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Form ADV Part 2A

Firm Brochure

Managed Account Service

October 9, 2019

This brochure provides information about the qualifications and business practices of Newport Group Consulting, LLC ("NGC" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 407-333-2905 and/or NGcompliance@newportgroup.com.

The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

NGC is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Newport Group Consulting, LLC is available on the SEC's website at www.adviserinfo.sec.gov. CRD number 140944.

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Item 2: Material Changes

The following summary discusses material changes to the NGC Form ADV, Part 2A Participant Services (the “Brochure”), dated August 31, 2019. Consistent with the SEC rules we will provide you with a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is December 31, 2018¹.

Summary of Material Changes:

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Item 4: Advisory Business

A. Background

About Newport Group Consulting, LLC and Newport Group, Inc.

Newport Group Consulting, LLC (“NGC”) as a Registered Investment Adviser has been in business since April 2006. NGC provides institutional investment and fiduciary consulting services primarily to retirement plans, their sponsors, and their participants. Many of these plans provide for participant-directed investments.

NGC is wholly-owned subsidiary of Newport Group, Inc. (“NGI”). NGI is a provider of retirement plan administration and recordkeeping services. NGI is wholly owned subsidiary of Newport Group Holdings, L.P. Newport Holdings GP I, LLC serves as the General Partner of Newport Group Holdings, L.P.

KIA X (Badger) Investor, L.P., a fund managed by Kelso & Company, indirectly controls NGC, with more than 25% interest in Newport Group Holdings, L.P. Additional information about NGC products, structure and directors is provided on Part 1 of NGC and ADV Part 1 which is available online at <http://www.adviserinfo.sec.gov>.

NGC is affiliated with Newport Group Securities, Inc. (“NGS”), a dually registered investment adviser and broker-dealer and Newport Trust Company (“NTC”), a limited chartered New Hampshire based trust company that provides America’s leading corporations and institutions with institutional trustee and independent fiduciary services for retirement and employee benefit plans. NGS is a wholly owned subsidiary of Newport Group Holding, L.P. and NTC is a wholly owned subsidiary of Newport Group Inc.

Newport Group’s management believes that none of the indirect relationships that the Firm may have are material to the business of the registered investment adviser and do not cause a conflict of interest with the activities on behalf of its clients.

About NextCapital Group, Inc.

NextCapital, through its subsidiaries, is a leading provider of portfolio management and 401(k) managed account software. NextCapital's founding team was responsible for building out the first automated 401(k) portfolio management platform, the first digital wealth advisor and one of the first online banks. NextCapital's wholly owned subsidiary, NextCapital Software, Inc. (“NextCapital Software”), licenses financial and forecasting software to Newport. NextCapital licenses its technology to Newport, but does not serve as an investment adviser to Newport or its clients.

B. Advisory Services

Managed Account service

The Managed Account service (“Managed Account”, “MA”, “MA service”) is a web-enabled financial advisory service offered to institutional retirement plan sponsors to make available to employees who are Newport Group, Inc. recordkeeping retirement plan participants (“Participants”). The Managed Account service uses technology supported by NextCapital Group, Inc. (“NextCapital”) and integrated with the retirement plan recordkeeping system. The service may be offered to Participant retirement plan accounts (“plan accounts”) including employer-sponsored defined contribution accounts (401(k), 457, 403(b), and other participant directed plans). The Managed Account service allows Participants to develop a

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strategy to reach investing and retirement goals by offering a personalized plan for saving and investing, forecasts for retirement income and wealth, and the creation and management of asset allocations using the designated investment alternatives offered in the employer-sponsored defined contribution plan.

The Managed Account service will use the information the Participant supplies to develop the investment strategy and asset allocation for their Plan account. If no information is provided and the service is used as the Plan's the Qualified Default Investment Alternative ("QDIA"), the Managed Account service will manage the account based on the Participant's current age provided by their employer, current salary, current account balance, current contributions, an assumed retirement age of 67 years and a conservative planning horizon. Participants may update their personal information at any time. Additional information may include their anticipated retirement age, the value of assets they own outside of the Plan (including any brokerage accounts, savings accounts, other retirement Plans, IRAs and financial assets they own) and their anticipated Social Security benefits. Participants will also be prompted to include information about their spouse's income, their education level, level of salary risk, other income sources and their health information. All of the information collected is incorporated into a proprietary algorithm to determine the advice provided. The algorithm will establish a retirement income target, a target retirement age, a deferral rate, an auto escalation rate if applicable, and a risk appropriate portfolio for the Participant. By subscribing to the Managed Account service, it is expected that the Participant will periodically update their information as necessary or as the information changes.

Information including any personal information submitted will be transmitted to NGI and NextCapital. By subscribing to the Managed Account service the Participant is consenting to the disclosure of their personal information to NGC and Next Capital and is authorizing and directing NGI. to transmit their personal and Plan account information on NGI's servers to NextCapital. NextCapital has adopted data security and privacy standards not less stringent than those that NGC is subject to under its agreement with the Plan's fiduciaries. For example, electronic data is fully encrypted in transit and at rest on both NGI and NextCapital's servers, and both NGI and NextCapital assume responsibility under their service agreements and applicable state and federal laws to maintain the confidentiality and security of your information.

Discretionary Management

NGC has been delegated the full authority and discretion by the Plan's fiduciaries under the terms of the Plan and the Employee Retirement Income Security Act of 1974 ("ERISA") to manage the plan accounts of participants who – (i) subscribe to the Managed Account service or (ii) have been defaulted to the Managed Account service as the Qualified Default Investment Alternative ("QDIA") for the Plan. NGC, and not the Plan sponsor, is the Plan fiduciary responsible under ERISA for the investment decisions made in managing the plan account while Participants are subscribed to the Managed Account service. Because NGC manages the plan account, Participants may not make investment allocation decisions for their account while subscribed to the Managed Account service.

Subscribers to the Managed Account service

Participants who subscribe to the Managed Account service grant NGC discretionary authority to determine an allocation target for their plan account, which may change over time or as determined by NGC. This discretionary authority allows NGC to allocate the

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Participant's plan account among the menu of investment alternatives that have been selected by the plan or plan sponsor, typically excluding any brokerage window option, if applicable, or other plan restricted investments. As part of the Managed Account service, the plan provider will execute transactions in the Participant's account without prior approval of each transaction. The transactions will be executed for the sole purpose of directing the Participant's assets in accordance with the personalized investment strategy and retirement goals.

The Managed Account service is generally made available to Participants in a defined contribution plan through an agreement between NGC and the plan and/or the sponsoring employer. That agreement will specify the method(s) of subscription into the Managed Account service for eligible Participants, which may include:

- an "opt-in" method where a retirement Participant actively elects to subscribe to the service;
- an "opt-out" method where Participants who fail to make an affirmative investment election in their retirement plan are automatically subscribed to the Managed Account service in accordance with plan or plan sponsor specifications, with the ability to withdraw at any time without penalty as permitted under the Employee Retirement Income Security Act (ERISA). The Managed Account service may be selected by the plan sponsor as the plan's Qualified Default Investment Alternative under ERISA § 404(c)(5).
- some combination of both methods, as determined by the plan or plan sponsor and as agreed to by Newport.

To allow NGC to execute the Managed Account service, NGI, Inc., the plan's recordkeeping service provider, supplies information about each Participant and the plan account to NextCapital. The Managed Account service utilizes personal information about each individual collected from the recordkeeper or through their employer, including the individual's plan account balance, deferral rate, date of birth, marital status, state of residence, and salary, to develop an initial strategy. The individual can log onto a user interface incorporated into the recordkeeping platform to add additional personal information, such as spouse's income, family health history, salary risk, education level, outside savings plan accounts, and other income sources, in order to further refine the advice they receive. All of the information collected is incorporated into a proprietary algorithm to determine the advice provided. The algorithm will establish a target retirement income and retirement age for the Participant, set a deferral rate and auto escalation rate if applicable, and establish an asset allocation portfolio based upon modern portfolio theory. Participants are expected to periodically update the information provided as necessary or as the information changes.

The Managed Account service will generate multiple simulations of possible retirement outcomes for the Participant and will manage the Participant's allocations among predetermined optimal portfolios such that the Participant's individual retirement goal is expected to be achieved in most of the simulations. This optimal set of portfolios that offer the highest expected return for various levels of risk is often referred to as the "efficient frontier." The portfolio that is selected for implementation is the product of optimization enhancements developed by NGC which consider, among other factors, long-term capital markets expectations, volatility, expected return, and correlations among asset classes. After a Participant subscribes to the Managed Account service, NGC determines how to transition the plan account toward the allocation target and directs the plan provider

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regarding allocation of the plan account (which may include transfer or exchange directions) and contributions to the plan account. NGC does not give plan account directions relating to plan restricted investments.

Plan Account Aggregation

Through the Managed Account service's user interface, Participants can use the plan account aggregation tool to input information from financial accounts not associated with Newport or NextCapital. NGC does not manage accounts not held on its recordkeeping platform and cannot guarantee the accuracy of the information collected through the aggregation tool. Further, NGC cannot guarantee or support the functionality and interaction of the tool with outside organizations.

No Financial Planning Advice

It is important to understand that NGC is not providing Participants with personal financial planning advice nor is it attempting to tailor their plan account allocations as part of a broader financial plan. The personal information a Participant provides is used by NGC and NextCapital to ascertain their risk profile and in making other decisions about allocating the plan account initially and over time. If they wish to have the Participant's plan account included within a personal financial plan tailored to their specific needs, they should consult their own financial advisor. If their personal financial advisor recommends an allocation of their plan account, they should retain control over the plan account and not subscribe to the Managed Account service.

Limitations on Tax and Estate Planning Suggestions

Any resource or information presented to you in conjunction with the Managed Account service is not tax, accounting, or legal advice, and should not be relied upon for the purpose of avoiding any tax liabilities or penalties. NGC does not provide tax, accounting or legal advice. You should review any planned financial transactions or arrangements that may have tax, accounting, or legal implications with your personal professional advisors. You should consult your legal advisor regarding your particular circumstances.

- C. Advice generated is based on each Participant's profile. Participants cannot impose restrictions on investing in certain securities or types of securities. This discretionary authority allows NGC to allocate the Participant's plan account among the menu of investment alternatives that have been selected by the plan or plan sponsor, typically excluding any brokerage window option, if applicable, or other plan restricted investments.
- D. NGC does not participate in wrap fee programs.
- E. As of December 31, 2018 there are no assets under management for the Managed Account program. The Managed Account program became effective October 1, 2019. As of December 31, 2018, NGC has \$2,441,754,325 of non-discretionary and \$280,759,487 of discretionary assets under management.

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Item 5: Fees and Compensation

Managed Account service Fees

NGC charges an annual fee at the rate of up to 0.50% of the Participant's plan account balance. Fees are negotiable by Plan. Fees are calculated monthly in arrears based on the end of period plan account balance. Fees are deducted from the Participant's managed account in the month following each period end. Fee Example: If the Participant's plan account has a balance of \$10,000 as of June 30, the monthly fee of \$4.16 ($\$10,000 \times 0.50\% \text{ rate} / 12$), would be deducted from the Participant's plan account in July, and would reflect on the quarterly statement you receive in October for the effective quarter July 1 through September 30. Fees will be deducted the following month after the end of the quarter (July in the example) and will appear on the quarterly plan account statement and in real time on the participant website.

The dollar amount (but not the rate) of NGC's fee will vary as the Participant's plan account balance changes. NGC's fee will not vary based on which funds are selected for the Participant's plan account. NGC is the sole recipient of the fee. NGC receives no other fees for the Managed Account service. Specifically, NGC receives no compensation from mutual fund companies or ETF providers or from any other party.

Although the Manager does not receive any third party fees, the asset managers that provide the Plan's investment options typically charge for their services in the form of an annual expense ratio that is deducted periodically from a fund's investment returns and may include other fees. Funds selected by the Plan sponsor are shown on the Participant's annual Plan investment disclosure document from the Plan sponsor, where you may review the fees and investment performance of each fund. You may also find this information in the fund prospectuses.

Termination

NGC will continue to manage the Participant's plan account until (i) they cancel the Managed Account service or (ii) the agreement between the Plan sponsor and NGC to provide the Managed Account service to the Plan is terminated. They may cancel at any time by designating other investment alternatives offered under the Plan. They may also cancel by selecting the "Unsubscribe" button from within the Managed Account service's user interface. There are no fees or penalties for cancelling the Managed Account service. Upon termination, you will assume responsibility for allocating the Participant's plan account among the Plan's investment options. The Participant's plan account will remain invested according to NGC's most recent allocation until you change it. NGC is not responsible for investment decisions following termination of the Managed Account service. The Participant may notice continuing fees deducted from their plan account on the Participant's quarterly statements after they terminate the Managed Account service. These "trailing" fees are a result of deducting fees for the Managed Account service in arrears and reporting on the next quarterly statement.

Item 6: Performance-Based Fees and Side-By-Side Management

NGC does not engage in Performance-Based Fee and Side-by-Side Management of accounts.

Item 7: Types of Clients

NGC's Managed Account service generally provides portfolio management services or investment advice to individuals who are participants in retirement plans administered by NGI.

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NGC may interact with plan sponsors, plan committee members, boards of directors, officers responsible for investments or investment management, trustees and named or functional fiduciaries (*individuals who have discretionary authority*).

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

- A. NGC provides asset allocation advice using Modern Portfolio Theory (MPT) and a mean–variance framework. MPT is a theory on how one can construct portfolios to maximize expected return based on a given level of risk. Mean-variance analysis is the process of weighing risk (variance) against expected return. In general, the firm’s approach is to construct portfolios that have the highest expected return for the given level of risk a participant is willing to assume.
- B. Investing in securities involves risk of loss of principal. NGC’s risk management methodology does not protect against loss. Participants should evaluate their ability to withstand market losses prior to investing.

Investments are not guaranteed by any agency or program of the U.S. government or by any other person or entity, and one could lose money. One should consider one’s investment goals, time horizon and risk tolerance before investing.

- C. One should carefully review the allocation set by the Managed Account service and underlying funds’ prospectuses prior to investing. The following risks may not be all-inclusive, but should be considered carefully before subscribing to the Managed Account service:

Equity Securities Risk: Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. In addition, stock investments may be subject to risks related to market capitalization as well as company-specific risk.

Fixed Income Securities Risks: Investments in fixed income securities involves a variety of risks, including that: an issuer or guarantor of a security will be unable to pay obligations when due; due to decreases in liquidity, the Portfolio may be unable to sell its securities holdings at the price it values the security or at any price; and the Portfolio’s investment may decrease in value when interest rates rise. Volatility in interest rates and in fixed income markets may increase the risk that the Portfolio’s investment in fixed income securities will go down in value.

Exchange-traded Funds: Exchange-traded funds present market and liquidity risks, as they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price, which price will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund’s underlying portfolio.

Exchange-traded Fund (ETF) and Mutual Fund Risks: ETF or mutual fund performance may not exactly match the performance of the index or market benchmark that the ETF or mutual fund is designed to track for many reasons, including the ETF or mutual fund will incur expenses and transaction costs not incurred by any applicable index or market benchmark; certain securities comprising the index or market benchmark tracked by the ETF or mutual fund may, from time to time, be temporarily unavailable; certain ETFs or mutual funds may

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use synthetic products to reduce tracking error with the market benchmark tracked by the fund which relies on the synthetic counterparty to carry through with its obligation to pay the agreed upon index return. If that does not occur, the ETF or mutual fund risks incurring losses that would impact investors; and supply and demand in the market for either the ETF and/or for the securities held by the ETF or mutual fund may cause the ETF or mutual fund shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF or mutual fund.

Category or Style Risk: During various periods of time, one category or style may underperform or outperform other categories and styles.

Market Risk: The price of a security, bond, or mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Market Trading Risk: The risk that an active secondary trading market for a fund does not continue once developed, that a fund may not continue to meet a listing exchange's trading or listing requirements, or that a fund shares trade at prices other than the fund's net asset value.

Non-Diversification Risk. Some funds may be classified as a "non-diversified" portfolio which means it may hold fewer securities than a diversified fund because it may invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of a fund could go down because of the poor performance of a single investment.

Foreign Investment Risk. Investments in foreign securities may be riskier than U.S. investments because of factors such as unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors. Investments in emerging markets may involve these and other significant risks such as less mature economic structures and less developed and more thinly-traded securities markets.

Currency Risk: The performance of a fund may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, particularly if a fund invests a significant percentage of its assets in foreign securities or other assets denominated in currencies other than the U.S. dollar.

Derivatives Risk: The use of derivatives is a highly specialized activity that involves a variety of risks in addition to and greater than those associated with investing directly in securities, including the risk that: the party on the other side of a derivative transaction will be unable to honor its financial obligation; leverage created by investing in derivatives may result in losses to the portfolio; derivatives may be difficult or impossible for the portfolio to buy or sell at an opportune time or price, and may be difficult to terminate or otherwise offset; derivatives used for hedging may reduce or magnify losses but also may reduce or eliminate gains; and the price of commodity-linked derivatives may be more volatile than the prices of traditional equity and debt securities.

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Interest Rate Risk: the risk that fixed-income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

Credit Risk: the risk that a fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

Issuer Risk: the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or service.

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that a fund may be unable to sell illiquid (*non-marketable*) securities at an advantageous time or price.

Mortgage-Related and Other Asset-Backed Risk: the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk and prepayment risk.

Leveraging Risk: the risk that certain transactions of a fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, causing a fund to be more volatile than if it had not been leveraged.

Management Risk: the risk that there is no guarantee that the investment techniques and risk analyses applied by an investment manager will produce the desired results, and that legislative, regulatory, or tax developments may affect the investment techniques available to a particular investment/portfolio manager in connection with managing a fund and may also adversely affect the ability of a fund to achieve its investment objective.

Inflation Risk: When any type of inflation is present, purchasing power may be eroding at the rate of inflation.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This relates primarily to fixed income securities.

Additional Risk Considerations

Technology

The use of a technology service and algorithm to provide investment advice, such as that used by the Managed Account service, contains risks that may not otherwise be present with other investment advice services. Risks include, but are not limited to, providing advice with limited information, not incorporating all factors that may be relevant to the individual's situation, incorrect information used or unforeseen errors in calculations. Software integrations between NextCapital Group and NGL's recordkeeping system can present unforeseen risks and errors. The management of assets is limited to the investment in the employer-sponsored defined contribution account and will not manage any other investment accounts held by the participant. Other accounts can be used as a factor for the advice in a limited context. The Managed

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Account service is not a comprehensive financial advisory service as it does not fully consider taxes, debt, or certain other aspects of the individual's financial profile. Other risks associated with investing identified in this brochure also exist with investing in the Managed Account service and investing in general.

Risks Associated with Using an Algorithm.

The algorithms used by the Managed Account service are designed by NextCapital using inputs and assumptions from NGC. The objective of the algorithms is to reflect NGC's investment philosophy along with generally accepted financial principles for investing retirement plan assets and apply them to individuals using their personalized information. The algorithms are intended to implement a long-term strategic investment strategy, rather than a short-term tactical strategy based upon market movements or expectations of future market movements. These models and systems entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that the Managed Account service will be successful in carrying out such calculations correctly. The use of algorithms does not suggest that investment returns will be greater than alternative investment strategies, nor does it suggest that the portfolio will not experience losses. The ability of the Managed Account service and the underlying algorithms to successfully implement the intended investment strategy is dependent on many factors, including the mathematical components of the model, the data quality of the information used by the algorithm, changes in market conditions, or other unforeseen factors. All of these factors include the potential for human and other errors. While NGC has established certain systematic rules and processes for monitoring Participant portfolios to ensure they are managed in accordance with their investment objectives, there is no guarantee that these rules or processes will effectively manage the risks associated with algorithms in all market conditions.

Accuracy of Information

NGC bases its investment recommendations for the Managed Account service on the information provided by the plan sponsor and/or participants. As such, if a plan sponsor and/or participant were to provide NGC with inaccurate or false information, or fail to provide material information, the quality and applicability of the Managed Account service they may be materially impacted. Additionally, NGC may utilize data and information from one or more third party data providers in order to evaluate and analyze securities. If such data and/or information were to prove inaccurate, false or otherwise materially compromised, NGC may be materially impacted.

Cyber Security Risk

With the increased use of technologies such as the internet to conduct business, NGC is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

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Item 9: Disciplinary Information

NGC has no disciplinary information to report.

Item 10: Other Financial Industry Activities and Affiliations

Principal executive officers, other employees and independent contractors of NGI may be Registered Representatives of Newport Group Securities, Inc. (“NGS”) and/or Investment Adviser Representatives of NGC. Additionally, certain individuals are or may be licensed as insurance agents or brokers for one or more affiliated insurance companies.

When acting as IARs, individuals associated with NGC operate under a strict fiduciary standard. Apart and aside from NGC's fee-for-service investment consulting business, when acting in both IAR and RR capacities, individuals associated with NGC and NGS are said to be acting in a “dual capacity.”

Employees of NGI are not provided additional compensation for the sale of securities or investment advisory services. Independent Contractors associated with NGC have written agreements in place pertaining to their services offered and compensation paid to them by NGC. Each Independent Contractor is held to the same ethical standards as employees and are required to comply with applicable policies and procedures including NGI Code of Ethics.

NGI and its affiliates may provide recordkeeping, plan administration and/or custodial services to unaffiliated asset managers and/or their affiliates. These asset managers pay fees for these services directly to applicable Newport Group affiliate. In addition, these asset managers may provide sponsorship and/or attend NGI's annual conference that brings together industry leaders within the retirement industry. NGC may or may not recommend their investment strategies to clients. NGC neither prefers nor avoids asset management firms who have any such relationships when determining whether an investment strategy meets NGC's manager selection and monitoring criteria as described herein. The Firm will keep supporting documentation as to why any given investment strategy was recommended to Clients that are provided investment consulting services through NGC.

NGC does not receive any direct or indirect compensation from asset managers for the selection of their investment strategies in specific retirement plans.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Pursuant to the Investment Advisers Rule 204A-1, Newport Group has adopted various policies, including a Code of Ethics (the “Code”) to address the potential for self-dealing and conflicts of interest which may arise with respect to personal securities trading by employees, officers and other affiliated individuals (“Access Persons”). The Code not only applies to Access Persons but also members of their immediate family (as defined in the Code), which includes relatives living in the Access Persons principal residences. The Code and other policies cover, among other things, the protection of confidential information, including the client's non-public information; the review and monitoring of the personal securities accounts of certain NGI personnel for evidence of manipulative and insider trading; and training of personnel.

NGC acts as an investment consultant on the retirement plan for several mutual fund companies. Independently, NGC evaluates the funds of these companies for consulting clients. NGC manages this conflict of interest by separating NGI employees who provide service to the

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retirement plan from those who evaluate the funds. The individuals who provide service to the retirement plans and the individuals that evaluate the funds do not receive compensation based on the revenue that the firm receives as an investment consultant.

NGI employees responsible for developing the asset allocation models and the algorithms that derive the basis for the Managed Accounts may participate in the Managed Account service offered to NGI's employees. As described above, the Managed Accounts are limited to the investment options available by each Plan. In some cases NGC may be engaged as a 3(38) advisor with full discretion in choosing the investment menu for a Plan.

Personal Trading Policy

Newport Group has adopted a uniform insider trading policy and personal securities reporting requirement to identify and mitigate other conflicts of interest.

In general, this policy covers personal trading of all Newport Group employees deemed as "Access Persons" of the Firm and includes the following restrictions on personal trades:

- NGI's Access Persons under the Code are subject to additional, specific requirements with respect to their personal securities transactions, including disclosure of all securities holdings on an annual basis, certain reporting on transactional and quarterly basis and post review of transactions for certain designated securities and offerings.
- A director, officer or employee of NGC shall not buy or sell securities for their own personal portfolios where their decision is substantially derived, in whole or in part, from information received by reason of their employment unless the information is also available to the investing public upon reasonable inquiry.

You may obtain a copy of NGI's Code of Ethics by writing to the address listed on the cover page.

Item 12: Brokerage Practices

- A. NGC does not receive "soft dollars benefits" to utilize research, research related products and/or other services obtained from broker-dealers.
- B. NGC does not recommend broker-dealers for client referrals.
- C. NGC does not recommend, request or require clients to direct NGC to execute transactions through a specified broker-dealer.

Item 13: Review of Accounts

A-B. Reviews and Reviewers of Plan Accounts.

Participant plan accounts can generally be accessed at any time from NGI's participant access website.

Assets in participant accounts are monitored, rebalanced and reallocated on a periodic (approximately quarterly) basis, based on a NGC's proprietary algorithm.

No less than once per year, NGC will test a sample set of participant accounts to validate the managed account service is correctly implementing and adjusting participant accounts. The testing will entail two series of tests.

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The first series of testing will validate that participants are assigned an appropriate strategy given the information provided by the participant. Our tests target 99% accuracy with a 95% confidence level for pass/fail outcomes. A sample size of no more than 300 will be required for the tests (determined by the Bayes Success-Run Theorem). This testing will validate that three outputs are in line with our expectations:

1. All participants have a target and projected retirement income calculated to ensure a goal is established for each participant.
2. No participant is allocated to greater than 95% equity or less than 5% equity to ensure allocations satisfy a diversified portfolio in accordance with Department of Labor guidance on QDIA.
3. The total equity percentage of participant accounts is within our acceptable range of 15 percentage points above or below the base glide path at five distinct points: 10 years before retirement, 5 years before retirement, at retirement, 5 years after and 10 years after retirement.

The second series of tests will test to validate that participant accounts are assigned to the expected asset allocation based upon their currently assigned equity percentage. Twenty five random participant accounts will be tested.

1. Each participant is invested in all of the funds selected to be used in the participant's currently assigned security portfolio
2. No participant is invested in an investment option that was not included in the plan's security portfolio
3. The total equity percentage of the account is within an acceptable range of the assigned security portfolio given overall market behavior over the past three months
4. The allocation to each security is within an expected range of the target allocations for the participant

Any defects detected in the testing will be addressed within two business days of detection with NextCapital and NGI for resolution.

NGI expects that the defined contribution plan's sponsor and/or investment fiduciary will uphold their fiduciary duty to review and monitor the performance of investments offered to their participants using NGC's participant services. NGC has no discretion or duty to monitor these funds.

D. Frequency of Reports.

Plan sponsor will receive an annual due-diligence package to assist with prudent oversight of the Managed Account service within the plan. The review will summarize changes to capital market assumptions, glidepath modification and asset allocation methodology. Plan sponsors are expected to review this information as provided to confirm if the Managed Account service remains a prudent asset allocation solution for the plan.

Item 14: Client Referrals and Other Compensation

- A. NGC receives no direct or indirect economic benefits from any outside sources for providing investment advice or other consulting services to our clients as it pertains to the Managed Account service.

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- B. NGC does not directly or indirectly compensate any person who is not a supervised person for client referrals as it pertains the Managed Account service.

Item 15: Custody

NGC does not provide custodial services to or maintain custody for its clients. Clients designate and appoint a qualified custodian. Clients must ensure that copies of monthly/quarterly/annual custodial statements are forwarded directly to them from the custodian, and should periodically compare those statements to reports if/as provided by NGC. NGC records may differ from custodial statements based on accounting procedures, valuation methodologies and other reporting related processes.

As defined under the SEC Investment Advisers Act of 1940 Rule 206(4)-2, NGC may be deemed to have custody if a client provides the custodian with written authorization to directly debit advisory fees from client accounts and forward management fees to the firm. Because NGC may have authorization to directly debit the client's account(s) for payment of advisory fees NGC is said to exercise limited custody over client assets.

Newport Trust Company, as a qualified custodian, may provide custodial services to Plans that are recordkept by NGL.

Item 16: Investment Discretion

NGC accepts discretionary authority to manage assets on behalf of participants who enter into an agreement as described above. Discretion is limited to the assets within employer-sponsored plans that utilize the Managed Account service. A Participant's acceptance of the Managed Account service's Terms and Conditions grants NGC discretionary authority over the Participant's plan account.

Discretionary trading authority permits NGC to make trades in Participant plan accounts on their behalf, so that we may promptly implement the investment plan that we created for participants, and make ongoing changes as we believe appropriate. Those changes may include periodic rebalancing of asset classes when one or more asset classes have significantly increased or decreased in value.

Item 17: Voting Client Securities

NGC does not obtain or exercise any proxy voting authority over Participant securities. Consequently, NGC shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a Participant's plan account.

Item 18: Financial Information

NGC does not require or solicit prepayment of more than \$1,200 in fees per participant, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. NGC does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to participant, and has not been the subject of a bankruptcy proceeding.

Item 19: Privacy Policy

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Facts	What does Newport Group do with your Personal Information?
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Why?	Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information.
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What?	<p>The types of personal information we collect and share depends on the product or services we provide to you. This information can include:</p> <ul style="list-style-type: none">• your name, date of birth, address and social security number• your account balance and transaction history• certain personal preferences and investment choices• employment, education, medical history and marital status• website usage including browsing history and domain name
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How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons we choose to share this information; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Newport Group share this Information?	Can you limit this sharing?
For our everyday purposes Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
For our marketing purposes To offer other products and services to you.	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes Information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes Information about your creditworthiness.	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions	Call the Privacy Policy Line at 407-531-5959 or go to https://www.newportgroup.com/contact/privacy-policy-inquiry/ .
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Who We Are

Form ADV Part 2A: Firm Brochure – Managed Account Service

Who is providing this notice?	Newport Group, Inc. and its affiliates. A list of our affiliates is below.
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What We Do	
How does Newport Group protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. To learn more about security at Newport Group, please click here .
How does Newport Group collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • open an account or an account is opened on your behalf, for example, by your employer • provide account information or give us your contact information • take a distribution from your account • make or change an investment choice <p>We also collect your personal information from others, such as your employer, affiliates and other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more information on your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial or nonfinancial companies. Newport Group's affiliates include, but are not limited to:</p> <ul style="list-style-type: none"> • Newport Group Securities, Inc. • Newport Trust Company • Newport Consulting, LLC
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Newport Group does not share with nonaffiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • <i>Newport Group doesn't jointly market</i>

Other important information	
<p>All States and International Laws:</p> <p>States and other countries may provide for additional rights regarding your personnel information. You may obtain further information by contacting the Privacy Policy Line at 407-531-5959 or going to https://www.newportgroup.com/privacy-policy/.</p>	

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