REPORT OF

MISSOURI STATE PUBLIC EMPLOYEES
DEFERRED COMPENSATION PLAN

JUNE 30, 2020

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Trustees
Missouri State Employees' Retirement System
Jefferson City, Missouri

Report on the Financial Statements
We have audited the accompanying financial statements of the Missouri State Employees' Retirement System Deferred Compensation Plan (the Plan) which comprise the statement of fiduciary net position as of June 30, 2020, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary financial position as of June 30, 2020, and the statement of change in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Boise, Idaho
November 18, 2020

MISSOURI STATE EMPLOYEES
DEFERRED COMPENSATION PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2020

This discussion and analysis of the Missouri State Public Employees Deferred Compensation Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the year ended June 30, 2020. Please read it in conjunction with the Plan's financial statements, which follow this section.

Financial Highlights

- Fiduciary net position held in trust for benefits at June 30, 2020 were $1,656,417,016, an increase of $66,537,187 or 4.19% compared to June 30, 2019, fiduciary net position held in trust for benefits of $1,589,897,829. These funds are available for distribution to plan participants in accordance with Plan provisions.

- Total additions were $146,761,238 for the year ended June 30, 2020, resulting primarily from positive investment income of $48,055,306 and employee contributions and rollovers of $97,262,150. For the year ended June 30, 2019, total additions were $136,809,692, resulting primarily from positive investment income of $75,349,127 and employee contributions and rollovers of $60,062,631.

- Total deductions were $80,224,051 and $93,898,434 for the years ended June 30, 2020 and 2019, respectively, substantially all of which were due to distributions to participants.

- At June 30, 2020, the number of active and terminated participants (those with a balance in their account) slightly increased to 65,536 compared to 63,909 at June 30, 2019.

Overview of the Financial Statements

The Plan is a deferred compensation plan as authorized by Section 457 of the Internal Revenue Code (IRC), as amended, through which the State of Missouri and its agencies (the State) offer its employees the option to defer income in accordance with IRS and Plan guidelines. Participants may direct their contributions into available investment options offered by the Plan and are 100% vested in their accounts. Benefits are payable to participants, in accordance with Plan provisions, upon termination of employment with the State, retirement, death, or unforeseeable emergency based on the participant's account balance.

The Plan's financial statements are comprised of a statement of fiduciary net position, a statement of changes in fiduciary net position, and notes to the financial statements.

The statement of fiduciary net position presents information on the Plan's assets and liabilities with the difference between the two reported as fiduciary net position held in trust for benefits. This statement reflects, at fair value, the participants' balances in their selected investment options, which are available to pay benefits.

The statement of changes in fiduciary net position presents information showing how the Plan's fiduciary net position held in trust for benefits changed during the year ended June 30, 2020. This statement reflects contributions made by, and benefits paid to, participants during the period. Investing activities during the period are also presented which include interest and dividends added to participant accounts and the net appreciation or depreciation in fair value of the investments. Other transfers and fees affecting participant accounts are also reported in this statement.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Plan is considered by the Office of Administration – Division of

Accounting to be a component unit of the State of Missouri and, therefore, the Plan is included as a pension trust fund in the State of Missouri's Comprehensive Annual Financial Report.

Financial Analysis

Summarized financial information is presented in the following condensed statements as of and for the years ended June 30, 2020 and 2019:

Condensed Statements of Fiduciary Net Position as of:

	June 30, 2020	June 30, 2019
Assets:		
Investments	$1,655,098,243	$1,588,783,507
Cash and cash equivalents	758,076	591,707
Receivables	642,057	504,615
Total assets	1,656,498,376	1,589,879,829
Liabilities:		
Accounts payable	81,360	-
Fiduciary net position held in trust for benefits	$1,656,417,016	$1,589,879,829

Condensed Statements of Changes in Fiduciary Net Positions for the Year Ended:

	June 30, 2020	June 30, 2019
Additions:		
Employee contributions	$ 63,098,160	$ 58,943,446
Rollovers from other qualified plans	34,163,990	1,119,185
Investment income	48,055,306	75,349,127
Revenue sharing	1,443,782	1,397,934
Total additions	146,761,238	136,809,692
Deductions:		
Benefits paid to participants	77,868,558	91,558,272
Life insurance premiums	136,894	155,711
Administrative expenses	2,218,599	2,184,451
Total deductions	80,224,051	93,898,434
Change in fiduciary net position	$ 66,537,187	$ 42,911,258

- Net assets available for plan benefits increased by approximately $66.537 million during the year ended June 30, 2020, to approximately $1.66 billion. Most of the increase is reflected in the investment balances of member accounts.

- Employee contributions were approximately $63.098 million for the year ended June 30, 2020, and approximately $58.943 million for the year ended June 30, 2019. That reflects a relative increase of approximately $4.155 million or 7.05%. The Plan added an auto-enrollment feature in the fiscal year ended June 30, 2013. All eligible employees are automatically enrolled in the Plan with a contribution rate of 1.0% unless they opt out. Approximately 5.0% of eligible participants chose to opt out of the Plan in FY20 which is an improvement over the FY19 opt-out rate of 5.9%.

- Rollovers from other qualified plans were approximately $34.164 million for the year ended June 30, 2020, compared to $1.119 million for the year ended June 30, 2019. Participants are allowed to rollover their account balances in other qualified plans into the Plan in accordance with Plan provisions. These amounts will vary each year, depending on the specific participants making this election. Beginning in

FY20, rollovers are generally directed to the 457 plan since new members do not receive a match and therefore do not have a 401(a) account.

- Investment income was approximately $48.055 million for the year ended June 30, 2020, compared to investment income of approximately $75.349 million for the year ended June 30, 2019. Positive market conditions were experienced again during 2020; however, the market was not as strong as 2019, thus leading to a decrease in investment income.

- Distributions to participants totaled approximately $77.869 million for the year ended June 30, 2020, compared to approximately $91.558 million for the year ended June 30, 2019. That represents a relative decrease of approximately $13.689 million or 14.95%. Distributions will vary year-to-year based on the number of employees leaving the Plan.

- Administrative expenses were approximately $2.219 million and $2.184 million for the years ended June 30, 2020 and 2019, respectively, with no significant changes.

A summary of the investment balances at June 30, 2020 and 2019, is as follows:

	2020 Balance (in thousands)	2019 Balance (in thousands)
Stable Value Fund	$ 505,238	$ 472,753
Bond Mutual Funds	8,209	7,848
Large-Cap Equity Funds	242,252	226,432
Mid-Cap Equity Funds	17,713	17,863
Small-Cap Equity Funds	40,610	42,542
International Equity Funds	18,607	19,122
Asset Allocation Funds	15,891	15,343
Self-Managed Accounts	55,872	49,268
Target Date Funds	747,720	734,618
Other	2,986	2,995
Total	$1,655,098	$1,588,784

During the years ended June 30, 2020 and 2019, Plan participants elected to allocate their employee contributions as follows:

Allocations of Contributions

	2020	2019
Stable Value Fund	15.0%	16.6%
Bond Funds	0.4%	0.4%
Large-Cap Equity Funds	4.4%	4.8%
Mid-Cap Equity Funds	0.6%	0.7%
Small-Cap Equity Funds	1.3%	1.3%
International Equity Funds	0.7%	0.8%
Asset Allocation Funds	0.9%	1.0%
Target Date Funds	75.2%	72.5%
Self-Managed Accounts	1.2%	1.3%
Life Insurance Contracts	0.2%	0.3%
Other	0.1%	0.3%
	100.0%	100.0%

Other

Other than changes in the fair value of investment assets, as may be impacted by the stock and bond markets, along with changes in interest rates, no other matters are known by management to have a significant impact on the operations or financial position of the Plan.

Requests for Information

This financial report is designed to provide a general overview of the Plan's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Plan Administrator, c/o MOSERS, P.O. Box 209, Jefferson City, MO 65102-0209.

MISSOURI STATE EMPLOYEES
DEFERRED COMPENSATION PLAN

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2020

ASSETS	
Investments	$1,655,098,243
Cash and cash equivalents	758,076
Prepaid expenses	432,187
Revenue share receivable	209,870
Total assets	1,656,498,376
LIABILITIES	
Accounts payable	81,360
NET POSITION	
Fiduciary net position held in trust for benefits	$1,656,417,016

The notes to financial statements are an integral part of these statements.

MISSOURI STATE EMPLOYEES
DEFERRED COMPENSATION PLAN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2020

ADDITIONS	
Contributions:	
Employees	$ 63,098,160
Rollovers	34,163,990
Total contributions	97,262,150
Investment income:	
Net appreciation in the fair value of investments	15,195,064
Interest and dividends	32,860,242
Total investment income	48,055,306
Revenue sharing	1,443,782
Total additions	146,761,238
DEDUCTIONS	
Benefits paid to participants	77,868,558
Life insurance premiums	136,894
Administrative expenses	2,218,599
Total deductions	80,224,051
Change in fiduciary net position	66,537,187
Fiduciary net position held in trust for benefits, beginning of year	1,589,879,829
Fiduciary net position held in trust for benefits, end of year	$1,656,417,016

The notes to financial statements are an integral part of these statements.

1. DESCRIPTION OF THE PLAN

The following description of the Missouri State Public Employees Deferred Compensation Plan (the "Plan"), which is administered by the Missouri State Employees' Retirement System ("MOSERS"), is provided for general information purposes only. For a more complete description of the Plan provisions, refer to the detailed plan documents or the Revised Statutes of the State of Missouri.

General: The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission (the "Commission") in December 1979, was approved by the Governor of the State of Missouri in February 1980, and enrollment in the Plan began in April 1980. The first employee contributions to the Plan were made in May 1980. The participating employers include the State of Missouri and its agencies and departments including state colleges and universities, state retirement systems, Missouri Consolidated Health Care Plan and any state agency or instrumentality defined as a body corporate and public. There are currently eighteen State of Missouri employers participating in the Plan. The Plan is available to all employees of the participating employers, as well as any elected officials receiving a salary from the State. The Plan is considered a component unit of the State of Missouri and is included as a pension trust fund in the State of Missouri's Comprehensive Annual Financial Report.

The supervisory authority for the management and operation of the Plan is the Board of Trustees of MOSERS. MOSERS has hired a record keeper to handle participant services and recordkeeping and an investment custodian to hold the Plan's investments. ICMA-RC is record keeper for the Plan. State Street Investor Services is the investment custodian for the Plan's investments in mutual funds, Target Date Funds, and the Voya Stable Value fund. TD Ameritrade is the custodian for the Plan's self-directed brokerage account.

The Plan is classified as a governmental plan and is not subject to Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan, accordingly, does not file Form 5500, which was developed by the Internal Revenue Service, Department of Labor, and the Pension Benefit Guaranty Corporation to satisfy the reporting requirements of the IRS and ERISA.

Eligibility and Contributions: Under the Plan provisions, employees of the State of Missouri are eligible to contribute into the Plan through reduction of salary. Effective July 1, 2012, newly eligible employees are automatically enrolled at 1% of gross wages unless they elect not to participate. Participants can elect to enroll in an automatic contribution increase feature. In accordance with Section 457 of the Internal Revenue Code (the "IRC"), the Plan limits the amount of an individual's annual contribution to 100% of his/her annual gross compensation, not to exceed $19,500 for calendar year 2020. The Plan offers a catch-up program to participants who have attained the age of 50, increasing their maximum contribution to $26,000. Additionally, the Plan offers a pre-retirement catch-up program to employees within three years prior to the year of their retirement, under which participants may be able to double the normal contribution limit and contribute $39,000. The employee cannot contribute to the pre-retirement catch-up and the age 50 and over catch-up provision during the same tax year. Amount contributed by employees are deferred for federal and state income tax purposes until benefits are paid to the employees. Participating employers do not make contributions to the Plan.

The Plan offers a Roth 457 option to participants. Participants can elect to make after-tax contributions to their account and may elect to make both before and after-tax contributions. Those contributions under the Roth 457 option may grow on a permanent tax free basis.

Participants may make rollover contributions from other qualified plans into the Plan.

Under provisions of the Small Business Job Protection Act of 1996 ("SBJPA"), which became effective for Plan years beginning after December 31, 1996, assets of IRC Section 457 plans must be held in a trust, custodial account or annuity contract for the exclusive benefit of employees and beneficiaries. At June 30, 2020, the Plan met the requirements of the SBJPA.

Investment Options: Participants in the Plan may invest in the following options:

- Fixed earnings investments underwritten by Voya Retirement Insurance and Annuity Company ("VRIAC")
- Self-directed brokerage options through TD Ameritrade
- Target date funds
- Mutual funds
- MOSERS Investment Portfolio ("MIP") fund

Mutual fund investment options were closed to new investors after May 1, 2009, but the allocation of future contributions is permitted for investors who designated those allocation instructions prior to May 1, 2009.

Effective January 1, 1989, the option to invest in life insurance contracts underwritten by Security Benefit Life Insurance Corporation ("SBL") was no longer available to Plan participants. Participants making deferrals to SBL life insurance contracts at December 31, 1988 may continue such deferrals but may not increase the amount of such deferrals at any time. As of July 1, 2000, the option to invest in universal life insurance contracts underwritten by Monumental Life Insurance Company ("Monumental") was no longer available to Plan participants. No new policies were being written by Monumental. However, the policies in existence as of June 30, 2000, continue to be serviced.

Participant Accounts: Each participant's account is credited with the participant's contributions and allocations of Plan earnings with an allocation of Plan expenses. Allocations are based on participant earnings or account balances, as defined. Earnings are credited to individual participant account balances based upon investment performance of the specific options selected by the participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are at all times 100% vested in their account balances.

Payment of Benefits: Employees participating in the Plan and their beneficiaries may withdraw the fair value or contract value of funds contributed to the Plan upon retirement, death, qualifying hardship or separation of service from the Employer, subject to Internal Revenue Service limitations. Participants may select from various payout options, including lump sum payments, rollover to other qualified plans or individual retirement arrangements, or payments over various periods. Retiring participants have the option to annuitize their account balances as one of the payout options. The plan provides this option through an annuity that can be purchased from insurance companies available through the Plan's record-keeper. Depending upon the option selected, the payments may be actuarially determined.

Plan Membership: As of June 30, 2020, the Plan's membership consisted of the following:

Active Participants	38,835
Retired and inactive participants	26,701
Total	65,536

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared on the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and reporting principles.

Use of Estimates: The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of net assets held in trust for benefits, liabilities and changes therein. Actual results could differ from those estimates.

Related Plan: The Missouri State Public Employees Deferred Compensation Incentive Plan (the "Incentive Plan") is related to the Plan through common sponsorship and administration. Both are offered by the State of Missouri to the same employees, and the operations and administration are handled together. Certain balances are allocated between the two plans based on either investment balances or number of participants. The Incentive Plan issues separate financial statements.

Contributions and Contributions Receivable: Contributions are recorded when the related deferred compensation payment is withheld from the participating employees' salary. Contributions are credited by the applicable investment custodian upon receipt from the Employer. Contributions receivable represent employee contributions withheld from participants' salaries during the fiscal year not remitted to the investment custodian at fiscal year-end. Contributions receivable at June 30, 2019 were $0.

Revenue Share and Revenue Share Receivable: The Plan receives shareholder service fees, 12(b)1 fees, and other commissions from individual mutual fund companies. The record keeper receives this income as the intermediary and allocates monthly revenue to the Plan based upon the balances of the assets within the mutual fund. The revenue share income is used to pay a portion of the recordkeeping fees, which reduces the actual fees paid by the participants of the Plan. The revenue for each month is allocated the following month. As of the fiscal year end, the unpaid balances have been accrued as a receivable by the Plan.

Prepaid Expenses: Prepaid Expenses represents a cash balance held by MOSERS to pay for administrative expenses of the Plan as they arise. During the year ended June 30, 2020, a total of $1,300,000 was transferred to MOSERS to cover administrative expenses. The Plan was allocated $936,130 of that transfer amount with $432,187 remaining at June 30, 2020 to cover future expenses.

Investment Valuation: Investments in mutual funds and self-directed brokerage accounts are presented at their fair value based on published market prices. Investments in the Voya Stable Value Fund are valued at contract value as this is the value realizable by participants. Investments in the Missouri Target Date Funds are valued at fair value based on the fair value of the underlying assets comprising each Missouri Target Date Fund, as provided by the individual fund managers. Investments in the MOSERS Investment Portfolio ("MIP") Fund are valued on a monthly basis based on the fair value of the underlying assets. The underlying assets of MIP mirror the defined benefit portfolio of MOSERS.

Purchases and sales of securities are recorded on a trade date basis. Realized investment gains and losses are determined using the average cost. Dividends are recorded on the declaration date. Interest is recorded when earned.

Investment Contract with Voya Life Insurance and Annuity Company: In 2006, the Plan entered into a benefit-responsive investment contract with ING Life Insurance and Annuity Company, which was subsequently renamed Voya Retirement Insurance and Annuity Company ("VRIAC"). This benefit-responsive investment contract is the Voya Stable Value Fund. VRIAC maintains the contributions in a separate account. The value of the separate account is the fair market value of investments plus cash balances and accruals, less liabilities, in accordance with such methods as described in the contract of as VRIAC may adopt from time to time. Income and gains or losses, realized or unrealized, are credited or charged directly to the separate account. The values determined may decrease or increase according to such procedure. The separate account is charged with expenses arising from the operations of the account including taxes, brokerage, commissions, and other costs. The contract value as reported to the Plan by VRIAC is the value represented in the Interest Accumulation Fund, which is the accounting record maintained under the contract for amounts reflecting the termination value of the predecessor investment vehicle (Nationwide) plus or minus deposits received, withdrawals made, fees charged, interest at the Credited Rate and other adjustments. Participants may direct the withdrawal or transfer of all or a portion of their investment contracts.

The fair value of the investment contract as of June 30, 2020, was $533,436,584 and the contract value on June 30, 2020, was $505,237,735. The average yield and crediting interest rates were approximately 2.63% for the year ended June 30, 2020. The crediting interest rate is based on a formula agreed upon with the issuer. The interest rates are reviewed on a quarterly basis for resetting. The crediting interest rate formula is in part based on the fair value of the underlying securities of the investment contract.

Certain events, such as termination of the contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at the contract value with VRIAC. The plan administrator believes the occurrence of such events that would also limit the Plan's ability to transact at contract value with plan participants is not probable.

Interest Income: Interest income is recorded as earned for the Stable Value Fund. The interest rate for the Stable Value Fund was 2.57% at June 30, 2020. The interest rate ranged from 2.49% to 2.57% for the year ended June 30, 2020. Total interest income recognized was $12,533,416 during the year ended June 30, 2020, and is included in interest and dividends on the statement of changes in fiduciary net position.

Administrative Expenses: Expenses are recorded when the liability is incurred, regardless of when the payment is made. ICMA-RC charges annual recordkeeping and advisory fees total $25 per participant, of which participants pay $1.25 monthly and the Plans pay the remainder. This fee covers services for both this Plan and the Incentive Plan and is allocated between the two plans.

In addition, the two plans paid administrative fees of $25,000 quarterly to MOSERS for administration services provided to the two plans. These quarterly fees are paid out of the $25 annual per participant fee charged. These quarterly fees are also allocated between the two plans.

The Plan incurred $1,409,844 for recordkeeping fees and $808,755 for MOSERS administration, for a total of $2,218,599 administrative expenses.

Benefits Paid: Benefits are recorded at the time withdrawals are made from the Plan participant accounts, which generally coincides with the trade date.

Rollovers: Rollovers represent contributions transferred from other qualified plans and are recorded when received.

3. TAX STATUS

The Plan is reviewed by legal counsel to ensure conformity with Section 457 of the IRC. Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred are included in the gross income of the participant only for the taxable year in which such benefit is paid or otherwise made available to the participant or beneficiary. The Trust established under the Plan is treated as exempt from federal income taxation.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent the Plan's portion of the Administrative Allowance account that is maintained by ICMA-RC. Revenue share amounts are deposited into the account and used to pay Plan expenses such as record keeping fees, plan audits and financial statement preparation. The balance is allocated between the related plans based upon their respective investment balances. At June 30, 2020, The Administrative Allowance Account had a total balance of $1,378,257 and is invested in the Fidelity Money Market Government Portfolio. Of that amount, $620,181 is allocated to the Missouri State Employees Deferred Compensation Incentive Plan and $758,076 is allocated to the Missouri State Employees Deferred Compensation Plan.

5. INVESTMENTS

The Plan's investment policy is to provide a user friendly mechanism for participants to accumulate and preserve assets for retirement during years of employment and beyond. Missouri Target Date Funds were added to the investment options in April 2009 to simplify retirement investing for Plan participants. New participants into the Plan after April 2009 have the choice between thirteen target date funds, a stable value fund, or a self-directed brokerage option. The self-directed brokerage option was retained for participants who prefer "hands-on" approach to retirement investing. Participants who were already contributing to one or more of the 31 mutual funds before April 2009 can continue to the same mutual fund or funds and have the choice of the investments available to new participants.

Missouri Target Date Funds: These funds were created exclusively for participants of the Plan and the Incentive Plan. Each new participant who does not make an investment selection is, by default, invested in the target date fund closest to when he or she is first eligible to retire, assumed to be age 65. Participants may choose any target date fund as their investment in the Plan. The target date funds with dates farthest in the future have the most aggressive investment approach and are more heavily invested in stocks. These funds automatically adjust from a long-term growth focus to a more conservative investment mix as the participants move closer to retirement, investing more in bonds and less in stock.

Stable Value Fund: Voya Investment Management Co., LLC is the manager of the Voya Stable Value Fund's assets. The Stable Value Fund provides a stable rate of return by investing in various types of bonds including treasuries, agencies, corporate and mortgage-backed securities. The fund is wrapped by an insurance contract, issued by VRIAC, which stabilizes the interest rate paid as well as ensuring that participants get their principal plus interest when they decide to withdraw from the fund. However, the insurance wrapper guarantee of participants' return of principal does not extend to certain employer-initiated events, such as employer decision to terminate the contact or withdrawals that might arise from mass layoffs or similar events.

In advance of each quarter, the Voya Stable Value Fund establishes a rate of return for that quarter, as described previously. Stable Value Fund investment income included in the accompanying financial statements is net of annual fees which are deducted from earning prior to posting to the participant accounts. The annual fees as a percentage of participating assets are .30%.

Mutual Funds: The Plan offers various mutual funds, along with a self-directed brokerage option through an independent broker, which allows investments not offered by the Plan. Shares of mutual funds are not insured, although some securities in which the funds invest may be insured or backed by the U.S. government or its agencies. Investment income in the accompanying financial statements is net of management and other expenses charged by the fund managers which are deducted from earnings prior to posting to the participant accounts.

MOSERS Investment Portfolio ("MIP") Fund: The MIP fund is a monthly valued investment option offering participants the ability to purchase units of the MOSERS investment portfolio. MIP is an actively managed, diversified portfolio of investments including U.S. and foreign public and private equity and debt, real estate, commodities, emerging markets, timber, foreign currency transactions, derivative transactions, and hedge funds. The fund is geared toward investors seeking long-term total returns. MOSERS issues separate financial statements which include detailed information of the underlying assets.

Investments as of June 30, 2020, by investment type, are as follows:

Investments at fair value	
Target Date Funds	$ 747,720,244
Large-Cap Equity Funds	242,251,743
Self-Managed Accounts	55,872,495
Small-Cap Equity Funds	40,610,342
International Equity Funds	18,606,829
Mid-Cap Equity Funds	17,712,711
Asset Allocation Funds	15,891,137
Bond Mutual Funds	8,208,813
MOSERS Investment Portfolio Fund	2,986,194
Investments at fair value	1,149,860,508
Investments at contract value	
Stable Value Fund	505,237,735
Total investments	$1,655,098,243

Custodial credit risk for investments, and cash and cash equivalents, is the risk that the Plan would not be able to recover the value of investments in the event of a failure by the counterparty to a transaction. The Plan does not have any investments that are not registered in the name of the Plan and are either held by the counterparty of the counterparty's trust department or agent, but not in the Plan's name, except for one of the underlying investments in the Target Date Funds (Vanguard High Yield Fund) which is registered in the name of the manager for benefit of the Plan.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Plan's investment in a single issuer. The Plan has no formal policy because participants elect where to invest contributions. However, the investment in the Stable Value Fund represents approximately 31% of investments.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. The Plan does not have a formal policy for credit risk. At June 30, 2020, the average credit ratings for the fixed income securities included in the bond mutual funds were as follows:

Bond Mutual Funds	Fair Value	Credit Rating
American Funds Bond Fund of America	$3,283,625	A
Vanguard Inflation Protected Securities Fund	2,336,589	AAA
Federated Hermes Short-Intermediate Government Fund	2,019,872	AAA
Prudential Total Return Bond Fund	568,727	BBB
Total	$8,208,813	

At June 30, 2020, the average credit rating as provided by Voya for the securities in the Stable Value Fund was AA.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the Voya Stable Value fund, whose rate is adjusted quarterly, the Plan investment guidelines include no formal policy on interest rate risk. Duration is a measure of a debt instrument's exposure to fair value charges arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

The average effective duration in years as of June 30, 2020, for the bond mutual funds is as follows:

Bond Mutual Funds	Fair Value	Weighted Average Effective Duration
American Funds Bond Fund of America	$3,283,625	5.3
Vanguard Inflation Protected Securities Fund	2,336,589	8.4
Federated Hermes Short-Intermediate Government Fund	2,019,872	3.6
Prudential Total Return Bond Fund	568,727	5.8
Total	$8,208,813	

As June 30, 2020, the weighted average effective duration as provided by Voya for the Stable Value Fund was 3.5 years.

Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1	Valuation is based upon unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.
Level 2	Valuation is based upon quoted prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Observable inputs may include interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
Level 3	Valuation is based on methodologies that are unobservable and significant to the fair value measure. These may be generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of valuation methodologies used for assets recorded at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund on an active market, which is based on the underlying net asset value ("NAV") of the shares held by the Plan at year-end. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Cash and cash equivalents: Valued at cost, which approximates fair value.

U.S. government securities: Valued at the closing price reported in the market in which the individual security is traded.

Corporate bonds: Certain corporate bonds are valued at the closing price reported in the inactive market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Corporate stock: Valued at closing price reported in the active market in which the individual securities are traded.

MOSERS Investment Portfolio ("MIP") Fund: Valued at the NAV of the units of underlying investments held by the Plan at year-end. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of its underlying investments held by the fund less its liabilities. Participant transactions (purchases and sales) may occur monthly. The significant investment strategies are designed to achieve long-term total returns, comprised of capital appreciation and income. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments.

Missouri Target Date Funds: Valued at the NAV of the units of underlying investments held by the Plan at year-end. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of its underlying investments held by the funds less its liabilities. Participant transactions (purchases and sales) may occur daily. The significant investment strategies of the funds are to seek the highest total return over time, consistent with the fund's asset mix. The asset allocations within these target date funds adjust automatically over time. Each fund invests more aggressively in its early years and becomes more conservative as it reaches its time horizon. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Large-Cap Equity Funds	$ 242,251,743	$ -	$ -	$ 242,251,743
Small-Cap Equity Funds	40,610,342	-	-	40,610,342
International Equity Funds	18,606,829	-	-	18,606,829
Mid-Cap Equity Funds	17,712,711	-	-	17,712,711
Asset Allocation Funds	15,891,137	-	-	15,891,137
Bond Funds	8,208,813	-	-	8,208,813
Total mutual funds	$ 343,281,575	-	-	343,281,575
Self-directed brokerage account				
Cash and cash equivalents	$8,943,424	-	-	$8,943,424
U.S. Government securities	24,133	-	-	24,133
Mutual funds	16,374,909	-	-	16,374,909
Corporate stock	29,905,850	351,690	-	30,257,540
Corporate debt securities	219,246	53,243	-	272,489
Total self-directed	$ 55,467,562	404,933	-	55,872,495
Total assets in fair value hierarchy	$399,154,070	$404,933	$ -	399,154,070
Investments measured at net asset value (NAV)				
MOSERS Investment Portfolio Fund				2,986,194
Missouri Target Date Funds				747,720,244
Total investments measured at NAV				750,706,438
Total investments				$1,149,860,508

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of December 31:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Required
MOSERS Investment Portfolio Fund	$ 2,986,194	n/a	Monthly	None
Missouri Target Date Funds	747,720,244	n/a	Daily	None
Total	$750,706,438			

6. RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of mutual funds, insurance contracts, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the accompanying statement of fiduciary net position.

7. ALLOCATED LIFE INSURANCE CONTRACTS

Generally accepted accounting principles require that contracts in a participant's name be excluded from the face of the financial statements. The values of insurance contracts change daily due to premiums paid, investment return and settlements of cash surrender value. Due to the actual cash surrender value being significantly less than the policyholder account value in the early years of universal life insurance contracts, a participant may receive substantially less than the value of their account upon the withdrawal of funds from their universal life insurance contract.

Monumental had 939 universal life insurance policies in force at June 30, 2020. The face amount of these policies was approximately $31,902,697 at June 30, 2020. The cash surrender value of the universal life insurance policies in force with Monumental was $3,408,722 at June 30, 2020.

SBL had 57 life insurance policies in force at June 30, 2020. The face amount of these policies was approximately $191,406 at June 30, 2020. The cash surrender value of the life insurance policies in force with SBL was $127,657 at June 30, 2020.

At the time of retirement or termination of employment with the State of Missouri, employees have the option of transferring ownership of the policy and continuing to make the life insurance premium payments directly to SBL or Monumental, or receiving the cash surrender value of the policy.