93%	6.64%	32.28%	32.28%	24.61%	7	42	0.42
VOE	Vanguard Mid-Cap Value ETF	2.58%	6.23%	8.26%	27.84%	27.84%	24.49%	27	233	0.07
SLYV	SPDR S&P 600 Small CapValue ETF	2.89%	7.83%	9.32%	24.26%	24.26%	24.17%	10	152	0.15
IJJ	iShares S&P Mid-Cap 400 Value ETF	3.08%	7.31%	8.11%	25.67%	25.67%	24.09%	12	74	0.25
MDYV	SPDR S&P 400 Mid Cap Value ETF	3.11%	7.35%	7.77%	25.89%	25.89%	24.07%	17	317	0.15
IJS	iShares S&P Small-Cap 600 Value ETF	2.84%	7.74%	9.30%	24.12%	24.12%	24.00%	26	166	0.25
AAXJ	iShares MSCI All Country Asia ex Japan	6.89%	12.26%	6.68%	17.92%	17.92%	23.87%	65	926	0.67
XLP	Consumer Staples Select Sector SPDR	2.41%	3.37%	9.99%	27.43%	27.43%	23.56%	629	10,222	0.13
FSTA	Fidelity MSCI Consumer Staples Index ETF	2.55%	3.63%	9.82%	26.83%	26.83%	23.36%	4	120	0.08
IJH	iShares Core S&P Mid-Cap ETF	2.81%	6.99%	6.90%	26.10%	26.10%	23.35%	154	779	0.06
VCR	Vanguard Consumer Discretionary ETF	2.96%	5.62%	6.40%	27.45%	27.45%	23.14%	10	57	0.10
VDC	Vanguard Consumer Staples ETF	2.63%	3.65%	9.85%	26.09%	26.09%	23.03%	15	96	0.10
VEA	Vanguard FTSE Developed Markets ETF	3.57%	8.33%	7.41%	22.62%	22.62%	22.87%	325	7,642	0.05
XLY	Consumer Discretionary Select Sector	2.76%	4.25%	5.92%	28.39%	28.39%	22.54%	364	2,997	0.13
IGF	iShares Global Infrastructure ETF	4.04%	4.80%	5.41%	25.81%	25.81%	21.85%	12	257	0.46
XLU	Utilities Select Sector SPDR Fund	3.29%	0.59%	10.05%	25.92%	25.92%	21.73%	1,004	15,809	0.13
XLB	Materials Select Sector SPDR Fund	2.86%	6.11%	6.10%	24.13%	24.13%	21.38%	288	4,904	0.13
VAW	Vanguard Materials ETF	2.96%	6.70%	5.71%	23.53%	23.53%	21.22%	6	43	0.10
IGE	iShares North American Natural Resources	7.05%	7.35%	2.40%	17.11%	17.11%	18.50%	6	211	0.46
VCLT	Vanguard Long-Term Corporate Bond ETF	0.18%	1.49%	7.02%	23.89%	23.89%	17.77%	36	356	0.07
SPLB	SPDR Portfolio Long Term Corporate Bond	0.25%	1.30%	7.06%	23.49%	23.49%	17.52%	11	357	0.07
IGLB	iShares Long-Term Corporate Bond ETF	0.35%	1.24%	6.84%	23.19%	23.19%	17.25%	21	320	0.06
VRP	Invesco Variable Rate Preferred ETF	0.96%	2.85%	6.23%	19.38%	19.38%	16.05%	8	295	0.50
ANGL	VanEck Vectors Fallen Angel High Yield	2.33%	3.63%	5.09%	18.07%	18.07%	15.88%	14	487	0.35
FPE	First Trust Preferred Securities and Income	1.44%	3.08%	6.27%	18.14%	18.14%	15.78%	26	1,306	0.85
PCY	Invesco Emerging Markets Sovereign	3.26%	2.70%	4.35%	17.65%	17.65%	15.26%	29	991	0.50
EMB	iShares JP Morgan USD Emerging Markets	2.95%	2.56%	3.76%	15.48%	15.48%	13.50%	348	3,084	0.39
JNK	SPDR Bloomberg Barclays High Yield	2.01%	2.54%	3.77%	14.88%	14.88%	12.65%	544	5,021	0.40
USHY	iShares Broad USD High Yield Corporate	2.30%	2.32%	3.80%	14.24%	14.24%	12.36%	18	435	0.22
BLV	Vanguard Long-Term Bond ETF	-1.04%	-1.02%	5.60%	18.99%	18.99%	12.29%	41	400	0.07
AGGY	WisdomTree Yield Enhanced US	0.22%	0.70%	3.54%	11.76%	11.76%	8.85%	10	188	0.12
SPIB	SPDR Portfolio Intermediate Term	0.41%	1.04%	2.84%	10.22%	10.22%	7.91%	46	1,306	0.07
FBND	Fidelity Total Bond ETF	0.36%	0.78%	2.81%	9.81%	9.81%	7.50%	8	154	0.36
HYMB	SPDR Nuveen Bloomberg Barclays High	0.31%	0.64%	3.25%	9.51%	9.51%	7.48%	9	156	0.35
HYD	VanEck Vectors High-Yield Municipal	0.11%	0.73%	2.84%	9.34%	9.34%	7.11%	27	420	0.35
BIV	Vanguard Intermediate-Term Bond ETF	-0.10%	0.00%	2.44%	10.34%	10.34%	6.91%	60	688	0.07
SPIP	SPDR Portfolio TIPS ETF	0.56%	0.68%	2.36%	8.79%	8.79%	6.76%	7	251	0.12
EDV	Vanguard Extended Duration Treasury ETF	-4.56%	-6.53%	4.60%	18.68%	18.68%	6.65%	21	155	0.07
SCHP	Schwab US TIPS ETF	0.51%	0.69%	2.23%	8.52%	8.52%	6.52%	29	510	0.05
TIP	iShares TIPS Bond ETF	0.35%	0.61%	2.14%	8.35%	8.35%	6.24%	140	1,207	0.19
AGG	iShares Core U.S. Aggregate Bond ETF	-0.05%	0.13%	2.47%	8.46%	8.46%	6.00%	464	4,120	0.05
VGLT	Vanguard Long-Term Treasury ETF	-2.92%	-4.35%	3.41%	14.31%	14.31%	5.70%	26	309	0.07
TLT	iShares 20+ Year Treasury Bond ETF	-3.20%	-4.66%	3.29%	14.12%	14.12%	5.21%	1,264	9,057	0.15
SPTL	SPDR Portfolio Long Term Treasury ETF	-3.14%	-4.55%	3.25%	13.74%	13.74%	5.07%	31	769	0.06
VMBS	Vanguard Mortgage-Backed Securities	0.24%	0.67%	2.19%	6.19%	6.19%	5.07%	46	867	0.07
MBB	iShares MBS ETF	0.21%	0.54%	1.94%	6.18%	6.18%	4.85%	130	1,199	0.06
VTIP	Vanguard Short-Term Inflation-Protected	0.90%	1.19%	1.53%	4.86%	4.86%	4.63%	31	639	0.06
STIP	iShares 0-5 Year TIPS Bond ETF	0.68%	1.04%	1.52%	4.89%	4.89%	4.44%	9	88	0.06
BWX	SPDR Bloomberg Barclays International	1.35%	0.76%	0.27%	5.59%	5.59%	4.35%	9	302	0.35
FLRN	SPDR Bloomberg Barclays Investment	0.29%	0.72%	1.53%	4.02%	4.02%	3.58%	33	1,089	0.15
FLOT	iShares Floating Rate Bond ETF	0.24%	0.71%	1.53%	3.97%	3.97%	3.52%	59	1,156	0.20
DOG	ProShares Short Dow30	-1.54%	-5.71%	-7.16%	-18.43%	-18.43%	-17.92%	15	289	0.95
SH	ProShares Short S&P500	-2.64%	-7.78%	-9.07%	-22.12%	-22.12%	-22.70%	108	4,235	0.89

Expanded Portfolio for Non-Pilots and Profit Sharing Plan

This is an aggressive portfolio designed for investors who are comfortable using online brokerage services and want to take a more active role in managing their 401k/Profit Sharing portfolios. The following mutual funds have been selected to supplement the choices available to non-pilot employees at Southwest for the 401k plan and all employees for the Profit Sharing Plan. These funds have been selected to broaden the investment choices for these employees by providing investment options in market segments not currently covered by the current plan.

SW Expanded fo Non-Pilots & Profit Sharing	Symbol	1 Mo	3 Mo	6 Mo	12 Mo	YTD	Tracker Avg
Schwab S&P 500 Index Fund	SWPPX	3.02%	9.07%	10.92%	31.44%	0.00%	29.70%
Schwab Large Cap Growth Fund	SWLSX	2.70%	9.82%	10.38%	31.02%	0.00%	29.41%
Schwab 1000 Index Fund	SNXFX	2.88%	8.95%	10.56%	31.41%	0.00%	29.34%
Schwab Total Stock Market Index Fund	SWTSX	2.88%	9.04%	10.26%	30.88%	0.00%	28.95%
Schwab Fundamental US Large Company Index Fund	SFLNX	3.03%	8.83%	10.76%	28.88%	0.00%	28.10%
Schwab Core Equity Fund	SWANX	2.60%	8.84%	9.50%	29.50%	0.00%	27.51%
Schwab US Mid-Cap Index Fund	SWMCX	2.29%	7.05%	7.54%	30.45%	0.00%	25.82%
Schwab Small-Cap Index Fund	SWSSX	2.89%	9.96%	7.32%	25.60%	0.00%	24.97%
Schwab Fundamental Emerging Markets Large Company Index Fund	SFENX	7.02%	11.75%	6.56%	19.47%	0.00%	24.43%
Schwab Global Real Estate Fund	SWASX	1.96%	5.36%	8.90%	27.78%	0.00%	24.00%
Schwab Health Care Fund	SWHFX	3.09%	12.26%	9.80%	17.64%	0.00%	23.34%
Schwab Fundamental International Small Company Index Fund	SFILX	3.92%	10.01%	8.40%	19.58%	0.00%	22.85%
Schwab Fundamental US Small Company Index Fund	SFSNX	2.56%	7.15%	7.71%	24.42%	0.00%	22.82%
Schwab Dividend Equity Fund	SWDSX	2.27%	6.31%	7.12%	24.31%	0.00%	21.82%
Schwab International Index Fund	SWISX	3.05%	7.89%	6.82%	21.87%	0.00%	21.62%
Schwab Fundamental Global Real Estate Index Fund	SFREX	3.24%	5.54%	6.99%	22.61%	0.00%	20.93%
Schwab International Core Equity Fund	SICNX	3.79%	8.15%	5.34%	19.17%	0.00%	19.88%
Schwab Fundamental International Large Company Index Fund	SFNNX	3.11%	7.50%	6.16%	18.09%	0.00%	19.01%
Schwab Small-Cap Equity Fund	SWSCX	1.39%	6.94%	2.71%	17.89%	0.00%	15.78%
Schwab Hedged Equity Fund	SWHEX	1.75%	5.35%	5.07%	8.91%	0.00%	11.50%
Schwab Treasury Inflation Protected Securities Index Fund	SWRSX	0.42%	0.77%	2.09%	8.38%	0.00%	6.36%
Schwab US Aggregate Bond Index Fund	SWAGX	-0.10%	0.08%	2.36%	8.56%	0.00%	5.95%
Schwab Short-Term Bond Index Fund	SWSBX	0.25%	0.44%	1.33%	4.87%	0.00%	3.77%

Southwest employees (non-pilots) may allocate up to 50% of their 401k portfolio to investments outside of the current plan offerings.
All Southwest employees may allocate up to 50% of their Profit Sharing portfolio to investments outside of the current plan offerings.

Change and Rebalance Procedures

Southwest Pilots

PILOTS' 401K

Change Investments/Rebalance/Transfer/Future Investments

- Log on to www.swapa.org and click on the $ sign on bottom.
- Under Participant Login enter Username and Password and sign in.
- Hit "Manage Accounts" at top of page and "Southwest Pilots Retirement Savings Plan".
- Hit "Change Investments" on the top of the page.

Current Subscribers:

- Select "Trade an Investment".
- Select "Begin Transfer" (Roth or Non Roth).
- Under Transfer of Assets, select "all contribution types
- Put Percentage amount into box(s) From.
- Put Percentage amount into box(s) To.
- Complete the transfer process
- Hit "Continue".
- Hit "Submit".
- To set your Future Contributions, click on "Future Investments" on the "Manage Account" page
- Under Future Contributions, select "apply rebalance selections to future contributions"
- Enter percentages in the boxes in the "% After Rebalance" column
- Click "Continue"

New Subscribers or if you haven't made any changes to your account within the past 90 days: Select "Rebalance Your Investments" to rebalance your entire account.

- Under Trade Assets of, select "all contribution types
- Under Future Contributions, select "apply rebalance selections to future contributions"
- Enter percentages in the boxes in the "% After Rebalance" column
- Click "Continue"

Questions please call 1-800-969-7972 ext. 4222

PROFIT SHARING DIRECTIONS ON NEXT PAGE

NON-PILOTS'/PROFIT SHARING

Log in with your Username and Password to:
https://freedomtoretire.empower-retirement.com/participant/#/login?accu=SWA

- Click on "My Accounts" at the top of the page.
- Select "Southwest Airlines Co. 401k Plan"
- On left side under "Investments" Tab, click on "View/Manage my Investments"
- On right side, click on first box "Change My Investments" (Under Non-Roth Current Balance & Future Allocation)

FOR REBALANCE INSTRUCTIONS:

- Select the circle for "Rebalance my current balance". How often: Choose "Once". Make sure there is a check-mark in the box next to "*Direct my future investment this way*". If not, please check it. Hit "Continue" box
- Under "How would you like to invest?" Chose "Do it Myself". Click on the "Choose individual funds" box
- Now hit the yellow box that says "Add/View all funds". Click the boxes to add the funds desired. Hit the "Add" button.
- Now make your allocations. Once you enter a percentage, hit the "LOCK" button to lock that choice, otherwise the sliding function will keep adjusting. Make certain the Total adds up to 100%.
- Click the blue box that says "Submit"
- Review changes and Click the blue box that says "Confirm"

FOR ONE-FOR-ONE EXCHANGES INSTRUCTIONS:

- Select the circle for "Change how my current balance is invested"
- On the next page, select the circle for "Change how my current balance is invested"
- Go to the bottom of the page, you see "This fund transfer will apply to your existing balance (s) only….(in yellow box). Under that enter the Fund-to-Fund transfer amounts in the "Transfer From" boxes and the "Transfer To" boxes.
- If making more than one transfer, then select "Select another Transfer" or if finished select "Review Transfer(s)" box.
- Click the blue box for "OK" under "There are Warnings"
- Click the blue box that says "Submit"

Questions, Comments, Problems?

Let us know if you have any questions or suggestions. We're just a click away at **contact@eztracker401k.com**. Or text/call 201.503.6445 or **201.503.6571**. The information and data contained herein are compiled from sources and procedures believed reliable, but accuracy cannot be guaranteed. EZTracker monitors fund performance and publishes a monthly newsletter. The publisher and owners disclaim any and all liability for losses that may be sustained as a result of using the data presented herein. Past performance is no assurance of future results. All investments involve risk. You should invest only after careful examination of fund prospectuses.

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EZTracker is a monthly newsletter monitoring the 401k investment alternatives available to **Southwest Airlines** employees. Published by EZTracker, P.O. Box 445, Tenafly, NJ 07670.

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