

Investment Performance Review
Period Ending March 31, 2023

Port Houston DC Plan Executive Summary



1st Quarter 2023 Market Environment



The Economy

- US GDP growth is expected to wane in the coming quarters as the impact from higher interest rates continues to spread through the broader economy. The final measure of 1st quarter GDP was revised downward to 1.7%. Global GDP growth also remains challenged with higher energy prices continuing to act as a headwind, especially in Europe. China has fully reopened after almost three years of COVID-19 restrictions, which boosted estimates and performance for the region.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with two successive 0.25% increases in the Fed Funds rate in January and February. While the Fed's policy remains hawkish on fighting high inflation, the press release from the February meeting took on a more dovish tone.
- The US labor market continues to show its resiliency, adding roughly 236 thousand jobs during the 1st quarter. As a result, the unemployment rate fell to 3.5% in March. Noticeably, the labor market is showing signs of declining growth which could soon signal an inflection point in economic output and the fight against inflation.
- The global banking sector came under duress in the 1st quarter of 2023, triggered by the second and third-largest regional bank failures in US history. The combination of aggressive Fed rate hikes and questionable capital deployment by Silicon Valley Bank led to a flurry of depositor withdrawals and rocked general confidence in the overall banking system.

Equity (Domestic and International)

- US equities moved broadly higher during the 1st quarter despite concerns regarding stubbornly high inflation, the potential for additional rate hikes, slowing global GDP growth, and shaken confidence in the global banking system. Large cap growth was the best performing domestic segment of the equity market during the period while small cap value performed the worst.
- International stocks also experienced strong returns during the 1st quarter. US Dollar (USD) and local currency (LCL) performance were both solid as the USD remained largely unchanged for the quarter. Non-US GDP growth, particularly in Europe, remained under pressure as restrictive central bank policies and elevated energy prices acted as a headwind. Finally, China's reopening from its restrictive COVID-19 policies is well underway and has proven to be a greater tailwind to the region than previously expected.

Fixed Income

- While inflation continues to decline quarter-over-quarter, the Fed maintained their inflation-fighting policy stance, increasing interest rates twice, totaling 0.50%. Despite the short-term increases, yields beyond 1-year actually fell during the quarter with the bellwether US 10-Year Treasury bond closing March at 3.48%, 0.40% lower than year-end.
- Performance across domestic bond market sectors was positive during the quarter, led by corporate investment grade bonds. Global bonds slightly outperformed domestic fixed income for the quarter.
- A combination of higher coupons and narrower credit spreads were the primary drivers of lower quality corporate results during the period.
- US Treasury bonds rebounded this quarter as yields at longer maturities fell and investors fled to safety amidst troubles in the banking sector.

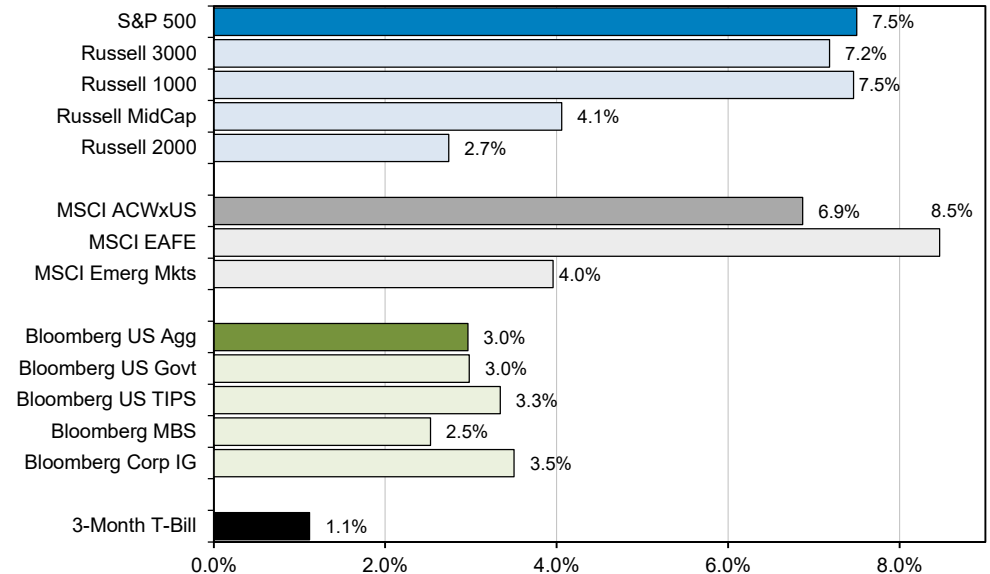
Market Themes

- Central banks remained vigilant in their fight against inflation with the Fed, the Bank of England, and the European Central Bank continuing on the path of raising interest rates during the quarter. However, recession fears and softening inflation readings led to a recovery in asset prices as market expectations grew there may be fewer, less drastic rate hikes going forward.
- The conflict in Ukraine continues as a major geopolitical event without a clear resolution in sight. Energy costs remain elevated, which continues to negatively impact the economic growth outlook for the region.
- Short-term interest rates rose across most developed markets as central banks continued to tighten. Despite concerns about the potential for slowing economic growth, lower-quality corporate bonds slightly outpaced higher-quality government bonds.
- Both US and international equity markets continued to recover from the disappointing year that was 2022 on expectations that inflation would continue to moderate and central banks would slow the pace of monetary tightening.

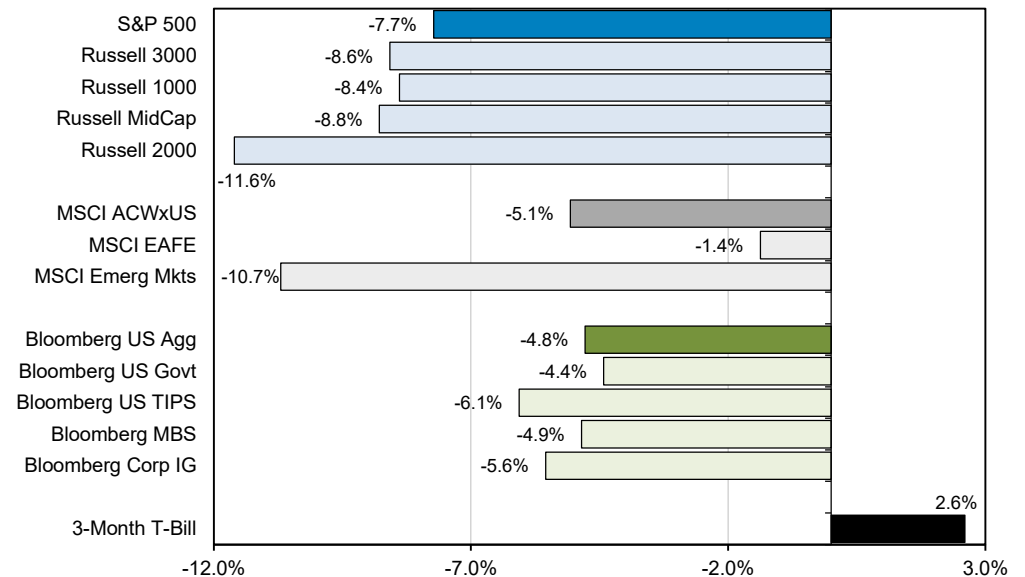


- Domestic equity markets started 2023 with solid results led by large cap companies, but each index remains negative over the trailing 1-year period. Factors contributing to the quarter's results include declining inflation readings, expectations the Fed would slow the pace of future interest rate increases, and China's economic reopening from its self-imposed COVID-19 restrictions. For the period, the S&P 500 large cap benchmark returned 7.5%, versus 4.1% for mid cap, and 2.7% for small cap benchmarks.
- Like domestic equities, international developed and emerging market equities delivered positive results for the 1st quarter. Europe continues to face headwinds from higher-than-expected inflation, elevated energy prices, geopolitical risks related to the conflict in Ukraine, and rising interest rates. Emerging markets benefited from China's return to the global economy. The developed market MSCI EAFE Index returned 8.5% for the quarter and the MSCI Emerging Markets Index rose by 4.0%.
- For the quarter, performance of the bond market was broadly positive due to lower inflation and falling yields beyond 1-year maturities. The Bloomberg (BB) US Aggregate Index returned 3.0% for the period while investment grade corporate bonds posted a moderately higher return of 3.5%.
- US equity markets were negative over the trailing 1-year period, though much of this weak performance occurred at the beginning of the timeframe and will continue to roll off in the coming quarters. The S&P 500 Index return of -7.7% for the year was largely driven by concerns related to rising inflation, tighter monetary policy, and recession fears. The weakest relative performance for the year was the Russell 2000 Index, which declined -11.6%.
- Over the trailing 1-year period, international markets also declined. The MSCI EAFE Index returned -1.4% while the MSCI Emerging Markets Index fell a much larger -10.7%. Continued concerns related to Ukraine, elevated inflation, and slowing global economic growth negatively impacted markets. However, USD weakness and easing energy prices acted as a tailwind to international performance in the second half of 2022.
- Bond markets followed a largely similar narrative to equities, finishing the trailing 1-year period in negative territory. While bond market performance was impacted by similar factors to equity market performance, the primary driver of results over the prior year was dramatically higher interest rates, which directly and immediately impact bond prices and index performance. US mortgage backed and Government issues were the least negative sectors returning -4.9% and -4.4%, respectively, for the year. US TIPS suffered the year's largest loss, falling -6.1%.

Quarter Performance

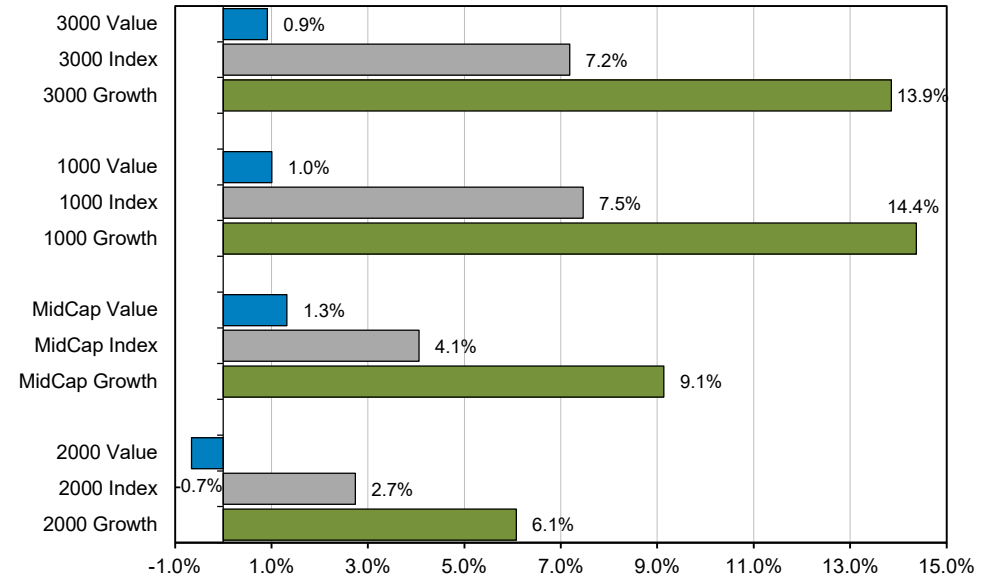


1-Year Performance

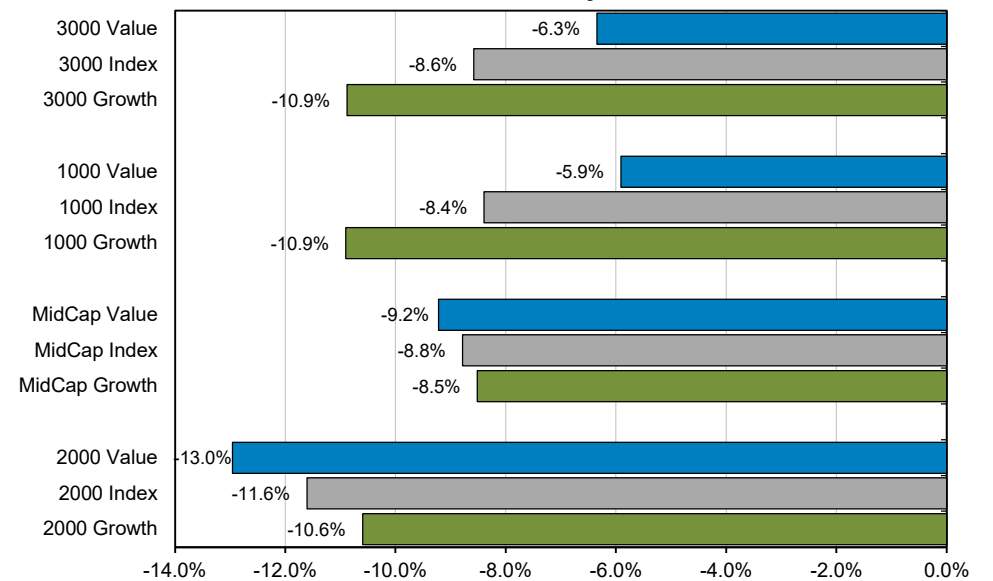


- Domestic equity core benchmarks pulled back from their February highs, but each finished the quarter with solid, positive results. Concerns regarding the regional banking sector and the financial sector's large weight in the value benchmarks weighed heavily on style-based index performance. Large cap stocks led results for the capitalization-based benchmarks and finished well ahead of both the mid cap and small cap indices for the quarter. Growth benchmarks, with their lower weight in the financial sector and larger weight in the information technology sector, produced the quarter's strongest results at all capitalization levels. The Russell 1000 Growth Index topped the quarter, returning 14.4% followed by the Russell Mid Cap Growth Index and the Russell 2000 Growth Index, which rose by 9.1% and 6.1%, respectively.
- Large, mid, and small cap growth stocks each outperformed their value counterparts by a wide margin for the quarter. While it is only a single quarter, this performance reversed 2022's dominant trend of value-based benchmarks outpacing their growth counterparts. Large and mid cap stocks managed small, positive returns of 1.0% and 1.3%, respectively, for the quarter while the Russell 2000 Value Index fell -0.7%.
- The 1st quarter's positive performance was not enough to offset the challenging performance experienced by domestic equity markets during 2022. All market capitalizations and styles remain in sizable negative territory over the trailing 1-year period. Within large cap stocks, the Russell 1000 Value Index returned a disappointing -5.9% but was down much less than the Russell Large Cap Growth Index, which fell -10.9% for the year.
- Outside of large cap issues, 2023's strong 1st quarter growth benchmark results were enough to push growth results over their value equivalents at both mid and small cap levels for the year. The Russell Mid Cap Value Index returned -9.2% and the small cap Russell 2000 Value Index returned -13.0% for the period. The growth benchmark counterparts at both capitalization levels were each down less than value.

Quarter Performance - Russell Style Series



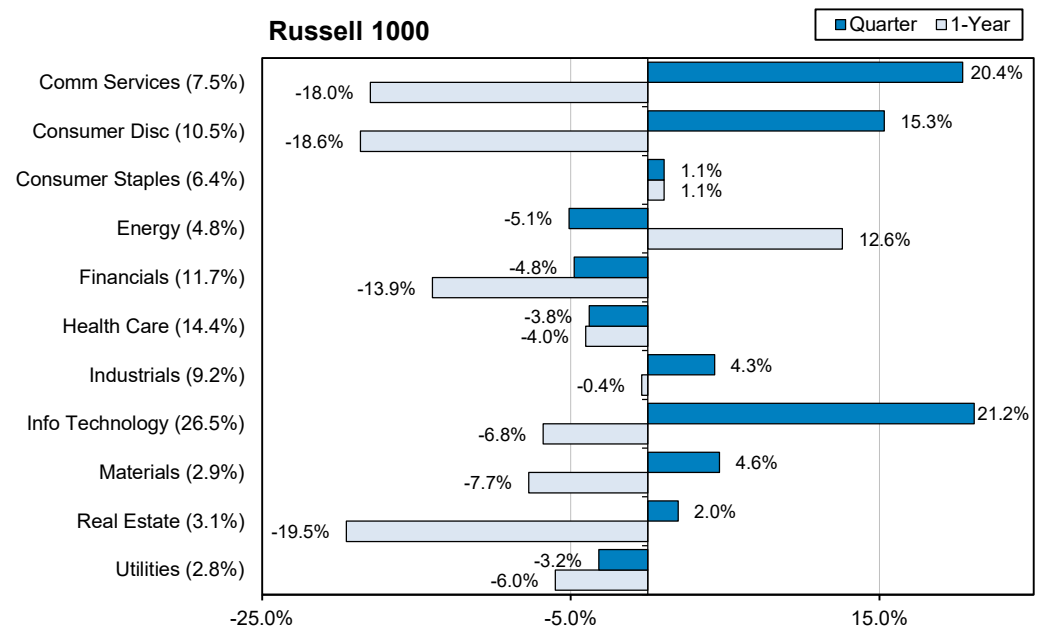
1-Year Performance - Russell Style Series



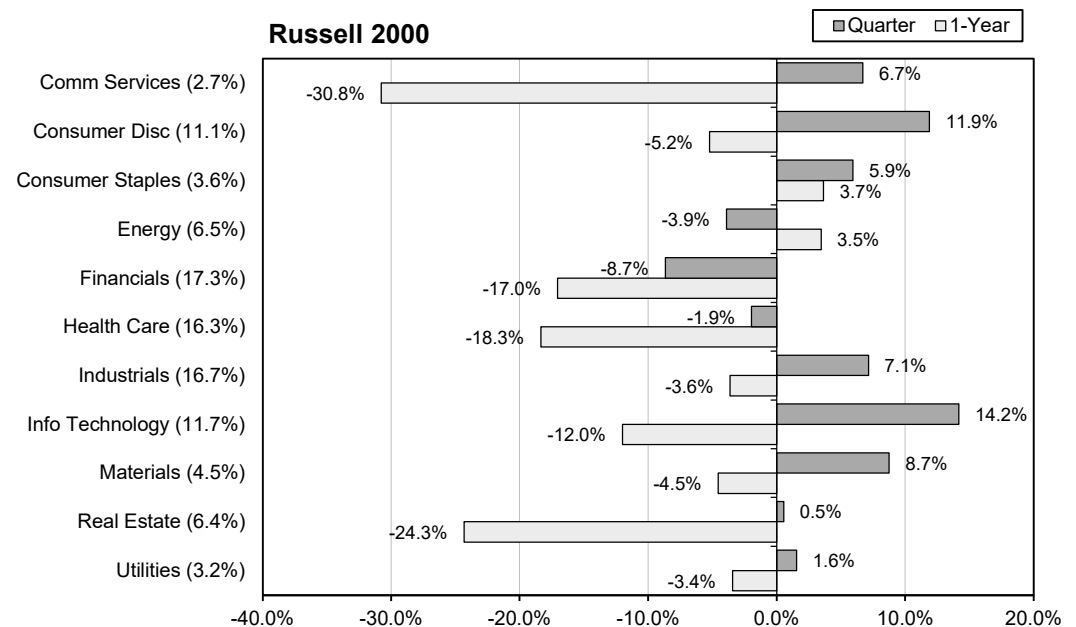
- Economic sector performance was mixed during the quarter. Seven of 11 economic sectors posted positive absolute performance for the quarter but just three managed to outpace the return of the broad index.
- After a challenging 2022, the information technology sector rebounded during the quarter on hopes that inflation was softening, and that the Fed would soon end its rate hiking cycle. The sector returned an impressive 21.2% in the quarter. The other two sectors that outpaced the headline index's return for the quarter were communication services (20.4%) and consumer discretionary (15.3%). The energy (-5.1%), financials (-4.8%), health care (-3.8%), and utilities (-3.2%) sectors each posted negative performance for the quarter.
- Eight small cap economic sectors posted positive results during the quarter and six exceeded the 2.7% return of the broader Russell 2000 Index. The consumer discretionary (11.9%) and information technology (14.2%) sectors each posted double-digit gains for the quarter while the energy (-3.9%), financials (-8.7%), and health care (-18.3%) sectors posted negative returns.

- For the full year, seven economic sectors exceeded the return of the broad large cap benchmark, but only the energy (12.6%) and consumer staples (1.1%) sectors managed to post positive performance for the period. The weakest economic sector in the Russell 1000 for the year was Real Estate, which declined by -19.5% and was heavily impacted by rising interest rates.
- Similar to large cap sector performance, for the trailing 1-year period only two small cap sectors were positive. Energy was the best performing sector followed by consumer staples, which posted returns of 3.5% and 3.7%, respectively. Four of the 11 economic sectors were down less than the broad small cap benchmark's return of -11.6%. The worst performing sector for the year was communication services with a return of -30.8%. However, the information technology (-12.0%), financials (-17.0%), health care (-18.3%), and real estate (-24.3%) sectors were also down significantly for the year.

Russell 1000



Russell 2000



Source: Morningstar Direct
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of March 31, 2023

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.5%	27.1%	-5.0%	Information Technology
Microsoft Corp	5.7%	20.5%	-5.6%	Information Technology
Amazon.com Inc	2.4%	23.0%	-36.6%	Consumer Discretionary
NVIDIA Corp	1.7%	90.1%	1.9%	Information Technology
Alphabet Inc Class A	1.6%	17.6%	-25.4%	Communication Services
Berkshire Hathaway Inc Class B	1.5%	0.0%	-12.5%	Financials
Alphabet Inc Class C	1.4%	17.2%	-25.5%	Communication Services
Tesla Inc	1.4%	68.4%	-42.2%	Consumer Discretionary
Meta Platforms Inc Class A	1.2%	76.1%	-4.7%	Communication Services
Exxon Mobil Corp	1.2%	0.2%	37.5%	Energy

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Sotera Health Co Ordinary Shares	0.0%	115.0%	-17.3%	Health Care
Carvana Co Class A	0.0%	106.5%	-91.8%	Consumer Discretionary
Coinbase Global Inc Ordinary Shares	0.0%	90.9%	-64.4%	Financials
NVIDIA Corp	1.7%	90.1%	1.9%	Information Technology
Oak Street Health Inc Ordinary Shares	0.0%	79.8%	43.9%	Health Care
Meta Platforms Inc Class A	1.2%	76.1%	-4.7%	Communication Services
DraftKings Inc Ordinary Shs - Class A	0.0%	70.0%	-0.6%	Consumer Discretionary
Spotify Technology SA	0.0%	69.2%	-11.5%	Communication Services
Tesla Inc	1.4%	68.4%	-42.2%	Consumer Discretionary
Roku Inc Class A	0.0%	61.7%	-47.5%	Communication Services

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
First Republic Bank	0.0%	-88.5%	-91.3%	Financials
PacWest Bancorp	0.0%	-57.2%	-76.6%	Financials
Lumen Technologies Inc Ordinary Shs	0.0%	-49.2%	-75.4%	Communication Services
WeWork Inc	0.0%	-45.6%	-88.6%	Real Estate
Enviva Inc	0.0%	-44.4%	-61.2%	Energy
Western Alliance Bancorp	0.0%	-40.0%	-56.3%	Financials
Zions Bancorp NA	0.0%	-38.6%	-52.9%	Financials
Charles Schwab Corp	0.2%	-36.9%	-37.1%	Financials
Comerica Inc	0.0%	-34.0%	-49.8%	Financials
DISH Network Corp Class A	0.0%	-33.5%	-70.5%	Communication Services

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Iridium Communications Inc	0.3%	20.7%	53.9%	Communication Services
ShockWave Medical Inc	0.3%	5.5%	4.6%	Health Care
EMCOR Group Inc	0.3%	9.9%	45.0%	Industrials
Crocs Inc	0.3%	16.6%	65.5%	Consumer Discretionary
Texas Roadhouse Inc	0.3%	19.4%	31.8%	Consumer Discretionary
Saia Inc	0.3%	29.8%	11.6%	Industrials
Inspire Medical Systems Inc	0.3%	-7.1%	-8.8%	Health Care
RBC Bearings Inc	0.3%	11.2%	20.0%	Industrials
Kinsale Capital Group Inc	0.3%	14.8%	31.9%	Financials
Apellis Pharmaceuticals Inc	0.3%	27.6%	29.8%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Cipher Mining Inc	0.0%	316.1%	-36.0%	Information Technology
SelectQuote Inc Ordinary Shares	0.0%	223.0%	-22.2%	Financials
C3.ai Inc Ordinary Shares - Class A	0.1%	200.0%	47.9%	Information Technology
Riot Platforms Inc	0.1%	194.7%	-52.8%	Information Technology
Oscar Health Inc Class A	0.0%	165.9%	-34.4%	Financials
Marathon Digital Holdings Inc	0.0%	155.0%	-68.8%	Information Technology
Aurinia Pharmaceuticals Inc	0.1%	153.7%	-11.5%	Health Care
Reata Pharmaceuticals Inc Class A	0.1%	139.3%	177.5%	Health Care
Atlas Technical Consultants Inc	0.0%	136.7%	N/A	Industrials
Berkshire Grey Inc Ordinary Shares	0.0%	128.5%	-52.1%	Industrials

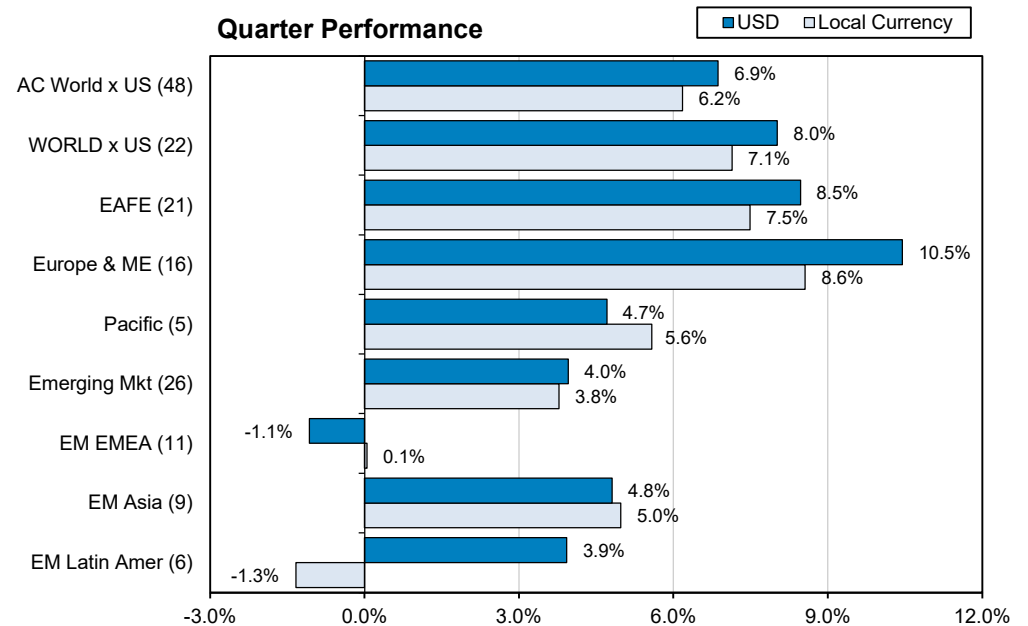
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Cerberus Cyber Sentinel Corp	0.0%	-86.7%	-93.6%	Information Technology
Cytera Technologies Inc	0.0%	-84.1%	-97.5%	Information Technology
Bed Bath & Beyond Inc	0.0%	-83.0%	-98.1%	Consumer Discretionary
Pear Therapeutics Inc Class A	0.0%	-78.4%	-95.0%	Health Care
Veru Inc	0.0%	-78.0%	-76.0%	Consumer Staples
Sunlight Financial Holdings Inc	0.0%	-75.8%	-93.8%	Financials
Esperion Therapeutics Inc	0.0%	-74.5%	-65.7%	Health Care
Nektar Therapeutics	0.0%	-68.9%	-87.0%	Health Care
Vintage Wine Estates Inc Ordinary Shs	0.0%	-67.2%	-89.2%	Consumer Staples
Bright Health Group Inc	0.0%	-66.1%	-88.6%	Financials

Source: Morningstar Direct



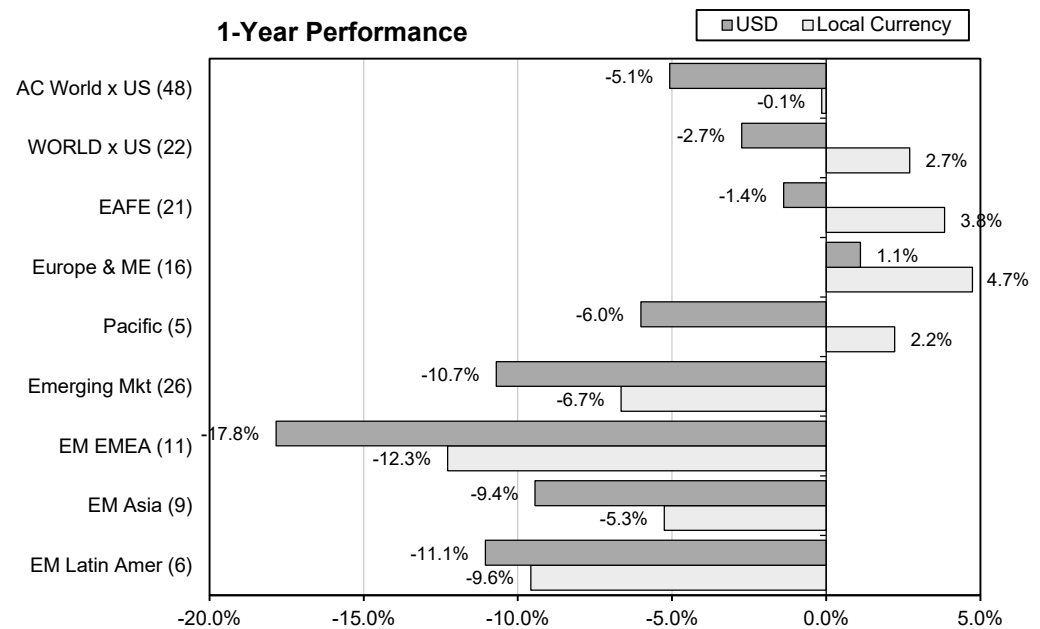
- Many of the International developed and emerging market benchmarks posted positive performance in both USD and LCL terms for the 1st quarter. A weakening USD acted as a slight tailwind for non-US index performance during the quarter. Higher energy prices and the reopening of China drove performance, especially in emerging markets. Europe and Middle East sub-index led results, returning a strong 10.5% in USD and 8.6% in LCL. The developed market MSCI EAFE Index returned a solid 8.5% in USD and 7.5% in LCL terms for the period, and the MSCI Emerging Markets Index rose by 4.0% in USD and 3.8% in LCL terms.

Quarter Performance



- The trailing 1-year results for international developed and emerging markets remain in negative territory in USD terms. A strong dollar over most of the trailing 1-year period was the dominant USD performance factor, shaving 5.2% off broad developed market performance and 4.0% from emerging market results. Developed market performance was positive in LCL terms with the MSCI EAFE Index returning -1.4% in USD and 3.8% in LCL terms for the year. The MSCI Emerging Markets Index declined by -10.7% in USD and -6.7% in LCL terms for the period. Performance in the EMEA (Europe, Middle East, and Africa) regional benchmark significantly detracted from emerging market index performance with a return of -17.8% in USD and -12.3% in LCL terms.

1-Year Performance



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of March 31, 2023

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.5%	10.5%	-6.5%
Consumer Discretionary	12.0%	17.0%	5.0%
Consumer Staples	10.4%	7.6%	1.3%
Energy	4.5%	0.4%	9.6%
Financials	17.7%	2.5%	-1.1%
Health Care	13.2%	5.4%	-2.6%
Industrials	15.6%	11.9%	-0.5%
Information Technology	8.6%	19.0%	-4.1%
Materials	7.7%	7.6%	-6.5%
Real Estate	2.4%	-2.1%	-20.4%
Utilities	3.4%	8.2%	-1.2%
Total	100.0%	8.5%	-1.4%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.1%	11.2%	-7.1%
Consumer Discretionary	11.9%	11.3%	1.7%
Consumer Staples	8.9%	6.5%	1.1%
Energy	5.5%	-0.3%	0.8%
Financials	19.9%	1.4%	-7.5%
Health Care	9.6%	4.2%	-4.4%
Industrials	12.7%	10.0%	-1.8%
Information Technology	11.8%	17.2%	-9.5%
Materials	8.3%	5.9%	-10.5%
Real Estate	2.1%	-1.7%	-19.7%
Utilities	3.2%	3.3%	-5.9%
Total	100.0%	6.9%	-5.1%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.6%	12.6%	-7.4%
Consumer Discretionary	13.9%	1.5%	-3.9%
Consumer Staples	6.3%	2.4%	-0.6%
Energy	4.7%	-0.3%	-4.8%
Financials	21.0%	-0.9%	-13.6%
Health Care	3.8%	-4.9%	-15.4%
Industrials	6.0%	2.2%	-6.3%
Information Technology	20.5%	14.7%	-13.9%
Materials	8.7%	2.4%	-15.6%
Real Estate	1.9%	-1.6%	-18.7%
Utilities	2.6%	-10.5%	-14.4%
Total	100.0%	4.0%	-10.7%

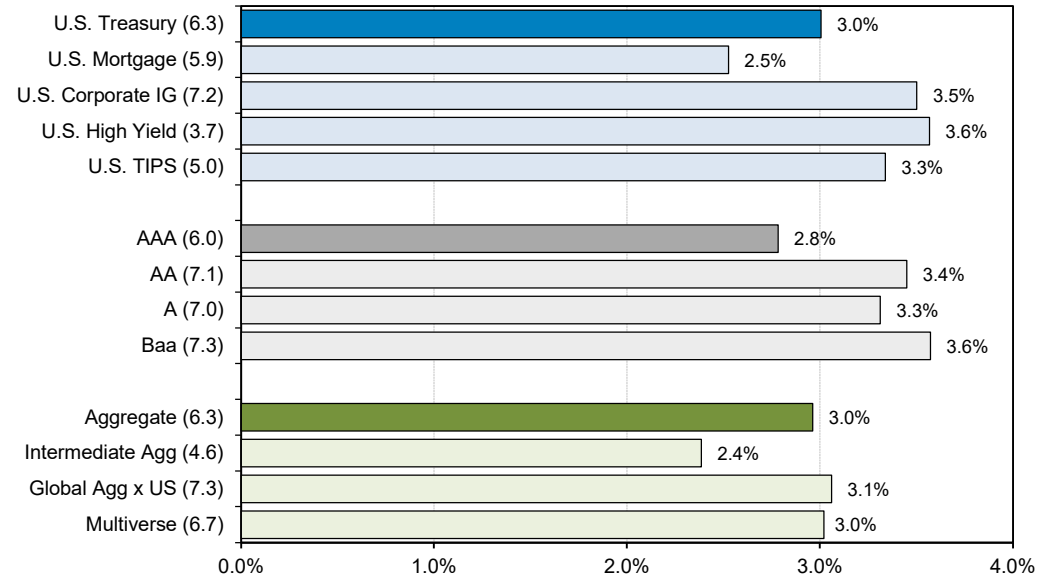
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	21.5%	13.9%	6.2%	-5.2%
United Kingdom	14.8%	9.6%	6.1%	-0.8%
France	12.5%	8.1%	14.6%	8.8%
Switzerland	10.0%	6.5%	6.7%	-6.8%
Germany	8.7%	5.6%	14.7%	2.2%
Australia	7.5%	4.8%	2.8%	-9.2%
Netherlands	4.6%	3.0%	16.6%	2.0%
Sweden	3.4%	2.2%	9.5%	-7.2%
Denmark	3.1%	2.0%	12.4%	14.2%
Hong Kong	2.7%	1.8%	-2.4%	-5.3%
Spain	2.6%	1.7%	15.7%	11.9%
Italy	2.5%	1.6%	14.7%	9.1%
Singapore	1.5%	1.0%	7.1%	-3.1%
Belgium	1.0%	0.7%	6.3%	-2.2%
Finland	1.0%	0.6%	-0.3%	-4.2%
Ireland	0.8%	0.5%	21.4%	12.1%
Israel	0.7%	0.4%	0.8%	-20.6%
Norway	0.7%	0.4%	-7.2%	-21.6%
Portugal	0.2%	0.1%	3.4%	1.3%
New Zealand	0.2%	0.1%	8.0%	2.1%
Austria	0.2%	0.1%	2.6%	-5.7%
Total EAFE Countries	100.0%	64.8%	17.3%	-14.5%
Canada		7.5%	4.3%	-13.1%
Total Developed Countries		72.3%	16.2%	-14.3%
China		9.1%	4.7%	-4.7%
Taiwan		4.2%	14.8%	-13.7%
India		3.6%	-6.4%	-12.2%
Korea		3.3%	9.6%	-14.4%
Brazil		1.4%	-3.2%	-18.7%
Saudi Arabia		1.1%	0.1%	-19.0%
South Africa		1.0%	-0.6%	-20.6%
Mexico		0.7%	20.3%	8.6%
Thailand		0.6%	-1.7%	-0.9%
Indonesia		0.5%	6.0%	0.2%
Malaysia		0.4%	-3.6%	-10.9%
United Arab Emirates		0.3%	-7.5%	-28.4%
Qatar		0.3%	-0.7%	-22.6%
Kuwait		0.2%	-3.7%	-11.3%
Philippines		0.2%	2.4%	-13.7%
Poland		0.2%	-1.0%	-20.1%
Turkey		0.2%	-9.4%	52.8%
Chile		0.2%	5.2%	-3.0%
Greece		0.1%	15.8%	14.8%
Peru		0.1%	8.3%	-12.2%
Czech Republic		0.1%	33.0%	10.3%
Hungary		0.1%	2.9%	-12.1%
Columbia		0.0%	-13.5%	-39.2%
Egypt		0.0%	-3.6%	-2.6%
Total Emerging Countries		27.7%	4.0%	-10.7%
Total ACWixUS Countries		100.0%	6.9%	-5.1%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

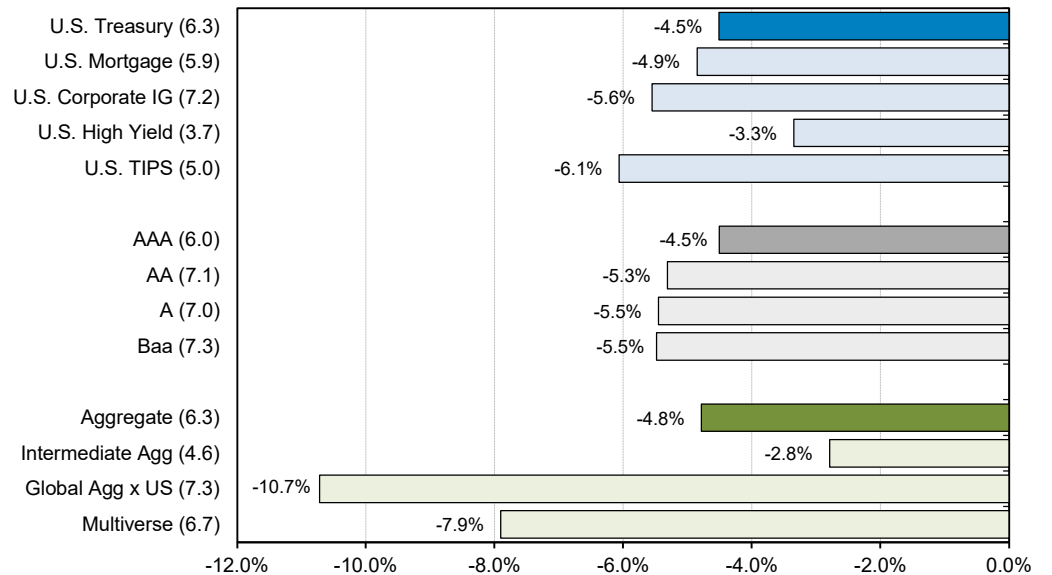


- After a challenging 2022 in fixed income markets brought on by the largest and most rapid increase in interest rates since the early 80's, the 1st quarter's positive bond benchmark results were a welcome relief. Despite two additional rate increases during the quarter, bond prices were aided by softening inflation and expectations that the Fed was nearing the end of its historic rate hiking cycle.
- The BB US Aggregate Bond Index, the bellwether US investment grade benchmark, returned a solid 3.0% for the period. Performance across the investment grade index's segments was also positive during the period with the US Corporate Investment Grade Index returning 3.5% and the US Mortgage Index component posting a return of 2.5%. Outside of the aggregate index's components, high yield bonds rose 3.6% and US TIPS posted a return of 3.3% for the quarter. The Bloomberg Global Aggregate ex US Index posted a similar return to the US bond benchmark with a return of 3.1% for the quarter.
- Over the trailing 1-year period, the BB US Aggregate Bond Index declined by -4.8% and each of the benchmark's sub-components fell in a narrow band above and below the broad index's return. US TIPS, which are excluded from the aggregate index, dropped by -6.1% for the year. Lower quality high yield corporate bonds, which have a much shorter duration, were down less than their investment grade counterparts with the Bloomberg US High Yield Index returning -3.3% for the year.
- Performance for non-US bonds was also negative for the year with the developed market Bloomberg Global Aggregate ex US Index falling by -10.7%. The combination of rising interest rates, elevated inflation, geopolitical risks, and USD strength earlier in the year hindered non-US index performance.

Quarter Performance



1-Year Performance

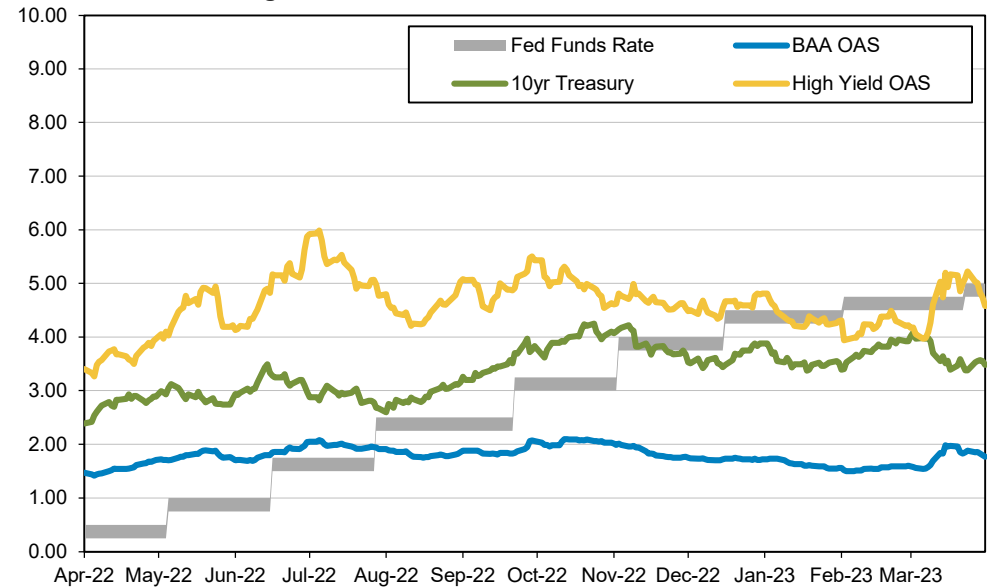


Source: Bloomberg

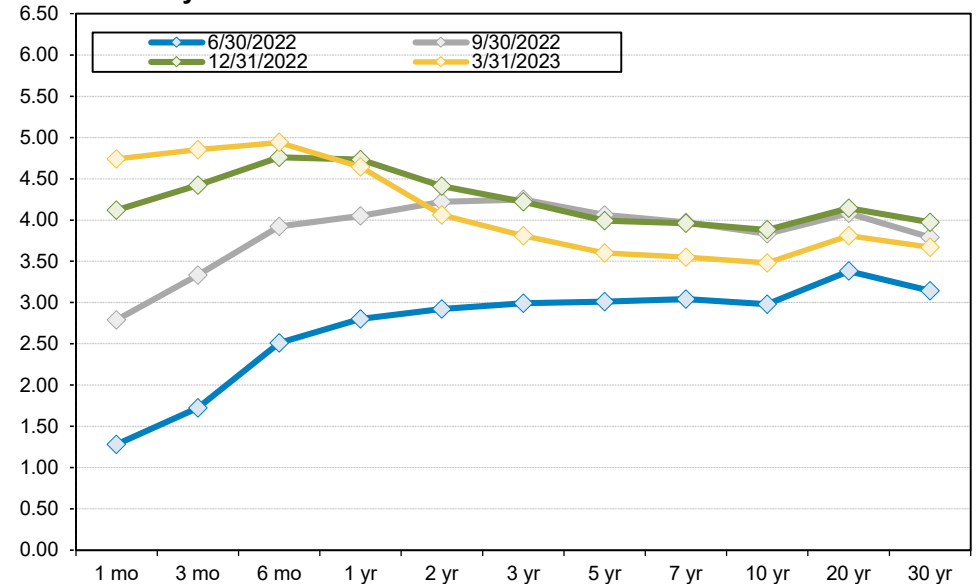


- The gray band across the graph illustrates the range of the current Fed Funds Rate. During the 1st quarter the Fed raised the lower end of its target rate range from 4.25% to 4.75% through two successive 0.25% increases in February and March. After its March meeting, the Federal Open Market Committee (FOMC) altered a phrase in its press release that had been included since the beginning of this rate increase cycle. Their revised release stated - "some additional policy firming may be appropriate" and it removed "ongoing increases in the target range will be appropriate." The FOMC also stated that it would continue its policy of removing liquidity from the market by allowing bonds held on its balance sheet to mature without reinvesting those proceeds. While subtle, the capital market interpreted this change favorably in terms of the future path of interest rates.
- The yield on the US 10-year Treasury (green line) ended the period slightly lower as concerns over the state of the economy and March's banking disruption drove yields. The closing yield on the 10-Year Treasury was 3.88% at year-end but finished the quarter 0.40% lower at 3.48%. The benchmark's rate peaked in October, cresting at just over 4.00% before pulling back to its current level.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues. For the full year, the spread widened slightly from 1.42% to 1.80%. High Yield OAS spreads rose from roughly 3.27% at the beginning of the year to 4.74% at year-end. High yield spreads reached their highs in July 2022 at a level of 5.80% before trading lower the remainder of the year. A spike in both the BAA OAS and High Yield spreads is visible in March following a short-lived banking crisis of confidence addressed quickly by the FDIC and supported further by the Fed's aggressive short-term par loan program. Both spread measures traded lower on the news of the Government's intervention but were still elevated from pre-crisis levels at the end of the quarter.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the 1st quarter as the Fed increased interest rates twice to combat elevated inflation. Despite these short-term rate increases, at the end of the quarter both intermediate and longer-term yields were slightly lower than they were at the end of the 3rd quarter of 2022. The yield curve remains inverted (short-term rates higher than long-term rates) between 2-year and 10-year maturities. Historically, a persistent inversion of these two key rates has been a precursor of an economic recession within 6- to 24-months.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



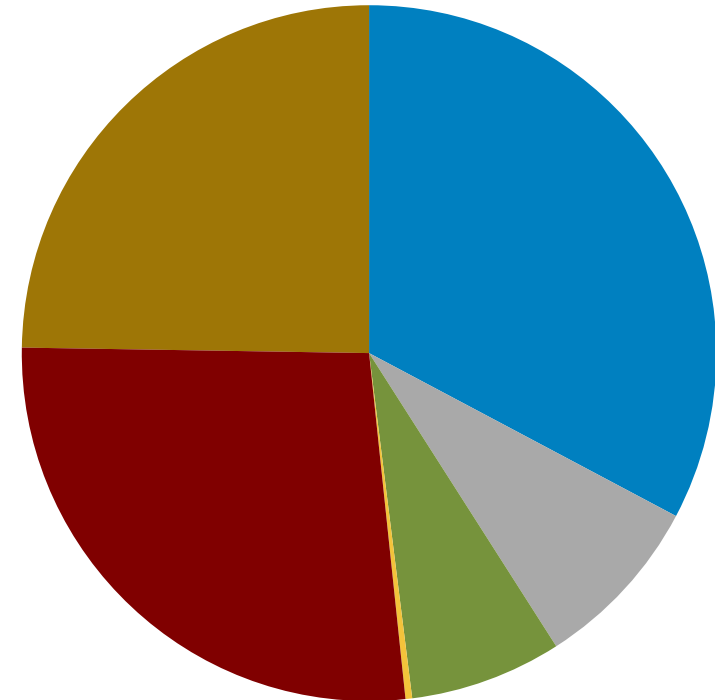
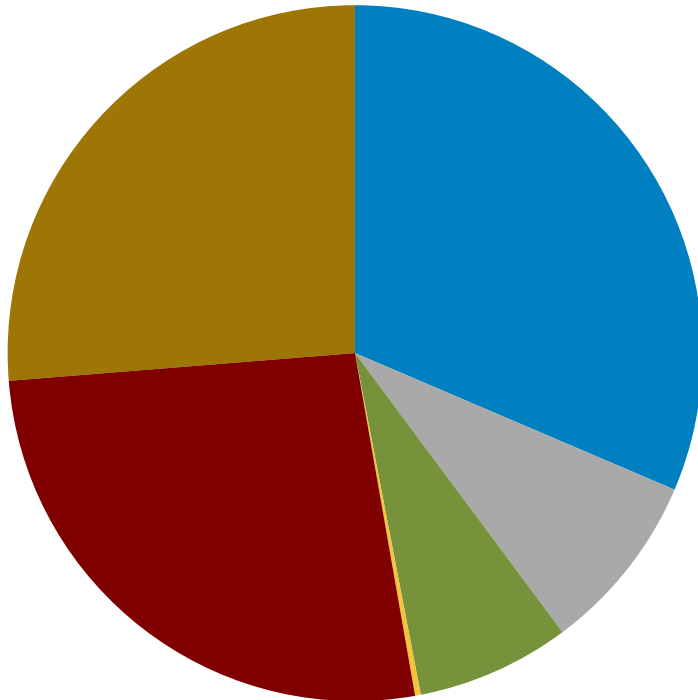
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Asset Allocation by Segment
Total Fund
As of March 31, 2023

December 31, 2022 : \$66,637,015

March 31, 2023 : \$70,364,947



Asset Allocation by Segment			Asset Allocation by Segment		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
■ Domestic Equity	20,935,521	31.4	■ Domestic Equity	23,048,148	32.8
■ International Equity	5,594,358	8.4	■ International Equity	5,764,569	8.2
■ Domestic Fixed Income	4,766,811	7.2	■ Domestic Fixed Income	4,977,977	7.1
■ Cash Equivalent	178,805	0.3	■ Cash Equivalent	217,431	0.3
■ Target Date Funds	17,655,835	26.5	■ Target Date Funds	18,944,330	26.9
■ Fixed Account	17,505,685	26.3	■ Fixed Account	17,412,492	24.7



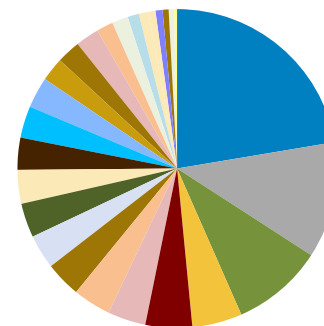
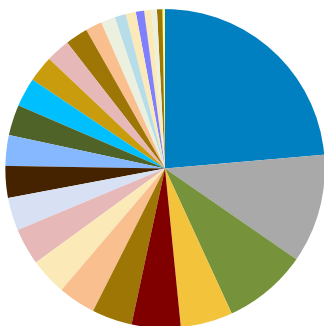
Asset Allocation by Fund

Total Fund

As of March 31, 2023

Dec-2022 : \$66,637,015

Mar-2023 : \$70,364,947

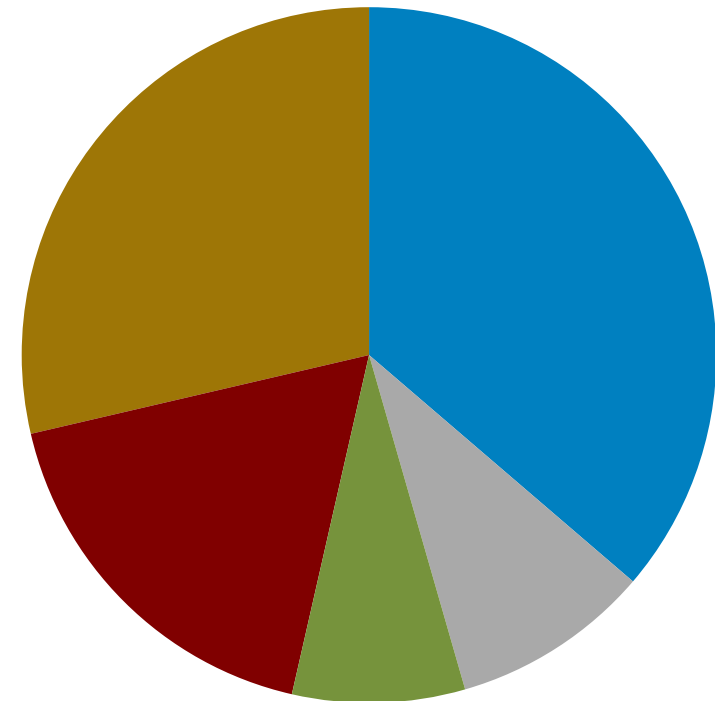
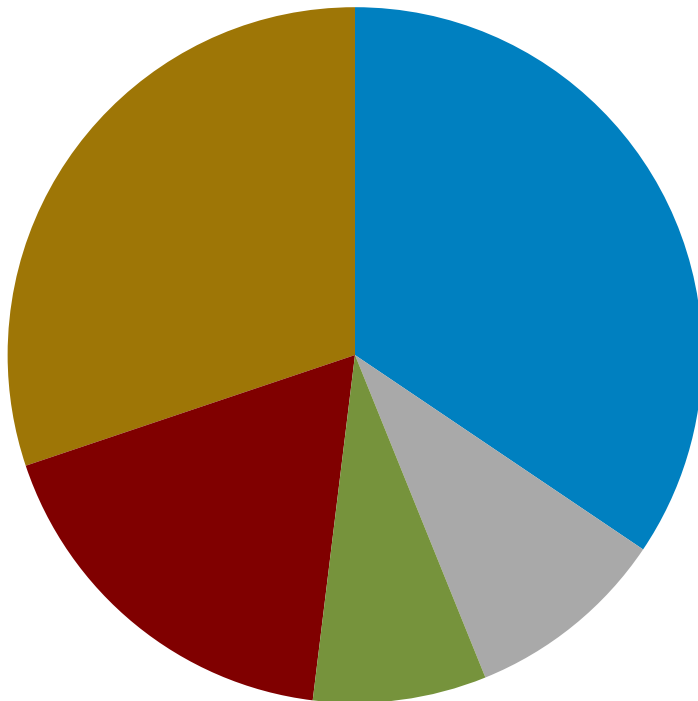


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Nationwide Fixed Account	15,730,533	23.6	Nationwide Fixed Account	15,722,305	22.3
MFS Growth R4 (MFEJX)	7,353,276	11.0	MFS Growth R4 (MFEJX)	8,298,397	11.8
Vanguard 500 Index (VFIAX)	5,667,256	8.5	Vanguard 500 Index (VFIAX)	6,532,128	9.3
Vanguard Total Intl Stock Index (VTIAX)	3,521,063	5.3	Vanguard Total Intl Stock Index (VTIAX)	3,554,501	5.1
DFA US Large Cap Value (DFLVX)	3,290,125	4.9	DFA US Large Cap Value (DFLVX)	3,322,834	4.7
Western Asset Core Plus Bond Fund (WACPX)	2,709,747	4.1	American Funds 2040 Target Date (RDGTX)	2,721,197	3.9
American Funds 2045 Target Date (RDHTX)	2,528,094	3.8	American Funds 2045 Target Date (RDHTX)	2,700,133	3.8
American Funds 2030 Target Date (RDETXX)	2,504,483	3.8	Western Asset Core Plus Bond Fund (WACPX)	2,540,763	3.6
American Funds 2040 Target Date (RDGTX)	2,472,660	3.7	American Funds 2035 Target Date (RDFTX)	2,442,382	3.5
American Funds 2035 Target Date (RDFTX)	2,231,901	3.3	Vanguard Total Bond Index (VBTLX)	2,437,214	3.5
American Funds 2025 Target Date (RDDTX)	2,148,580	3.2	American Funds 2030 Target Date (RDETXX)	2,410,631	3.4
American Funds Europacific Growth R4 (REREX)	2,073,295	3.1	American Funds 2025 Target Date (RDDTX)	2,290,477	3.3
Vanguard Total Bond Index (VBTLX)	2,057,064	3.1	American Funds 2050 Target Date (RDITX)	2,265,379	3.2
American Funds 2050 Target Date (RDITX)	1,958,937	2.9	American Funds Europacific Growth R4 (REREX)	2,210,068	3.1
Total Fixed Assets	1,775,152	2.7	Total Fixed Assets	1,690,187	2.4
Vanguard Mid Cap Index (VIMAX)	1,617,453	2.4	American Funds 2055 Target Date (RDJTX)	1,690,074	2.4
American Funds 2055 Target Date (RDJTX)	1,522,337	2.3	Vanguard Mid Cap Index (VIMAX)	1,679,699	2.4
Touchstone Mid Cap Growth Y (TEGYX)	1,118,094	1.7	Touchstone Mid Cap Growth Y (TEGYX)	1,180,266	1.7
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	956,345	1.4	Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	1,150,377	1.6
American Funds 2020 Target Date (RDCTX)	762,837	1.1	American Funds 2020 Target Date (RDCTX)	810,986	1.2
American Funds 2010 Target Date (RDATX)	676,185	1.0	American Funds 2010 Target Date (RDATX)	678,135	1.0
Vanguard Small Cap Index (VSMAX)	564,618	0.8	American Funds 2015 Target Date (RDBTX)	502,173	0.7
American Funds 2015 Target Date (RDBTX)	489,923	0.7	Vanguard Small Cap Index (VSMAX)	501,908	0.7
American Beacon Small Cap Value Y (ABSYX)	368,354	0.6	American Funds 2060 Target Date (RDKTX)	432,764	0.6
American Funds 2060 Target Date (RDKTX)	359,898	0.5	American Beacon Small Cap Value Y (ABSYX)	382,539	0.5
Nationwide Government Money Fund (GMIXX)	161,736	0.2	Nationwide Government Money Fund (GMIXX)	198,653	0.3
Total Vanguard Treasury Money Market Fund (VUSXX)	17,069	0.0	Total Vanguard Treasury Money Market Fund (VUSXX)	18,777	0.0



December 31, 2022 : \$58,060,503

March 31, 2023 : \$60,804,208



Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	19,993,604	34.4
International Equity	5,482,491	9.4
Domestic Fixed Income	4,683,268	8.1
Target Date Funds	10,395,456	17.9
Fixed Account	17,505,685	30.2

Asset Allocation by Segment

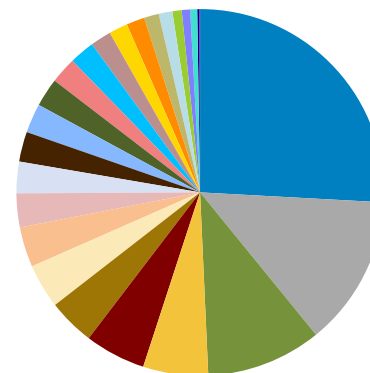
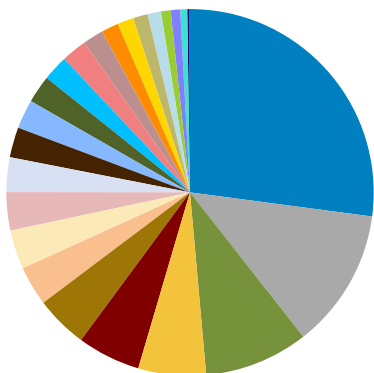
Segments	Market Value	Allocation
Domestic Equity	22,057,201	36.3
International Equity	5,634,977	9.3
Domestic Fixed Income	4,881,436	8.0
Target Date Funds	10,818,102	17.8
Fixed Account	17,412,492	28.6



Asset Allocation by Fund
Total 457(b) Plan
As of March 31, 2023

Dec-2022 : \$58,060,503

Mar-2023 : \$60,804,208

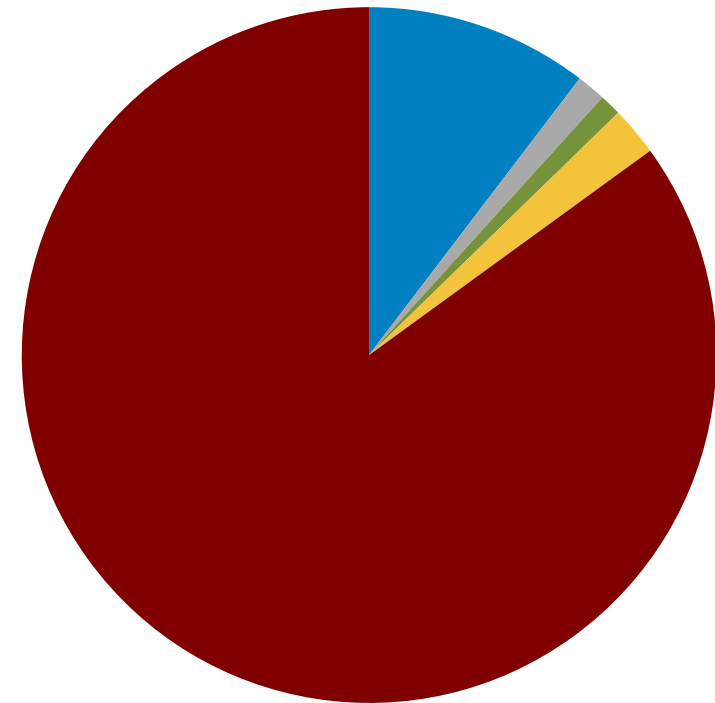
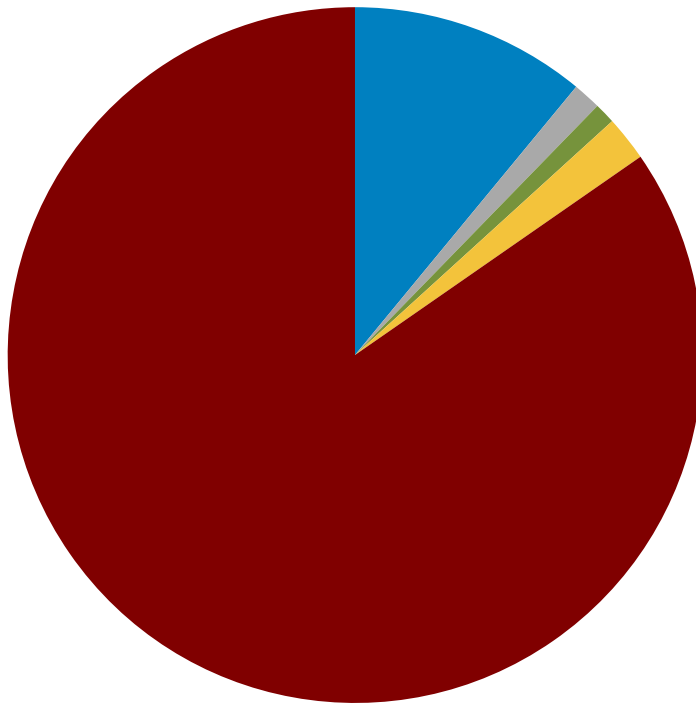


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
457(b) Nationwide Fixed Account	15,730,533	27.1	457(b) Nationwide Fixed Account	15,722,305	25.9
457(b) MFS Growth R4 (MFEJX)	7,160,353	12.3	457(b) MFS Growth R4 (MFEJX)	8,077,932	13.3
457(b) Vanguard 500 Index (VFIAX)	5,327,098	9.2	457(b) Vanguard 500 Index (VFIAX)	6,170,428	10.1
457(b) Vanguard Total Intl Stock Index (VTIAX)	3,458,406	6.0	457(b) Vanguard Total Intl Stock Index (VTIAX)	3,482,746	5.7
457(b) DFA US Large Cap Value (DFLVX)	3,226,304	5.6	457(b) DFA US Large Cap Value (DFLVX)	3,253,763	5.4
457(b) Western Asset Core Plus Bond Fund (WACPX)	2,676,410	4.6	457(b) Western Asset Core Plus Bond Fund (WACPX)	2,500,778	4.1
457(b) American Funds Europacific Growth R4 (REREX)	2,024,085	3.5	457(b) Vanguard Total Bond Index (VBTLX)	2,380,659	3.9
457(b) Vanguard Total Bond Index (VBTLX)	2,006,858	3.5	457(b) American Funds Europacific Growth R4 (REREX)	2,152,230	3.5
457(b) American Funds 2030 Target Date (RDETX)	1,951,774	3.4	457(b) American Funds 2030 Target Date (RDETX)	1,815,296	3.0
457(b) Fixed Assets	1,775,152	3.1	457(b) Fixed Assets	1,690,187	2.8
457(b) Vanguard Mid Cap Index (VIMAX)	1,539,748	2.7	457(b) Vanguard Mid Cap Index (VIMAX)	1,605,383	2.6
457(b) American Funds 2025 Target Date (RDDTX)	1,487,492	2.6	457(b) American Funds 2025 Target Date (RDDTX)	1,567,250	2.6
457(b) American Funds 2035 Target Date (RDFTX)	1,415,968	2.4	457(b) American Funds 2035 Target Date (RDFTX)	1,529,301	2.5
457(b) American Funds 2045 Target Date (RDHTX)	1,302,183	2.2	457(b) American Funds 2040 Target Date (RDGTX)	1,413,945	2.3
457(b) American Funds 2040 Target Date (RDGTX)	1,298,347	2.2	457(b) American Funds 2045 Target Date (RDHTX)	1,344,056	2.2
457(b) Touchstone Mid Cap Growth Y (TEGYX)	1,063,051	1.8	457(b) Touchstone Mid Cap Growth Y (TEGYX)	1,119,530	1.8
457(b) American Funds 2050 Target Date (RDITX)	879,432	1.5	457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	1,007,926	1.7
457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	828,845	1.4	457(b) American Funds 2050 Target Date (RDITX)	973,844	1.6
457(b) American Funds 2055 Target Date (RDJTX)	747,457	1.3	457(b) American Funds 2055 Target Date (RDJTX)	795,034	1.3
457(b) American Funds 2020 Target Date (RDCTX)	685,030	1.2	457(b) American Funds 2020 Target Date (RDCTX)	723,775	1.2
457(b) American Funds 2015 Target Date (RDBTX)	489,793	0.8	457(b) American Funds 2015 Target Date (RDBTX)	501,969	0.8
457(b) Vanguard Small Cap Index (VSMAX)	486,283	0.8	457(b) Vanguard Small Cap Index (VSMAX)	447,265	0.7
457(b) American Beacon Small Cap Value Y (ABSYX)	361,921	0.6	457(b) American Beacon Small Cap Value Y (ABSYX)	374,975	0.6
457(b) American Funds 2060 Target Date (RDKTX)	88,216	0.2	457(b) American Funds 2060 Target Date (RDKTX)	103,869	0.2
457(b) American Funds 2010 Target Date (RDATX)	49,762	0.1	457(b) American Funds 2010 Target Date (RDATX)	49,763	0.1



December 31, 2022 : \$8,576,512

March 31, 2023 : \$9,560,739



Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	941,918	11.0
International Equity	111,867	1.3
Domestic Fixed Income	83,543	1.0
Cash Equivalent	178,805	2.1
Target Date Funds	7,260,380	84.7

Asset Allocation by Segment

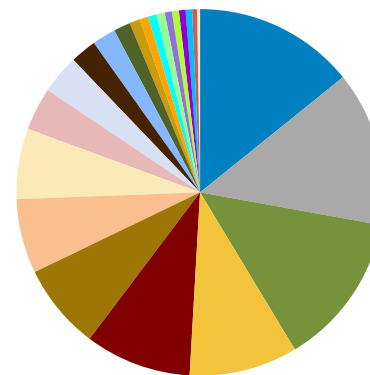
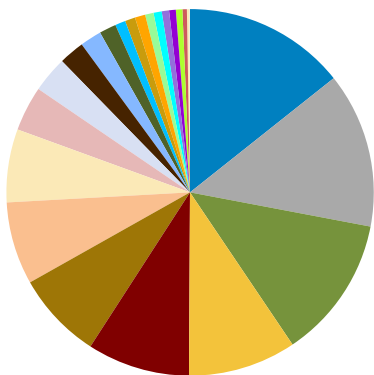
Segments	Market Value	Allocation
Domestic Equity	990,947	10.4
International Equity	129,593	1.4
Domestic Fixed Income	96,541	1.0
Cash Equivalent	217,431	2.3
Target Date Funds	8,126,229	85.0



Asset Allocation by Fund
Total 401(a) Plan
As of March 31, 2023

Dec-2022 : \$8,576,512

Mar-2023 : \$9,560,739



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
401(a) American Funds 2045 Target Date (RDHTX)	1,225,910	14.3	401(a) American Funds 2045 Target Date (RDHTX)	1,356,077	14.2
401(a) American Funds 2040 Target Date (RDGTX)	1,174,313	13.7	401(a) American Funds 2040 Target Date (RDGTX)	1,307,252	13.7
401(a) American Funds 2050 Target Date (RDITX)	1,079,505	12.6	401(a) American Funds 2050 Target Date (RDITX)	1,291,535	13.5
401(a) American Funds 2035 Target Date (RDFTX)	815,933	9.5	401(a) American Funds 2035 Target Date (RDFTX)	913,081	9.6
401(a) American Funds 2055 Target Date (RDJTX)	774,880	9.0	401(a) American Funds 2055 Target Date (RDJTX)	895,039	9.4
401(a) American Funds 2025 Target Date (RDDTX)	661,088	7.7	401(a) American Funds 2025 Target Date (RDDTX)	723,227	7.6
401(a) American Funds 2010 Target Date (RDATX)	626,423	7.3	401(a) American Funds 2010 Target Date (RDATX)	628,372	6.6
401(a) American Funds 2030 Target Date (RDETX)	552,709	6.4	401(a) American Funds 2030 Target Date (RDETX)	595,336	6.2
401(a) Vanguard 500 Index (VFIAX)	340,158	4.0	401(a) Vanguard 500 Index (VFIAX)	361,700	3.8
401(a) American Funds 2060 Target Date (RDKTX)	271,682	3.2	401(a) American Funds 2060 Target Date (RDKTX)	328,896	3.4
401(a) MFS Growth R4 (MFEJX)	192,923	2.2	401(a) MFS Growth R4 (MFEJX)	220,464	2.3
401(a) Nationwide Government Money Fund (GMIXX)	161,736	1.9	401(a) Nationwide Government Money Fund (GMIXX)	198,653	2.1
401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	127,499	1.5	401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	142,451	1.5
401(a) Vanguard Small Cap Index (VSMAX)	78,334	0.9	401(a) American Funds 2020 Target Date (RDCTX)	87,211	0.9
401(a) American Funds 2020 Target Date (RDCTX)	77,806	0.9	401(a) Vanguard Mid Cap Index (VIMAX)	74,316	0.8
401(a) Vanguard Mid Cap Index (VIMAX)	77,706	0.9	401(a) Vanguard Total Intl Stock Index (VTIAX)	71,755	0.8
401(a) DFA US Large Cap Value (DFLVX)	63,821	0.7	401(a) DFA US Large Cap Value (DFLVX)	69,072	0.7
401(a) Vanguard Total Intl Stock Index (VTIAX)	62,657	0.7	401(a) Touchstone Mid Cap Growth Y (TEGYX)	60,736	0.6
401(a) Touchstone Mid Cap Growth Y (TEGYX)	55,043	0.6	401(a) American Funds Europacific Growth R4 (REREX)	57,838	0.6
401(a) Vanguard Total Bond Index (VBTLX)	50,206	0.6	401(a) Vanguard Total Bond Index (VBTLX)	56,556	0.6
401(a) American Funds Europacific Growth R4 (REREX)	49,210	0.6	401(a) Vanguard Small Cap Index (VSMAX)	54,642	0.6
401(a) Western Asset Core Plus Bond Fund (WACPX)	33,337	0.4	401(a) Western Asset Core Plus Bond Fund (WACPX)	39,985	0.4
401(a) Vanguard Treasury Money Market Fund (VUSXX)	17,069	0.2	401(a) Vanguard Treasury Money Market Fund (VUSXX)	18,777	0.2
401(a) American Beacon Small Cap Value Y (ABSYX)	6,433	0.1	401(a) American Beacon Small Cap Value Y (ABSYX)	7,564	0.1
401(a) American Funds 2015 Target Date (RDBTX)	129	0.0	401(a) American Funds 2015 Target Date (RDBTX)	203	0.0



**Port of Houston
Investment Option Performance Review
As of March 31, 2023**

Fund	Manager Tenure	Style	Asset Level (millions)	Expense Ratio	Category Median Exp Ratio	*Consecutive Qtr Return & Rank		5 & 10 Year Return > Index		5 & 10 Year Rank < 50th %-tile		5 & 10 Year Sharpe Ratio < 50th %-tile		Positive 5 & 10 Year Alpha		On Watch
						YES	YES	NO (5)	Yes	87 (5)	45	90 (5)	70 (5)	-1.55 (5)	-0.49 (5)	
DFA US Large Cap Value (DFLVX)	11.2	US Equity Large Cap Value	22,777.2	21 bps	80 bps	YES	YES	NO (5)	Yes	87 (5)	45	90 (5)	70 (5)	-1.55 (5)	-0.49 (5)	NO
MFS Growth R4 (MFEJX)	21.0	US Equity Large Cap Growth	35,719.6	59 bps	80 bps	YES	YES	NO (5)	NO (5)	49	35	39	23	-1.83 (5)	-0.62 (3)	NO
Touchstone Mid Cap Growth Y (TEGYX)	24.0	US Equity Mid Cap	1,079.1	99 bps	95 bps	YES	YES	Yes	Yes	30	29	29	32	0.69	0.51	NO
American Beacon Small Cap Value Y (ABSXYX)	24.3	US Equity Small Cap	4,370.4	86 bps	104 bps	YES	YES	Yes	Yes	45	33	47	38	1.26	0.72	NO
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	11.6	US Equity Small Cap	106.5	85 bps	104 bps	YES	YES	NO (5)	NO (5)	93 (5)	81 (5)	93 (5)	79 (5)	-1.19 (5)	-0.26 (5)	YES
American Funds Europacific Growth R4 (RREX)	21.8	Global Equity Large Cap	138,689.6	81 bps	92 bps	YES	YES	Yes	Yes	69 (5)	38	68 (5)	36	0.44	1.47	NO
Western Asset Core Plus Bond Fund (WACPX)	16.3	US Fixed Income	25,731.9	45 bps	57 bps	YES	YES	NO (4)	Yes	92 (4)	28	81 (5)	38	-0.96 (5)	0.12	NO

Index Funds	Manager Tenure	Style	Asset Level (millions)	Expense Ratio	Category Median Exp Ratio	5 & 10 Year Tracking Error <50th %-tile		On Watch
						1	1	
Vanguard 500 Index (VFIAX)	7.0	US Equity Large Cap Blend	290,089.1	4 bps	80 bps	1	1	NO
Vanguard Mid Cap Index (VIMAX)	24.9	US Equity Mid Cap	51,663.2	5 bps	95 bps	1	1	NO
Vanguard Small Cap Index (VSMAX)	7.0	US Equity Small Cap	42,567.3	5 bps	104 bps	1	1	NO
Vanguard Total Intl Stock Index (VTIAX)	14.7	Global Equity Large Cap	55,912.9	11 bps	92 bps	1	1	NO
Vanguard Total Bond Index (VBTIX)	10.2	US Fixed Income	92,011.6	5 bps	57 bps	1	1	NO

Target Date Funds	Manager Tenure	Style	Asset Level (millions)	Expense Ratio	Category Median Exp Ratio	*Consecutive Qtr Return & Rank		5 & 10 Year Rank < 50th %-tile		5 & 10 Year Sharpe Ratio < 50th %-tile		On Watch
						YES	YES	14	14	8	7	
American Funds 2010 Target Date (RDATX)	11.3	Target Date	4,036.0	63 bps	45 bps	YES	YES	14	14	8	7	NO
American Funds 2015 Target Date (RDBTX)	11.3	Target Date	5,165.0	65 bps	51 bps	YES	YES	13	14	7	6	NO
American Funds 2020 Target Date (RDCTX)	11.3	Target Date	16,322.2	65 bps	55 bps	YES	YES	15	11	6	7	NO
American Funds 2025 Target Date (RDDTX)	11.3	Target Date	31,609.6	67 bps	59 bps	YES	YES	9	5	4	4	NO
American Funds 2030 Target Date (RDETX)	11.3	Target Date	40,110.9	68 bps	60 bps	YES	YES	11	5	5	6	NO
American Funds 2035 Target Date (RDFTX)	11.3	Target Date	35,735.3	70 bps	61 bps	YES	YES	7	4	5	4	NO
American Funds 2040 Target Date (RDGTX)	11.3	Target Date	31,746.4	71 bps	63 bps	YES	YES	9	4	6	4	NO
American Funds 2045 Target Date (RDHTX)	11.3	Target Date	25,787.4	72 bps	62 bps	YES	YES	13	4	8	4	NO
American Funds 2050 Target Date (RDITX)	11.3	Target Date	22,619.7	73 bps	63 bps	YES	YES	17	5	11	4	NO
American Funds 2055 Target Date (RDJTX)	11.3	Target Date	14,864.8	73 bps	64 bps	YES	YES	23	8	15	5	NO
American Funds 2060 Target Date (RDKTX)	8.1	Target Date	8,041.0	73 bps	64 bps	YES	YES	25	N/A (5)	1	N/A (5)	NO

Fund meets criteria
Fund does not currently meet criteria
Fund has not met criteria for more than 4 quarters and change is recommended

*Less than 4 consecutive quarterly returns below the index and peer rankings below the 75th percentile
 "More than 4 quarters" evaluation criteria excludes Index Funds



Asset Allocation & Performance

	Performance(%)						
	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Domestic Equity							
DFA US Large Cap Value (DFLVX)	0.46 (45)	0.46 (45)	-5.00 (51)	20.73 (25)	6.46 (87)	9.49 (53)	9.51 (45)
Russell 1000 Value Index	1.01 (33)	1.01 (33)	-5.91 (67)	17.93 (54)	7.50 (67)	9.02 (68)	9.13 (58)
IM U.S. Large Cap Value Equity (MF) Median	0.15	0.15	-4.96	18.15	8.02	9.60	9.36
Vanguard 500 Index (VFIAX)	7.49 (31)	7.49 (31)	-7.77 (51)	18.56 (19)	11.15 (24)	12.38 (20)	12.20 (16)
S&P 500 Index	7.50 (30)	7.50 (30)	-7.73 (50)	18.60 (18)	11.19 (23)	12.42 (19)	12.24 (15)
IM U.S. Large Cap Core Equity (MF) Median	6.60	6.60	-7.77	17.55	10.27	11.55	11.28
MFS Growth R4 (MFEJX)	10.73 (77)	10.73 (77)	-13.03 (53)	12.04 (82)	10.75 (49)	13.23 (35)	13.09 (35)
Russell 1000 Growth Index	14.37 (37)	14.37 (37)	-10.90 (25)	18.58 (8)	13.66 (8)	15.01 (8)	14.59 (7)
IM U.S. Large Cap Growth Equity (MF) Median	13.68	13.68	-12.88	14.60	10.72	12.72	12.57
Vanguard Mid Cap Index (VIMAX)	3.87 (49)	3.87 (49)	-9.86 (68)	18.73 (52)	8.13 (38)	9.92 (40)	10.17 (33)
CRSP U.S. Mid Cap TR Index	3.87 (50)	3.87 (50)	-9.85 (68)	18.75 (51)	8.15 (37)	9.94 (39)	10.21 (31)
IM U.S. Mid Cap Equity (MF) Median	3.74	3.74	-8.14	18.80	7.62	9.49	9.30
Touchstone Mid Cap Growth Y (TEGYX)	7.87 (48)	7.87 (48)	-13.15 (67)	14.93 (53)	9.43 (30)	11.53 (35)	11.41 (29)
Russell Midcap Growth Index	9.14 (30)	9.14 (30)	-8.52 (28)	15.20 (47)	9.07 (40)	11.24 (39)	11.17 (38)
IM U.S. Mid Cap Growth Equity (MF) Median	7.81	7.81	-11.66	15.07	8.67	10.85	10.69
American Beacon Small Cap Value Y (ABSYX)	1.87 (35)	1.87 (35)	-5.34 (28)	26.61 (40)	5.82 (45)	8.29 (45)	8.13 (33)
Russell 2000 Value Index	-0.66 (75)	-0.66 (75)	-12.96 (89)	21.01 (92)	4.55 (70)	7.86 (61)	7.22 (58)
IM U.S. Small Cap Value Equity (MF) Median	0.68	0.68	-7.14	25.68	5.66	8.16	7.57
Vanguard Small Cap Index (VSMAX)	3.74 (44)	3.74 (44)	-9.33 (52)	19.67 (52)	6.76 (34)	9.48 (37)	9.19 (31)
CRSP U.S. Small Cap TR Index	3.71 (44)	3.71 (44)	-9.39 (53)	19.63 (52)	6.74 (34)	9.45 (38)	9.17 (31)
IM U.S. Small Cap Equity (MF) Median	3.29	3.29	-9.16	19.98	5.91	8.76	8.28
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	6.24 (50)	6.24 (50)	-10.84 (45)	13.07 (73)	2.88 (93)	7.56 (89)	7.86 (81)
Russell 2000 Growth Index	6.07 (54)	6.07 (54)	-10.60 (43)	13.36 (70)	4.26 (84)	8.74 (76)	8.49 (68)
IM U.S. Small Cap Growth Equity (MF) Median	6.24	6.24	-11.42	15.45	6.89	10.37	9.14
International Equity							
Vanguard Total Intl Stock Index (VTIAX)	6.66 (86)	6.66 (86)	-4.62 (75)	12.68 (44)	2.49 (73)	6.02 (52)	4.43 (64)
FTSE Global ex USA All Cap Index (Net)	6.42 (87)	6.42 (87)	-5.71 (81)	12.47 (48)	2.61 (70)	6.01 (53)	4.50 (62)
IM International Large Cap Equity (MF) Median	8.90	8.90	-2.40	12.23	3.23	6.07	4.86
American Funds Europacific Growth R4 (REREX)	9.78 (45)	9.78 (45)	-3.59 (53)	11.75 (50)	2.89 (69)	6.65 (44)	5.62 (38)
MSCI AC World ex USA (Net)	6.87 (87)	6.87 (87)	-5.07 (70)	11.80 (49)	2.47 (84)	5.86 (67)	4.17 (85)
IM International Large Cap Growth Equity (MF) Median	9.63	9.63	-3.35	11.75	3.59	6.46	5.31

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 2.37%.



Asset Allocation & Performance

Trailing Periods

As of March 31, 2023

	Performance(%)						
	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Target Date Funds							
American Funds 2010 Target Date (RDATX)	2.50 (93)	2.50 (93)	-4.09 (8)	6.06 (34)	4.17 (14)	4.82 (34)	4.93 (14)
Morningstar Target-Date 2000-2010	3.90 (45)	3.90 (45)	-5.09 (63)	4.94 (55)	3.36 (71)	4.29 (70)	3.95 (75)
IM Mixed-Asset Target 2010 (MF) Median	3.86	3.86	-4.98	5.27	3.60	4.69	4.31
American Funds 2015 Target Date (RDBTX)	2.75 (95)	2.75 (95)	-4.51 (8)	6.65 (35)	4.43 (13)	5.17 (48)	5.39 (14)
Morningstar Target-Date 2015	4.14 (55)	4.14 (55)	-5.45 (50)	5.77 (71)	3.64 (74)	4.70 (79)	4.33 (91)
IM Mixed-Asset Target 2015 (MF) Median	4.22	4.22	-5.50	6.21	3.93	5.17	5.05
American Funds 2020 Target Date (RDCTX)	3.04 (95)	3.04 (95)	-4.86 (16)	6.95 (54)	4.62 (15)	5.58 (49)	5.92 (11)
Morningstar Target-Date 2020	4.36 (52)	4.36 (52)	-5.78 (52)	6.06 (71)	3.70 (70)	4.90 (72)	4.58 (89)
IM Mixed-Asset Target 2020 (MF) Median	4.37	4.37	-5.75	7.01	4.16	5.57	5.29
American Funds 2025 Target Date (RDDTX)	3.65 (78)	3.65 (78)	-5.27 (25)	8.13 (43)	5.16 (9)	6.44 (23)	6.80 (5)
Morningstar Target-Date 2025	4.64 (50)	4.64 (50)	-6.15 (61)	7.40 (66)	4.16 (64)	5.67 (60)	5.37 (59)
IM Mixed-Asset Target 2025 (MF) Median	4.62	4.62	-5.87	7.88	4.41	5.86	5.54
American Funds 2030 Target Date (RDETX)	4.41 (74)	4.41 (74)	-5.80 (34)	9.64 (50)	5.65 (11)	7.41 (13)	7.59 (5)
Morningstar Target-Date 2030	5.01 (51)	5.01 (51)	-6.55 (61)	9.02 (69)	4.71 (64)	6.43 (63)	5.93 (65)
IM Mixed-Asset Target 2030 (MF) Median	5.04	5.04	-6.32	9.63	4.93	6.63	6.28
American Funds 2035 Target Date (RDFTX)	4.99 (75)	4.99 (75)	-6.44 (40)	11.92 (36)	6.49 (7)	8.50 (5)	8.35 (4)
Morningstar Target-Date 2035	5.46 (53)	5.46 (53)	-6.83 (57)	10.85 (74)	5.33 (59)	7.25 (61)	6.71 (61)
IM Mixed-Asset Target 2035 (MF) Median	5.59	5.59	-6.71	11.53	5.47	7.40	6.91
American Funds 2040 Target Date (RDGTX)	5.67 (62)	5.67 (62)	-6.76 (43)	12.98 (50)	6.82 (9)	8.92 (5)	8.67 (4)
Morningstar Target-Date 2040	5.66 (62)	5.66 (62)	-7.14 (63)	12.19 (75)	5.70 (63)	7.69 (65)	6.98 (68)
IM Mixed-Asset Target 2040 (MF) Median	5.90	5.90	-6.95	12.96	5.86	7.97	7.38
American Funds 2045 Target Date (RDHTX)	5.81 (69)	5.81 (69)	-7.03 (49)	13.15 (73)	6.87 (13)	9.04 (10)	8.76 (4)
Morningstar Target-Date 2045	6.02 (56)	6.02 (56)	-7.06 (51)	13.34 (69)	6.09 (58)	8.16 (60)	7.45 (57)
IM Mixed-Asset Target 2045 (MF) Median	6.14	6.14	-7.05	13.93	6.17	8.28	7.53
American Funds 2050 Target Date (RDITX)	6.08 (63)	6.08 (63)	-7.25 (55)	13.13 (82)	6.83 (17)	9.07 (11)	8.77 (5)
Morningstar Target-Date 2050	6.14 (58)	6.14 (58)	-7.18 (52)	13.70 (66)	6.15 (58)	8.23 (60)	7.42 (69)
IM Mixed-Asset Target 2050 (MF) Median	6.23	6.23	-7.15	14.09	6.25	8.37	7.68
American Funds 2055 Target Date (RDJTX)	6.29 (56)	6.29 (56)	-7.43 (62)	12.93 (86)	6.70 (23)	8.97 (14)	8.70 (8)
Morningstar Target-Date 2055	6.21 (64)	6.21 (64)	-7.18 (53)	13.97 (63)	6.26 (52)	8.38 (53)	7.72 (58)
IM Mixed-Asset Target 2055 (MF) Median	6.34	6.34	-7.11	14.19	6.29	8.42	7.81
American Funds 2060 Target Date (RDKTX)	6.27 (60)	6.27 (60)	-7.55 (64)	12.82 (91)	6.65 (25)	8.92 (N/A)	N/A
Morningstar Target-Date 2060	6.22 (63)	6.22 (63)	-7.20 (48)	14.17 (62)	6.31 (73)	8.43 (N/A)	7.94 (N/A)
IM Mixed-Asset Target 2065+ (MF) Median	6.36	6.36	-7.24	14.46	6.62	N/A	N/A

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 2.37%.



	Performance(%)						
	QTR	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Fixed Income							
Vanguard Total Bond Index (VBTLX)	3.16 (3)	3.16 (3)	-4.71 (88)	-2.78 (82)	0.92 (60)	0.88 (50)	1.32 (24)
Blmbg. U.S. Aggregate Float Adjusted	3.01 (3)	3.01 (3)	-4.72 (88)	-2.73 (82)	0.95 (59)	0.93 (47)	1.39 (20)
IM U.S. Intermediate Duration Fixed Income (MF) Median	2.08	2.08	-1.71	-0.58	1.09	0.87	0.93
Western Asset Core Plus Bond Fund (WACPX)	3.39 (34)	3.39 (34)	-7.91 (98)	-2.68 (92)	0.15 (92)	1.22 (59)	1.83 (28)
Blmbg. U.S. Aggregate Index	2.96 (72)	2.96 (72)	-4.78 (24)	-2.77 (93)	0.90 (58)	0.88 (78)	1.36 (57)
IM U.S. Broad Market Core+ Fixed Income (MF) Median	3.23	3.23	-5.51	-1.07	1.07	1.32	1.48
Nationwide Government Money Fund (GMIXX)	1.02 (59)	1.02 (59)	2.33 (66)	0.77 (66)	1.11 (64)	0.89 (62)	0.63 (63)
90 Day U.S. Treasury Bill	1.07 (29)	1.07 (29)	2.50 (42)	0.89 (27)	1.41 (9)	1.20 (11)	0.86 (10)
IM U.S. Taxable Money Market (MF) Median	1.04	1.04	2.45	0.82	1.19	0.96	0.67

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Asset Allocation & Performance

	Performance(%)					
	YTD	2022	2021	2020	2019	2018
Domestic Equity						
DFA US Large Cap Value (DFLVX)	0.46 (45)	-5.78 (48)	28.07 (21)	-0.61 (91)	25.45 (66)	-11.65 (87)
Russell 1000 Value Index	1.01 (33)	-7.54 (66)	25.16 (63)	2.80 (61)	26.54 (50)	-8.27 (45)
IM U.S. Large Cap Value Equity (MF) Median	0.15	-6.10	25.96	3.82	26.50	-8.61
Vanguard 500 Index (VFIAX)	7.49 (31)	-18.15 (46)	28.66 (26)	18.37 (51)	31.46 (37)	-4.43 (32)
S&P 500 Index	7.50 (30)	-18.11 (45)	28.71 (25)	18.40 (50)	31.49 (36)	-4.38 (32)
IM U.S. Large Cap Core Equity (MF) Median	6.60	-18.72	26.95	18.39	30.64	-5.45
MFS Growth R4 (MFEJX)	10.73 (77)	-31.15 (47)	23.64 (37)	31.63 (73)	37.68 (10)	2.59 (13)
Russell 1000 Growth Index	14.37 (37)	-29.14 (27)	27.60 (17)	38.49 (34)	36.39 (19)	-1.51 (54)
IM U.S. Large Cap Growth Equity (MF) Median	13.68	-31.30	22.39	35.62	33.26	-1.22
Vanguard Mid Cap Index (VIMAX)	3.87 (49)	-18.71 (61)	24.51 (48)	18.24 (43)	31.03 (39)	-9.23 (40)
CRSP U.S. Mid Cap TR Index	3.87 (50)	-18.68 (61)	24.52 (48)	18.24 (43)	31.09 (38)	-9.22 (40)
IM U.S. Mid Cap Equity (MF) Median	3.74	-14.74	23.91	10.79	29.85	-10.90
Touchstone Mid Cap Growth Y (TEGYX)	7.87 (48)	-26.00 (33)	16.12 (33)	27.32 (79)	42.46 (5)	-3.52 (38)
Russell Midcap Growth Index	9.14 (30)	-26.72 (38)	12.73 (60)	35.59 (46)	35.47 (34)	-4.75 (47)
IM U.S. Mid Cap Growth Equity (MF) Median	7.81	-28.79	14.22	34.91	33.86	-5.01
American Beacon Small Cap Value Y (ABSYX)	1.87 (35)	-7.83 (29)	28.08 (75)	3.96 (44)	23.37 (18)	-15.70 (46)
Russell 2000 Value Index	-0.66 (75)	-14.48 (96)	28.27 (73)	4.63 (35)	22.39 (28)	-12.86 (23)
IM U.S. Small Cap Value Equity (MF) Median	0.68	-11.09	31.97	3.57	21.05	-16.08
Vanguard Small Cap Index (VSMAX)	3.74 (44)	-17.61 (53)	17.73 (64)	19.11 (40)	27.37 (28)	-9.31 (34)
CRSP U.S. Small Cap TR Index	3.71 (44)	-17.64 (53)	17.71 (64)	19.07 (40)	27.35 (28)	-9.33 (34)
IM U.S. Small Cap Equity (MF) Median	3.29	-17.20	22.41	13.31	24.44	-11.88
Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	6.24 (50)	-27.09 (48)	11.08 (49)	18.24 (88)	26.49 (56)	-7.15 (59)
Russell 2000 Growth Index	6.07 (54)	-26.36 (44)	2.83 (82)	34.63 (56)	28.48 (47)	-9.31 (73)
IM U.S. Small Cap Growth Equity (MF) Median	6.24	-27.54	10.53	36.55	27.69	-5.57
International Equity						
Vanguard Total Intl Stock Index (VTIAX)	6.66 (86)	-16.01 (37)	8.62 (63)	11.28 (65)	21.51 (77)	-14.43 (41)
FTSE Global ex USA All Cap Index (Net)	6.42 (87)	-16.10 (38)	8.84 (62)	11.24 (65)	21.80 (75)	-14.61 (43)
IM International Large Cap Equity (MF) Median	8.90	-18.14	9.70	15.36	26.23	-15.06
American Funds Europacific Growth R4 (REREX)	9.78 (45)	-23.00 (64)	2.49 (88)	24.81 (23)	26.98 (62)	-15.22 (62)
MSCI AC World ex USA (Net)	6.87 (87)	-16.00 (14)	7.82 (61)	10.65 (90)	21.51 (96)	-14.20 (44)
IM International Large Cap Growth Equity (MF) Median	9.63	-20.24	8.88	20.00	27.50	-14.67

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Asset Allocation & Performance
Calendar Years
As of March 31, 2023

	Performance(%)					
	YTD	2022	2021	2020	2019	2018
Target Date Funds						
401(a) American Funds 2010 Target Date (RDATX)	2.50 (93)	-9.47 (6)	8.95 (7)	8.83 (88)	13.42 (70)	-2.80 (17)
Morningstar Target-Date 2000-2010	3.90 (45)	-12.77 (52)	6.26 (50)	10.46 (49)	13.83 (58)	-3.26 (34)
IM Mixed-Asset Target 2010 (MF) Median	3.86	-12.72	5.80	10.43	14.19	-3.58
401(a) American Funds 2015 Target Date (RDBTX)	2.75 (95)	-10.55 (8)	9.98 (9)	9.47 (74)	14.58 (66)	-3.04 (17)
Morningstar Target-Date 2015	4.14 (55)	-13.62 (48)	7.81 (55)	10.45 (60)	15.37 (48)	-3.95 (52)
IM Mixed-Asset Target 2015 (MF) Median	4.22	-13.71	8.00	11.37	15.22	-3.91
401(a) American Funds 2020 Target Date (RDCTX)	3.04 (95)	-11.36 (7)	10.29 (13)	10.55 (55)	15.28 (65)	-3.08 (10)
Morningstar Target-Date 2020	4.36 (52)	-14.40 (52)	8.47 (59)	10.75 (52)	16.18 (48)	-4.59 (53)
IM Mixed-Asset Target 2020 (MF) Median	4.37	-14.37	8.70	10.90	15.97	-4.52
401(a) American Funds 2025 Target Date (RDDTX)	3.65 (78)	-13.04 (19)	10.98 (22)	13.35 (31)	17.41 (68)	-3.77 (12)
Morningstar Target-Date 2025	4.64 (50)	-15.21 (47)	9.72 (49)	11.72 (55)	18.28 (50)	-5.40 (53)
IM Mixed-Asset Target 2025 (MF) Median	4.62	-15.31	9.70	12.13	18.18	-5.23
401(a) American Funds 2030 Target Date (RDETX)	4.41 (74)	-14.76 (30)	12.66 (23)	14.77 (20)	19.71 (61)	-4.53 (11)
Morningstar Target-Date 2030	5.01 (51)	-16.10 (48)	11.64 (44)	12.93 (50)	20.08 (51)	-6.33 (51)
IM Mixed-Asset Target 2030 (MF) Median	5.04	-16.21	11.44	12.86	20.08	-6.32
401(a) American Funds 2035 Target Date (RDFTX)	4.99 (75)	-16.52 (38)	15.13 (17)	17.11 (10)	22.90 (32)	-5.52 (10)
Morningstar Target-Date 2035	5.46 (53)	-16.90 (47)	13.71 (57)	14.04 (52)	22.03 (56)	-7.06 (48)
IM Mixed-Asset Target 2035 (MF) Median	5.59	-17.05	13.84	14.15	22.26	-7.26
401(a) American Funds 2040 Target Date (RDGTX)	5.67 (62)	-17.86 (51)	16.38 (25)	18.37 (9)	23.94 (42)	-5.85 (7)
Morningstar Target-Date 2040	5.66 (62)	-17.42 (40)	15.41 (59)	14.58 (53)	23.16 (59)	-7.78 (46)
IM Mixed-Asset Target 2040 (MF) Median	5.90	-17.85	15.67	14.74	23.63	-7.97
401(a) American Funds 2045 Target Date (RDHTX)	5.81 (69)	-18.45 (64)	16.74 (48)	18.80 (8)	24.25 (61)	-5.90 (5)
Morningstar Target-Date 2045	6.02 (56)	-17.73 (41)	16.56 (53)	15.11 (54)	24.32 (58)	-8.13 (49)
IM Mixed-Asset Target 2045 (MF) Median	6.14	-18.15	16.67	15.38	24.61	-8.19
401(a) American Funds 2050 Target Date (RDITX)	6.08 (63)	-19.20 (84)	16.90 (54)	19.03 (8)	24.61 (54)	-5.92 (5)
Morningstar Target-Date 2050	6.14 (58)	-17.96 (42)	17.07 (49)	15.28 (54)	24.51 (55)	-8.44 (48)
IM Mixed-Asset Target 2050 (MF) Median	6.23	-18.30	16.99	15.54	24.67	-8.54
401(a) American Funds 2055 Target Date (RDJTX)	6.29 (56)	-19.77 (94)	16.82 (61)	19.00 (9)	24.60 (58)	-5.92 (5)
Morningstar Target-Date 2055	6.21 (64)	-18.05 (42)	17.24 (47)	15.51 (53)	24.90 (48)	-8.43 (49)
IM Mixed-Asset Target 2055 (MF) Median	6.34	-18.31	17.18	15.65	24.84	-8.48
401(a) American Funds 2060 Target Date (RDKTX)	6.27 (60)	-19.96 (96)	16.82 (59)	19.02 (1)	24.53 (89)	-5.95 (1)
Morningstar Target-Date 2060	6.22 (63)	-18.06 (31)	17.45 (43)	15.31 (66)	25.17 (57)	-8.51 (18)
IM Mixed-Asset Target 2065+ (MF) Median	6.36	-18.59	17.15	16.23	26.28	-9.37

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Asset Allocation & Performance
Calendar Years
As of March 31, 2023

	Performance(%)					
	YTD	2022	2021	2020	2019	2018
Fixed Income						
Vanguard Total Bond Index (VBTLX)	3.16 (3)	-13.16 (98)	-1.67 (85)	7.72 (5)	8.71 (1)	-0.03 (83)
Blmbg. U.S. Aggregate Float Adjusted	3.01 (3)	-13.07 (97)	-1.58 (83)	7.75 (4)	8.87 (1)	-0.08 (86)
IM U.S. Intermediate Duration Fixed Income (MF) Median	2.08	-7.17	-0.85	5.57	5.30	0.64
Western Asset Core Plus Bond Fund (WACPX)	3.39 (34)	-18.79 (98)	-1.90 (85)	9.39 (31)	12.28 (3)	-1.49 (68)
Blmbg. U.S. Aggregate Index	2.96 (72)	-13.01 (29)	-1.55 (74)	7.51 (73)	8.72 (65)	0.01 (17)
IM U.S. Broad Market Core+ Fixed Income (MF) Median	3.23	-13.72	-0.94	8.58	9.33	-0.97
Nationwide Government Money Fund (GMIXX)	1.02 (59)	1.29 (68)	0.01 (54)	0.25 (70)	1.80 (61)	1.40 (65)
90 Day U.S. Treasury Bill	1.07 (29)	1.46 (37)	0.05 (6)	0.67 (1)	2.28 (5)	1.87 (10)
IM U.S. Taxable Money Market (MF) Median	1.04	1.39	0.01	0.30	1.90	1.54

*The interest rate for the Guaranteed Income Fund is announced in advance. The current annualized rate of return is 2.37%.



American Funds Target Retirement R4
Target Date Fund Universe Ranges
 March 31, 2023

Asset Class	2065+	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Equity Range												
Maximum	100%	100%	100%	100%	95%	90%	85%	80%	70%	65%	50%	45%
Minimum	60%	50%	50%	50%	45%	45%	40%	35%	20%	15%	10%	5%
Fixed Income Range												
Maximum	20%	20%	25%	30%	35%	40%	50%	55%	70%	75%	75%	80%
Minimum	0%	0%	0%	0%	0%	5%	10%	15%	20%	25%	30%	40%
Cash Range												
Maximum	20%	20%	20%	30%	30%	30%	30%	30%	30%	35%	35%	35%
Minimum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Range												
Maximum	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Minimum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Target Date Universe	39	48	48	48	49	50	50	49	49	37	37	37

Morningstar Definitions:

1. Cash - The percentage of the fund's assets in cash. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.
2. Other - The percentage of the fund's assets in other instruments. This figure is calculated separately for the short and long positions of the portfolio, and the sum of the asset allocation of each will not necessarily equal 100%.
3. Target Date Universe - Based on the number of unique glide paths in the Morningstar Target Date Universe. Only one share class is selected to represent the fund manager.



**American Funds Target Retirement R4
Target Date Fund Asset Allocation**

March 31, 2023

Asset Class	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010
Total Equity	83%	83%	83%	83%	82%	78%	67%	56%	48%	43%	40%	38%
Domestic Equity	57%	57%	57%	57%	56%	54%	47%	40%	34%	31%	29%	28%
International Equity	20%	20%	20%	20%	20%	19%	16%	12%	10%	8%	7%	7%
Emerging Equity	6%	6%	6%	6%	6%	5%	4%	4%	4%	3%	3%	3%
Total Fixed Income	8%	8%	8%	9%	10%	13%	23%	34%	42%	47%	50%	52%
Domestic Bonds	7%	7%	7%	8%	8%	11%	21%	30%	38%	42%	44%	47%
International Bonds	1%	1%	1%	1%	1%	2%	3%	4%	5%	5%	6%	5%
Cash	8%	8%	8%	8%	8%	8%	9%	10%	10%	10%	10%	10%
Other	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	101%	101%	101%	101%

Terminal Equity Date:	30 years after Retirement
Active/Passive/Blend Allocation:	Active

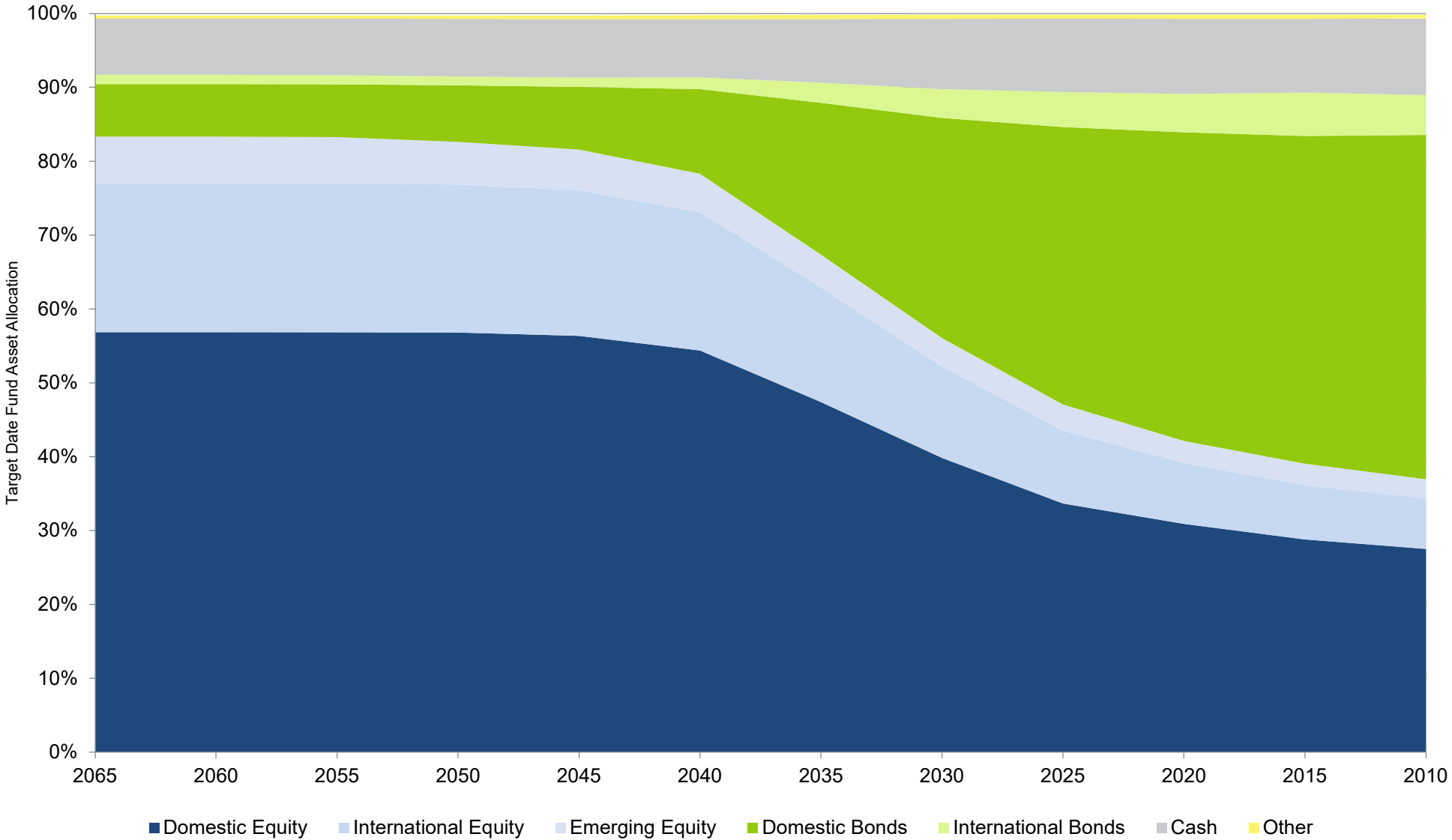
Morningstar Definitions:

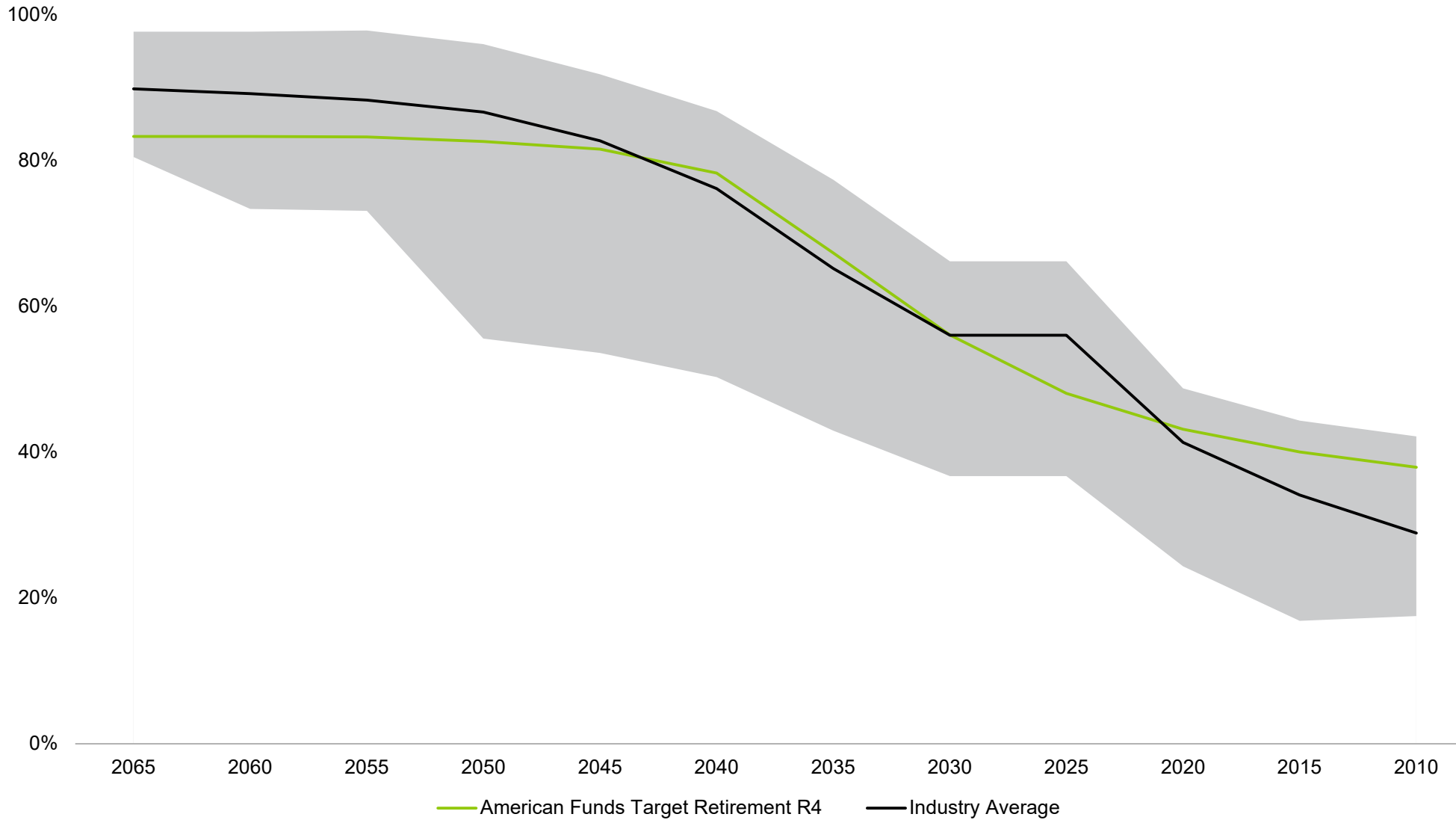
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American Funds Target Retirement R4
 Target Date Fund Asset Allocation Graph

March 31, 2023





1. Industry Range (Gray Bar) - Represents the equity allocation range of the Target Date Funds in the universe.

2. Industry Average - The average equity allocation of the investments included in the universe.



Quarterly	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Follow procedures, including documentation of all meetings and decisions	✓			
Review of plan investments and compliance with investment policy statement	✓			
Fiduciary education	✓			
Periodically				
Investment policy statement review				
Review QDIA selection				
Plan fee analysis			Ongoing	
Plan recordkeeping & administration services review			Ongoing	
Employee education review				
Review of ancillary products, if applicable (self-directed brokerage, managed accounts, etc.)			Ongoing	
Other Projects				
Small Cap Growth Replacement			Pending - Scheduled for July	



Individuals serving as Trustees or Committee members are charged with certain fiduciary duties and responsibilities, designed to protect participants and their benefits. **Implementation and documentation of a prudent process** is key in mitigating fiduciary risk and successful plan governance.

The **Employee Retirement Income Security Act of 1974 (ERISA)** is administered by the Department of Labor and establishes high standards of conduct, transparency, and accountability. Regardless of whether your plan is subject to the legislation, it is common for plan documents to explicitly or implicitly reference the fiduciary standards of ERISA.

Overview of Fiduciary Duties

Duties	Summary
Exclusive Benefit Rule	Decisions must be made in the best interest of plan participants, ensure fees are reasonable and customary, and avoid prohibited transactions (misuse of plan assets, party-in-interest transactions, self-dealing, etc).
Investment Diversification	Plan offerings must reflect a range of risk/return objectives and broad exposure to capital markets (eg. capital preservation, fixed income and equity).
Compliance with Plan Documents	Responsible for application of terms and conditions in governing plan documents.
Duty of Prudence	Must act with the "care, skill, prudence and diligence of a prudent person acting in a like capacity and familiar with such matters". This standard is expanded under the Prudent Expert standard, which states that the experience is not of a prudent lay person, but of an prudent fiduciary with experience dealing with a similar enterprise.
Test of Prudence	The test under ERISA is one of conduct and process, not of performance results.

Other Fiduciary Responsibilities

- Retain and monitor service providers that assist in administering the plans – consultant, administrator, recordkeeper, attorneys, auditor, clerical staff, etc.
- Maintain accurate records and complete required regulatory filings in a timely manner
- Manage participant communication, content, and effectiveness
- Receive ongoing education on fiduciary best practices, legislation, and compliance
- Report to Board, Council, City or other supervisory entity on the status and developments of the plan, as needed

Documentation of Prudent Process

Establishing a framework of **documented procedural prudence** helps ensure consistency in oversight, decision-making, and is the best defense against breach of fiduciary duty allegations. Some key documents include:

- **Charter** – Establishes and defines the responsibilities, scope of authority and delegation of duties to the oversight Board/Committee.
- **Investment Policy Statement (IPS)** – Defines the objectives, roles and process by which investments are selected and monitored.
- **Quarterly Investment Report** – Provides capital market information and feedback loop for how investments are performing based on IPS guidelines.
- **Meeting Minutes** – Record highlighting key topics, discussions and decisions made by Board/Committee, reinforcing prudent process.

Who are Fiduciaries

- Any individual which has discretionary authority or renders advice on plan management or utilization of plan assets, either directly or indirectly, need not be designated in writing
- Officers and Directors of Plan Sponsor
- Board/Committee Members
- Named Fiduciary in Plan Document

Fiduciaries may be held **professionally and personally liable** for their actions and should follow the duties of **LOYALTY**, **CARE**, and **PRUDENCE**.

Settlor Functions

Business decisions related to the Plan are not subject to fiduciary standards and are considered settlor functions. Examples include:

- Decision to offer/terminate or amend the plan
- Elements of plan design such as level of benefits, matching, eligibility, loans/hardship provisions, etc.

Note that although a decision may be a settlor function, implementation may subsequently be subject to fiduciary standards.

Our Consulting Services Support Your Fiduciary Needs

Prudent Expert. By partnering with AndCo, the Plan is demonstrating its commitment to the fiduciary standard of prudence by engaging with a prudent expert.

Consulting Services Overview

As an independent consultant, AndCo provides clients a suite of fiduciary services structured to help design, implement and reinforce the Plan's documented prudent process.

- Investment Policy Statement (IPS) design, implementation, and review
- Design and structure of investment offerings
- Investment Manager selection and monitoring (discretionary or non-discretionary)
- QDIA/Asset Allocation evaluation, selection and monitoring
- Quarter Investment Report including IPS compliance of investment offerings, capital markets review, and fiduciary education modules
- Service provider fee benchmarking, negotiations and RFPs
- Coordination with other Plan service providers on key initiatives
- Updates on industry trends, regulatory changes, and fiduciary best practices

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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