

## **SUMMARY ANNUAL REPORT**

### **For ATHLETICO, LTD. EMPLOYEES' PROFIT SHARING PLAN**

This is a summary of the annual report for ATHLETICO, LTD. EMPLOYEES' PROFIT SHARING PLAN, EIN 36-3771769, Plan No. 001, for period January 01, 2019 through December 31, 2019. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Basic Financial Statement**

Benefits under the plan are provided by a trust fund. Plan expenses were \$9,806,115. These expenses included \$511,385 in administrative expenses, \$9,188,894 in benefits paid to participants and beneficiaries, and \$105,836 in other expenses . A total of 6,832 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$189,315,553 as of December 31, 2019, compared to \$143,401,651 as of January 01, 2019. During the plan year the plan experienced an increase in its net assets of \$45,913,902. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$55,720,017 , including employer contributions of \$1,090,186, employee contributions of \$16,614,983, realized gains of \$1 from the sale of assets, earnings from investments of \$36,726,722, and other income of \$1,288,125 .

#### **Your Rights To Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

- an accountant's report;
- financial information;
- assets held for investment;
- information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates;

To obtain a copy of the full annual report, or any part thereof, write or call the office of ATHLETICO, LTD. in care of Mark Kaufman who is Plan Administrator at 625 ENTERPRISE DRIVE, OAK BROOK, IL 60523 , or by telephone at (630) 575-6280 . The charge to cover copying costs will be \$0.00 for the full annual report, or \$0.00 per page for any part thereof .

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan ( ATHLETICO, LTD., 625 ENTERPRISE DRIVE, OAK BROOK, IL 60523) and at the U.S. Department

of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

**Paperwork Reduction Act Statement**

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13)(PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average less than one minute per notice (approximately 3 hours and 11 minutes per plan). Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of the Chief Information Officer, Attention: Departmental Clearance Officer, 200 Constitution Avenue, N.W., Room N-1301, Washington, DC 20210 or email [DOL\\_PRA\\_PUBLIC@dol.gov](mailto:DOL_PRA_PUBLIC@dol.gov) and reference the OMB Control Number 1210-0040.

OMB Control Number 1210-0040 (expires 06/30/2022)



Corporate Office . 625 Enterprise Drive . Oak Brook, IL 60523

November 2020

**Subject:** Default Investment Option Annual Notification

Dear Plan Participant:

This notice describes your investment rights under the **Athletico, Ltd. Employees' Profit Sharing Plan** with respect to any funds in your account(s) ("Accounts") for which you have not made an investment election.

**Athletico, Ltd.** ("Company") has designated a specific investment option in the Plan as the "default investment alternative." This means that any contributions you make to the Plan or that are made to the Plan on your behalf, and for which you do not provide an affirmative investment election are invested in the designated default investment alternative.

Additionally, Automatic Enrollment is a feature of the Plan. Under this feature, if an eligible employee does not make an affirmative election otherwise, the Plan Sponsor will automatically enroll the eligible employee into the Plan and withhold from eligible compensation 5% per pay period, and will transmit the amount to the Plan Trust as an elective deferral. Additionally, if an eligible employee does not make an affirmative investment election, the automatic contributions will be invested into the default investment alternative described below.

The plan's default investment alternative is PersonalManager®, a managed account offered through Advice Access. PersonalManager uses a computer model and portfolios constructed by an independent financial expert (Morningstar), plus participant data, to create and manage a personalized account for each participant. The independent financial expert constructs these portfolios from the menu of investment alternatives made available in the Plan. PersonalManager is an investment management service with respect to which an independent financial expert, applying generally accepted investment theories, allocates the assets of a participant's individual account seeking to achieve varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures, offered through investment alternatives made available in the Plan, based on the Participant's age, target retirement date (such as normal retirement age under the Plan), life expectancy and personal data (i.e., savings rate and salary). Such portfolios are diversified so as to help minimize the risk of large losses and change their asset allocations and associated risk levels for an individual account over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age.<sup>1</sup> PersonalManager will allocate the participant's Accounts among investment alternatives made available in the Plan. As such, the specific fees and expenses incurred by the participant defaulted into PersonalManager will be based on the underlying investments. For instance, PersonalManager may allocate to various mutual funds, which may have differing investment management fees (referred to as an "expense ratio"). The portion of each investment that makes up part of a participant's portfolio managed by PersonalManager and the expense ratio for each investment may periodically change. However, the current expense ratios for the mutual funds a participant may be invested in through PersonalManager can be found online at [www.benefits.ml.com](http://www.benefits.ml.com), by referring to your quarterly statements or by checking the prospectuses delivered to you.

You have the right under the Plan to direct the investment of both your existing Plan balances (including any amounts currently invested in a default investment) and future contributions to any of the Plan's investment options. Unless you provide investment direction, amounts currently invested in the plan's default investment alternative will continue to be invested in that fund.

To obtain information about your Plan investment options, or to make changes to your current investment elections log onto Benefits Online at [www.benefits.ml.com](http://www.benefits.ml.com) or call (800) 228-4015 to speak with a representative.

Sincerely,

Athletico Benefits Team

*The Advice Access service uses a probabilistic approach to determine the likelihood that you may be able to achieve your stated goal and/or to identify a potential wealth outcome that could be realized. Additionally, the recommendations provided by Advice Access may include a higher level of investment risk than you may be personally comfortable with. You are strongly advised to consider your personal goals, overall risk tolerance, and retirement horizon before accepting any recommendations made by Advice Access. You should carefully review the explanation of the methodology used, including key assumptions and limitations, which is provided in the Advice Access disclosure statement. It can be obtained through Benefits OnLine or through a participant service representative.*

*IMPORTANT: The projections or other information shown in the Advice Access service regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.*

*PersonalManager* is a registered trademark of Bank of America Corporation

Merrill Lynch makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), and other subsidiary of BofA Corporation (BofA Corp.)

Investment products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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November 2020

**Subject:** Required Annual Notice for the 2020 Plan Year

**Plan: Athletico Employees 401(k) Plan**

The Athletico Employees 401(k) Plan (referred to as the “Plan” throughout this notice) includes an “Eligible Automatic Contribution Arrangement” (referred to as an EACA). This means that if you are an eligible employee, you will automatically be enrolled in the Plan upon meeting the Plan’s eligibility requirements. Your paycheck will reflect a pre-tax contribution to the Plan (subject to your right to opt out) and Athletico may contribute directly to your Plan account a discretionary matching contribution of up to 40% of the first 5% of salary deferrals contributed to the Plan. This notice provides information about the automatic contribution feature and the Qualified Default Investment Alternative (QDIA) in the Plan, the EACA, as well as certain other key features of the Plan.

The automatic contribution feature of the Plan has two parts: an initial contribution rate (referred to as “Automatic Enrollment” throughout this notice) and an automatic annual contribution increase (referred to as “Automatic Escalation” throughout this notice).

**Automatic Enrollment**

Upon fulfilling the eligibility requirements, you will have 30 days to make a deferral election or choose to opt-out of the plan. If no election is made during this 30 day opt out period, you will be automatically enrolled at the default five percent (5%).

**Automatic Escalation**

If you are automatically enrolled in the plan, then your contribution rate will increase by one percentage point (1%) starting with the first paycheck of each anniversary of your auto enrollment. The increase will happen each year until it reaches a maximum of ten percent (10%). Unless you elect an affirmative contribution rate and/or opt out of the automatic enrollment option, the increases begin to occur on the anniversary date following the year of which your automatic enrollment occurred. For example, if your Automatic Enrollment in the Plan occurred in May of 2019, your first Automatic Escalation will occur in May of 2020 and every May thereafter until you reach a ten percent (10%) contribution.



## **Opt Out**

At any point in time, you may choose to stop contributions, or choose a contribution rate that is different than the pre-established percentages under the Automatic Enrollment and Automatic Escalation features.

For information about increasing, decreasing or stopping your Plan contribution, please see the section below entitled "How do I change my contribution rate?"

## **How do I change my contribution rate?**

You can always change the amount you contribute to the Plan. You may contribute any whole percentages from 1%-75% of your compensation subject to the 401(k) Elective Deferral Limit not to exceed \$19,500 for the 2020 plan year. If you are over age 50, you can contribute an additional \$6,500 catch-up contribution.

After meeting the Plan's eligibility requirements, you can adjust your contribution rate by logging in to [www.benefits.ml.com](http://www.benefits.ml.com) or, by calling 800-228-4015.

You can learn more about our Plan provisions as featured in the SDP or by contacting our Plan Administrator.

## **Permissible Withdrawal**

Under the Automatic Enrollment feature, the Plan will allow you to make a "permissible withdrawal" of contributions withheld from your paycheck if you notify and return the applicable "90-Day Permissible Withdrawal Form" to the Plan's recordkeeper, Bank of America Merrill Lynch Retirement, within 90 days after the first contribution is deducted from your pay. The amount distributed will be adjusted for investment gains or losses and will be subject to income tax in the year the distribution is made. The amount distributed will not be subject to the 10% penalty tax that applies to some Plan distributions under the U.S. tax code. If you elect a permissible withdrawal, any related matching contributions will be forfeited.

## **Qualified Default Investment Alternative (QDIA): Personal Manager Advice Access**

As an employee of Athletico, Ltd. who will become eligible to participate, or is currently participating, in the Plan, you have the right to decide how your Plan account is invested. Unless you make an affirmative investment election, your Plan account will be invested in the default investment fund which is the Personal Manager Advice Access. The U.S. Department of Labor describes the Personal Manager Advice Access as a "Qualified Default Investment Alternative" or "QDIA". Additional information on the Personal Manager Advice Access is available under the Plan and included with this notice.

PersonalManager uses a computer model and portfolios constructed by an independent financial expert (Morningstar), plus participant data, to create and manage a personalized



account for each participant. The independent financial expert constructs these portfolios from the menu of investment alternatives made available in the Plan. PersonalManager is an investment management service with respect to which an independent financial expert, applying generally accepted investment theories, allocates the assets of a participant's individual account seeking to achieve varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures, offered through investment alternatives made available in the Plan, based on the Participant's age, target retirement date (such as normal retirement age under the Plan), life expectancy and personal data (i.e., savings rate and salary). Such portfolios are diversified so as to help minimize the risk of large losses and change their asset allocations and associated risk levels for an individual account over time with the objective of becoming more conservative (i.e., decreasing risk of losses) with increasing age. PersonalManager will allocate the participant's account among investment alternatives made available in the Plan. As such, the specific fees and expenses incurred by the participant defaulted into PersonalManager will be based on the underlying investments. For instance, PersonalManager may allocate to various mutual funds, which may have differing investment management fees (referred to as an "expense ratio"). The portion of each investment that makes up part of a participant's portfolio managed by PersonalManager and the expense ratio for each investment may periodically change. However, the current expense ratios for the mutual funds a participant may be invested in through PersonalManager can be found online at [www.benefits.ml.com](http://www.benefits.ml.com), by referring to your quarterly statements or by checking the prospectuses delivered to you.

You can change how your Plan account is invested among the Plan's offered investment Funds online at [www.benefits.ml.com](http://www.benefits.ml.com) or by calling 800-228-4015.

To learn more about the Plan's investment funds, the management fees and expenses, and procedures for changing how your Plan account is invested, you can review the Plan's Summary Plan Description (SPD).

**If I do nothing, how much will be taken from my pay and contributed to the Plan?**

Unless you elect otherwise, a pre-tax contribution of five percent (5%) of your compensation will begin to occur with the first payroll following your 30 day opt out period.

Eligible compensation generally includes the taxable salary Athletico, Ltd. pays to you for services rendered during the each year.

Kristina Roback, Senior Benefits Specialist

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