Universidad del Sagrado Corazón

Universidad del Sagrado Corazón Pension Plan

Actuarial Valuation Report as of July 1, 2019
for the plan year beginning on that date.

Determination of Net Periodic Pension Cost for the
Fiscal Year Ending June 30, 2020
in Accordance with Accounting Standards Codification 715-30
of the Financial Accounting Standards Board

Issued December 19, 2019

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The information contained in this report was prepared for the use of Universidad del Sagrado Corazón and its auditors in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. To avoid misrepresentation, it is intended to be used in its entirety.

This report has been prepared by BPAS Trust Company of Puerto Rico for Universidad del Sagrado Corazón to:

- Present the Net Periodic Pension Cost (NPPC) of the of Universidad del Sagrado Corazón Pension Plan for the fiscal year ending June 30, 2020 in accordance with Accounting Standards Codification 715-30 of the Financial Accounting Standards Board.
- Present the results of the July 1, 2019 actuarial valuation of the Universidad del Sagrado Corazón Pension Plan;
- Provide management information on the current status of funding of plan benefits and the funding requirements for the plan year ending June 30, 2020;
- Provide accounting information for the Plan's financial statement and information necessary to meet government filing requirements of the Plan.

Summary of Financial Highlights

The following is a summary of the main financial results from the current and prior year valuations. Any changes from the prior year that impact the results are discussed in the Summary of Changes section of the Executive Summary.

Summary of Benefit Obligations for Expense

		Projected to June 30, 2020	July 1, 2019	Disclosed at June 30, 2019	July 1, 2018
1. Projected Benefit Obligation	$	(38,411,466)	(39,562,818)	(39,703,426)	(40,966,666)
2. Fair Value of Plan Assets		31,786,746	30,959,120	30,959,120	31,709,881
3. Funded Status	$	(6,624,720)	(8,603,698)	(8,744,306)	(9,256,785)
4. Unrecognized net transition obligation/(asset)		0	0	0	0
5. Unrecognized prior service cost		0	0	0	0
6. Unrecognized net (gain)/loss		10,717,678	12,144,133	12,284,741	12,773,566
7. Total items not yet recognized as NPPC	$	10,717,678	12,144,133	12,284,741	12,773,566
8. Amount Recognized	**$**	**(6,624,720)**	**(8,744,306)**	**(8,744,306)**	**(9,220,840)**
9. Net Periodic Pension Cost/(Income)		**530,398**	**530,398**	**675,422**	**675,422**

Please note that the Net Periodic Pension Cost decreased from previous levels due mainly to a gain on plan experience.

Summary of Financial Highlights

Funded Status

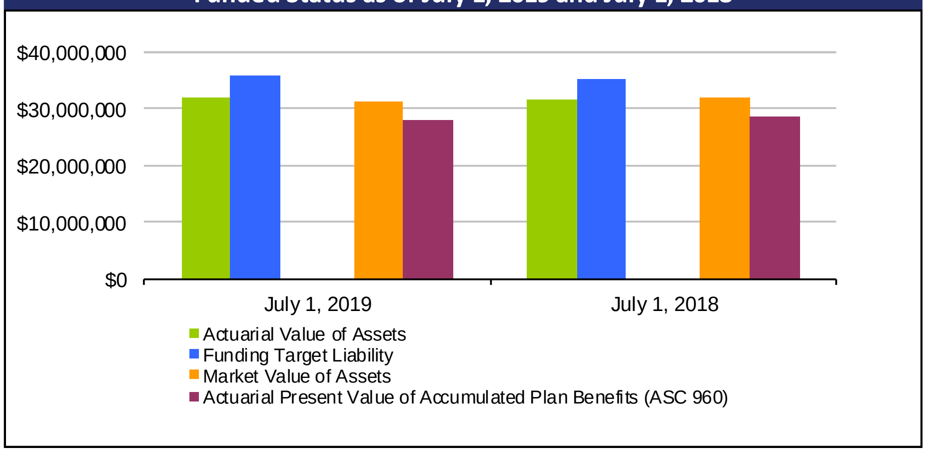
The funded status of a plan is a comparison of the current value of plan assets and the present value of all the benefits earned in the Plan that are either currently being paid or are expected to be paid in the future. There are different measurements of funded status depending on the purpose of the valuation and the corresponding assumptions.

For purposes of minimum funding requirements under the Pension Protection Act of 2006 (PPA), the basis of measurement for plan assets is the actuarial value of assets, including discounted receivable contributions, and the present value of benefits is referred to as the "funding target liability" with the discount rate and mortality table assumptions mandated by the IRS.

For purposes of plan accounting requirements under Accounting Standards Codification 960 (ASC 960), the basis of measurement for plan assets is the market value of assets, including undiscounted receivable contributions, and the assumptions used for the actuarial present value of accumulated plan benefits are typically based on long term assumptions.

Please refer to Section XIII for the development of the market value of assets and actuarial value of assets and Section XV for a detail of assumptions and methods used for the valuation.

Funded Status as of July 1, 2019 and July 1, 2018



Target Normal Cost

The target normal cost represents the value of benefits expected to be earned in a year by the active employees who continue to earn benefit service in the Plan. The target normal cost also includes non-investment related administrative expenses paid from the Plan.

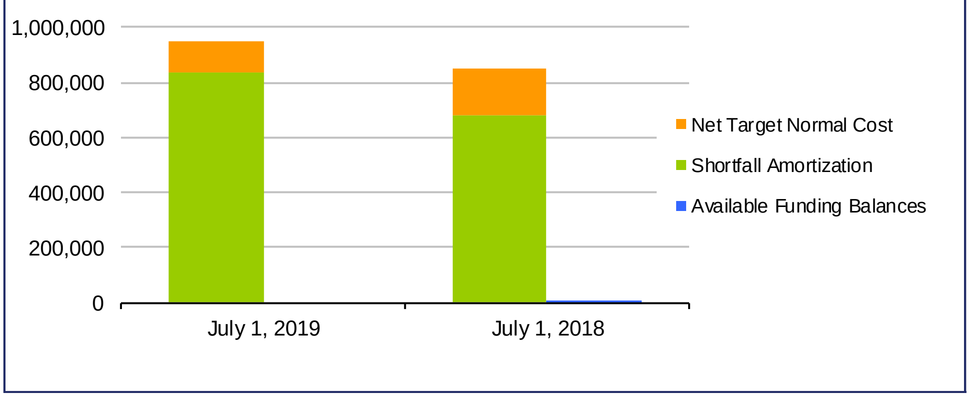
Target Normal Cost	July 1, 2019	July 1, 2018
1. Normal Cost	$ 0	$ 0
2. Administrative Expenses	116,300	170,161
3. Target Normal Cost: (1+2)	116,300	170,161
4. Total Population	571	578

Summary of Financial Highlights

Contribution Requirements

Contributions to the Plan are required to be made based on the funded status and target normal cost. To the extent the funded status is less than 100%, an amortization of the shortfall may be required in addition to the target normal cost. To the extent the funded status is greater than 100%, the surplus may be available to offset the target normal cost. Please refer to Section IX for the development of the minimum required contribution.

Minimum Required Contribution and Available Funding Balances as of July 1, 2019 and July 1, 2018



Note: The minimum required contribution is equal to the sum of the net target normal cost and the shortfall amortization base. Further, the net target normal cost reflects a reduction for the Plan's overfunding, if any.

The minimum required contribution illustrated above is developed as of the beginning of the plan year and does not take into account any discounting of contributions for the actual dates paid.

In the table below, we present a summary of the minimum cash contribution required by ERISA and actual employer contribution made for the plan year:

Plan Year	2019	2018
Minimum Cash Contribution	$948,816	$851,001
Actual Employer Contribution	N/A	$898,325

The Minimum Required Contribution increased due to a decrease in the effective interest rate from 5.58% to 5.41%, a change to the prescribed mortality tables under PPA for 2019 and a new shortfall amortization base being setup for 2019.

Summary of Financial Highlights

Contribution Requirements (continued)

Contributions to the Plan must be made on a quarterly basis during the plan year if the Plan's funded status for the prior year is less than 100%. The funded status is determined using assets less the funding balance. As the Plan was less than 100% funded as of July 1, 2018 and July 1, 2019, there are quarterly contributions required for the 2019 - 2020 and 2020 - 2021 plan years.

The quarterly contributions due for 2019 - 2020 are 25% of the lesser of (a) 100% of the 2018 - 2019 minimum required contribution or (b) 90% of the 2019 - 2020 minimum required contribution, before any reductions are made due to available funding balances. Since the result in (a) is less than (b), the required quarterly contributions for the 2019 - 2020 plan year are $213,266.

The following table outlines the final quarterly contribution schedule for the 2019 - 2020 plan year and the preliminary quarterly contribution schedule for the 2020 - 2021 plan year.

Due Date	Plan Year	Quarterly Contributions Without
October 15, 2019	2019 - 2020	$213,266
January 15, 2020	2019 - 2020	$213,266
April 15, 2020	2019 - 2020	$213,266
July 15, 2020	2019 - 2020	$213,266
March 15,2021**	2019 - 2020	$136,889
October 15, 2020	2020 - 2021	$237,204
January 15, 2021	2020 - 2021	$237,204
April 15, 2021	2020 - 2021	$237,204
July 15, 2021	2020 - 2021	$237,204

* Does not reflect the penalty interest for late contributions.

**The final contribution for the 2019 - 2020 plan year will be due by March 15, 2021. We will consult with the plan sponsor during the 2020 - 2021 plan year to determine the amount necessary to satisfy minimum funding requirements for 2019 - 2020 or to achieve other desired objectives.

Summary of Changes

Funding Target Liability and Actuarial Present Value of Accumulated Plan Benefits (ASC 960)

Plan Provisions

The plan provisions are the same as those used in the July 1, 2018 valuation.

Actuarial Assumptions

Interest Rate Assumptions

The interest rates used to determine the Funding Target Liability for purposes of determining the Minimum Required Contribution were changed as of July 1, 2019 to the segment rates for July 2019 (3.74%, 5.35%, 6.11%). These rates represent the funding segment rates for plan years beginning in 2019 and reflect the segment rate stabilization provisions of IRC Section 430(h)(2)(C)(iv)(II). The change in the interest rates resulted in an increase in liability. Absent the segment rate stabilization provisions, the applicable interest rates would have been 2.76%, 3.95%, 4.43%.

Demographic Assumptions

The mortality tables used to determine the Funding Target Liability were updated as of July 1, 2019 to the prescribed 2019 sex distinct tables for annuitants and non-annuitants. These new mortality tables are the prescribed mortality tables under PPA for 2019. The change in mortality tables resulted in an increase in liabilities.

Actuarial Methods

The actuarial cost method and asset valuation method are the same as those used in the July 1, 2019 valuation.

Actuarial Present Value of Accumulated Plan Benefits (ASC 715)

Plan Provisions

The plan provisions are the same as those used in our Year-End Disclosure report for the fiscal year ending June 30, 2019.

Actuarial Assumptions

The actuarial assumptions are the same as those used in our Year-End Disclosure report for the fiscal year ending June 30, 2019.

Actuarial Methods

The actuarial cost method and asset valuation method are the same as those used in our Year-End Disclosure report for the fiscal year ending June 30, 2019.

Summary of Historical Results and Risk Measures

The valuation of a defined benefit plan is dependent upon uncertain events. Although your organization is subject to many sources of risk, it is important that Universidad del Sagrado Corazón understands that the results provided in this report represent only a single measurement of potential results based on the assumptions and methods identified herein. These assumptions and methods, although chosen in accordance with appropriate actuarial guidelines, can not predict the future with certainty. Thus, fluctuations in results will occur. As such, we are including this section to alert Universidad del Sagrado Corazón to potential sources of deviation. The summary provided below is not intended to be a complete and exhaustive list of all risks facing the Plan, but is intended to help Universidad del Sagrado Corazón understand the effect to which variations have and may affect your plan.

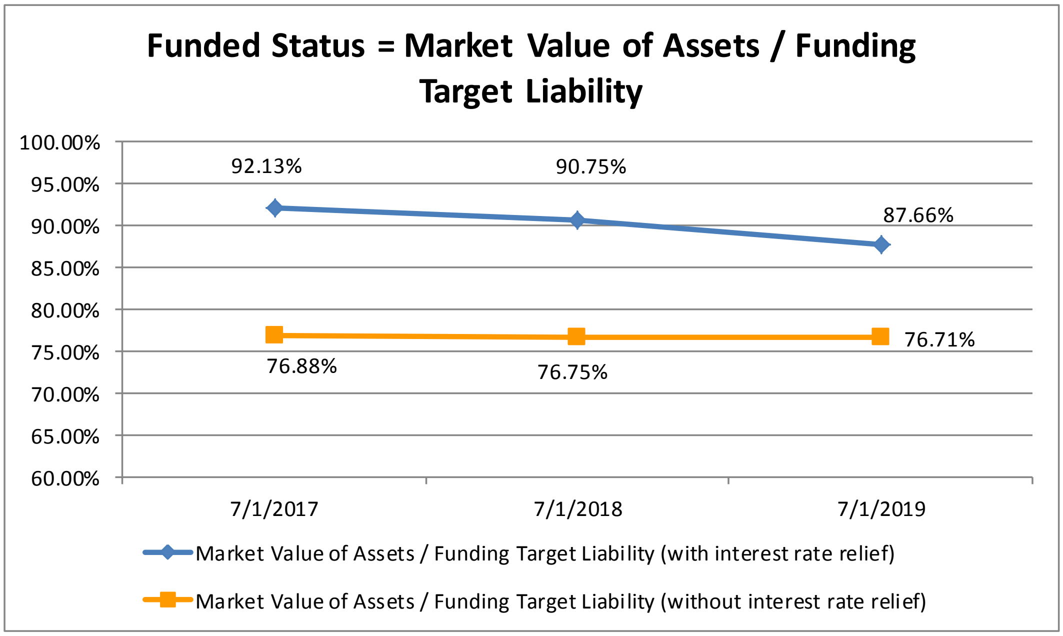
Investment Risk

As your Plan's assets are invested in a portfolio in which returns are subject to market fluctuations, deviations in investment returns from that expected by Universidad del Sagrado Corazón and/or the Plan's investment managers will occur. All pension plans are required to have an investment and funding policy, so it is important to review and update that policy, as needed, to reflect changes in the organization and Plan. Some considerations that may be useful in evaluating such are the following:

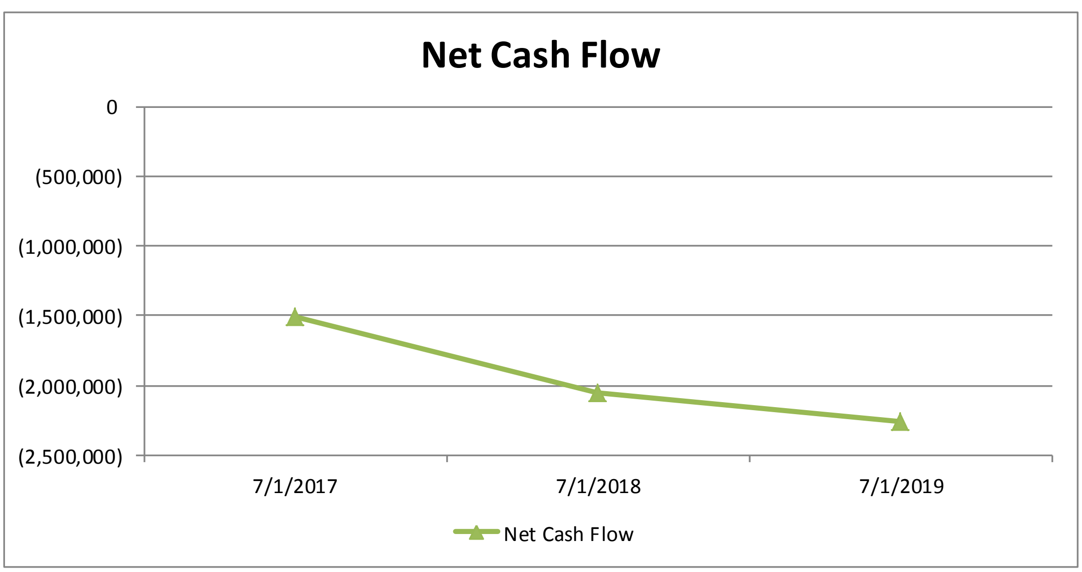
A. The current funded status of the Plan:
   a. Plan's funded at or above 100% may be able to withstand larger volatility in returns than those that are less well funded.
   b. Single-employer plans whose funded percentage falls below certain thresholds on an AFTAP or Presumed AFTAP basis may be restricted from paying full benefits from the Plan.

AFTAP Threshold	Benefit Restriction
<110%	Lump sum payments to highly compensated employees restricted
60%-80%	Partial restriction on lump sum payments
<60%	Full restriction on lump sum payments and benefit accruals cease

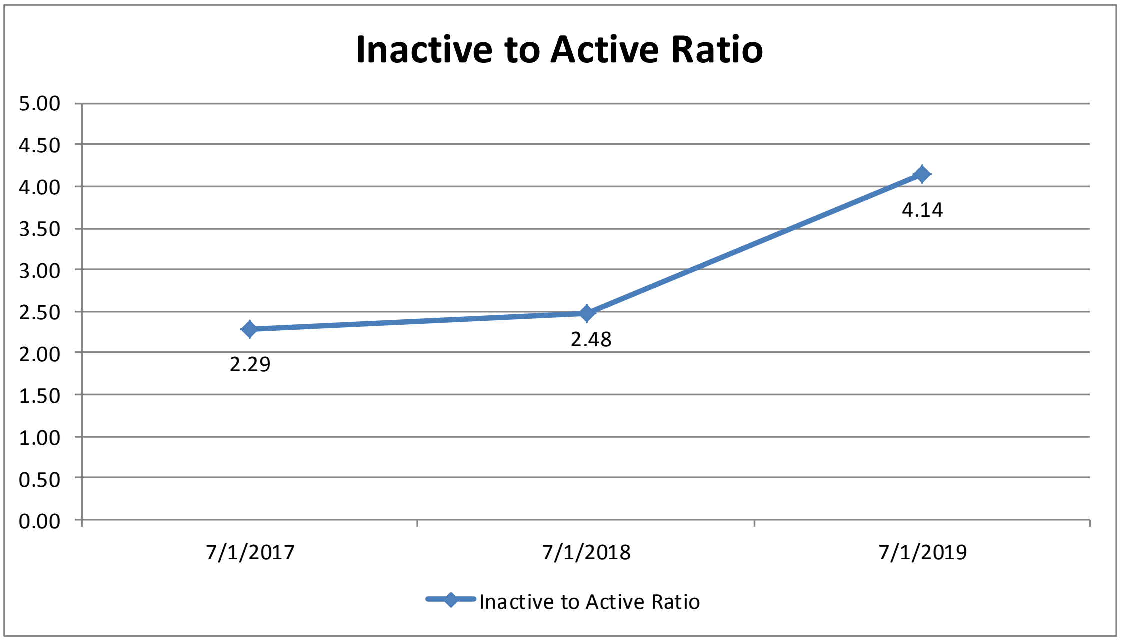
The following exhibit presents the Plan's historical funded status using the ratio of the Plan's Market Value of Assets (including discounted receivable contributions and payables) to Funding Target Liability (with and without interest rate relief).



A. Net Cash Flows – If annual contributions do not exceed the sum of annual benefit payments and annual expenses of the Plan, future contributions to the Plan will be subject to greater volatility due to investment risk. In order to maintain the Plan's funded percentage, the investment returns plus contributions must keep pace with the growth of the liability due to benefits earned and interest cost offset by benefit payments and expenses. Thus, negative cash flows put greater emphasis on investment return and/or higher future contributions. The exhibit below shows a 3-year history of the Plan's net cash flows using Contributions less Benefit Payments less Expenses:



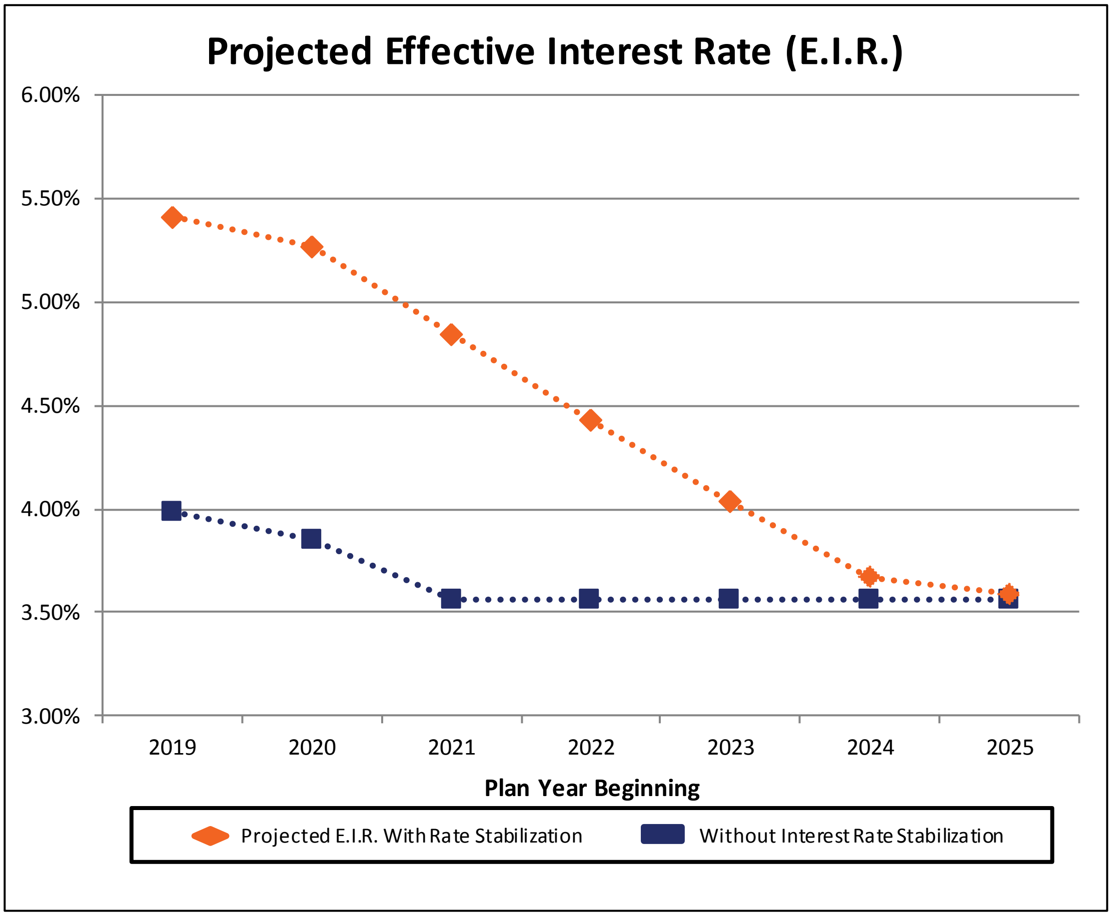
B. Plan Maturity – An increasing percentage of inactive members to active members may put greater stress on a Plan. Inactive participants are participants that are no longer employed by the Plan sponsor. Typically inactive participants are older and may have accumulated substantial benefits under the Plan, which means the Plan may have large upcoming obligations to pay benefits. In addition, former employees no longer provide additional value to the organization's future growth.



Interest Rate Risk

Changes in the interest rates used to determine your Plan's liabilities impact the total liability and the annual contributions required to meet minimum funding standards. All else being equal, the lower the interest rates used to value the Plan, the higher the Plan's liability. The higher the Plan's liability, the greater the annual contributions will be in order to maintain the Plan's funded status.

For single-employer Plans, the interest rate stabilization provisions of HATFA, MAP-21, and BBA require the interest rates used to determine annual minimum required contributions to be within a certain corridor around the 25-year average of such rates. As the historical rates tend to be higher than current market rates, absent significant increases in rates, it is likely that the rates used to value your pension liabilities will continue to decrease annually through 2024 when rates are fully phased in. Thus, it is likely that the Plan's liabilities will continue to rise over that period. Contribution requirements will likely also increase for Plans annually contributing only the minimum required contribution. In the exhibit below, we have provided the projected movement of interest rates expected to be used to value a typical plan's liabilities, reflecting the segment rate stabilization provisions noted previously, and assuming segment interest rates remain unchanged from the valuation date. Please note that this chart is for illustrative purposes only and does not reflect expected cash flows for this Plan.



Upon request, we can also estimate the impact of an increase and/or decrease in the Plan's effective interest rate on the current year's funding target liability and normal cost. Please contact your engagement team at BPAS if Universidad del Sagrado Corazón is interested in seeing the results of this analysis, as it is not currently in our scope of services.

Longevity Risk

One of the key assumptions in any funding determination/analysis is the assumed rate or rates of mortality that will be experienced by the underlying covered population. As many Plans are not of sufficient size to produce mathematically credible results based on the experience of the underlying population, most Plans utilize mortality rates that are broadly seen as indicative of general pension eligible populations. Thus, the rates utilized are likely not specific to the health characteristics of the specific participants covered by the Plan. That being said, if the covered participants receive annuities and live longer than expected, they will receive payments over that longer lifetime. Alternatively, if they do not live as long as expected, they will receive payments over a shorter period.

Please note that the mortality tables used to determine the minimum funding requirements for the Plan are mandated by the IRS. These mortality tables do not reflect the specific demographic characteristics of the participants in the Plan and, as such, may overstate or understate the true liability associated with the Plan. The following table is provided to illustrate the effect of alternative mortality rates on the expected stream of payments for a healthy male and female retiree at age 65.

Illustrative Effect of Alternative Mortality on Longevity					
Category	Alternative Mortality Projected Generationally with MP-2018	Male Life Expectancy	Change from Baseline	Female Life Expectancy	Change from Baseline
Baseline Mortality	2019 Prescribed Sex-distinct Tables for Annuitants and Non-annuitants	20.470	N/A	22.342	N/A
Alternative Mortality	RP-2014 Rates: White Collar Healthy Annuitant	22.120	8.1%	23.638	5.8%
Alternative Mortality	RP-2014 Rates: Blue Collar Healthy Annuitant	19.572	-4.4%	22.076	-1.2%

This report has been prepared for the purposes outlined herein and may not be relied upon for any other purpose. An AFTAP certification for your Plan will be issued under separate cover.

The funding and expense valuations have been conducted in accordance with generally accepted actuarial principles and practices. In accordance with ERISA the amounts disclosed in this report as part of the funding valuation have been certified by the Enrolled Actuary or Actuaries who have signed below. The actuary or actuaries involved in this engagement are members of the American Academy of Actuaries and other professional actuarial organizations and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" to render the actuarial opinion outlined herein.

Our calculations were based on financial data furnished by the trustee, and on the employee data furnished by Universidad del Sagrado Corazón as of July 1, 2019. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness, but have not audited it. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information which is the responsibility of those who supply the data. Our calculations were also based on the provisions of the Plan in effect on July 1, 2019 which are summarized in Section XVI.

Section XV of this report provides a summary of the assumptions and methods used in our valuation. These assumptions represent anticipated future experience under the Plan and were selected based on the University's expectation with regard to each assumption, with the exception of the discount rate and mortality assumptions used for calculations under ASC 715-30, which was selected as discussed in our most recent Year-end Disclosure report. We believe the assumptions are reasonable for the purposes for which they are being used.

The valuations were based upon generally accepted actuarial methods, and we performed such tests as we considered necessary to assure the accuracy of the results. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions and methods stated herein, and fully and fairly disclose the actuarial position of the Plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic and demographic assumptions; changes in demographic and economic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of such future measurements.

The information contained in this report was prepared for the use of Universidad del Sagrado Corazón and its auditors in connection with our actuarial valuations. It is not intended or necessarily suitable for other purposes. To avoid misrepresentation, it is intended to be used in its entirety. Please note that the information required for June 30, 2020 ASC 715-30 financial statements is incomplete without the accompanying supplement to this report to be issued at the end of the fiscal year.

Respectfully submitted,

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SECTION IV DETERMINATION OF NET PERIODIC PENSION COST

The following shows the development of the net periodic pension cost/(income) for the fiscal year ending June 30, 2020.

Assumptions	
Discount Rate	4.00%
Salary Increase	N/A
Expected Long-Term Rate of Return on Plan Assets	8.00%

Net Periodic Pension Cost/(Income) for Fiscal Year 2020		
➢ Service Cost	$	0
➢ Interest Cost on Projected Benefit Obligation (PBO):		
(a) Total PBO		39,562,818
(b) Interest Cost = 4.00% X (a) less interest of $53,090 on expected benefit payments		1,529,423
➢ Expected Return on Plan Assets:*		(2,425,480)
➢ Amortization of:		
• Transition Obligation	$	0
• Prior Service Cost / (Credit)		0
• Net (Gain) / Loss		1,426,455
• Net Amortizations	$	1,426,455
Net Periodic Pension Cost/(Income)	**$**	**530,398**

* Development of the Expected Return on Plan Assets		
Market value of assets as of June 30, 2019:	$	30,959,120
(a) Interest on market value of assets		2,476,730
(b) Interest on expected contributions		53,918
(c) Interest on expected benefit payments		105,168
Total Expected Return (a) + (b) - (c)	**$**	**2,425,480**

Estimated Future Benefit Payments

Fiscal Year Ending	Benefit Payments	
2020	$	2,680,775
2021		2,738,007
2022		2,737,778
2023		2,770,007
2024		2,773,269
2025 - 2029		13,450,575

The following summarizes the components included in the net amortization and deferral portion of the Net Periodic Pension Cost:

	Obligation/(Asset)		Initial Amortization		Unamortized Portion	
Date Determined	**Type**	**Amount**	**Period**	**Payment**	**07/01/2019**	**06/30/2020 ****
07/01/2019	Cumulative (Gain)/Loss	12,144,133	5.740 Years	$ 1,426,455 *	$ 12,144,133	$ 10,717,678
Total				**$ 1,426,455**	**$ 12,144,133**	**$ 10,717,678**

* The amount of (gain)/loss to be amortized is the amount in excess of 10 percent of the greater of the projected benefit obligation or the market value of assets (see Section VI).

** Excludes any (gain)/loss which may occur during the period July 1, 2019 through June 30, 2020.

Amortization of (Gain) / Loss		
1.	Projected Benefit Obligation at July 01, 2019	$ 39,562,818
2.	Plan Assets at July 01, 2019	30,959,120
3.	Unamortized Net (Gain)/Loss at July 01, 2019	12,144,133
4.	Ten Percent of Greater of (1) or (2)	3,956,282
5.	Unamortized (Gain)/Loss Subject to Amortization: (3) - (4), not less than zero	$ 8,187,851
6.	Average Future Service of Active Plan Participants Expected to Receive Benefits	5.740
7.	Amortization of Unamortized Net (Gain)/Loss: (5)/(6)	$ 1,426,455

The Funding Target Liability is defined as the present value of the Plan's accrued benefits determined using IRS mandated assumptions. The relationship between the Plan's Funding Target Liability and Actuarial Value of Assets, or funded status, impacts the Plan's Minimum Required and Maximum Recommended Contributions.

Development of Funding Target Liability		
1. Retired Participants	$	24,301,662
2. Terminated Vested Participants		3,383,512
3. Active Participants		
a. Non-vested Benefits		71,530
b. Vested Benefits		8,059,673
c. Total (3a+3b)		8,131,203
Funding Target Liability (1+2+3c)	**$**	**35,816,377**

The Target Normal Cost is defined as the present value of benefits expected to accrue during the plan year, determined using the same assumptions used for the Funding Target Liability. Additionally, the Target Normal Cost includes non-investment related administrative expenses expected to be paid out of the trust during the plan year.

Development of Target Normal Cost		
1. Benefits Accruing During Plan Year	$	0
2. Expense Load		116,300
Target Normal Cost (1+2)	**$**	**116,300**

The chart below develops the Funding Target Liability and Target Normal Cost without reflecting the segment rate stabilization provisions of IRC Section 430(h)(2)(C)(iv)(II).

Development of Funding Target Liability Without Segment Rate Stabilization		
1. Retired Participants	$	27,182,756
2. Terminated Vested Participants		4,067,234
3. Active Participants		9,679,969
Funding Target Liability (1+2+3)	**$**	**40,929,959**

Development of Target Normal Cost Without Segment Rate Stabilization		
1. Benefits Accruing During Plan Year	$	0
2. Expense Load		116,300
Target Normal Cost (1+2)	**$**	**116,300**

A single-employer defined benefit pension plan that is subject to ERISA's minimum funding standards is at-risk for a plan year if all three of the following conditions are present:

1. *Ineligible for Small Plan Exception* – The plan has more than 500 participants on one or more days of the preceding plan year. For this rule, all defined benefit plans (not including multiemployer plans) of the employer's controlled group are considered a single plan, but only participants of the employer are counted.

2. *Not At-Risk Assumptions Test* – The plan's funded status for the preceding plan year, determined on the basis of not at-risk actuarial assumptions, 70% for 2008, 75% for 2009 and 80% thereafter.

3. *At-Risk Assumptions Test* – The plan's funded status for the preceding plan year, determined on the basis of at-risk actuarial assumptions (without loads), is less than 70% (this amount is not phased in).

Plan Year	Small Plan Exemption	Not At-Risk Assumption Test	At-Risk Assumption Test	Pass/Fail At-Risk Status
2019	No	88.63%	N/A	Pass, Not At-Risk for the 2020 Plan
2018	No	89.57%	N/A	Pass, Not At-Risk for the 2019 Plan
2017	No	91.77%	N/A	Pass, Not At-Risk for the 2018 Plan
2016	No	96.37%	N/A	Pass, Not At-Risk for the 2017 Plan
2015	No	100.81%	N/A	Pass, Not At-Risk for the 2016 Plan
2014	No	100.00%	N/A	Pass, Not At-Risk for the 2015 Plan

Since the Plan's Funded status was at least 80% as of July 1, 2018, the Plan is not At-Risk for the 2019 Plan Year.

Furthermore, since the Plan's funded status is at least 80% as of July 1, 2019, the Plan will not be At-Risk for the 2020 Plan Year.

The Minimum Required Contribution under IRC Section 430 for the plan year ending June 30, 2020 must be contributed no later than March 15, 2021. The Minimum Required Contribution is increased to reflect interest at the effective interest rate if the contribution is made after July 1, 2019. The Minimum Required Contribution shown below has not been interest adjusted.

Development of Minimum Required Contribution		
1. Net Target Normal Cost	$	116,300
2. Shortfall Amortization Charge		832,516
3. Funding Waiver Amortization		0
Minimum Required Contribution (1+2+3)	**$**	**948,816**

Development of Net Target Normal Cost		
1. Target Normal Cost	$	116,300
2. Actuarial Value of Assets		31,746,985
3. Funding Balances*		0
4. Funding Target Liability		35,816,377
5. Funding Surplus [(2-3)-4], not less than zero		0
Net Target Normal Cost (1-5), not less than zero	**$**	**116,300**

Development of 2019 Shortfall Amortization Installment		
1. Funding Target Liability	$	35,816,377
2. Actuarial Value of Assets		31,746,985
3. Funding Balances*		0
4. Funding Shortfall [1-(2-3)], not less than zero		4,069,392
5. Remaining Balances of Prior Amortizations		3,148,632
6. 2019 Shortfall Amortization Base (4-5)		920,760
7. Amortization Factor		6.1543
2019 Shortfall Amortization Installment (6/7)	**$**	**149,612**

* The Funding Balances are the sum of the Carryover Balance and Prefunding Balance as of July 1, 2019.

Amortization Schedule as of July 1, 2019					
Year Established	Initial Period	Initial Amount	Remaining Period	Remaining Amount	Annual Payment
2019	7 Years	$ 920,760	7 Years	$ 920,760	$ 149,612
2018	7 Years	$ 1,166,084	6 Years	$ 1,032,295	$ 190,362
2017	7 Years	$ 1,764,650	5 Years	$ 1,348,101	$ 289,777
2016	7 Years	$ 1,227,219	4 Years	$ 768,236	$ 202,765
Total				**$ 4,069,392**	**$ 832,516**

The Pension Protection Act of 2006 provides that Universidad del Sagrado Corazón may elect to use a portion of the Plan's Funding Balances to offset the 2019 Minimum Required Contribution, provided the ratio as of July 1, 2018 of the Actuarial Value of Assets (reduced by any Prefunding Balance, but not by any Carryover Balance) to the Funding Target Liability (using not at-risk assumptions) was at least 80%.

The following chart develops the Funding Balances available as of July 1, 2019 to reduce the 2019 Minimum Required Contribution.

	Funding Balances	
Development of Funding Balances as of July 1, 2019	**Carryover**	**Prefunding**
1. Balance at July 1, 2018 After Applicable Adjustments	$ 0	$ 2,064
2. Portion Used to Offset the 2018 Plan Year Funding Requirement	0	2,064
3. Amount Remaining (1-2)	0	0
4. Interest on (3) using 2018-2019 Actual Return of 4.91%	0	0
5. 2018 Plan Year Excess Contributions to be Added to Prefunding Balance		
a. Excess Contributions	N/A	5,741
b. Interest on (a) Using 2018 Plan Year's Effective Interest Rate of 5.58%*	N/A	320
c. Total Available at July 1, 2019 to Add to Prefunding Balance (5a+5b)	N/A	6,061
d. Portion of (c) to be Added to Prefunding Balance	N/A	0
6. Reductions in Balances Due to Elections or Deemed Elections	0	0
7. Balance at July 1, 2019 (3+4+5d-6)	0	0
8. 2018 Plan Year Funded Percentage	89.57%	89.57%
9. Amount Available to Apply to 2019 Plan Year Minimum Required Contribution (equals zero if (8) is less than 80%)	$ 0	$ 0

* If a contribution (or a portion of a contribution) is an excess contribution solely because an election was made to offset the 2018 minimum required contribution by the carryover balance or the prefunding balance, then the interest on that contribution (or portion of a contribution) uses the actual rate of return on assets instead of the effective interest rate.

As a tax-exempt organization, the Plan sponsor is not subject to Puerto Rico Internal Revenue Code Section §1033.09, which provides rules concerning the deduction limit for contributions to defined benefit pension plans. Therefore, the maximum recommended contribution has not been calculated as it does not apply.

The following is an exhibit of the actuarial present value of accumulated plan benefits, the market value of assets, and the funding ratio as of the prior and current valuations for comparative purposes:

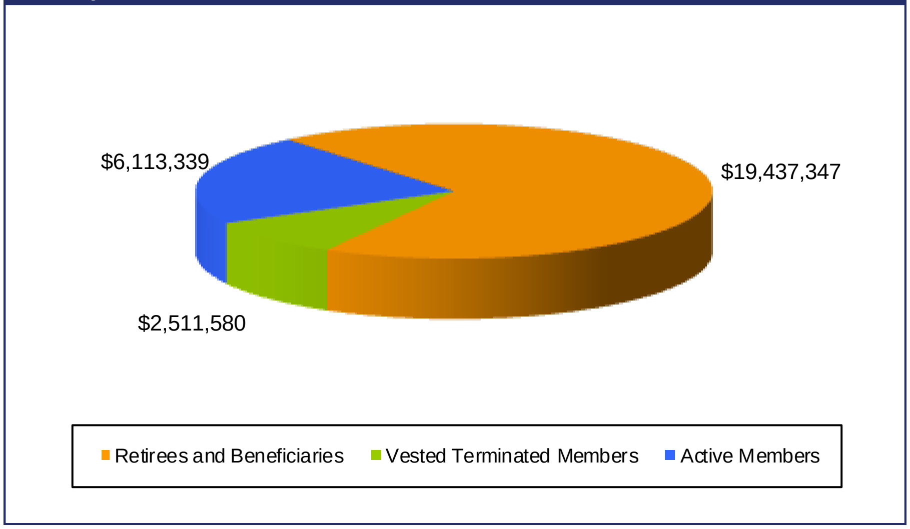
Comparative Results Under ASC 960	July 1, 2019	July 1, 2018
1. Actuarial Present Value of Accumulated Plan Benefits on Account of:		
a. Vested Accrued Benefits:		
i. Retirees and Beneficiaries	$ 19,437,347	$ 15,319,838
ii. Vested Terminated Members	2,511,580	3,210,613
iii. Vested Active Members	6,064,785	10,149,008
iv. Total Vested Benefits (i+ii+iii)	$ 28,013,712	$ 28,679,459
b. Non-vested Accrued Benefits	48,554	66,202
c. Total Accrued Benefits (a.iv+b)	$ 28,062,266	$ 28,745,661
2. Market Value of Assets	31,402,243	31,953,755
3. Funding Ratio (2 divided by 1.c)	111.90%	111.16%

The changes in the actuarial present value of accumulated plan benefits during the preceding 12 month period are presented below:

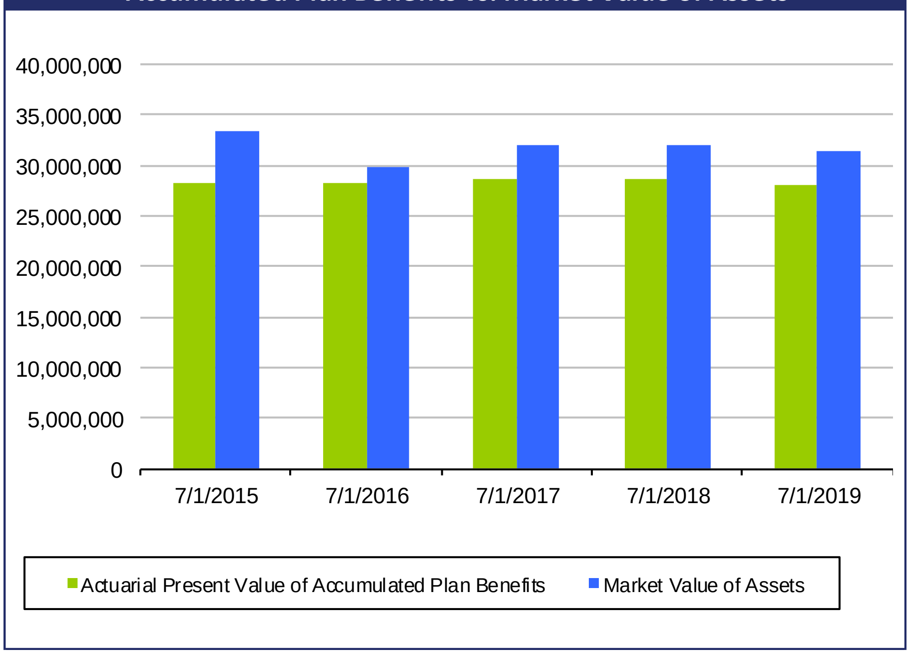
Reconciliation of ASC 960 Results	
1. Actuarial present value of accumulated plan benefits as of July 1, 2018	$ 28,745,661
2. Increases or decreases during the preceding 12 month period attributable to:	
a. Increase for interest due to the decrease in the discount period at 8.00%	$ 2,185,831
b. Benefits paid	2,845,554
c. Changes in plan design	0
d. Changes in actuarial assumptions	0
e. Benefits accumulated and actuarial gains and losses	(23,672)
f. Net increase or decrease (a-b+c+d+e)	$ (683,395)
3. Actuarial present value of accumulated plan benefits as of July 1, 2019 (1+2.f)	$ 28,062,266

As of July 1, 2019 the largest portion of the Plan's actuarial present value of accumulated plan benefits is attributable to retirees and beneficiaries (69%). The remaining portion is attributable to active members (22%) and vested terminated members (9%).

July 1, 2019 Actuarial Present Value of Accumulated Plan Benefits



Five Year Comparison of Actuarial Present Value of Accumulated Plan Benefits vs. Market Value of Assets



The following develops the changes in the Market Value of Assets during 2018-2019 and calculates the approximate rate of return on the Market Value of Assets during 2018-2019. The rate of return developed below is used to adjust the Funding Balances from July 1, 2018 to July 1, 2019.

Changes in Market Value of Assets and Development of Approximate Rate of Return		
1. Market Value of Assets in the Trust as of July 1, 2018	$	31,709,881
2. Contributions Made During Plan Year		699,076
3. Benefit Payments (Monthly Annuity Payments)		2,130,533
4. Benefit Payments (Lump Sum Payments)		715,021
5. Expenses (Not Including Investment Advisory Fees)**		116,300
6. Investment Increase/(Decrease)		1,512,017
7. Market Value of Assets in the Trust as of June 30, 2019*		30,959,120
8. Dollar-Weighted Rate of Return:		4.91%

The following develops the Market Value of Assets as of July 1, 2019 used in disclosure items under ASC 960 (Accounting and Reporting by Defined Benefit Pension Plans). Market Value of Assets, for purposes of ASC 960, include receivable contributions and payables that are not discounted with interest to July 1, 2019.

Market Value of Assets at July 1, 2019 for Purposes of ASC 960		
1. Market Value of Assets in the Trust as of July 1, 2019	$	30,959,120
2. Receivable Contributions		443,123
3. Payables		0
4. Market Value of Assets as of July 1, 2019 Including Receivables and Payables: (1+2-3)	**$**	**31,402,243**

*As provided by the Plan Sponsor, reflects $11,715,339, and $971,403 in assets for the 2017/2018 and 2018/2019 fiscal years, respectively, in addition to the Fair Value of assets provided by the Trustee.

** As provided by the Plan Sponsor.

The following develops the Actuarial Value of Assets as of July 1, 2019 utilized in calculations to determine funding requirements. The Actuarial Value of Assets is equal to a 24-month smoothed asset value using the method utilized in IRS Notice 2009-22.

Actuarial Value of Assets at July 1, 2019	
1. Market Value of Assets in the Trust as of July 1, 2019 Not Including Receivables or Payables	$ 30,959,120
2. Discounted Receivable Contributions	440,155
3. Discounted Payables	0
4. Market Value of Assets as of July 1, 2019 Including Discounted Receivables and Payables: (1+2-3)	31,399,275
5. Adjustment for Three-Year Phase-In of Gains and Losses	

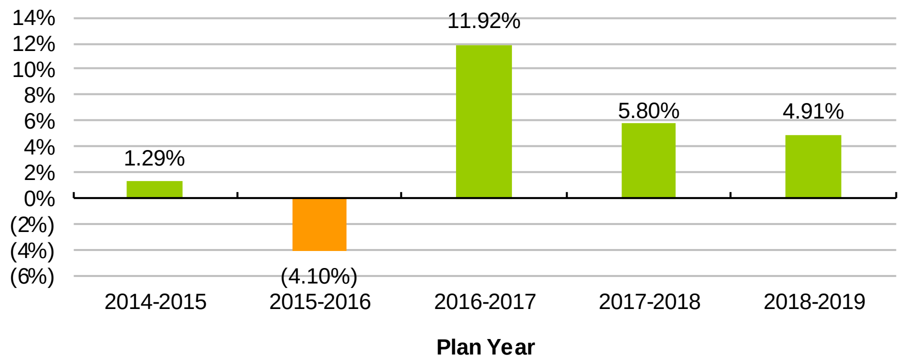
	Plan Year	
	2017-2018	2018-2019
a. Assumed Rate of Return on Assets	8.00%	8.00%
b. Limitation on Rate of Return on Assets	6.48%	6.29%
c. Actual Investment Earnings	1,792,898	1,514,858
d. Expected Investment Earnings	2,003,895	1,930,925
e. Asset Gain/(Loss): (5c) - (5d)	(210,997)	(416,067)
f. Percent Deferred	33%	67%
g. Deferred Asset Gain/(Loss): (5e) x (5f)	(70,332)	(277,378)
h. Total Deferred Asset Gain/(Loss)	**(347,710)**	

6. Actuarial Value of Assets Before Application of Corridor Limitations: (4) - (5h)	31,746,985
7. Corridor Limitations	
a. 90% of Market Value of Assets: (90% of 4)	28,259,348
b. 110% of Market Value of Assets: (110% of 4)	34,539,202
8. Actuarial Value of Assets as of July 1, 2019 [(6) Not Less Than (7a) or Greater Than (7b)]	**$ 31,746,985**

Development of Discounted Contributions			
Date Deposited	Amount Deposited	Discounted Value at July 1, 2018*	Discounted Value at July 1, 2019*
October 17, 2018	$ 151,734	$ 149,268	N/A
January 16, 2019	$ 151,734	$ 147,296	N/A
April 12, 2019	$ 151,734	$ 145,350	N/A
July 15, 2019	$ 151,734	$ 143,390	$ 151,391
August 30, 2019	$ 291,389	$ 273,502	$ 288,764
Total	**$ 898,325**	**$ 858,806**	**$ 440,155**

* Discounted at the 2018 Plan Year Effective Interest Rate of 5.58%

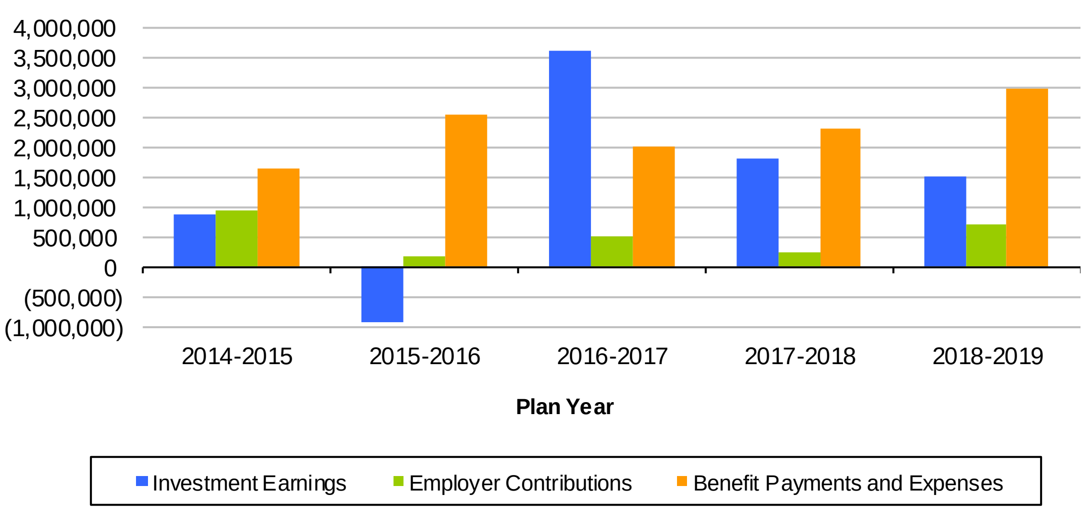
Five Year History of Market Value Rate of Return



Notes:

(1) The rates of return shown above were determined based on the Plan's market value of assets using a dollar-weighted rate of return.
(2) The rates of return shown above were not calculated in accordance with Securities and Exchange Commission guidelines.

Five Year History of Receipts and Disbursements



Notes:

(1) The above information reflects investment earning determined based on the Plan's market value of assets, and actual employer cash contribution, benefit payments and expenses made during the year.

A. Reconciliation of Participant Data

	Reconciliation of Participant Data			
	Actives	Retirees and Beneficiaries	Vested Terminations	Total
Total as of July 1, 2018	**166**	**243**	**169**	**578**
New Entrants	0	0	0	0
To Inactive	0	0	0	0
Reactivation	0	0	0	0
Nonvested Terminations	0	0	0	0
Vested Terminations	(12)	0	12	0
Retirements	(39)	48	(9)	0
Rehires	0	0	0	0
QDRO	0	0	0	0
Deaths	(2)	(5)	(1)	(8)
New Beneficiaries	0	3	0	3
Lump sum paid out	(2)	0	0	(2)
Certain period expired	0	0	0	0
Data adjustments	0	0	0	0
Total as of July 1, 2019	**111**	**289**	**171**	**571**

B. Age and Service Distribution of Active Members

	Completed Years of Service on July 1, 2019										
Attained Age	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
Under 25	0	0	0	0	0	0	0	0	0	0	**0**
25-29	0	0	0	0	0	0	0	0	0	0	**0**
30-34	0	0	0	0	0	0	0	0	0	0	**0**
35-39	0	0	0	1	1	0	0	0	0	0	**2**
40-44	0	0	0	3	4	0	0	0	0	0	**7**
45-49	0	0	0	0	2	5	1	0	0	0	**8**
50-54	0	0	0	3	3	5	3	4	0	0	**18**
55-59	0	0	0	3	4	1	6	16	3	0	**33**
60-64	0	0	0	3	3	1	4	8	10	1	**30**
65-70	0	0	0	0	1	1	2	5	0	2	**11**
70 & up	0	0	0	0	0	0	1	1	0	0	**2**
Total	**0**	**0**	**0**	**13**	**18**	**13**	**17**	**34**	**13**	**3**	**111**

Active Member Statistics	July 1, 2019	July 1, 2018
Number of members	111	166
Average age	57.03	57.24
Average years of service	26.63	26.74

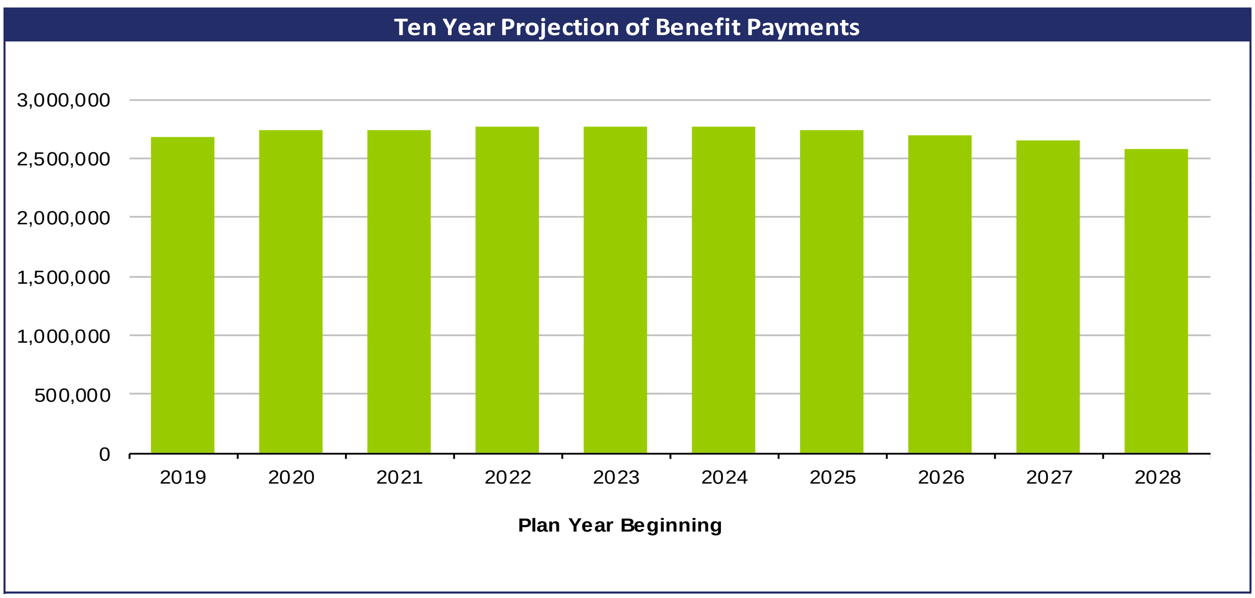
C. Age Distribution of Non-Active Members

Age	Retirees and Beneficiaries
Under 55	1
55-59	24
60-64	57
65-69	79
70-74	61
75-79	20
80-84	17
85 and over	30
Total	289
Average Age	70.60

Age	Vested Terminations
Under 25	0
25-29	0
30-34	0
35-39	3
40-44	5
45-49	13
50-54	33
55-59	41
60-64	47
65-69	19
70 and over	10
Total	171
Average Age	58.46

D. Benefit Payment Projection

The following is a projection of benefit payments expected to be paid from the trust during the next ten plan years. The projection is based on the ASC 960 valuation assumptions and assumes no new entrants to the Plan over the ten year period.



The valuation of a defined benefit pension plan involves estimates and assumptions about the probability of events occurring far into the future. Examples include assumptions about future employment, mortality, and retirement. Below is a description of the actuarial assumptions and methods used in the valuation.

Funding Target Liability

Valuation Date: July 1, 2019

Demographic Information: The demographic information was provided as of July 1, 2019 by Universidad del Sagrado Corazón. Although we did not audit the data, we did review the data for reasonableness.

Actuarial Cost Method: As required by PPA, the Traditional Unit Credit Cost Method was used.

Asset Valuation Method: The actuarial value of assets is determined by averaging the fair market value of assets as of the valuation date and the adjusted fair market values as of the preceding two valuation dates. This methodology is consistent with that provided in IRS Notice 2009-22.

Anticipated Rate of Return on Plan Assets: 8.00%

Interest Rates used to determine Minimum Required Contribution: The July 2019 funding segment rates were utilized as prescribed by IRC Section 430(h) and elected by Universidad del Sagrado Corazón. Below, please find the segment rates after reflection of the segment rate stabilization provisions of IRC Section 430(h)(2)(C)(iv).

Segment	Interest Rate
Segment 1	3.74%
Segment 2	5.35%
Segment 3	6.11%

Effective Interest Rate
5.41%

Segment 1 is applied to benefit payments expected to be made in the first 5 years, segment 2 is applied to benefit payments expected to be made in the next 15 years and segment 3 is applied thereafter.

Interest Rates Absent the Segment Rate Stabilization Provisions of IRC Section 430(h)(2)(C)(iv)(II): The July 2019 funding segment rates were utilized as prescribed by IRC Section 430(h) and elected by Universidad del Sagrado Corazón.

Segment	Interest Rate
Segment 1	2.76%
Segment 2	3.95%
Segment 3	4.43%

Effective Interest Rate
4.02%

Segment 1 is applied to benefit payments expected to be made in the first 5 years, segment 2 is applied to benefit payments expected to be made in the next 15 years and segment 3 is applied thereafter.

Mortality:

Base mortality table: The sex distinct RP-2014 mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014.

Mortality improvements: The base mortality table is adjusted by projecting mortality improvements using Scale MP-2017 from the year 2006 through 2019, with an additional projection period of 8 years for males and 9 years for females. For ages below 80, the additional projection period is increased by 1 year for each year below age 80. For ages above 80, the additional projection period is reduced (but not below zero) by 1/3 year for each year above 80.

Retirement Incidence: Rates of retirement are based on the Client's expectations. For regular early retirement, values of the assumed annual rates of retirement are set forth in the following table:

Age	Percentage
55-59	1.00%
60-61	2.00%
62	5.00%
63	2.00%
64	2.00%
65	100.00%

For unreduced early retirement, values of the assumed annual rates of retirement are set forth in the following table:

Age	Percentage
55-59	5.00%
60-61	5.00%
62	25.00%
63	20.00%
64	20.00%
65	100.00%

Current and future vested terminated participants are assumed to retire at age 65.

Turnover: Rates of turnover are based on the Client's expectations. Representative values of the assumed annual rates of withdrawal among members in active service are set forth in the following table:

Age	Percentage
20	8.00%
25	7.80%
30	7.32%
35	6.41%
40	5.35%
45	4.33%
50	3.21%
55	0.00%

Disability: Disability rates were based on a 1952 Study by the American Society of Pension Actuaries; Disability Table Benefit 5, Period 4. Representative values of the assumed annual rates of retirement are set forth in the following table:

Age	Percentage
25	0.10%
30	0.11%
35	0.13%
40	0.16%
45	0.22%
50	0.35%
55	0.71%
60	1.25%

Administrative Expenses: Plan expenses based on Plan related expenses paid by plan assets as provided by the Plan Sponsor. These expenses are used in the determination of the Target Normal Cost.

Spouse Assumptions: 80% of participants not currently collecting benefits are assumed to be married, with male spouses assumed to be three years older and female spouses assumed to be three years younger than the participant. This assumption was based on national averages.

Form of Benefit: Unless specified by the participant or by law, all benefits to single participants will be paid in the form of a life annuity. Benefits are payable to married participants in the form of a joint and 50% survivor annuity actuarially equivalent to the life annuity. Total benefits paid out must equal or exceed a Participant's contributions.

Actuarial Present Value of Accumulated Plan Benefits (ASC 960)

Interest Rate: 8.00%, as provided by the Plan Sponsor, validated by the University's auditors.

Mortality: The RP-2000 mortality table for annuitants and non-annuitants with projected mortality improvements using Scale AA. The static mortality tables are projected form the base table for the year 2000 through 2019 with further projection to reflect the approximate expected duration of liabilities, namely 7 years for annuitants and 15 years for non-annuitants.

Unless specifically mentioned, all remaining assumptions for the Actuarial Present Value of Accumulated Plan Benefits remain the same as described for the Funding Target Liability above.

Actuarial Present Value of Accumulated Plan Benefits (ASC 715)

Measurement Date: June 30, 2019.

Discount Rate: 4.00% as of June 30, 2019, as provided by the Plan Sponsor, validated by the University's auditors.

Administrative Expenses: The expected long-term rate of return on plan assets reflects the expected expenses to be paid from the Plan.

Mortality: The RP-2000 mortality table for annuitants and non-annuitants with projected mortality improvements using Scale AA. The static mortality tables are projected form the base table for the year 2000 through 2019 with further projection to reflect the approximate expected duration of liabilities, namely 7 years for annuitants and 15 years for non-annuitants.

Asset Valuation Method: Market Value of Assets as provided by the Plan Sponsor, reflecting $11,715,339, and $971,403 in assets for the 2017/2018 and 2018/2019 fiscal years, respectively, in addition to the Fair Value of assets provided by the Trustee as of June 30, 2019. In addition, excluding receivable contributions and payables.

Unless specifically mentioned, all remaining assumptions for the Actuarial Present Value of Accumulated Plan Benefits remain the same as described for the ASC 960 Liability above.

Other Assumptions

Costs were determined using the Projected Unit Credit Actuarial Cost Method, as required by Accounting Standards Codification 715-30 of the Financial Accounting Standards Board.

Under ASC 715-30,

- The Service Cost Component is defined as the actuarial present value of the benefits attributed by the pension benefit formula for service rendered by employees during the year beginning on the measurement date. The Service Cost Component is a portion of the Projected Benefit Obligation (PBO) and is unaffected by the funded status of the Plan.

- The Projected Benefit Obligation (PBO) is defined as the actuarial present value as of the measurement date of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date. The PBO is computed with an assumption for future compensation levels.

- The Accumulated Benefit Obligation (ABO) is defined as the actuarial present value as of the measurement date of both vested and non-vested benefits attributed by the pension benefit formula to employee service rendered before the measurement date and based on employee service and compensation prior to the measurement date. The Accumulated Benefit Obligation (ABO) differs from the Projected Benefit Obligation (PBO) in that it does not include assumptions as to future compensation levels.

- The Unamortized Prior Service Cost is defined as that portion of prior service cost that has not been amortized as a part of Net Periodic Pension Cost.

The Net Periodic Pension Cost for the Plan consists of the following items:

(a) The Service Cost Component.

(b) The Interest Cost; which is the increase in the PBO during the year due to the passage of time.

(c) The Expected Return on Plan Assets; which is the expected rate of return during the fiscal year based on the fair value of assets.

(d) Amortization of Unamortized Prior Service Cost; the difference in the PBO prior to and after plan amendments amortized over the average future service of the active Plan members expected to receive a plan benefit on a straight line basis.

(e) Amortization of Unamortized Net Gain or Loss: ASC 715-30 specified that the net Gain or Loss is the sum of (i) the difference between the actual and expected return of Plan assets, plus (ii) the difference between the actual and expected projected benefit obligation at the measurement date, and (iii) the outstanding balance of the net gain or loss from the prior period. The amount of gain or loss amortized is equal to the amount that the net gain or loss exceeds 10% of the greater of plan assets or projected benefit obligation at the measurement date. Any excess must be amortized over the average remaining service period of the active plan participants. If most of the plan participants are inactive, the amortization period is the expected future lifetime of the inactive participants.

(f) Amortization of the Unamortized Net Obligation/(Asset) existing as of the date of the initial application of the statement.

This summary is intended as an outline of plan provisions and does not alter the intent or meaning of the provisions contained in the plan document.

Effective Date:

March 1, 1977. Amended effective October 31, 2006 to freeze all benefit accruals. Last amended effective January 1, 2011 to comply with the Internal Revenue Code for a New Puerto Rico.

Plan Year:

July 1 to June 30.

Eligibility for Participation:

All Employees who are not covered by a collective bargaining agreement and make the required contributions become Participants after completion of 1,000 hours during the 12 month period preceding the first or any subsequent Anniversary Date following employment. No new employee will become a participant after October 31, 2006.

Employee Contributions:

Participants must contribute 1% of the first $4,800 of Compensation, 3% of the next $9,600 of Compensation and 4% of Compensation in excess of $14,400 beginning on their date of participation in the Plan. The Plan Sponsor provides the remaining funds needed to cover the costs of the benefits and administration of the Plan. No employee contributions will be permitted effective October 31, 2006.

Active Service:

All years of continuous service with the Employer from the date of employment to the date of termination.

Credited Service:

All years and completed months of service, excluding any period during which the Participant did not receive Compensation. No additional Credited Service will be granted after October 31, 2006.

Normal Retirement Date:

The later of the Participant’s attainment of age 65 or his completion of five (5) Years of Service.

Compensation:

Basic Salary of the Participant, excluding bonuses and other fluctuating emoluments. Compensation earned after October 31, 2006 shall not be considered for purposes of determining the Accrued Benefit.

Average Final Compensation:

The Compensation of a participant averaged over the highest consecutive 5 out of the final 10 calendar years of employment. Calendar years during which a Participant incurred a Period of Severance shall not be recognized if using Compensation of the period of service prior to the severance would provide a higher average.

Normal Retirement Benefit:

1.95% of the Average Final Compensation multiplied by Credited Service (to a maximum of 20 years). Effective October 31, 2006, no further accrual of benefits will be permitted under the Plan.

Early Retirement Benefit:

A Participant becomes eligible for an early retirement benefit after attainment of age 55 and completion of 5 Years of Service. The early retirement benefit is computed as the Normal Retirement Benefit with the Average Final Compensation and Credited Service as of the date of Early Retirement. A subsidized benefit can commence immediately by reducing the afore-mentioned benefit by 5/12% for each of the first 60 months and 5/24% for each month thereafter by which the benefit commencement date precedes the Normal Retirement Date.

Unreduced early retirement benefits are available for Participants that elect early retirement after attainment of age 55 with completion of 25 Years of Service.

Vesting:

Participants are fully vested in their accrued benefits on completion of 5 Years of Service. Participants with less than 5 Years of Service have no vested rights under the Plan and are entitled solely to a refund of their contributions with interest.

Vested Deferred Benefit:

A benefit deferred to the Normal Retirement Date computed as the Normal Retirement Benefit but based on the Average Final Compensation and Years of Credited Service as of the date of termination. Participants that terminate with a Vested Deferred Benefit may elect earlier commencement of a reduced benefit beginning on or after age 55 (reduced in the same fashion as the Early Retirement Benefit).

Disability Retirement Date:

A participant shall be eligible for disability retirement after completion of 5 Years of Service and disabled for at least 6 months. Effective October 31, 2006, no additional accrual of benefits will be permitted for purposes of a Disability Benefit.

Disability Benefit:

A benefit deferred to the Normal Retirement Date computed as the Normal Retirement Benefit but based on Average Final Compensation and Years of Credited Service as of the date of disability. If benefits commence prior to the Participant’s age 55, the benefit to be received will be the actuarially equivalent benefit of a benefit payable starting at age 55.

Death Benefits:

For Participants who are at or over the earliest retirement age:

The surviving spouse will receive an immediate life annuity equal to ½ of the joint and 50% survivor actuarial equivalent of the Participant’s early retirement benefit. If unmarried, the Participant’s contributions with interest are refunded to the designated beneficiary.

For Vested Participants who have not yet reached the earliest retirement age:

The surviving spouse will be entitled to receive a life annuity equal to ½ of the joint and 50% survivor actuarial equivalent of the participant’s vested accrued benefit at the time of death with commencement of payments at the earliest date the deceased Participant could have commence benefits had he lived. If unmarried, the Participant’s contributions with interest are refunded to the designated beneficiary.

Forms of Benefit Payments:

Unless specified by the participant or by law, all benefits to single participants will be paid in the form of a life annuity. Benefits are payable to married participants in the form of a joint and 50% survivor annuity actuarially equivalent to the life annuity. Total benefits paid out must equal or exceed a Participant’s contributions.