

April 28, 2019

401K PORTFOLIO MAY 2019 UPDATE & NEWSLETTER

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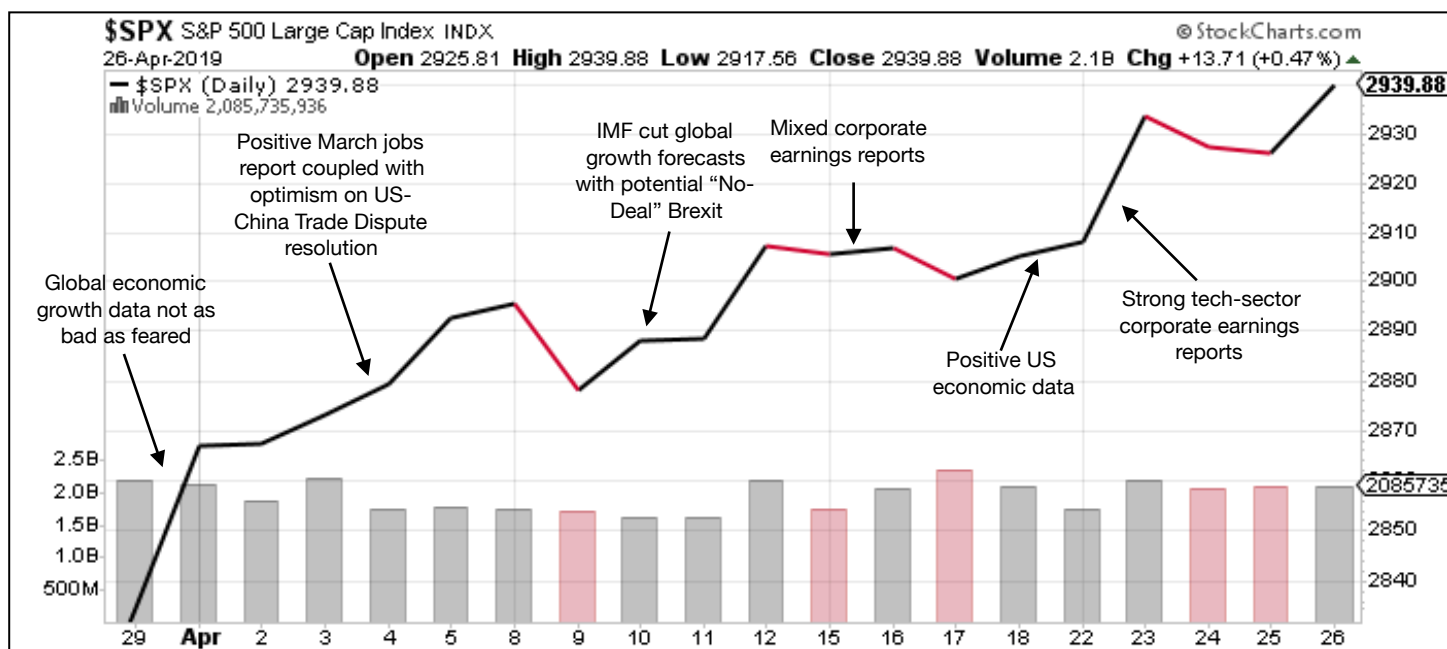
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TAKE CONTROL OF YOUR FUTURE

May 2019 Newsletter

2019's equity rally continued strongly during the month of April, benefitting from corporate earnings that did not disappoint, signs of a rebound in economic growth especially in China, and stiffening of the commodity and housing markets. All major indices were up on the month, reaching a new record Friday: S&P 500 +3.7% (YTD +17.3%), DJII +2.4% (+13.8%) and NASDAQ +5.4% (+22.8%).

There are changes to all EZTracker portfolios as we look to get back to the EZTracker target allocations for each risk tolerance level. **Please see page 4 for detailed model portfolio adjustments.** This is also a good time to review your risk tolerance and assess whether you should be following our Aggressive, Moderate, or Conservative portfolios. For a free assessment to help you decide: <https://tinyurl.com/EZT-risk-quiz>.



S&P up 17% year-to-date! Does this mean anything? What can we expect for the remainder of the year?

Don't be fooled by the media reports rooting on market dominance this year. Left out is the fact that the stock markets also dropped over 14% between October and December – we have simply just returned to last September's levels – in fact, the S&P 500 is only up less than 1% since then. The key question is where are we heading and how should we be positioned.

The bulls say: Global growth should strengthen somewhat during 2H 2019 as growth is stabilizing in China (due to macroeconomic stimulus easing fears of a hard landing), coupled with the disruption of a 'hard, unorganized Brexit', joined by a substantially dovish stance by central banks across the globe, reversing the tightening that produced late 2018's drop.

The bears say: Corporate P/E ratios are high in many equity markets particularly in the US, which coupled with overcapacity in US commercial real estate and heightened risks associated with the scale of US corporate debt means even a modest negative shock or headline could trigger a correction. Furthermore, stronger US growth might prompt the Fed to reconsider remaining on the sidelines, and a Fed decision not to cut rates could come as a negative surprise. Finally, European growth remains very very fragile, and could be easily derailed by many developments.

EZTracker says: we are not afraid of either scenario as we continue our strategy of being in the best performing funds, invested for the long term – not the short or medium term. At this point we believe it is the right time to move toward our target allocations, and as such the EZTracker model portfolios are re-allocating funds into the market from more conservative instruments.

Corporate Earnings

Among the S&P 500 companies that have reported their Q1 earnings to date, over 76% have beaten their consensus EPS estimates, led by outsize earnings results in communications services, discretionary, energy and real estate.

Some examples of companies that announced better than expected earnings and enjoyed price bumps included: financial bellwethers JPMorgan Chase (JPM), PNC Financial Services Group (PNC) and Wells Fargo (WFC); Coca-Cola (KO) and United Technologies (UTX), defense giant Lockheed Martin (LMT), and Microsoft (MSFT). On the news, MSFT stock rose to near a record, past \$1 trillion in market cap, from its Q1 sales jump of 14%, driven mainly by MSFT's transition to the public cloud as more large businesses offload their servers and data storage to Microsoft's Azure.

Economic Data

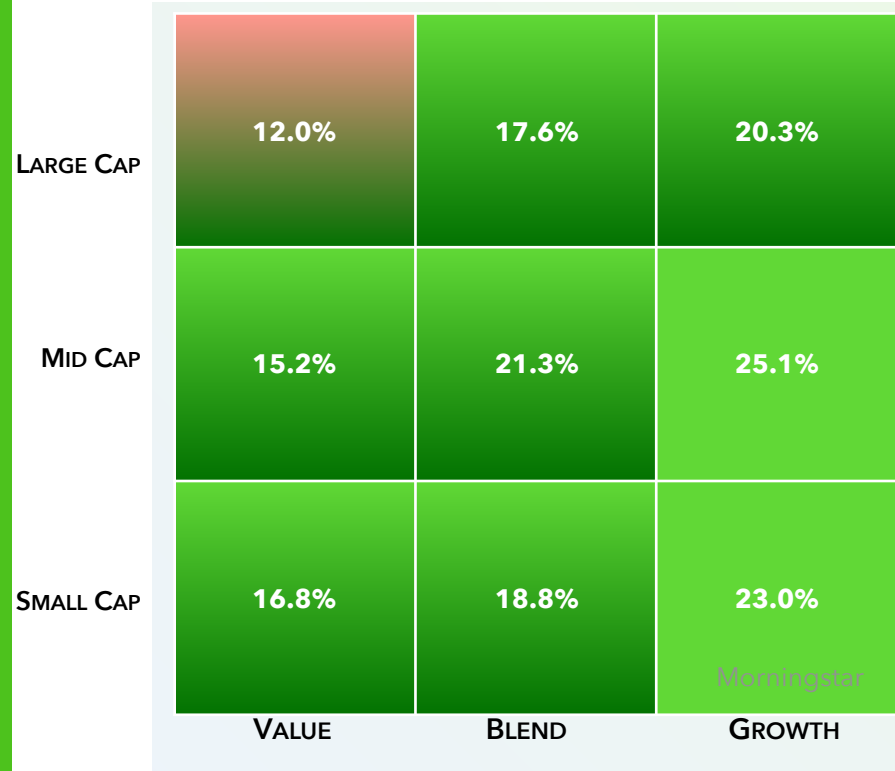
Housing: Sales of new US homes unexpectedly rose in March, climbing to a 16-month high to cap the first quarter with a third straight increase, reflecting a boost from lower borrowing costs. Single-family home sales rose 4.5% to an annualized pace that topped all estimates. The surprisingly strong gain suggests lower mortgage rates and rising wages are helping the housing market. Still, other March data have been less upbeat, as existing home sales missed estimates, housing starts slumped, and the median sales price decreased 9.7% from a year earlier.

This week: All eyes is on the continuation of corporate earnings releases and the Fed, as they meet for their two day May meeting. With first quarter GDP growth at 3.2% but core inflation slipping to 1.7% from a 1.9% pace in the fourth quarter, a key question will be why strong growth is not leading to more inflation and if Fed officials are content to stay on the sidelines for now.

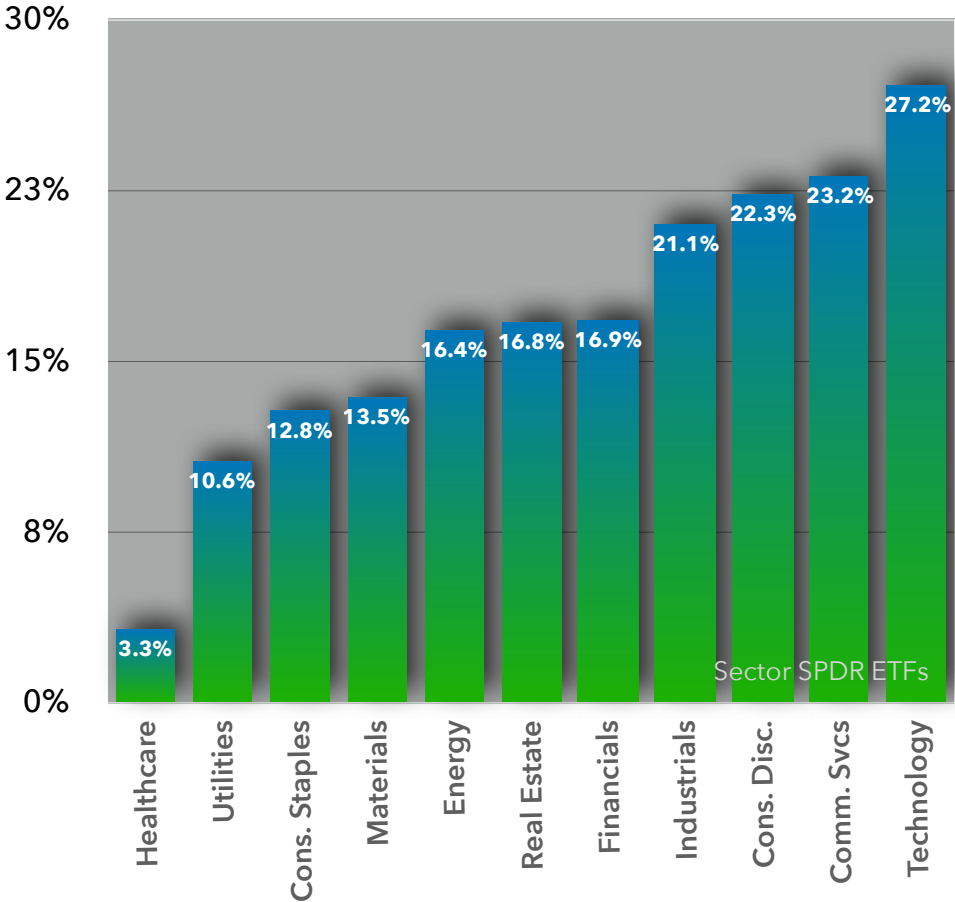
Sector Analysis

Financials, (+8.5%), Communications Services (+7.7%), Technology (+7.0%), and Consumer Discretionary (+7.0%) were the leading sectors for the last month. Defensive stocks made up the laggards, including Healthcare (-2.4%), Utilities (-1.5%) and Energy (-0.33%). Please note that **EZTracker** has changed our source of sector return data from Morningstar (which sector portfolios are not actually investable securities), to Sector SPDRs (which are in fact investable).

YTD Index Performance: Returns (%)



2019 YTD Sector Performance



Commodities & Fixed Income

Oil

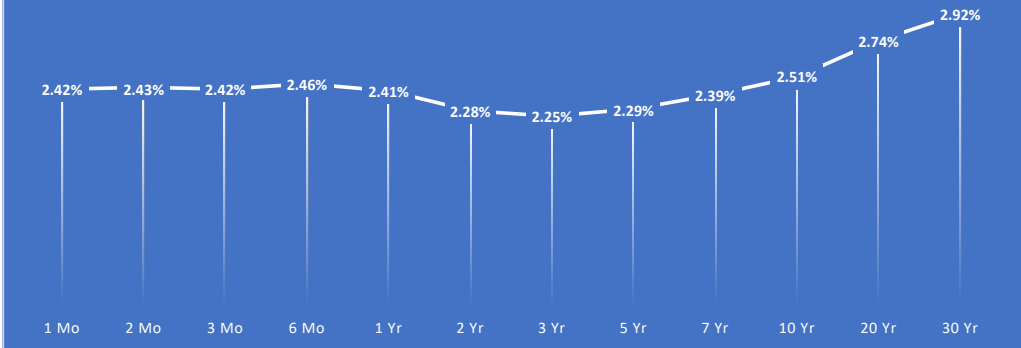
Oil prices hit their highest since November this week after Washington announced the end of all waivers on imports of Iranian crude, pressuring importers to stop buying from Tehran. The expectation is that Saudi Arabia and the UAE will fulfill their pledges to make up the difference. Barclays noted that the US decision was a surprise to many and would “lead to a significant tightening of oil markets”. OPEC is set to meet in June to discuss output policy.

Rates & Yield Curve:

During the month of April, the treasury curve steepened significantly, with the spread between 10-year vs 2-year Treasury widening 0.07%. The investment implications of a widening yield curve should be bullish for equities. 10-year Treasury yields have been fairly volatile, trading in a range between 2.40%-2.60%, and closing the month at 2.51%. The recent bond rally (Prices up, yields down) in the past week came despite strong equity markets and stronger-than-expected GDP. Traders are pricing in weak inflation and possible Fed easing.

TREASURY YIELD CURVE

APRIL 26, 2019



Help Hotline: We help new subscribers get started, and current subscribers get back on track.

Text or call 201.503.6445 | contact@eztracker401k.com

EZTracker provides three model portfolios for Envoy employees; Aggressive, Moderate and Conservative. Each is designed for different investment needs and styles as well as level of risk.

STEP 1: Update Current Investments

Current Subscribers:



Aggressive, Moderate & Conservative Portfolios:
Aggressive: Exchange 100% Investco Stable Value-III for JPMCB Equity Index Fund-CF
Moderate: Exchange 40% Investco Stable Value-III for JPMCB Equity Index Fund-CF
Conservative: Exchange 15% Investco Stable Value-III for JPMCB Equity Index Fund-CF

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. Use "Rebalance my current balance" process.

EZTracker Model Portfolios	Symbol	Aggressive	Moderate	Conservative	Buy Date
JPMCB Equity Index-CF		54%	38%	21%	1/28/19, 4/29/19
JPMorgan Large Cap Growth-R6	JLGMX			9%	1/28/19
Vanguard Small Cap Index I	VSCIX			4%	1/28/19
T. Rowe Price New Horizon	PRNHX			7%	1/28/19
Invesco Stable Value Trust			27%	9%	1/28/19
		100%	100%	100%	

Your individual percentages may vary somewhat from those indicated above due to rounding, timing of purchases, and performance every month (In many cases even though there may be no changes for a particular month you may notice a small change, due to performance/rounding).

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

STEP 2: Update Future Investment Elections

If you are adding cash to your 401k through payroll deductions, set your Future Contributions identical to your Current Investment in the above **EZTracker** Model Portfolio chart.

After you complete the necessary "Exchange" or "Rebalance", print a copy of your transactions, including your confirmation number. The Buy dates are the dates of the most recent purchase. In some cases, prior purchase may have been made. **Keep track of your Buy dates to comply with any trading restrictions.** If you make changes to your 401k, you will not see your newly updated portfolio until the next day. While your percentages may vary somewhat, make sure you have the correct funds and approximately these percentages.

Portfolio Management for the 401k

- Go to: <https://participant.empower-retirement.com/participant/#/login>
- Log in with your Username and Password
- Click "My Account" on the top
- In the left-hand column, click on "View/manage my investments"
- Click the blue tab (lower right corner) "Change my investments"
- Select the action you want to take: choose:
 - Current subscribers** should select "Change how my current balance is invested". This is the "Fund to Fund Transfer" method.
 - New subscribers** should select "Rebalance my current balance"
- Review your choices.
- Select "Submit".
- After updating your Current Investments, make sure you also update your Future Investments (Paycheck and Company Contributions).

Questions? Call Empower and tell them what percentages you want in each fund: 800-345-2345

Model Portfolios | May 2019 Newsletter

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 Credit Union or Stable Value Fund
- Conservative Portfolio:**
40% invested in equities and 60% invested in bonds or the Credit Union or Stable Value Fund. This is our lowest risk portfolio.

Which Portfolio is Right for You: Selecting the right portfolio is an individual decision based on your willingness and ability to take risk. Only you can decide. Planning your retirement is more important than ever. Your portfolio choice will vary based on age, retirement horizon, savings & expenses, pension & social security income, other investment assets, personality, and other factors. We believe you can take control of your 401k and plan for the retirement you envision. We've arranged for advisors at Friedenthal Financial to do a COMPLIMENTARY RISK ASSESSMENT for you. Or, you can take this SHORT QUIZ on your own that they've provided. No personal information is required for the quiz. Your privacy is protected.

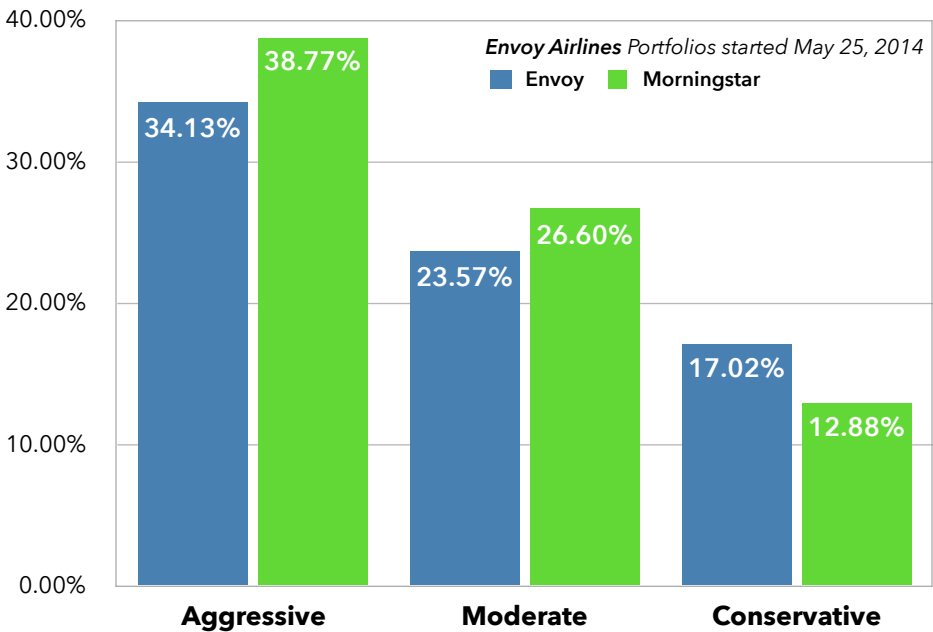
Performance

The **EZTracker** methodology used for **Envoy Airlines** is the same methodology (investing in the best performing funds) we've used since we began publishing in 2002. It has consistently delivered superior long-term results. While past performance is no guarantee of future results, our past performance validates this long-term investing philosophy.

Current Performance Through April 28, 2019	MTD April *	YTD 2019	3-Year
EZTracker Aggressive	2.60%	11.29%	34.13%
EZTracker Moderate	1.90%	8.31%	23.57%
EZTracker Conservative	1.18%	5.21%	17.02%
Morningstar Benchmarks			
Aggressive Target Risk Index	2.77%	15.34%	38.77%
Moderate Target Risk Index	1.76%	10.59%	26.60%
Conservative Target Risk Index	0.59%	5.29%	12.88%
S&P 500	3.72%	17.27%	40.57%

* Performance since last newsletter

3-Yr Total Returns vs Morningstar Benchmarks



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

EZTracker Model Portfolios	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EZTracker Aggressive	0.59	39.49	18.13	12.19	17.10	9.29	-14.63	34.12	19.58	-0.44	7.18	29.77	4.87	0.49	1.56	19.11	-2.91
EZTracker Moderate	1.30	27.40	13.47	9.91	13.40	8.52	-9.75	24.71	14.36	0.03	5.42	20.14	4.73	1.37	3.32	13.82	-2.16
EZTracker Conservative	1.87	14.36	7.82	7.27	9.24	7.62	-3.80	13.89	7.30	0.11	3.58	12.54	4.42	1.72	2.48	9.91	-0.39
Morningstar Benchmarks																	
Aggressive Target Risk Index								32.00	16.75	-3.60	16.07	24.53	5.23	-2.67	11.34	21.95	-8.17
Moderate Target Risk Index								21.77	12.33	0.59	12.04	14.31	4.89	-1.79	8.57	14.66	-4.76
Conservative Target Risk								9.56	7.07	4.38	7.36	2.97	3.38	-0.92	4.67	7.00	-1.20

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

Below is the current fund performance for the alternatives in the **Envoy Air** 401k plan. The “Tracker Average” is a weighted average of performance over the past year and is a key factor in selecting funds for inclusion in the model portfolios.

Fund	Fund Symbol	Total Returns				YTD	Tracker Average
		1 MO	3 MO	6 MO	12 MO		
T. Rowe Price New Horizon	PRNHX	3.34%	13.25%	15.90%	21.43%	23.78%	29.42%
JPMorgan Large Cap Growth R6	JLGMX	4.96%	13.56%	15.08%	17.03%	24.13%	27.62%
T Rowe Price Mid Cap Growth Fund	RPMGX	4.13%	10.62%	15.72%	13.40%	20.02%	23.93%
JPMCB Equity Index Fund-CF		4.43%	10.84%	11.61%	12.20%	17.93%	21.32%
Vanguard Small Cap Index I	VSCIX	4.63%	9.16%	11.58%	8.03%	20.44%	18.22%
Oppenheimer Developing Markets I	ODVIX	3.95%	8.63%	19.39%	0.99%	15.62%	17.98%
American Century Mid Cap Value R6	AMDVX	5.37%	9.05%	11.66%	4.16%	18.35%	16.49%
JPMCB SmartRetirement DRE 2055 CF10		3.09%	8.06%	10.52%	5.10%	14.32%	14.61%
American Beacon Large Cap Value Inst	AADEX	4.34%	8.26%	9.21%	4.68%	17.96%	14.45%
JPMCB SmartRetirement DRE 2060 CF10		3.13%	8.00%	10.66%	3.92%	14.63%	14.02%
JPMCB SmartRetirement DRE 2050 CF10		3.14%	7.96%	10.55%	3.76%	14.54%	13.85%
JPMCB SmartRetirement DRE 2045 CF10		3.14%	7.97%	10.53%	3.75%	14.51%	13.85%
JPMCB SmartRetirement DRE 2040 CF10		3.00%	7.71%	10.27%	3.68%	14.05%	13.46%
American Funds EuroPacific Growth R6	RERGX	3.44%	8.72%	13.53%	-2.25%	16.16%	12.79%
JPMCB SmartRetirement DRE 2035 CF10		2.68%	7.19%	9.61%	3.60%	12.92%	12.59%
JPMCB SmartRetirement DRE 2030 CF10		2.33%	6.68%	9.15%	4.02%	11.96%	12.10%
JPMCB SmartRetirement DRE 2025 CF10		1.95%	5.92%	8.20%	3.91%	10.40%	10.90%
JPMCB SmartRetirement DRE 2020 CF10		1.56%	5.08%	7.01%	3.71%	8.67%	9.47%
JPMCB SmartRetirement DRE Income CF10		1.34%	4.58%	6.32%	3.75%	7.58%	8.72%
Vanguard Total International Stock Index Instl	VTSNX	2.58%	6.09%	10.60%	-3.66%	12.86%	8.51%
Vanguard Total Bond Market Index Inst	VBTIX	0.17%	2.66%	5.03%	5.61%	2.99%	7.35%
American Beacon Small Cap Value Inst	AVFIX	6.06%	6.15%	3.92%	-3.01%	17.85%	7.16%
Invesco Stable Value-III		0.19%	0.56%	1.14%	2.21%	0.75%	2.23%
Wilmington Core Bond Class I1		0.19%	0.57%	1.15%	2.14%	0.76%	2.21%
American Airline Federal Credit Union		0.13%	0.46%	0.86%	1.60%	0.53%	1.66%



Questions, Comments, Problems?

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