

April 28, 2019

401k PORTFOLIO MAY 2019 UPDATE & NEWSLETTER

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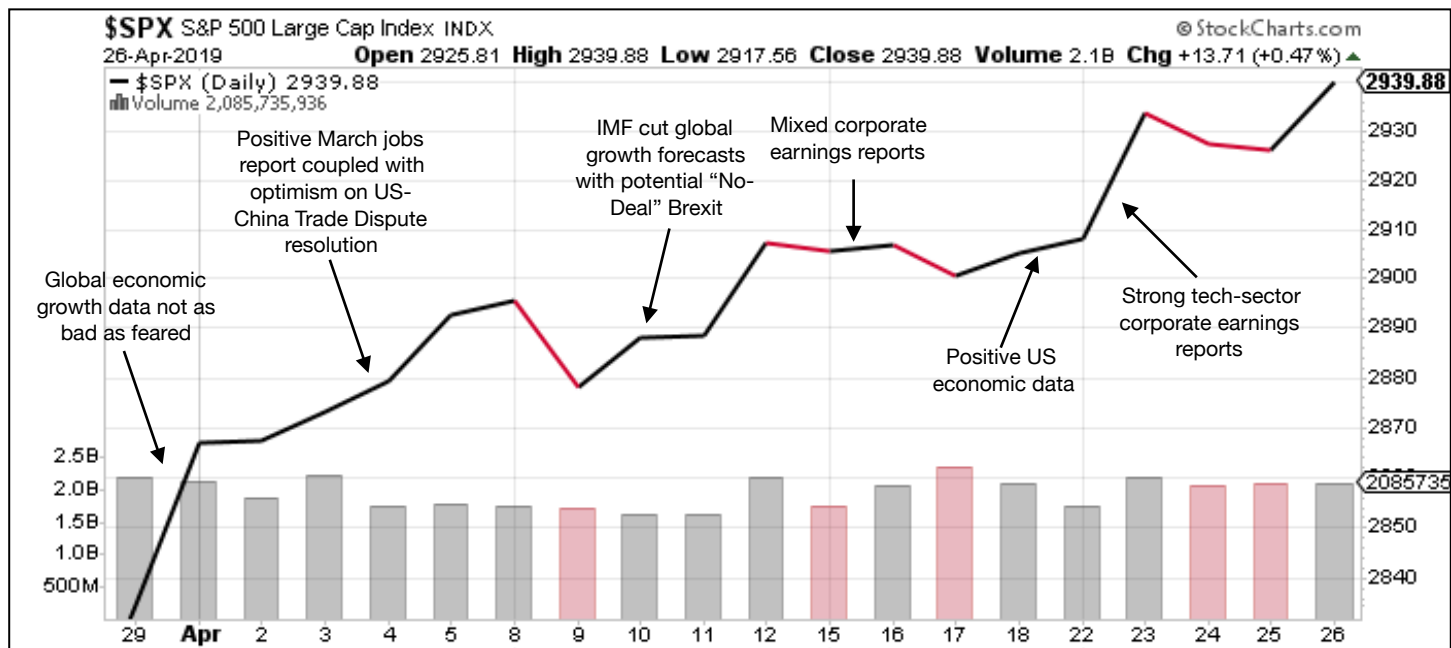
Southwest®

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

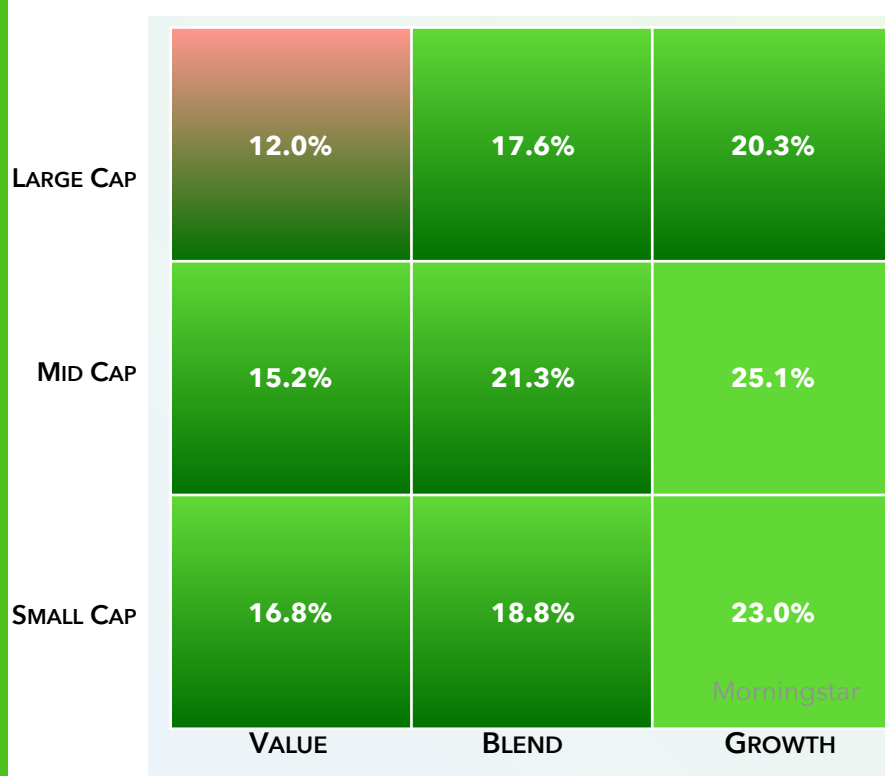
Housing: Sales of new US homes unexpectedly rose in March, climbing to a 16-month high to cap the first quarter with a third straight increase, reflecting a boost from lower borrowing costs. Single-family home sales rose 4.5% to an annualized pace that topped all estimates. The surprisingly strong gain 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.

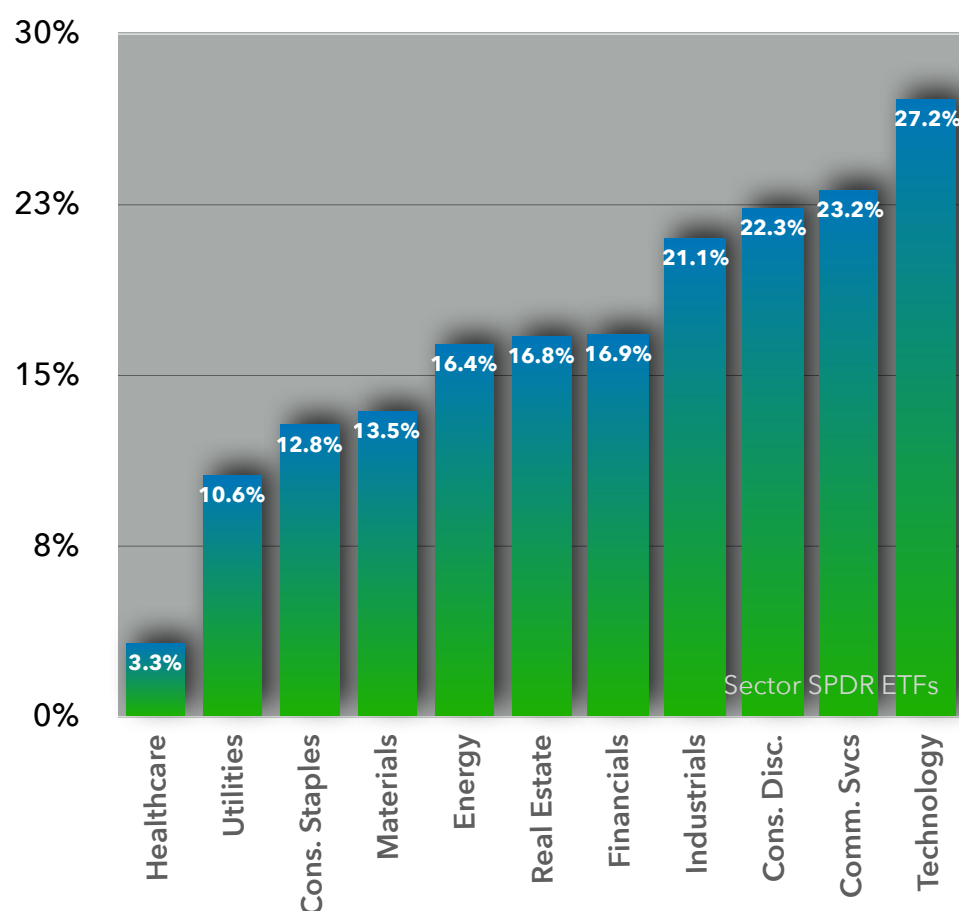
Sector Analysis

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

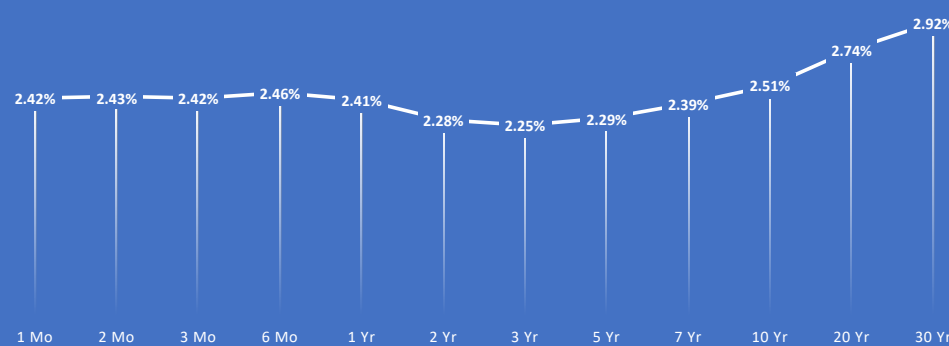
Oil prices hit their highest since November this week after Washington announced the end of all waivers on imports of Iranian crude, pressuring importers to stop buying from Tehran. The expectation is that Saudi Arabia and the UAE will fulfill their pledges to make up the difference. Barclays noted that 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 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:
 - Aggressive: **Exchange 100% Vanguard Federal Money Market (VMFXX) for Vanguard Institutional Index (VIXX)**
 - Moderate: **Exchange 40% Vanguard Federal Money Market (VMFXX) for Vanguard Institutional Index (VIXX)**
 - Conservative: **Exchange 15% Vanguard Federal Money Market (VMFXX) for Vanguard Institutional Index (VIXX)**
- Expanded Portfolio: **Exchange 100% Schwab Short-Term U.S. Treasury (SCHO) for Schwab U.S. Large Cap (SCHX)**

Non-Pilots' 401k/Profit Sharing Portfolios:

- Aggressive, Moderate, & Conservative Portfolio:
 - Aggressive: **Exchange 100% Stable Value Fund for Vanguard Institutional Index (VIXX)**
 - Moderate: **Exchange 40% Stable Value Fund for Vanguard Institutional Index (VIXX)**
 - Conservative: **Exchange 15% Stable Value Fund for Vanguard Institutional Index (VIXX)**
- Expanded Portfolio: **Exchange 100% Stable Value Fund for Vanguard Institutional Index (VIXX)**

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 12

Southwest Pilots' Portfolio	Symbol	Aggressive	Moderate	Conservative
Vanguard Institutional Index Instl Pl	VIXX	59%	42%	23%
Vanguard Extended Market Index Fund	VEMPX			
Schwab Fundamental US Small Co. Index	SFSNX			
Vanguard Federal Money Market	VMFXX			6%
Blackrock Fundamental US Large Company				
Southwest Non-Pilots' Portfolio/Profit Sharing	Symbol	Aggressive	Moderate	Conservative
Vanguard Institutional 500 Index Trust				6%
Dodge & Cox Stock Fund	DODGX			
FIAM Small Cap Core Class O				
Stable Value Fund			29%	60%
Harbor Capital Appreciation Instl	HACAX	21%	15%	9%

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

Pilots' Expanded Portfolio.

For information and details see p. 8-10

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 6. As 5% of your 401k must remain in the core 401k, allocate a minimum of 5% to the Vanguard Total Money Market (VMFXX).

Expanded Portfolio Other SW Employees/ Profit Sharing Plan.

For information and details see p. 8 & 11.

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.

Pilot's Expanded Portfolio	401k	Brokerage	Total
Vanguard Federal Money Market (VMFXX)	100%		5%
Schwab U.S. Large Cap (SCHX)			6%
Schwab US Broad Market (SCHB)			6%
Technology Select Sector SPDR Fund (XLK)			3%
Invesco S&P 500 Equal Weight Consumer Staples (RHS)			1%
Consumer Discretionary SPDR* (XLY)			1%
Schwab U.S. Aggregate Bond ETF (SCHZ)			1%
Schwab U.S. Mid-Cap ETF (SCHM)			1%
Schwab US Small-Cap ETF (SCHA)			1%
	100%	100.0%	100%

*non-Schwab ETF. \$4.95 Commission.

Expanded Portfolios - NonPilots & Profit Sharing Plan	401k	Brokerage	Total
Vanguard U.S. Institutional Index (VIXX)	100%		59%
Schwab Large Cap Growth Fund (SWLSX)		51.2%	21%
Schwab Small-Cap Index Fund (SWSSX)		24.4%	10%
Schwab US Mid-Cap Index (SWMCX)		24.4%	10%
	100%	100.0%	100%

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

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 April 28, 2019	MTD April *	YTD 2019
EZTracker Aggressive	2.96%	10.84%
EZTracker Moderate	2.16%	8.08%
EZTracker Conservative	1.33%	4.90%
EZTracker Brokerage	3.28%	14.11%
Morningstar Benchmarks		
Aggressive Target Risk Index	2.77%	15.34%
Moderate Target Risk Index	1.76%	10.59%
Conservative Target Risk Index	0.59%	5.29%
S&P 500	3.72%	17.27%

* Performance since last newsletter

Southwest Non-Pilots 401k/Profit Sharing

Current Performance Through April 28, 2019	MTD April *	YTD 2019
EZTracker Aggressive	2.85%	10.69%
EZTracker Moderate	2.07%	7.94%
EZTracker Conservative	1.27%	4.78%
EZTracker Brokerage	2.96%	11.44%
Morningstar Benchmarks		
Aggressive Target Risk Index	2.77%	15.34%
Moderate Target Risk Index	1.76%	10.59%
Conservative Target Risk Index	0.59%	5.29%
S&P 500	3.72%	17.27%

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
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
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
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
EZTracker Expanded						Portfolio Started 4/25/11			6.46	25.97	9.08	-0.91	4.34	17.70	-7.47
401k for Others & Profit	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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
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
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
EZTracker Expanded						Portfolio Started 4/25/11			4.83	27.20	5.35	-0.69	10.58	17.70	-5.61
Morningstar Benchmarks	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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 Index						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-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		
Blackrock Fundamental US Large Company		5.75%	12.76%	16.58%	16.24%	22.42%	28.00%
Vanguard Small Cap Growth Index	VSGIX	4.40%	11.70%	15.05%	13.06%	23.71%	24.11%
Vanguard Institutional Index Instl Pl	VIIIIX	4.44%	10.91%	11.74%	12.45%	18.01%	21.56%
Vanguard Total Stock Market Index	VITSX	4.43%	10.60%	11.80%	11.65%	18.35%	20.99%
DFA Global Real Estate Securities	DFGEX	0.00%	7.08%	13.44%	16.06%	14.90%	19.96%
Vanguard Extended Market Index Fund	VEMPX	4.49%	9.24%	11.74%	7.44%	20.17%	17.95%
American Funds 2055 Target Date Retirement		3.33%	8.56%	11.42%	6.55%	14.55%	16.29%
American Funds 2060 Target Date Retirement		3.36%	8.56%	11.38%	6.52%	14.53%	16.27%
American Funds 2050 Target Date Retirement		3.32%	8.57%	11.36%	6.51%	14.47%	16.23%
American Funds 2045 Target Date Retirement		3.18%	8.40%	11.24%	6.42%	14.24%	15.95%
American Funds 2040 Target Date Retirement		3.17%	8.33%	11.24%	6.41%	14.11%	15.90%
American Funds 2035 Target Date Retirement		2.98%	8.03%	10.71%	6.37%	13.34%	15.32%
American Funds 2030 Target Date Retirement		2.44%	6.91%	9.30%	5.92%	11.20%	13.41%
American Funds EuroPacific GR6	RERGX	3.44%	8.72%	13.53%	-2.25%	16.16%	12.79%
Schwab Fundamental US Small Co. Index	SFSNX	4.92%	7.28%	7.52%	3.50%	18.07%	12.67%
American Funds 2025 Target Date Retirement		2.01%	6.13%	8.38%	5.74%	9.70%	12.14%
American Funds 2020 Target Date Retirement		1.68%	5.56%	7.40%	5.78%	8.35%	11.14%
American Funds 2015 Target Date Retirement		1.39%	5.25%	7.06%	5.67%	7.78%	10.57%
American Funds 2010 Target Date Retirement		1.20%	4.78%	6.51%	5.43%	7.14%	9.77%
Vanguard Total International Stock Index-Inst	VTSNX	2.58%	6.09%	10.60%	-3.66%	12.86%	8.51%
Vanguard Total Bond Market Index -Inst	VBPIX	0.17%	2.66%	5.03%	5.61%	2.99%	7.35%
Vanguard Total International Bond Index	VTIFX	0.25%	2.42%	4.70%	5.62%	3.18%	7.09%
Loomis Sayles Core Plus Bond	NERYX	0.25%	2.72%	4.51%	4.47%	3.62%	6.52%
DFA World ex US Core Equity	DFWIX	2.59%	5.27%	9.59%	-7.15%	12.50%	5.62%
Vanguard Short-Term Inflation Protected	VTSPX	0.41%	1.78%	2.00%	2.56%	2.08%	3.68%
Wells Fargo Stable Asset		0.19%	0.56%	1.13%	2.20%	0.75%	2.23%
Vanguard Federal Money Market	VMFXX	0.20%	0.58%	1.17%	2.13%	0.78%	2.22%

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		
Harbor Capital Appreciation Instl	HACAX	4.80%	12.75%	16.60%	14.50%	22.29%	26.54%
Vanguard Institutional 500 Index Trust		4.44%	10.91%	11.74%	12.45%	18.01%	21.56%
FIAM Small Cap Core Class O		3.52%	10.12%	12.04%	6.44%	21.33%	17.52%
Vanguard Target Retirement 2055 Trust Select		3.35%	8.15%	10.77%	5.44%	14.74%	15.12%
Vanguard Target Retirement 2050 Trust Select		3.32%	8.13%	10.73%	5.44%	14.74%	15.07%
Vanguard Target Retirement 2060 Trust Select		3.31%	8.11%	10.71%	5.44%	14.74%	15.04%
Vanguard Target Retirement 2045 Trust Select		3.28%	8.10%	10.71%	5.42%	14.71%	15.01%
Vanguard Target Retirement 2065 Trust Select		3.31%	8.12%	10.73%	5.33%	14.69%	15.00%
Dodge & Cox Stock Fund	DODGX	4.44%	7.07%	8.78%	6.94%	15.13%	14.85%
Vanguard Target Retirement 2040 Trust Select		3.13%	7.79%	10.33%	5.43%	13.99%	14.55%
Vanguard Target Retirement 2035 Trust Select		2.82%	7.27%	9.87%	5.50%	12.96%	13.88%
Vanguard Target Retirement 2030 Trust Select		2.59%	6.83%	9.37%	5.54%	11.96%	13.27%
American Funds EuroPacific GR6	RERGX	3.44%	8.72%	13.53%	-2.25%	16.16%	12.79%
Vanguard Target Retirement 2025 Trust Select		2.31%	6.39%	8.91%	5.57%	10.91%	12.65%
Vanguard Target Retirement 2020 Trust Select		2.04%	5.78%	8.16%	5.41%	9.65%	11.67%
Vanguard Target Retirement 2015 Trust Select		1.55%	4.90%	7.05%	5.19%	7.85%	10.20%
Vanguard Target Retirement Income Select		1.22%	4.27%	6.41%	5.19%	6.60%	9.32%
PIMCO Total Return Collective Trust II	PTTRX	0.22%	2.70%	4.26%	5.18%	3.05%	6.74%
Southwest Common Stock	LUV	2.06%	-2.27%	6.86%	-0.11%	13.98%	3.57%
Stable Value Fund		0.18%	0.53%	1.03%	1.96%	0.70%	2.02%

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 (PCRA) 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 be 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 PCRA.

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

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.

Schwab ETF Portfolio	Symbol	1 Mo	3 Mo	6 Mo	12 Mo	Tracker Avg
Invesco S&P 500 Equal Weight Technology ETF	RYT	6.40%	16.56%	22.20%	19.28%	35.15%
Technology Select Sector SPDR Fund	XLK	7.03%	19.54%	16.26%	20.76%	34.69%
Consumer Discretionary Select Sector SPDR Fund	XLY	6.97%	13.13%	17.56%	17.96%	30.33%
Schwab U.S. Large-Cap Growth ETF	SCHG	5.66%	12.86%	13.93%	16.06%	26.47%
Invesco BuyBack Achievers ETF	PKW	7.81%	12.89%	14.69%	11.89%	25.79%
Invesco DWA Momentum ETF	PDP	5.01%	13.83%	13.62%	10.77%	23.58%
Invesco S&P 500 Low Volatility ETF	SPLV	1.66%	10.54%	14.23%	16.55%	23.45%
Invesco S&P 500 High Beta ETF	SPHB	6.66%	11.28%	16.99%	4.92%	21.73%
Schwab U.S. REIT ETF	SCHH	0.09%	7.52%	12.10%	20.09%	21.71%
Schwab US Large-Cap ETF	SCHX	4.46%	10.90%	12.01%	12.39%	21.69%
United States Gasoline Fund LP	UGA	8.15%	32.60%	2.45%	-4.41%	21.15%
Schwab US Broad Market ETF	SCHB	4.42%	10.61%	11.76%	11.57%	20.92%
Schwab US Dividend Equity ETF	SCHD	3.17%	10.19%	11.40%	13.35%	20.79%
Industrial Select Sector SPDR Fund	XLI	5.31%	11.27%	13.54%	7.93%	20.76%
Invesco S&P 500 Pure Growth ETF	RPG	3.56%	11.29%	14.47%	8.60%	20.68%
WisdomTree International Hedged Quality Dividend Growth Fund	IHDG	4.40%	12.95%	13.76%	6.54%	20.54%
Schwab U.S. Mid-Cap ETF	SCHM	4.72%	9.77%	12.73%	9.74%	20.16%
WisdomTree U.S. Quality Dividend Growth Fund	DGRW	3.56%	10.72%	9.96%	11.77%	19.64%
Invesco S&P 500 Equal Weight ETF	RSP	4.11%	9.56%	12.85%	9.37%	19.58%
Invesco S&P 500 Equal Weight Consumer Staples ETF	RHS	2.86%	12.60%	8.18%	11.19%	19.00%
SPDR Bloomberg Barclays Convertible Securities ETF	CWB	2.90%	8.08%	12.89%	9.53%	18.21%
SPDR S&P China ETF	GXC	4.19%	10.00%	22.40%	-3.23%	18.20%
Invesco International Dividend Achievers ETF	PID	2.95%	7.86%	13.72%	7.04%	17.22%
Invesco India Exchange-Traded Fund Trust	PIN	0.91%	8.01%	19.76%	1.52%	16.47%
Oppenheimer S&P Ultra Dividend Revenue ETF	RDIV	2.02%	8.58%	8.02%	11.39%	16.37%
Invesco S&P 500 Equal Weight Financials ETF	RYF	8.49%	8.24%	12.68%	0.45%	16.28%
Schwab U.S. Large-Cap Value ETF	SCHV	2.91%	8.47%	9.74%	8.49%	16.15%
Xtrackers MSCI EAFE Hedged Equity ETF	DBEF	4.00%	9.69%	11.52%	4.38%	16.13%
Schwab Fundamental U.S. Large Company Index ETF	FNDX	3.71%	9.01%	8.56%	8.15%	16.05%
Global X Robotics & Artificial Intelligence ETF	BOTZ	6.60%	15.18%	15.22%	-7.81%	15.93%
Global X MLP & Energy Infrastructure ETF	MLPX	0.08%	6.30%	10.64%	11.20%	15.39%
SPDR Dow Jones Global Real Estate ETF	RWO	-0.40%	5.30%	10.89%	11.55%	14.91%
Schwab US Small-Cap ETF	SCHA	4.50%	8.25%	9.66%	4.53%	14.69%
PIMCO 25+ Year Zero Coupon U.S. Treasury Index Exchange-	ZROZ	-1.02%	4.18%	12.41%	9.39%	13.62%
Schwab Fundamental U.S. Small Company Index ETF	FNDA	4.90%	7.27%	7.64%	3.39%	12.66%
Schwab Emerging Markets Equity ETF	SCHE	3.50%	5.30%	16.11%	-1.88%	12.56%
Invesco BRIC ETF	EEB	1.38%	5.37%	14.48%	1.71%	12.51%
Invesco DWA Developed Markets Momentum ETF	PIZ	3.42%	9.67%	11.70%	-2.02%	12.42%
SPDR S&P International Dividend ETF	DWX	2.24%	6.02%	12.21%	1.46%	11.96%
SPDR STOXX Europe 50 ETF	FEU	2.32%	10.13%	10.43%	-1.04%	11.92%
Aberdeen Standard Physical Platinum Shares ETF	PPLT	4.60%	9.69%	7.49%	-1.65%	10.98%
SPDR Portfolio Long Term Treasury ETF	SPTL	-0.65%	3.40%	9.12%	7.97%	10.82%
Invesco Preferred ETF	PGX	1.09%	4.67%	6.80%	7.07%	10.70%
Invesco S&P 500 Pure Value ETF	RPV	5.20%	5.99%	6.77%	1.15%	10.42%
Invesco Emerging Markets Sovereign Debt ETF	PCY	-0.17%	3.92%	8.60%	6.49%	10.27%
SPDR Wells Fargo Preferred Stock ETF	PSK	1.25%	4.61%	6.37%	6.52%	10.23%
SPDR Nuveen S&P High Yield Municipal Bond ETF	HYMB	0.67%	4.84%	5.43%	7.49%	10.06%
Invesco S&P International Developed Low Volatility ETF	IDLV	0.79%	4.88%	9.98%	2.68%	10.00%
SPDR MSCI ACWI ex-US ETF	CWI	2.86%	6.67%	11.22%	-2.69%	9.85%
Invesco Fundamental High Yield Corporate Bond ETF	PHB	1.37%	3.98%	5.85%	6.41%	9.61%

Pilot Expanded Portfolio/Profit Sharing

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.

Schwab ETF Portfolio	Symbol	1 Mo	3 Mo	6 Mo	12 Mo	Tracker Avg
ALPS Sector Dividend Dogs ETF	SDOG	2.73%	5.98%	5.45%	3.06%	9.39%
Invesco Variable Rate Preferred ETF	VRP	1.94%	5.29%	4.55%	4.83%	9.06%
United States Brent Oil Fund LP	BNO	6.36%	17.43%	-7.31%	-0.87%	8.51%
SPDR Nuveen Bloomberg Barclays Municipal Bond ETF	TFI	0.36%	3.11%	5.90%	6.20%	8.50%
PIMCO 0-5 Year High Yield Corporate Bond Index Exchange-	HYS	1.50%	3.78%	4.60%	5.48%	8.38%
Schwab International Equity ETF	SCHF	2.46%	6.34%	9.16%	-3.63%	7.82%
WisdomTree Bloomberg U.S. Dollar Bullish Fund	USDU	1.25%	2.44%	1.99%	8.15%	7.55%
Schwab U.S. Aggregate Bond ETF	SCHZ	0.07%	2.63%	5.09%	5.57%	7.29%
Invesco BulletShares 2022 Corporate Bond ETF	BSCM	0.18%	2.50%	4.29%	5.40%	6.75%
Global X MLP ETF	MLPA	-0.34%	3.69%	3.71%	5.17%	6.67%
SPDR S&P Emerging Markets Dividend ETF	EDIV	2.27%	0.12%	13.48%	-3.75%	6.60%
Schwab Intermediate-Term U.S. Treasury ETF	SCHR	-0.18%	2.05%	4.47%	5.54%	6.48%
Schwab US TIPS ETF	SCHP	0.58%	3.43%	4.08%	3.64%	6.40%
SPDR Blackstone / GSO Senior Loan ETF	SRLN	2.32%	3.39%	2.16%	3.80%	6.36%
Invesco Senior Loan ETF	BKLN	2.05%	3.41%	2.35%	3.75%	6.30%
SPDR S&P Emerging Markets SmallCap ETF	EWX	1.69%	3.96%	13.48%	-8.87%	5.60%
Invesco BulletShares 2020 High Yield Corporate Bond ETF	BSJK	0.38%	1.95%	2.98%	4.27%	5.23%
Invesco BulletShares 2021 Corporate Bond ETF	BSCL	0.22%	1.71%	3.05%	4.33%	5.08%
Schwab Fundamental Emerging Markets Large Company Index	FNDE	2.19%	1.39%	9.94%	-4.32%	5.02%
Schwab Fundamental International Large Company Index ETF	FNDF	2.21%	4.99%	7.19%	-5.31%	4.95%
IndexIQ ETF Trust - IQ Hedge Multi-Strategy Tracker ETF	QAI	0.80%	2.37%	3.86%	1.44%	4.62%
Invesco Frontier Markets ETF	FRN	1.03%	7.09%	10.24%	-10.75%	4.15%
Invesco S&P Emerging Markets Low Volatility ETF	EELV	1.26%	0.60%	7.97%	-2.63%	3.92%
Invesco BulletShares 2019 High Yield Corporate Bond ETF	BSJJ	0.44%	1.19%	2.13%	3.33%	3.87%
Schwab International Small-Cap Equity ETF	SCHC	2.45%	5.77%	7.36%	-8.64%	3.78%
Invesco BulletShares 2020 Corporate Bond ETF	BSCK	0.16%	1.18%	2.25%	3.32%	3.76%
United States 12 Month Oil Fund LP	USL	4.05%	13.34%	-8.71%	-2.16%	3.56%
Schwab Short-Term U.S. Treasury ETF	SCHO	0.11%	1.11%	2.22%	2.99%	3.51%
SPDR Bloomberg Barclays Investment Grade Floating Rate ETF	FLRN	0.49%	1.25%	1.43%	2.60%	3.15%
JPMorgan Diversified Return International Equity ETF	JPIN	0.31%	2.83%	7.66%	-5.30%	3.00%
SPDR S&P Global Natural Resources ETF	GNR	0.91%	5.01%	4.93%	-6.35%	2.45%
Invesco BulletShares 2019 Corporate Bond ETF	BSCJ	0.20%	0.41%	1.22%	2.67%	2.45%
Invesco DWA Emerging Markets Markets Momentum ETF	PIE	2.55%	5.30%	10.67%	-14.43%	2.24%
Sprott Gold Miners ETF	SGDM	-8.77%	2.94%	16.83%	-7.10%	2.13%
Schwab Fundamental International Small Company Index ETF	FNDC	2.02%	4.51%	6.23%	-10.10%	1.45%
SPDR Bloomberg Barclays International Treasury Bond ETF	BWX	-1.29%	-0.43%	2.45%	-2.65%	-1.05%
Aberdeen Standard Physical Swiss Gold Shares ETF	SGOL	-2.27%	-1.09%	4.10%	-2.73%	-1.09%
SPDR Bloomberg Barclays International Corporate Bond ETF	IBND	-0.17%	0.36%	1.25%	-4.99%	-1.94%
Invesco CurrencyShares Japanese Yen Trust	FXJ	-1.00%	-2.06%	-0.13%	-2.56%	-3.13%
SPDR Bloomberg Barclays Short Term International Treasury Bond	BWZ	-1.13%	-1.58%	-0.38%	-4.96%	-4.39%
Invesco CurrencyShares British Pound Sterling Trust	FXB	-2.12%	-2.21%	0.67%	-7.28%	-5.96%
Aberdeen Standard Physical Silver Shares ETF	SIVR	-2.60%	-4.32%	2.24%	-9.28%	-7.62%
Invesco CurrencyShares Euro Currency Trust	FXE	-1.16%	-2.54%	-2.67%	-8.67%	-8.21%
United States Commodity Index Fund	USCI	-2.02%	-1.06%	-8.43%	-12.96%	-13.34%

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 Large Cap Growth Fund	SWLSX	5.90%	12.75%	12.24%	10.56%	20.46%	22.61%
Schwab S&P 500 Index Fund	SWPPX	4.44%	10.89%	11.71%	12.42%	17.98%	21.52%
Schwab 1000 Index Fund	SNXFX	4.48%	10.85%	11.99%	12.10%	18.34%	21.50%
Schwab US Mid-Cap Index Fund	SWMCX	4.41%	10.64%	14.29%	9.54%	20.57%	21.20%
Schwab Total Stock Market Index Fund	SWTSX	4.46%	10.62%	11.71%	11.52%	18.36%	20.89%
Schwab Core Equity Fund	SWANX	4.83%	10.72%	11.18%	7.70%	18.43%	18.78%
Schwab Global Real Estate Fund	SWASX	-0.46%	6.75%	14.48%	10.64%	15.92%	17.13%
Schwab Fundamental US Large Company Index	SFLNX	3.69%	8.91%	8.52%	8.08%	15.95%	15.92%
Schwab Fundamental Global Real Estate Index Fund	SFREX	-0.43%	5.26%	13.15%	7.42%	13.95%	13.86%
Schwab Dividend Equity Fund	SWDSX	3.34%	7.89%	9.21%	3.51%	15.65%	13.06%
Schwab Small-Cap Index Fund	SWSSX	4.29%	7.72%	8.10%	3.63%	18.54%	12.95%
Schwab Fundamental US Small Company Index	SFSNX	4.92%	7.28%	7.52%	3.50%	18.07%	12.67%
Schwab Small-Cap Equity Fund	SWSCX	5.43%	7.05%	6.96%	1.93%	18.37%	11.66%
Schwab International Index Fund	SWISX	2.59%	6.81%	9.31%	-3.14%	12.78%	8.49%
Schwab US Aggregate Bond Index Fund	SWAGX	0.07%	2.72%	4.97%	5.49%	2.94%	7.23%
Schwab Treasury Inflation Protected Securities Index Fund	SWRSX	0.46%	3.38%	3.95%	3.67%	3.58%	6.25%
Schwab Fundamental Emerging Markets Large	SFENX	2.14%	1.79%	10.23%	-3.73%	10.06%	5.69%
Schwab Short-Term Bond Index Fund	SWSBX	0.13%	1.65%	2.98%	4.00%	1.72%	4.78%
Schwab Fundamental International Large Company Index Fund	SFNNX	2.08%	4.75%	6.86%	-5.42%	11.36%	4.51%
Schwab Health Care Fund	SWHFX	-3.06%	0.68%	2.41%	7.03%	3.57%	3.85%
Schwab International Core Equity Fund	SICNX	1.23%	5.09%	7.59%	-8.79%	12.10%	2.79%
Schwab Hedged Equity Fund	SWHEX	1.94%	1.42%	1.00%	-2.04%	6.36%	1.27%
Schwab Fundamental International Small Company Index Fund	SFILX	1.81%	4.11%	5.63%	-10.18%	11.21%	0.75%

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.

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?

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