

June 30, 2019

401k PORTFOLIO JULY 2019 UPDATE & NEWSLETTER

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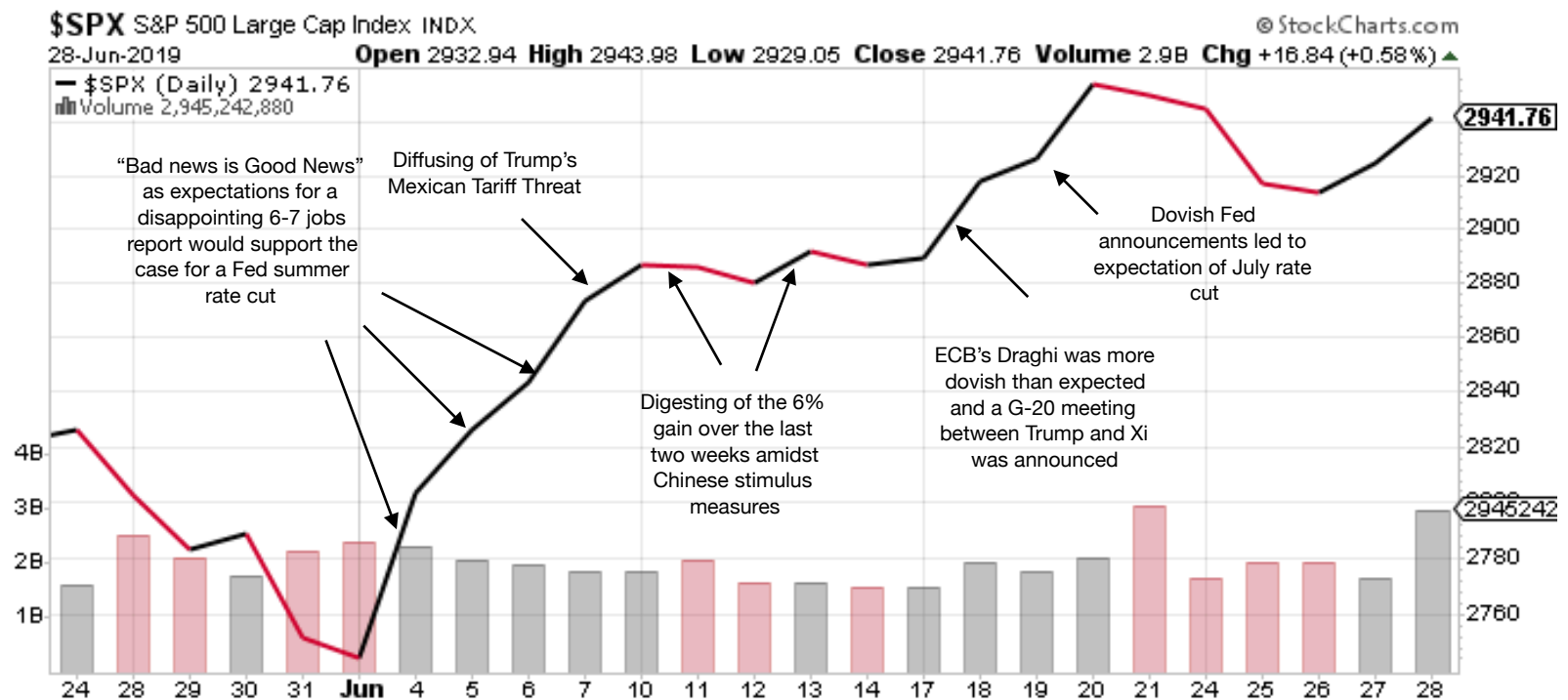
TAKE CONTROL OF YOUR FUTURE

July 2019 Newsletter

Losing "Patience"

All major indices ended up since the last newsletter, with the DJII +4.0% (YTD+14.0%), S&P 500 +4.1% (YTD + 17.3%) and NASDAQ +4.8% (YTD +20.7%).

With the equity markets close to all-time highs, but still exhibiting volatility since the last newsletter, we believe our **EZTracker** model portfolios remain balanced to benefit from incremental bullish sentiment (related to G-20 or better than expected corporate earnings releases). One thing to note: the **EZTracker** Model Portfolios are *not* trading portfolios. They are designed to be long-term focused and are not meant to radically change from month to month chasing the market, as that is not a winning strategy for long-term investors. Please see the "**EZTracker Approach**" on the bottom of Page 3. **There are no changes to any EZTracker Model Portfolios This Month.**



Overall Point - The Difference one Word Makes

June was more or less all about the actions of the US Federal Reserve. Since the S&P's localized low on June 3, it grew 7.2%, mainly due to the expectations surrounding the Fed. Investors consistently bid up the US equity markets since the beginning of the month on a) expectations of a more dovish Fed stance and b) ratification that the revised stance will mean a forthcoming rate cut. At the latest Federal Reserve meeting on Wednesday June 19, the Fed removed the word "**patience**" from its statement, stating instead that it will "act as appropriate" to sustain the US economic expansion. That stance not only gives the Fed some breathing room on policy decisions, but it also suggests that yes, lower interest rates could be around the corner.

International Trade

The other great expectation involved the on-again, off-again, US-China trade skirmish. Investors, looking toward the G-20 meetings in Osaka held on June 28-29, had expected some sort of detente or an "agreement to agree", which expectation also buoyed the equity markets during the month. In what was somewhat of a surprise, on Saturday June 29, Trump and Xi agreed to a full cease-fire on trade in which the US agreed to put off all additional tariffs on Chinese goods indefinitely, and China agreed to start buying large amounts of American farm products. Additionally, curbs on Huawei Technologies will be lifted, although Trump did state that existing tariffs won't be lifted. The markets had priced in some sort of rapprochement, however a truce so quickly was likely not expected. As the announcement came after US markets closed for the weekend on Friday June 28, the immediate market response had not been felt, but equity futures predict a positive market response.

Now what?

The markets have fully factored in a rate cut in July, coupled with the expectation of some sort of US-China truce, and the markets are at or near all-time highs, and remain somewhat volatile. Investors are forced to re-focus on the fundamentals of base economic data (both domestically and globally), and corporate earnings expectations. With fiscal Q2 finishing today (June 30), investors and **EZTracker** will be focused on initial Q2 earnings announcements expected over the next 30 days.

If you are following the Aggressive model portfolio and are concerned about volatility, you're probably not really an aggressive investor. We suggest reviewing your risk tolerance and adjusting your investment strategy if necessary. Commit to a strategy that is consistent with your own risk tolerance and stick with it. For free help, take the assessment to help you decide: <https://tinyurl.com/EZT-risk-quiz>.

Economic Data

The **University of Michigan** said the final reading of its June **Consumer Sentiment Index** was 98.2, down from the 100 reading in May, which decline was mainly attributable to wealthier Americans being rattled by the threatened tariffs.

The June 7 **Jobs Report** showed that wage growth cooled slightly after gaining the previous year, while the national unemployment rate remained at its 49-year low of 3.6%.

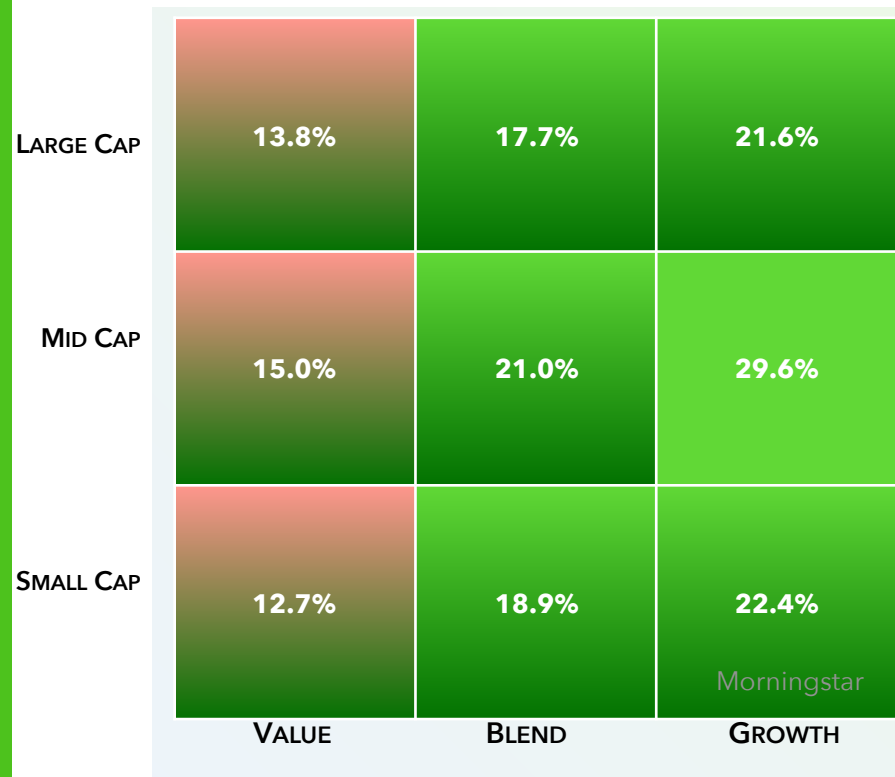
New domestic single-family **Home Sales** dropped 7.8 percent in May from the previous month to a seasonally adjusted annual rate of 626 thousand, while markets had forecast a 1.9 percent increase to 680 thousand. That was the lowest level since December despite lower mortgage rates.

Sector Analysis

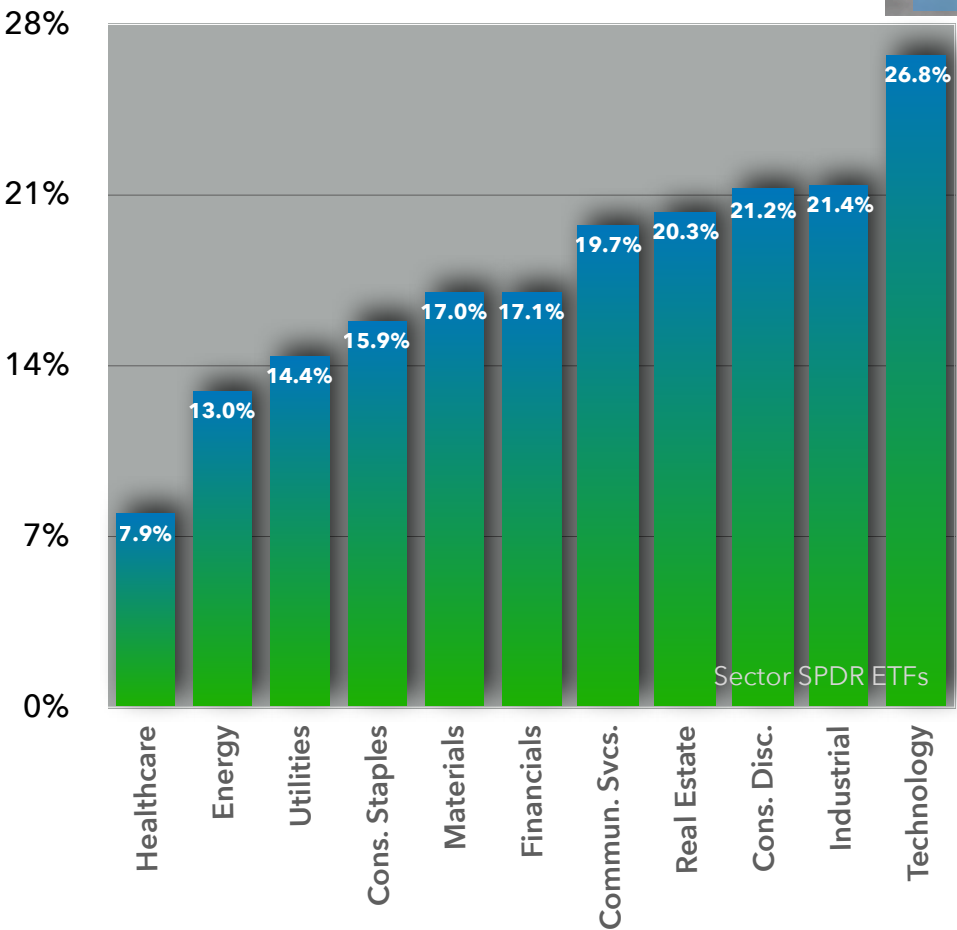
All sectors were in the black this month, led by Materials (+11.6%), Energy (+9.4%) and Technology (+8.9%). Laggards were defensive sectors such as Real Estate (+1.6%) and Utilities (+3.2%). Technology remains the highest-performing sector YTD, with over 26% return.



2019 YTD Index Performance: Returns (%)



2019 YTD Sector Performance: Returns (%)



Fixed Income

Rates & Yield Curve

The spread between 2-year and 10-year treasuries continued to widen, from 0.17% last month to 0.25%. Much of this widening was caused by the expectation of Fed rate cuts, as traders price in easier monetary policy. With the 10-year Treasury yield under 2%, however, it may be a depressing signal on the markets's opinion of future economic growth.

The EZTracker Approach:

- We don't predict where the market is going - we identify the best performers;
- We use a disciplined approach to investing even during market volatility and uncertainty, and we review portfolios monthly;
- We take a long-term perspective of the market;
- We are consistent in our strategy, the EZTracker portfolios have consistently outperformed the market in up and down markets.

The EZTracker Subscriber Approach:

- Avoid emotional extremes. Monitor your risk profile and stick to your plan;
- Stop listening to the talking heads. Not one has demonstrated the ability to predict the market;
- Stay up-to-date and maintain your portfolio on a timely basis.

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 for this month
- Expanded Portfolio: There are no changes for this month

Non-Pilots' 401k/Profit Sharing Portfolios:

- Aggressive, Moderate, & Conservative Portfolio:
There are no changes for this month
- Expanded Portfolio: There are no changes for 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 12

Southwest Pilots' Portfolio	Symbol	Aggressive	Moderate	Conservative
Vanguard Institutional Index Instl Pl	VIIIX	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)			7%
Technology Select Sector SPDR Fund (XLK)			8%
Invesco S&P 500 Equal Weight Consumer Staples (RHS)			2%
Consumer Discretionary SPDR* (XLY)			3%
Schwab U.S. Aggregate Bond ETF (SCHZ)			9%
Schwab U.S. Mid-Cap ETF (SCHM)			2%
Utilities Select Sector SPDR (XLU)		0.1%	0.3%
	100%	100.0%	100%

*non-Schwab ETF. \$4.95 Commission.

Expanded Portfolios - NonPilots & Profit Sharing Plan	401k	Brokerage	Total
Vanguard U.S. Institutional Index (VIIIX)	100%		59%
Schwab Large Cap Growth Fund (SWLSX)		51.2%	21%
Schwab US Aggregate Bond Index Fund (SWAGX)		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 June 30, 2019	MTD June *	YTD 2019
EZTracker Aggressive	4.14%	11.17%
EZTracker Moderate	2.95%	8.43%
EZTracker Conservative	1.74%	5.25%
EZTracker Brokerage	3.80%	14.13%
Morningstar Benchmarks		
Aggressive Target Risk Index	4.70%	16.05%
Moderate Target Risk Index	3.61%	12.08%
Conservative Target Risk Index	2.39%	7.55%
S&P 500	4.09%	17.35%

* Performance since last newsletter

Southwest Non-Pilots 401k/Profit Sharing

Current Performance Through June 30, 2019	MTD June *	YTD 2019
EZTracker Aggressive	4.22%	10.65%
EZTracker Moderate	3.01%	8.02%
EZTracker Conservative	1.77%	4.97%
EZTracker Brokerage	4.11%	11.16%
Morningstar Benchmarks		
Aggressive Target Risk Index	4.70%	16.05%
Moderate Target Risk Index	3.61%	12.08%
Conservative Target Risk Index	2.39%	7.55%
S&P 500	4.09%	17.35%

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	-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	-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		6.15%	6.32%	24.25%	11.20%	24.25%	26.14%
Vanguard Institutional Index Instl Pl	VIIIIX	7.04%	4.30%	18.54%	10.41%	18.54%	21.98%
Vanguard Total Stock Market Index	VITSX	6.99%	4.09%	18.71%	9.00%	18.71%	21.16%
DFA Global Real Estate Securities	DFGEX	1.91%	1.82%	17.30%	11.92%	17.30%	17.97%
Vanguard Extended Market Index Fund	VEMPX	6.82%	3.05%	19.52%	2.06%	19.52%	17.15%
American Funds 2050 Target Date Retirement		5.81%	3.30%	15.14%	6.09%	15.14%	16.54%
American Funds 2060 Target Date Retirement		5.78%	3.34%	15.15%	6.01%	15.15%	16.51%
American Funds 2055 Target Date Retirement		5.77%	3.26%	15.13%	5.99%	15.13%	16.45%
American Funds 2045 Target Date Retirement		5.76%	3.30%	14.96%	6.08%	14.96%	16.42%
American Funds EuroPacific GR6	RERGX	6.64%	3.87%	17.59%	1.91%	17.59%	16.37%
American Funds 2040 Target Date Retirement		5.58%	3.22%	14.77%	6.06%	14.77%	16.16%
American Funds 2035 Target Date Retirement		5.29%	3.16%	14.16%	6.15%	14.16%	15.69%
American Funds 2030 Target Date Retirement		4.65%	3.13%	12.41%	6.27%	12.41%	14.43%
American Funds 2025 Target Date Retirement		4.06%	2.97%	11.07%	6.34%	11.07%	13.33%
American Funds 2020 Target Date Retirement		3.45%	2.79%	9.80%	6.51%	9.80%	12.31%
Vanguard Total International Stock Index-Inst	VTSNX	5.83%	2.76%	13.29%	0.62%	13.29%	12.27%
American Funds 2015 Target Date Retirement		3.33%	2.70%	9.36%	6.66%	9.36%	12.02%
American Funds 2010 Target Date Retirement		3.06%	2.68%	8.80%	6.57%	8.80%	11.51%
Schwab Fundamental US Small Co. Index	SFSNX	6.86%	1.65%	15.52%	-3.94%	15.52%	10.96%
Vanguard Total International Bond Index	VTIFX	1.60%	2.95%	6.10%	7.87%	6.10%	10.11%
Vanguard Total Bond Market Index -Inst	VBTIX	1.16%	3.08%	6.12%	7.87%	6.12%	9.94%
Loomis Sayles Core Plus Bond	NERYX	1.17%	2.96%	6.53%	7.13%	6.53%	9.70%
DFA World ex US Core Equity	DFWIX	5.86%	1.82%	11.81%	-3.02%	11.81%	8.99%
Vanguard Short-Term Inflation Protected	VTSPX	0.64%	1.62%	3.32%	3.21%	3.32%	4.79%
Wells Fargo Stable Asset		0.19%	0.58%	1.14%	2.24%	1.14%	2.26%
Vanguard Federal Money Market	VMFXX	0.18%	0.57%	1.16%	2.21%	1.16%	2.25%

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 500 Index Trust		7.04%	4.30%	18.54%	10.41%	18.54%	21.98%
Harbor Capital Appreciation Instl	HACAX	7.75%	3.03%	21.11%	8.04%	21.11%	21.78%
Vanguard Target Retirement 2055 Trust Select		5.98%	3.50%	15.44%	5.95%	15.44%	16.84%
Vanguard Target Retirement 2060 Trust Select		5.98%	3.50%	15.44%	5.95%	15.44%	16.84%
Vanguard Target Retirement 2065 Trust Select		6.00%	3.52%	15.40%	5.84%	15.40%	16.78%
Vanguard Target Retirement 2045 Trust Select		5.96%	3.48%	15.41%	5.89%	15.41%	16.77%
Vanguard Target Retirement 2050 Trust Select		5.95%	3.47%	15.39%	5.87%	15.39%	16.74%
FIAM Small Cap Core Class O		4.01%	4.23%	22.16%	-0.16%	22.16%	16.50%
American Funds EuroPacific GR6	RERGX	6.64%	3.87%	17.59%	1.91%	17.59%	16.37%
Vanguard Target Retirement 2040 Trust Select		5.64%	3.46%	14.83%	6.03%	14.83%	16.34%
Vanguard Target Retirement 2035 Trust Select		5.29%	3.45%	14.08%	6.28%	14.08%	15.87%
Vanguard Target Retirement 2030 Trust Select		4.88%	3.39%	13.28%	6.46%	13.28%	15.28%
Vanguard Target Retirement 2025 Trust Select		4.48%	3.39%	12.47%	6.68%	12.47%	14.73%
Dodge & Cox Stock Fund	DODGX	5.81%	2.60%	13.15%	4.14%	13.15%	14.02%
Vanguard Target Retirement 2020 Trust Select		3.95%	3.26%	11.32%	6.59%	11.32%	13.70%
Vanguard Target Retirement 2015 Trust Select		3.19%	3.05%	9.74%	6.55%	9.74%	12.29%
Vanguard Target Retirement Income Select		2.72%	2.91%	8.65%	6.57%	8.65%	11.37%
PIMCO Total Return Collective Trust II	PTTRX	1.08%	3.21%	6.08%	7.64%	6.08%	9.82%
Southwest Common Stock	LUV	-0.80%	-2.25%	9.17%	-2.25%	9.17%	2.10%
Stable Value Fund		0.18%	0.53%	1.05%	2.02%	1.05%	2.06%

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
Sprott Gold Miners ETF	SGDM	19.63%	16.16%	25.86%	14.81%	41.70%
Technology Select Sector SPDR Fund	XLK	8.94%	5.83%	26.76%	13.99%	30.29%
Invesco S&P 500 Equal Weight Technology ETF	RYT	9.53%	4.58%	26.64%	13.19%	29.42%
Invesco S&P 500 Low Volatility ETF	SPLV	3.70%	5.10%	19.27%	18.64%	25.49%
Invesco BuyBack Achievers ETF	PKW	8.17%	5.45%	20.79%	11.84%	25.22%
Invesco DWA Momentum ETF	PDP	5.98%	6.50%	24.54%	9.20%	25.22%
Consumer Discretionary Select Sector SPDR Fund	XLY	7.82%	5.06%	21.22%	10.58%	24.37%
Schwab U.S. Large-Cap Growth ETF	SCHG	7.05%	5.02%	21.25%	11.13%	24.24%
Industrial Select Sector SPDR Fund	XLI	7.92%	3.64%	21.42%	10.40%	23.66%
Schwab US Large-Cap ETF	SCHX	7.02%	4.29%	18.61%	10.17%	21.87%
Invesco S&P 500 Equal Weight Financials ETF	RYF	6.16%	8.14%	20.54%	4.83%	21.64%
Aberdeen Standard Physical Gold Shares ETF	SGOL	8.01%	9.19%	9.96%	12.42%	21.59%
Utilities Select Sector SPDR Fund	XLU	3.18%	3.33%	14.42%	18.58%	21.55%
Schwab US Broad Market ETF	SCHB	7.07%	4.10%	18.68%	8.97%	21.18%
Invesco S&P 500 Equal Weight ETF	RSP	7.55%	3.69%	19.03%	7.92%	20.83%
Invesco Emerging Markets Sovereign Debt ETF	PCY	4.82%	5.06%	12.75%	15.23%	20.65%
United States Gasoline Fund LP	UGA	8.79%	5.01%	34.66%	-10.60%	20.65%
PIMCO 25+ Year Zero Coupon U.S. Treasury Index Exchange-	ZROZ	0.52%	7.95%	14.79%	14.47%	20.58%
Invesco International Dividend Achievers ETF	PID	5.25%	4.78%	18.03%	9.38%	20.42%
Invesco Frontier Markets ETF	FRN	4.77%	5.99%	19.13%	7.14%	20.20%
Invesco S&P 500 High Beta ETF	SPHB	10.27%	3.45%	22.00%	1.02%	20.04%
Global X Robotics & Artificial Intelligence ETF	BOTZ	11.18%	4.10%	24.86%	-3.66%	19.90%
Schwab U.S. Mid-Cap ETF	SCHM	7.26%	3.43%	19.87%	5.55%	19.70%
Schwab US Dividend Equity ETF	SCHD	7.29%	2.32%	14.66%	10.93%	19.20%
Schwab Fundamental U.S. Large Company Index ETF	FNDX	7.90%	3.64%	16.38%	7.14%	19.12%
Invesco S&P 500 Pure Growth ETF	RPG	6.48%	3.42%	20.31%	4.75%	19.07%
SPDR STOXX Europe 50 ETF	FEU	6.41%	5.18%	17.33%	5.96%	19.03%
Schwab U.S. Large-Cap Value ETF	SCHV	7.01%	3.30%	15.53%	8.80%	18.89%
WisdomTree U.S. Quality Dividend Growth Fund	DGRW	6.94%	2.04%	15.24%	9.19%	18.23%
Invesco S&P 500 Equal Weight Consumer Staples ETF	RHS	4.64%	2.55%	16.20%	9.77%	18.09%
Invesco S&P International Developed Low Volatility ETF	IDLV	4.11%	4.33%	15.29%	8.88%	17.79%
SPDR S&P International Dividend ETF	DWX	5.01%	4.98%	14.82%	7.18%	17.45%
SPDR S&P Emerging Markets Dividend ETF	EDIV	5.77%	4.47%	11.17%	10.31%	17.30%
WisdomTree International Hedged Quality Dividend Growth Fund	IHDG	4.80%	2.62%	18.96%	4.10%	16.62%
Schwab Fundamental Emerging Markets Large Company Index	FNDE	5.76%	4.31%	11.99%	7.62%	16.19%
Invesco S&P 500 Pure Value ETF	RPV	8.75%	3.73%	15.73%	1.39%	16.15%
Invesco BRIC ETF	EEB	6.42%	1.01%	15.74%	6.20%	16.02%
Xtrackers MSCI EAFE Hedged Equity ETF	DBEF	4.90%	3.42%	15.73%	5.01%	15.85%
Global X MLP ETF	MLPA	2.80%	1.55%	19.97%	4.49%	15.71%
Invesco DWA Developed Markets Momentum ETF	PIZ	5.29%	5.33%	18.75%	-0.62%	15.68%
SPDR Portfolio Long Term Treasury ETF	SPTL	0.85%	5.59%	10.16%	12.05%	15.63%
Schwab U.S. REIT ETF	SCHH	1.42%	0.78%	16.60%	9.66%	15.52%
Schwab US Small-Cap ETF	SCHA	6.89%	2.57%	18.49%	-1.42%	14.47%
Global X MLP & Energy Infrastructure ETF	MLPX	2.70%	-0.55%	21.64%	2.51%	14.34%
SPDR Bloomberg Barclays Convertible Securities ETF	CWB	4.77%	1.71%	13.94%	5.50%	14.14%
Invesco S&P Ultra Dividend Revenue ETF	RDIV	8.69%	0.29%	14.32%	2.18%	13.90%
ALPS Sector Dividend Dogs ETF	SDOG	8.67%	2.29%	13.16%	1.32%	13.88%
SPDR MSCI ACWI ex-US ETF	CWI	5.94%	2.98%	13.90%	2.19%	13.64%
SPDR Dow Jones Global Real Estate ETF	RWO	1.79%	0.67%	14.34%	7.47%	13.24%
Schwab International Equity ETF	SCHF	5.96%	3.32%	14.11%	0.78%	13.18%

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
Schwab Emerging Markets Equity ETF	SCHE	5.73%	1.51%	12.20%	4.67%	13.15%
Invesco Fundamental High Yield Corporate Bond ETF	PHB	2.79%	2.68%	9.51%	8.13%	12.61%
Invesco Variable Rate Preferred ETF	VRP	1.63%	2.85%	12.38%	5.80%	12.36%
Invesco S&P Emerging Markets Low Volatility ETF	EELV	4.61%	2.34%	8.39%	6.83%	12.10%
SPDR Wells Fargo Preferred Stock ETF	PSK	1.15%	2.67%	11.82%	5.66%	11.62%
Invesco Preferred ETF	PGX	0.87%	2.28%	11.68%	6.37%	11.56%
Schwab Fundamental U.S. Small Company Index ETF	FNDA	6.85%	1.60%	15.44%	-4.07%	10.81%
SPDR S&P Global Natural Resources ETF	GNR	9.83%	1.13%	13.37%	-4.69%	10.71%
Invesco DWA Emerging Markets Markets Momentum ETF	PIE	8.73%	4.71%	14.40%	-8.91%	10.32%
SPDR Bloomberg Barclays International Treasury Bond ETF	BWX	3.43%	4.04%	5.30%	5.47%	9.95%
Schwab U.S. Aggregate Bond ETF	SCHZ	1.41%	2.92%	6.07%	7.75%	9.90%
Schwab Fundamental International Large Company Index ETF	FNDF	5.86%	1.83%	11.36%	-1.74%	9.45%
PIMCO 0-5 Year High Yield Corporate Bond Index Exchange-	HYS	2.03%	1.48%	7.77%	5.97%	9.41%
SPDR Nuveen S&P High Yield Municipal Bond ETF	HYMB	0.49%	2.80%	6.07%	7.84%	9.38%
Schwab Intermediate-Term U.S. Treasury ETF	SCHR	0.89%	2.84%	4.87%	7.61%	8.85%
Invesco BulletShares 2022 Corporate Bond ETF	BSCM	1.09%	2.02%	5.27%	6.79%	8.27%
Schwab US TIPS ETF	SCHP	0.84%	2.78%	6.15%	4.77%	7.93%
SPDR Nuveen Bloomberg Barclays Municipal Bond ETF	TFI	0.16%	2.29%	5.17%	6.90%	7.92%
United States Brent Oil Fund LP	BNO	5.86%	-1.30%	23.74%	-14.47%	7.54%
SPDR S&P Emerging Markets SmallCap ETF	EWX	4.55%	1.24%	10.14%	-2.79%	7.17%
Schwab International Small-Cap Equity ETF	SCHC	4.88%	1.73%	12.74%	-6.84%	6.83%
Invesco Senior Loan ETF	BKLN	0.52%	1.35%	6.62%	3.89%	6.75%
SPDR Bloomberg Barclays International Corporate Bond ETF	IBND	3.06%	3.34%	4.12%	1.83%	6.74%
SPDR Blackstone / GSO Senior Loan ETF	SRLN	0.61%	1.81%	5.89%	3.78%	6.59%
Invesco BulletShares 2020 High Yield Corporate Bond ETF	BSJK	0.85%	1.09%	5.13%	4.55%	6.34%
JPMorgan Diversified Return International Equity ETF	JPIN	4.73%	-0.01%	8.92%	-2.60%	6.02%
Invesco BulletShares 2021 Corporate Bond ETF	BSCL	0.80%	1.45%	3.48%	5.00%	5.85%
SPDR S&P China ETF	GXC	7.63%	-3.88%	13.67%	-6.71%	5.84%
IndexIQ ETF Trust - IQ Hedge Multi-Strategy Tracker ETF	QAI	1.82%	1.16%	5.33%	2.01%	5.63%
United States 12 Month Oil Fund LP	USL	7.80%	-3.84%	20.52%	-14.51%	5.44%
Schwab Fundamental International Small Company Index ETF	FNDC	4.75%	1.01%	10.69%	-7.68%	4.78%
Invesco BulletShares 2019 High Yield Corporate Bond ETF	BSJJ	0.55%	0.77%	3.45%	3.61%	4.57%
Schwab Short-Term U.S. Treasury ETF	SCHO	0.49%	1.42%	2.38%	3.92%	4.48%
Invesco India Exchange-Traded Fund Trust	PIN	-1.44%	-0.16%	4.78%	4.00%	3.91%
Invesco BulletShares 2020 Corporate Bond ETF	BSCK	0.42%	0.82%	2.16%	3.53%	3.78%
Invesco CurrencyShares Japanese Yen Trust	FXY	0.44%	2.59%	1.41%	2.16%	3.60%
SPDR Bloomberg Barclays Investment Grade Floating Rate ETF	FLRN	0.31%	0.86%	2.45%	2.79%	3.50%
SPDR Bloomberg Barclays Short Term International Treasury Bond	BWZ	1.91%	1.81%	1.46%	0.60%	3.15%
Aberdeen Standard Physical Platinum Shares ETF	PPLT	5.16%	-1.61%	4.81%	-2.81%	3.03%
Invesco BulletShares 2019 Corporate Bond ETF	BSCJ	0.19%	0.67%	1.25%	2.75%	2.65%
WisdomTree Bloomberg U.S. Dollar Bullish Fund	USDU	-1.36%	-0.20%	0.79%	3.45%	1.46%
Aberdeen Standard Physical Silver Shares ETF	SIVR	5.02%	1.23%	-1.19%	-5.11%	-0.03%
Invesco CurrencyShares Euro Currency Trust	FXE	1.72%	1.17%	-1.11%	-3.38%	-0.87%
Invesco CurrencyShares British Pound Sterling Trust	FXB	0.44%	-2.50%	-0.41%	-3.86%	-3.45%
United States Commodity Index Fund	USCI	1.71%	-4.54%	-1.49%	-15.44%	-10.78%

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	7.02%	4.30%	18.51%	10.37%	18.51%	21.93%
Schwab 1000 Index Fund	SNXFX	7.00%	4.29%	18.86%	9.92%	18.86%	21.86%
Schwab US Mid-Cap Index Fund	SWMCX	6.88%	4.10%	21.30%	7.70%	21.30%	21.81%
Schwab Total Stock Market Index Fund	SWTSX	7.01%	4.08%	18.70%	8.86%	18.70%	21.09%
Schwab Core Equity Fund	SWANX	6.95%	3.86%	18.26%	6.18%	18.26%	19.23%
Schwab Fundamental US Large Company Index Fund	SFLNX	7.77%	3.55%	16.36%	7.09%	16.36%	18.96%
Schwab Large Cap Growth Fund	SWLSX	7.03%	3.55%	18.70%	5.43%	18.70%	18.93%
Schwab Fundamental Emerging Markets Large	SFENX	5.84%	4.28%	12.12%	7.85%	12.12%	16.41%
Schwab Dividend Equity Fund	SWDSX	6.88%	3.04%	16.05%	4.11%	16.05%	16.41%
Schwab Global Real Estate Fund	SWASX	2.27%	0.09%	17.34%	8.85%	17.34%	15.58%
Schwab International Index Fund	SWISX	5.99%	3.73%	14.09%	1.40%	14.09%	13.75%
Schwab Small-Cap Index Fund	SWSSX	7.07%	2.13%	17.03%	-3.23%	17.03%	12.54%
Schwab Fundamental Global Real Estate Index Fund	SFREX	2.86%	-0.72%	14.59%	5.58%	14.59%	12.17%
Schwab Health Care Fund	SWHFX	6.41%	-0.28%	7.15%	8.89%	7.15%	12.09%
Schwab Fundamental US Small Company Index	SFSNX	6.86%	1.65%	15.52%	-3.94%	15.52%	10.96%
Schwab US Aggregate Bond Index Fund	SWAGX	1.22%	3.06%	6.06%	7.71%	6.06%	9.84%
Schwab Small-Cap Equity Fund	SWSCX	7.90%	1.01%	14.78%	-5.95%	14.78%	9.68%
Schwab Fundamental International Large	SFNNX	6.02%	2.09%	11.24%	-1.66%	11.24%	9.64%
Schwab International Core Equity Fund	SICNX	5.82%	2.04%	13.12%	-3.64%	13.12%	9.46%
Schwab Treasury Inflation Protected Securities Index Fund	SWRSX	0.93%	2.87%	6.16%	4.81%	6.16%	8.06%
Schwab Short-Term Bond Index Fund	SWSBX	0.79%	1.93%	3.49%	5.31%	3.49%	6.29%
Schwab Fundamental International Small	SFILX	5.04%	1.23%	10.31%	-7.49%	10.31%	4.96%
Schwab Hedged Equity Fund	SWHEX	3.86%	-1.16%	3.65%	-3.47%	3.65%	1.57%

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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