Investment Performance Review
Period Ending September 30, 2023

Port Houston
DC Plan Executive Summary

3rd Quarter 2023 Market Environment

The Economy

- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with an additional 0.25% increase in the Fed Funds rate in late July, followed by a pause at the September Federal Open Market Committee (FOMC) meeting. The Fed continues to prioritize fighting high inflation with the press release from the July meeting detailing the FOMC’s commitment to returning inflation to its 2% target rate. In addition, the committee members have agreed to continue reducing the Fed’s balance sheet by reducing holdings in Treasuries, agency debt and agency mortgage-backed securities.
- The US labor market continues to show signs of weakening. Private payroll growth for the month of September showed growth well below estimates, coming in at just 89,000 new jobs for the month.
- Capital market yields have risen to their highest levels in over a decade as market participants are demanding a greater premium on long-term Treasury securities. The 30-year Treasury yield jumped 0.88% during the quarter signaling that market participants are anticipating higher levels of both inflation and policy interest rates.
- The Atlanta Fed’s GDPNow model’s projected third-quarter GDP growth has been revised upward from the original estimates of 3.5% in July to 4.9% at the end of September. The main drivers of the upward revisions came in August upon the release of personal consumption and private domestic investment data from the US Bureau of Labor and Statistics.

Equity (Domestic and International)

- US equities moved broadly lower during the third quarter. The selloff was agnostic to size and style as all major domestic equity benchmarks finished the quarter with losses in the mid to high single-digit territory. After its encouraging performance in the second quarter, the large-cap S&P 500 benchmark fell by -3.3% for the third quarter. Small-cap stocks faced a deeper drawdown over the period with the Russell 2000 returning -5.1%. Contributing factors to this quarter’s performance were, unsurprisingly, related to interest rates and the overall level of inflation in the economy.
- International stocks also came under pressure during the third quarter, reversing their positive results from last quarter. China continues to show signs of weakness as the cost of debt increases globally. Given China’s large weight in the MSCI Emerging Market Index and its economic influence in the region, future prospects of growth for southeast Asia will be largely dependent on the strength of future growth for the country.

Fixed Income

- While the US economy continues to see signs of disinflation, many of the Fed’s preferred gauges continue to show inflation above their long-term target. During the quarter, the Fed maintained its inflation-fighting policy stance, increasing interest rates by 0.25% in July but opting to pause in September. The additional rate hike in July along with the possibility that additional rate hikes could occur later in the year, drove capital market yields sharply higher during the quarter.
- The mortgage-backed sector was the worst-performing sector during the quarter as the 10-year Treasury yield hit its highest level in 16 years. US Government securities were the worst-performing sector during the previous 12 months. US Treasuries have lagged corporate and securitized sectors as yields at longer maturities rose significantly and credit availability has tightened since last year.
- High-yield corporate bonds have held up better than higher-quality issues, aided by narrowing credit spreads, higher coupons, and generally shorter maturities. High-yield bonds were the best-performing segment of the domestic bond market during the quarter and on a trailing 12-month basis.

Market Themes

- Economies around the globe continue to struggle with taming inflation. Markets are beginning to experience pressures brought on by higher costs of debt and pricing in expectations of higher interest rates for longer than originally anticipated. US Treasury yields on the long end of the par curve have risen sharply which threatens to undercut the economy by markedly raising borrowing costs.
- While energy costs have subsided from the initial shock of the Russian invasion in 2022, oil prices have been driven higher in recent months due to cuts in global production. This was soon followed by consumer-led demand destruction and expectations are that prices could soon subside.
- Despite concerns about slowing economic growth, lower-quality corporate bonds continue to outperform the government sector.
- US and international equity markets have struggled to maintain their recovery after last year’s disappointment. Expectations that inflation would continue to moderate and central banks would slow the pace of their monetary tightening cycles have not taken shape as quickly as originally anticipated, leaving the consumer disadvantaged by higher price levels, higher interest rates, and weak availability of credit.

- Domestic equity markets struggled in the third quarter, reverting from the performance posted in the first half of 2023. Strong performance from domestic equities markets earlier in the year was enough to overshadow the third quarter's negative returns, leading to positive results for most domestic equity benchmarks on a trailing one-year basis. Macroeconomic challenges faced by the US economy for the past several quarters finally weighed on market participants, leading to dismal market returns. For the period, the Russell 1000 large-cap benchmark returned -3.1 % versus -4.7% for the Russell Mid Cap Index and -5.1% for the Russell 2000 small-cap index.

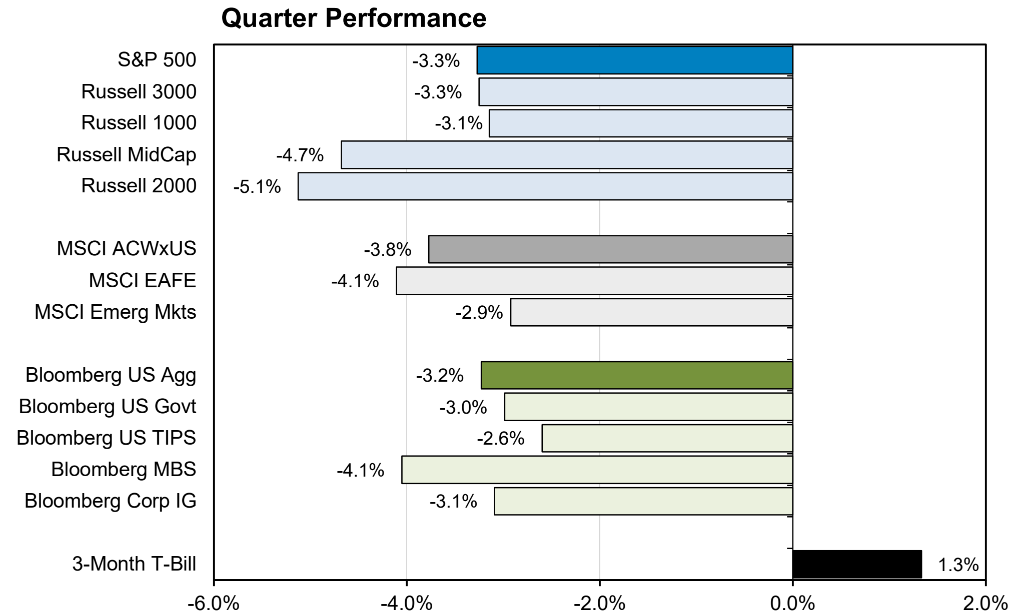
- International developed and emerging market equities also delivered disappointing results, in line with their domestic counterparts. Europe continues to face geopolitical risks related to the conflict in Ukraine and rising interest rates. However, inflation has eased somewhat due to higher rates and more manageable energy prices. The developed-market MSCI EAFE Index returned -4.1% for the quarter and the MSCI Emerging Markets Index fell by -2.9%.

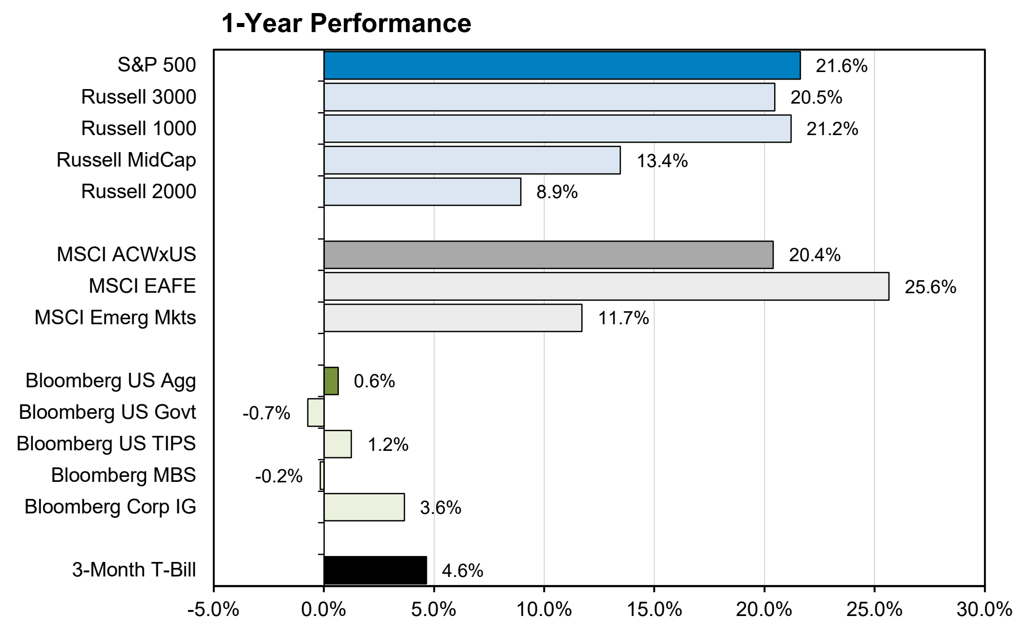
- The domestic bond market continued its decline during the quarter due to the Fed's decision to hike policy rates an additional 0.25% and a re-shaping of the Treasury yield curve. The Bloomberg US Aggregate Index returned -3.2% for the quarter and investment-grade corporate bonds returned a similar -3.1%.

- Over the one-year trailing period, US equity markets were positive as the disappointing performance from much of 2022 rolled off. The S&P 500 Index climbed 21.6% for the trailing 12 months. The weakest relative performance for the year was the Russell 2000 Index, which still rose 8.9% over the last 12 months.

- International markets also shook off their poor 2022 performance. Over the trailing one-year period, the MSCI EAFE Index was the best-performing equity benchmark, returning 25.6% while the MSCI Emerging Markets Index posted a more modest 11.7%.

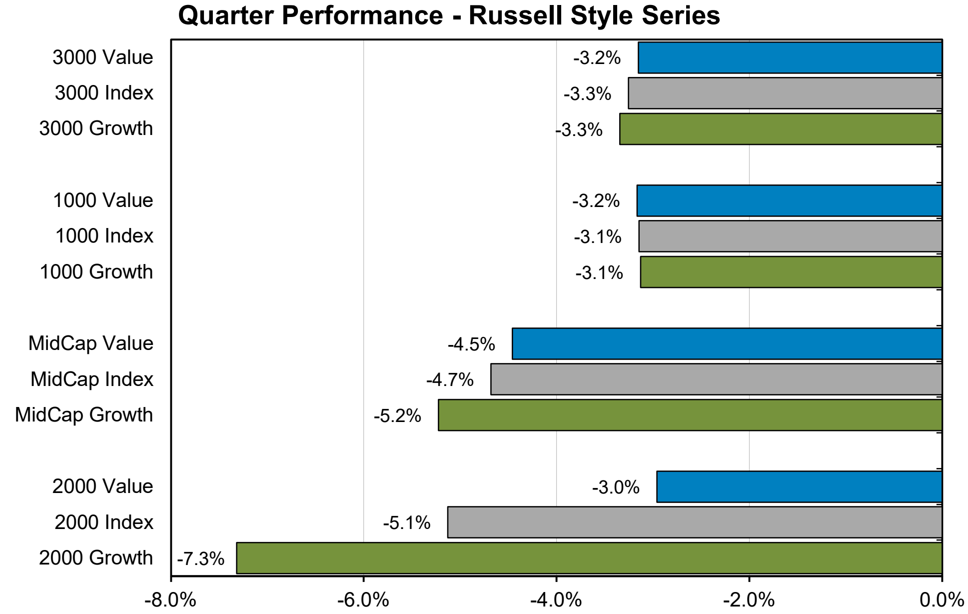
- Bond markets were generally flat over the previous 12 months. Investment-grade corporate bonds were the best-performing sector, posting a return of 3.6%. Meanwhile, Treasuries were negative, returning -0.7% over the previous 12 months. The bellwether fixed-income benchmark, the Bloomberg US Aggregate Index, returned a small, positive 0.6%.



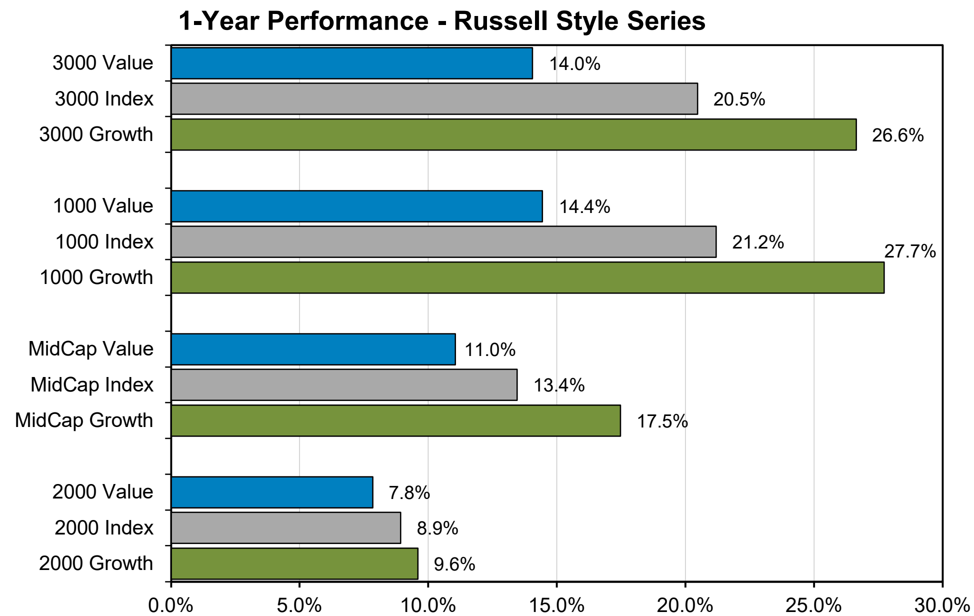


Source: Investment Metrics

- During the third quarter, core domestic equity benchmarks reversed course from their encouraging first-half 2023 performance. The selloff was agnostic to style as growth and value were down -3.3% and -3.2% respectively for the Russell 3000 Index, the broad market benchmark.
- Large-cap stocks once again led results for the capitalization-based benchmarks, besting both the mid-cap and small-cap indices for the quarter. Russell 1000 Index fell by -3.1% while the Russell 2000 Index fell by -5.1%.
- Among large-cap stocks, performance was relatively uniform across the style spectrum as growth fell by -3.1% and value fell by -3.2%. However, among small-cap stocks, performance across the style spectrum was disparate as growth fell by -7.3% and value fell by just -3.0%.

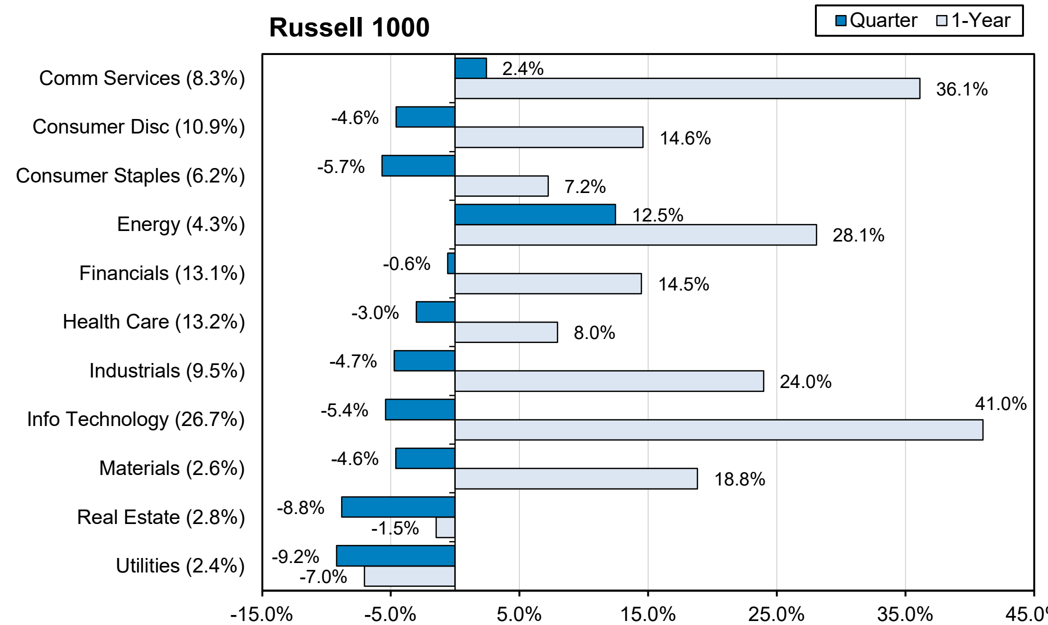


- The third quarter's reversal for domestic equity markets did not eclipse the rebound seen in the asset class during the first half of 2023 as each of the Russell indices were positive on a trailing 12-month basis. Within large-cap stocks, the Russell 1000 Growth Index maintains sizable dominance, returning 27.7% and leading the way among style-and-market-capitalization classifications. The worst-performing sub-index was the Russell 2000 Value, which posted a modest 7.8% return for the trailing 12 months.
- Growth rebounded from disappointing results in early 2022 and continues to lead value-based benchmarks in all market capitalization ranges over the trailing year. The Russell 2000 Growth Index returned 9.6%, outpacing the Russell 2000 Value Index return of 7.8%. The Russell 1000 Growth and Russell Midcap Growth benchmarks gained 27.7% and 17.5%, respectively, while their corresponding value index counterparts returned solid, but lagging, performance of 14.4% and 11.0%, respectively.

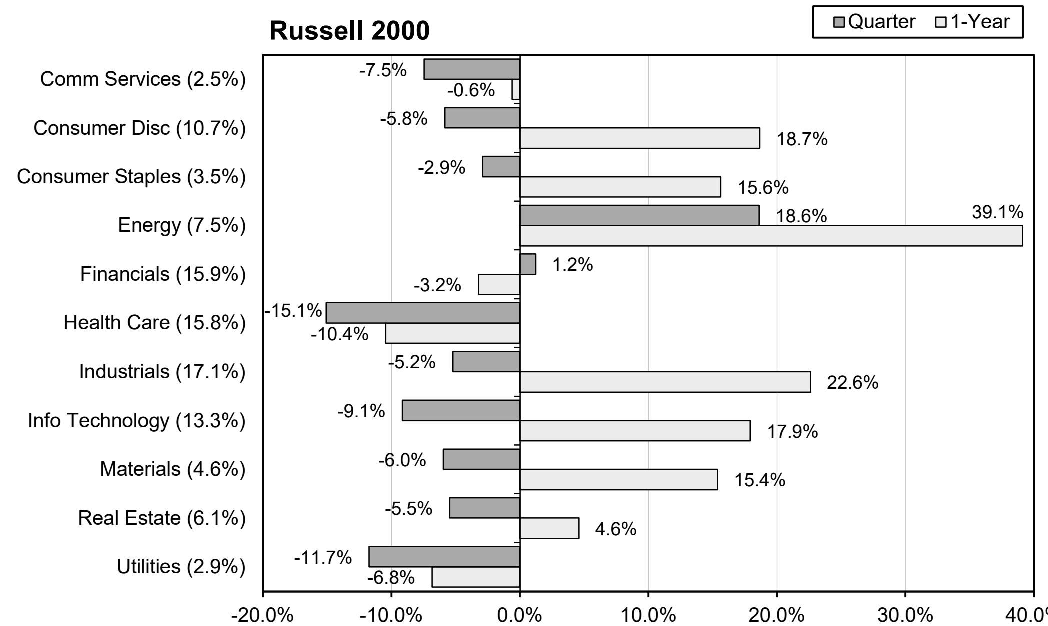


Source: Investment Metrics

- Performance of the large-cap Russell 1000 Index was affected by negative performance in nine of 11 economic sectors during the quarter. However, four of the 11 sectors managed to outpace the core large-cap index.
- While domestic equities experienced challenges during the quarter, the energy sector managed a solid return of 12.5%. The other three sectors that outpaced the headline large-cap index's -3.1% return for the quarter were communication services (2.4%), financials (-0.6%) and health care (-3.0%). The worst-performing sectors during the quarter were utilities (-9.2%), and real estate (-8.8%).
- For the full year, four economic sectors exceeded the return of the broad large-cap index, and nine of the 11 sectors posted positive performance. The weakest economic sectors in the Russell 1000 for the year were utilities, and real estate which declined by -7.0% and -1.5%, respectively. Both sectors have been heavily impacted by rising energy costs and a market rotation away from defensive names.



- Nine of 11 economic sectors in the small-cap benchmark posted negative results during the quarter while just three exceeded the -5.1% return of the Russell 2000 Index. The health care (-15.1%) and utilities (-11.7%) sectors detracted the most from small-cap performance, lagging the broad benchmark for the quarter. The two economic sectors that were positive for the quarter were energy (18.6%), and financials (1.2%).
- Similar to their large-cap peers, seven small-cap sectors were positive for the trailing 12 months. Energy posted the strongest sector result (39.1%) while the industrials sector also posting a return of more than 20% for the last 12 months. Just four of the 11 economic sectors fell short of the core small-cap benchmark's return of 8.9% over the trailing year. The worst-performing sector for the year was health care with a return of -10.4%. The utilities (-6.8%), financials (-3.2%), and communication services (-0.6%) sectors also posted negative results for the year.



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.

Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

As of September 30, 2023

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.4%	-11.6%	24.6%	Information Technology
Microsoft Corp	5.9%	-7.1%	36.9%	Information Technology
Amazon.com Inc	2.9%	-2.5%	12.5%	Consumer Discretionary
NVIDIA Corp	2.6%	2.8%	258.6%	Information Technology
Alphabet Inc Class A	2.0%	9.3%	36.8%	Communication Services
Tesla Inc	1.7%	-4.4%	-5.7%	Consumer Discretionary
Alphabet Inc Class C	1.7%	9.0%	37.1%	Communication Services
Meta Platforms Inc Class A	1.7%	4.6%	121.3%	Communication Services
Berkshire Hathaway Inc Class B	1.6%	2.7%	31.2%	Financials
Exxon Mobil Corp	1.2%	10.6%	39.1%	Energy

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Super Micro Computer Inc	0.6%	10.0%	397.9%	Information Technology
Chart Industries Inc	0.3%	5.8%	-8.3%	Industrials
ChampionX Corp	0.3%	15.1%	84.2%	Energy
Chord Energy Corp Ordinary Shares	0.3%	6.3%	29.3%	Energy
Murphy Oil Corp	0.3%	19.1%	32.3%	Energy
Matador Resources Co	0.3%	14.0%	22.8%	Energy
Light & Wonder Inc Ordinary Shares	0.3%	3.7%	66.3%	Consumer Discretionary
Weatherford International PLC	0.3%	36.0%	179.7%	Energy
Simpson Manufacturing Co Inc	0.3%	8.4%	93.1%	Industrials
SPS Commerce Inc	0.3%	-11.2%	37.3%	Information Technology

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
AppLovin Corp Ordinary Shares	0.0%	55.3%	105.0%	Information Technology
Vertiv Holdings Co Class A	0.0%	50.2%	283.0%	Industrials
Capri Holdings Ltd	0.0%	46.6%	36.9%	Consumer Discretionary
Rivian Automotive Inc Class A	0.0%	45.7%	-26.2%	Consumer Discretionary
Texas Pacific Land Corp	0.0%	38.8%	3.3%	Energy
Affirm Holdings Inc Ordinary Shares	0.0%	38.7%	13.4%	Financials
Splunk Inc	0.1%	37.9%	94.5%	Information Technology
H&R Block Inc	0.0%	36.2%	4.5%	Consumer Discretionary
Ollie's Bargain Outlet Holdings Inc	0.0%	33.2%	49.6%	Consumer Discretionary
Zions Bancorp NA	0.0%	31.4%	-28.4%	Financials

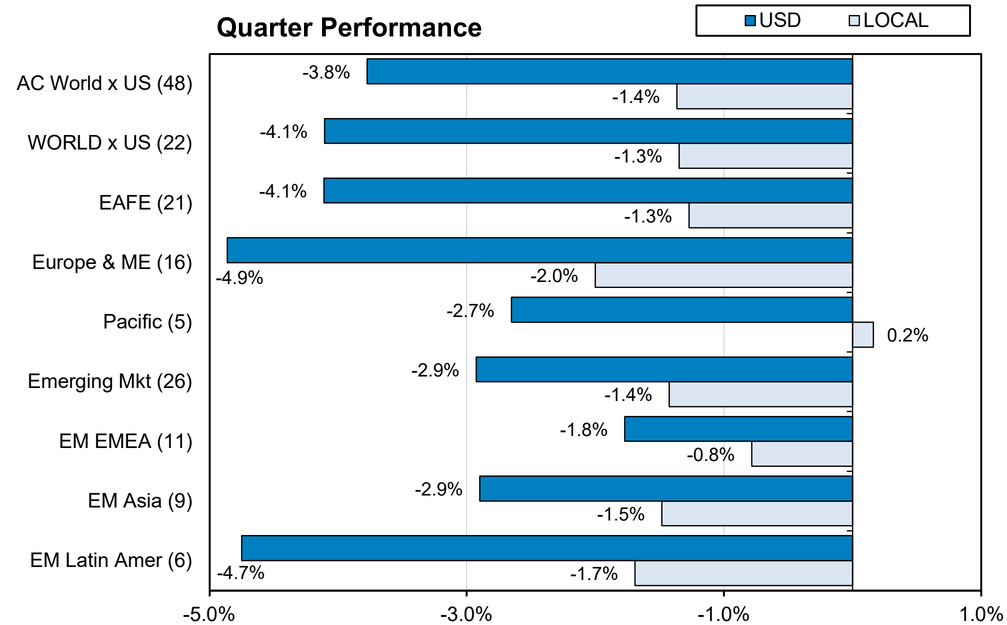
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Tango Therapeutics Inc	0.0%	239.2%	211.0%	Health Care
PolyMet Mining Corp	0.0%	166.3%	-22.3%	Materials
Cardlytics Inc	0.0%	161.1%	75.5%	Communication Services
Telephone and Data Systems Inc	0.1%	124.8%	41.3%	Communication Services
Thorne HealthTech Inc	0.0%	116.8%	115.4%	Consumer Staples
Immunovant Inc	0.1%	102.4%	588.0%	Health Care
Tetra Technologies Inc	0.0%	88.8%	77.7%	Energy
NextNav Inc	0.0%	74.8%	91.1%	Information Technology
Centrus Energy Corp Class A	0.0%	74.3%	38.5%	Energy
Hallador Energy Co	0.0%	68.3%	156.6%	Energy

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
AMC Entertainment Holdings Inc	0.0%	-79.4%	-87.0%	Communication Services
Hawaiian Electric Industries Inc	0.0%	-65.0%	-62.4%	Utilities
NovoCure Ltd	0.0%	-61.1%	-78.7%	Health Care
Apellis Pharmaceuticals Inc	0.0%	-58.2%	-44.3%	Health Care
Viasat Inc	0.0%	-55.3%	-38.9%	Information Technology
Petco Health and Wellness Co Inc	0.0%	-54.0%	-63.4%	Consumer Discretionary
Driven Brands Holdings Inc	0.0%	-53.5%	-55.0%	Industrials
Olaplex Holdings Inc	0.0%	-47.6%	-79.6%	Consumer Staples
Masimo Corp	0.0%	-46.7%	-37.9%	Health Care
Spirit AeroSystems Holdings Inc	0.0%	-44.7%	-26.4%	Industrials

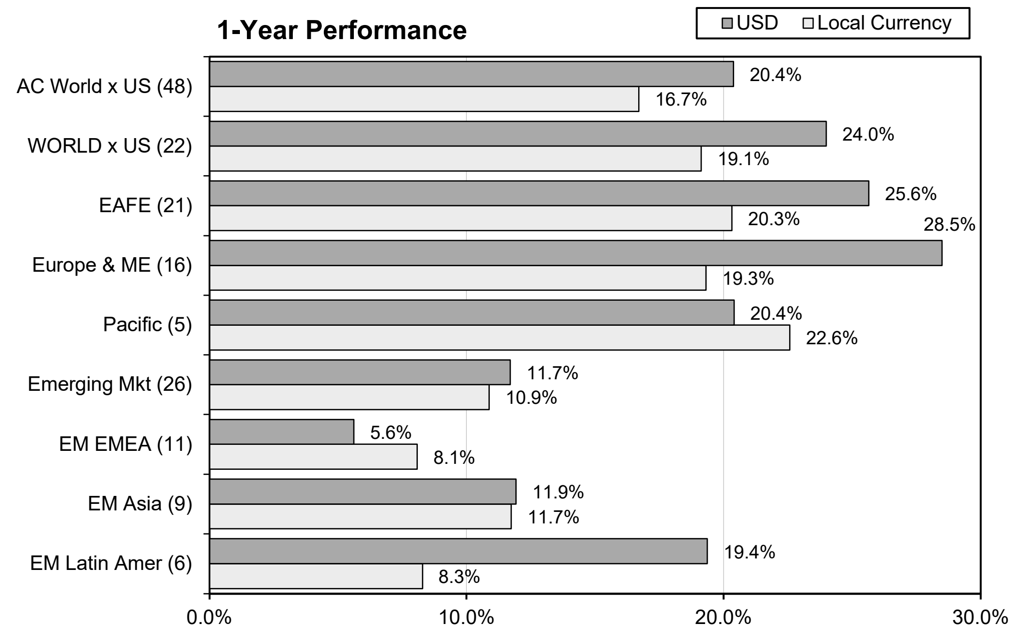
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Outlook Therapeutics Inc	0.0%	-87.3%	-81.9%	Health Care
CXApp Inc Ordinary Shares	0.0%	-83.4%	-81.9%	Information Technology
Cano Health Inc Ordinary Shares	0.0%	-81.8%	-97.1%	Health Care
Loop Media Inc	0.0%	-79.2%	-88.9%	Communication Services
Akoustis Technologies Inc	0.0%	-76.3%	-74.6%	Information Technology
Benson Hill Inc	0.0%	-74.5%	-87.9%	Consumer Staples
TPI Composites Inc	0.0%	-74.4%	-76.5%	Industrials
Kodiak Sciences Inc	0.0%	-73.9%	-76.7%	Health Care
System1 Inc	0.0%	-73.1%	-80.8%	Communication Services
Presto Automation Inc	0.0%	-72.6%	-30.2%	Information Technology

Source: Morningstar Direct

- International developed and emerging market benchmarks struggled in both US Dollar (USD) and local currency (LCL) terms. The strengthening USD contributed to weaker USD performance for non-US indices during the quarter. The developed-market MSCI EAFE Index struggled with a -4.1% return in USD and -1.3% in LCL terms for the period. The MSCI Emerging Markets Index fell by less than most developed market indices, returning -2.9% in USD and -1.4% in LCL terms.
- The EMEA index had the smallest drawdown for the quarter in USD terms, falling -1.8%. In local currency terms, the Pacific regional index exhibited a slight 0.2% gain during the quarter, the only positive return among its peers.



- Trailing one-year results were more appealing compared to the quarter's results. Much like domestic markets, trailing one-year performance for international developed and emerging markets rolled off their poor performance from 2022 resulting in strong returns for the trailing year. Additionally, LCL returns have outpaced USD returns for many developed markets due to the softening USD relative to many of the world's developed-market currencies over the year.
- Annual returns across emerging markets were broadly higher given their strong performance early in the year. Latin American results led the way with returns of 19.4% in USD and 8.3% in LCL terms. Performance in the EMEA regional benchmark detracted from emerging market index with the EMEA Index posting returns of 5.6% in USD and 8.1% in LCL terms. As a result, the broad MSCI Emerging Markets Index returned 11.7% in USD and 10.9% in LCL terms for the year.



Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.1%	-3.4%	14.4%
Consumer Discretionary	12.0%	-8.3%	32.8%
Consumer Staples	9.8%	-7.1%	9.9%
Energy	4.8%	11.6%	34.3%
Financials	19.1%	0.8%	33.9%
Health Care	13.4%	-3.1%	19.0%
Industrials	15.9%	-6.0%	32.9%
Information Technology	7.7%	-10.7%	29.2%
Materials	7.5%	-3.2%	23.7%
Real Estate	2.3%	-1.1%	5.4%
Utilities	3.4%	-8.8%	22.5%
Total	100.0%	-4.1%	25.6%

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.5%	-4.9%	13.0%
Consumer Discretionary	11.9%	-5.6%	22.3%
Consumer Staples	8.4%	-6.4%	9.0%
Energy	6.0%	9.0%	27.3%
Financials	21.2%	-0.7%	22.0%
Health Care	9.7%	-2.8%	17.2%
Industrials	13.1%	-5.8%	28.2%
Information Technology	11.3%	-8.7%	29.0%
Materials	7.9%	-3.3%	16.2%
Real Estate	2.0%	-1.1%	4.7%
Utilities	3.1%	-7.9%	11.4%
Total	100.0%	-3.8%	20.4%

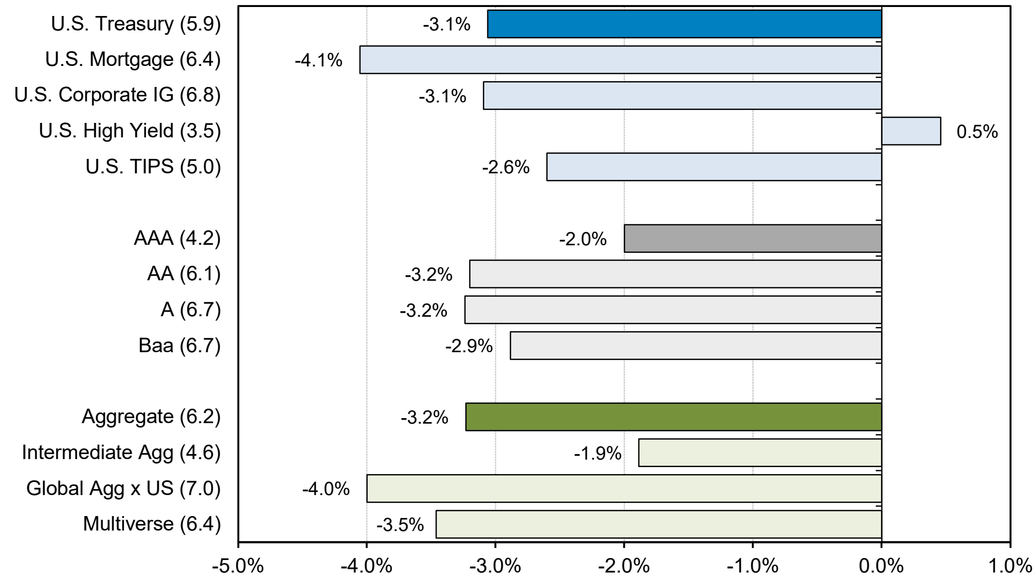
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	9.6%	-5.9%	12.5%
Consumer Discretionary	13.7%	0.8%	5.1%
Consumer Staples	6.2%	-4.4%	4.6%
Energy	5.3%	6.3%	23.8%
Financials	22.3%	-1.7%	10.2%
Health Care	3.8%	-0.8%	4.1%
Industrials	6.7%	-4.6%	11.5%
Information Technology	20.2%	-6.8%	25.8%
Materials	8.0%	-3.1%	6.5%
Real Estate	1.7%	-0.6%	1.5%
Utilities	2.6%	-3.0%	-5.5%
Total	100.0%	-2.9%	11.7%

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	22.9%	14.7%	-2.4%	23.3%
United Kingdom	15.3%	9.8%	-2.8%	20.0%
France	12.1%	7.7%	-7.1%	31.4%
Switzerland	9.9%	6.4%	-5.5%	13.7%
Germany	8.3%	5.3%	-7.7%	32.3%
Australia	7.4%	4.7%	-4.7%	10.4%
Netherlands	4.3%	2.7%	-14.1%	24.8%
Denmark	3.3%	2.1%	2.0%	52.0%
Sweden	3.1%	2.0%	-5.7%	17.9%
Spain	2.6%	1.7%	-4.1%	40.4%
Italy	2.6%	1.7%	-2.4%	47.8%
Hong Kong	2.3%	1.5%	-12.1%	-6.1%
Singapore	1.5%	0.9%	-2.1%	6.2%
Belgium	1.0%	0.6%	-0.2%	20.0%
Finland	0.9%	0.6%	-6.0%	-1.9%
Norway	0.7%	0.5%	10.7%	12.9%
Israel	0.7%	0.4%	4.5%	0.1%
Ireland	0.5%	0.4%	-7.7%	40.6%
Portugal	0.2%	0.1%	-8.9%	7.1%
New Zealand	0.2%	0.1%	-10.0%	12.2%
Austria	0.2%	0.1%	-0.6%	34.9%
Total EAFE Countries	100.0%	64.1%	-4.1%	25.6%
Canada		7.6%	-4.7%	8.7%
Total Developed Countries		71.7%	-4.1%	24.0%
China		8.5%	-1.9%	5.2%
India		4.5%	2.7%	10.1%
Taiwan		4.2%	-7.4%	21.8%
Korea		3.5%	-6.6%	26.2%
Brazil		1.5%	-3.6%	15.3%
Saudi Arabia		1.2%	-4.4%	-5.9%
South Africa		0.9%	-4.6%	6.7%
Mexico		0.7%	-6.5%	33.7%
Indonesia		0.6%	-3.4%	1.5%
Thailand		0.5%	-4.5%	0.1%
United Arab Emirates		0.4%	6.1%	2.2%
Malaysia		0.4%	4.5%	5.2%
Qatar		0.3%	0.1%	-17.8%
Kuwait		0.2%	-2.7%	-1.9%
Poland		0.2%	-12.7%	59.1%
Turkey		0.2%	32.7%	74.9%
Philippines		0.2%	-3.8%	17.7%
Chile		0.1%	-9.8%	3.3%
Greece		0.1%	-7.8%	70.6%
Peru		0.1%	-4.0%	29.9%
Hungary		0.1%	0.5%	75.9%
Czech Republic		0.0%	1.0%	35.7%
Colombia		0.0%	0.1%	15.9%
Egypt		0.0%	15.3%	48.4%
Total Emerging Countries		28.3%	-2.9%	11.7%
Total ACWIxUS Countries		100.0%	-3.8%	20.4%

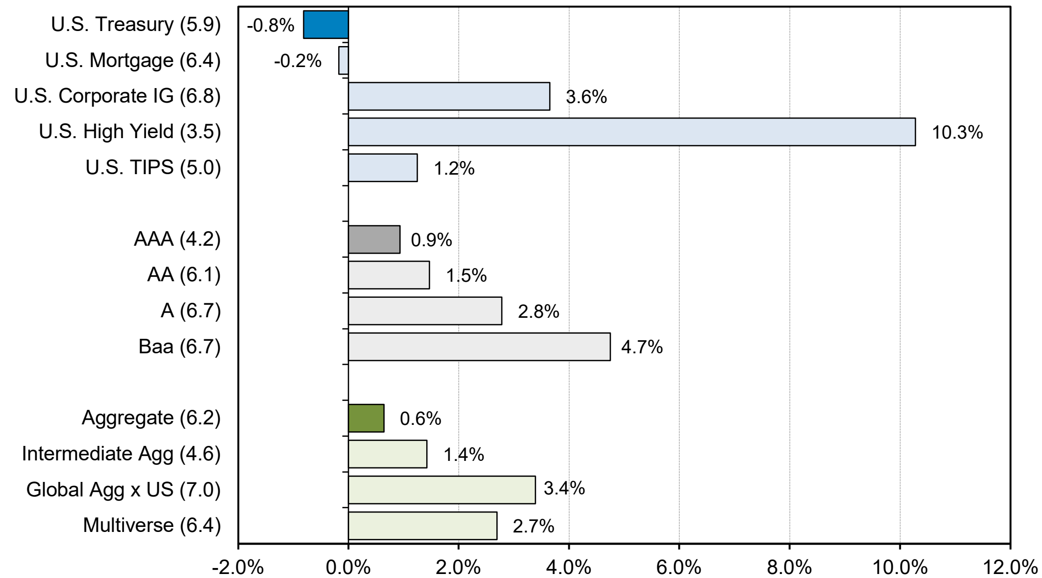
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency,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

- Fixed income markets continued the decline that began in the second quarter. Yields remain elevated on the back of FOMC actions to hike policy rates throughout the year. After a challenging 2022 in fixed-income markets brought on by the largest and most rapid increase in interest rates since the early 1980s, higher yields and an expected slower pace of rate increases led investors to expect better outcomes in 2023. That expectation was challenged during the second and third quarters, as the additional 0.25% rate hike in July, and guidance toward potential future rate hikes weighed on the asset class and many of the major domestic fixed-income indices posted discouraging returns.
- The Bloomberg US Aggregate Bond Index, the bellwether US investment grade benchmark, declined -3.2% for the quarter. Beneath the headline benchmark, the Bloomberg US Corporate Investment Grade Index returned -3.1% and the US Mortgage Index posted a weaker -4.1%.
- Outside of the aggregate index's sub-components, high-yield bonds continued their rise with a return of 0.5% as credit spreads narrowed during the quarter. Additionally, US TIPS fell -2.6% for the quarter. The Bloomberg Global Aggregate ex-US Index lagged most domestic fixed-income indexes and the multiverse benchmark, posting a loss of -4.0% for the quarter.
- Over the trailing one-year period, the Bloomberg US Aggregate Bond Index gained just 0.6%. The benchmark's sub-components were highly dispersed with Treasuries falling -0.8% while corporate investment grade issues were up 3.6% over the previous 12 months. US TIPS, which are excluded from the aggregate index, increased by 1.2% for the year. High-yield corporate bonds, which have a much shorter duration, nearly tripled the returns of their investment grade counterparts with the Bloomberg US High Yield Index returning an impressive 10.3% for the trailing year.
- Performance for non-US bonds overcame the disappointing performance in 2022 with the Bloomberg Global Aggregate ex-US Index gaining 3.4%.

Quarter Performance



1-Year Performance



Source: Bloomberg

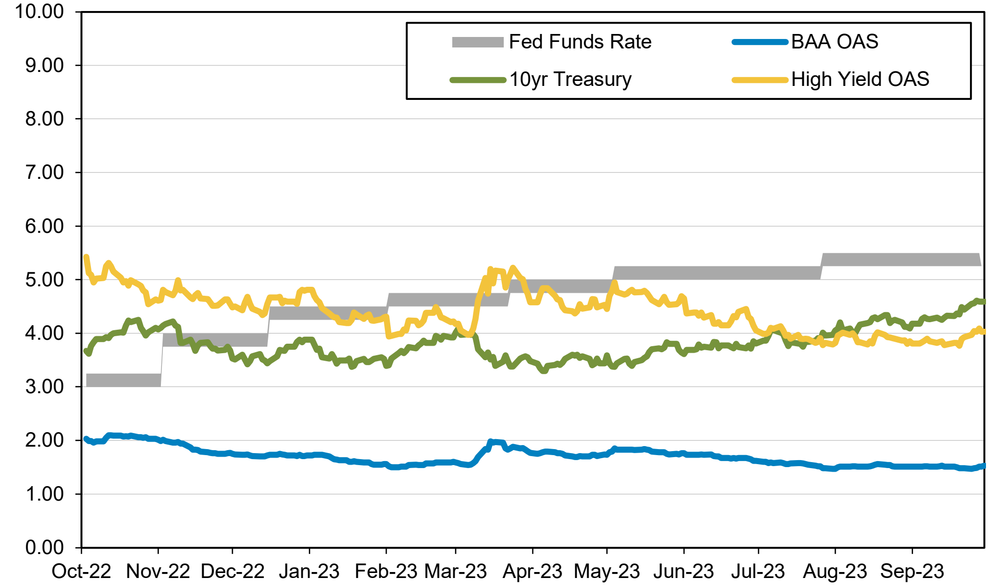
- The gray band across the graph illustrates the range of the current Fed Funds target rate. During the third quarter, the FOMC raised the lower end of its target rate range from 5.00% to 5.25% at their July meeting. While the FOMC paused further rate increases at their September meeting, several speeches and public comments since that meeting have made it clear that additional rate hikes should not be ruled out. While the overwhelming consensus has been that the Fed is moving towards the end of its rate hiking cycle, several statements and key macroeconomic statistics have shed doubt on timing of these expectations.

- The yield on the US 10-Year Treasury (green line) rose 0.78% largely due to increases in the policy rate and the potential for expected future inflationary pressure. The closing yield on the 10-Year Treasury was 4.59% as of September 29, 2023, and is up 71 basis points from its 3.88% yield at 2022 year-end. Capital market rates have now reached their highest levels in 16 years.

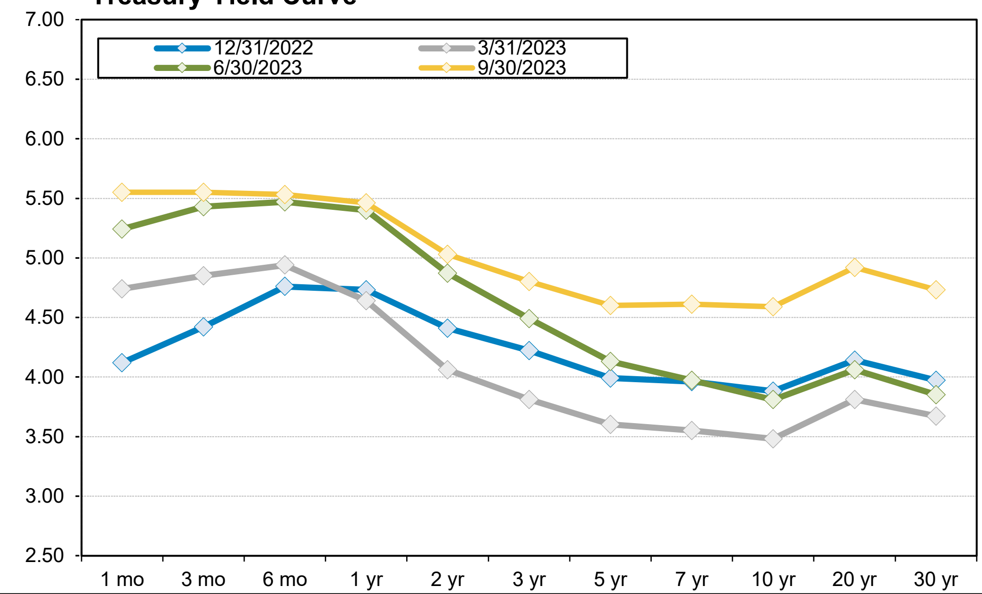
- The blue line illustrates changes in the BAA (Option Adjusted Spread) OAS for BAA-rated corporate bonds. This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues with the lowest investment grade rating. For the full year, the spread narrowed from 2.05% to 1.53%, signaling a lower premium for credit risk than was the case a year prior. High-yield OAS spreads have narrowed from 5.92% in July 2022 to 4.03% as of the end of the quarter. Spikes in both the BAA OAS and High Yield spread measures were visible in the first quarter of 2023 following a short-lived crisis of confidence in the banking sector, which has since been addressed. Both spread measures traded lower on the news of the government's intervention, and as fears of possible contagion waned, credit spreads returned to their levels prior to February.

- 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 third quarter as the FOMC increased policy interest rates to continue combatting inflation. The Treasury yield curve has quickly exhibited a re-steepening with longer-term yields increasing at a faster pace than shorter-term yields. During the quarter, the 30-year yield jumped from 3.85% to 4.73% (an increase of 0.88%). Historically, a persistent inversion of the yield curve has been a precursor of an economic recession within six 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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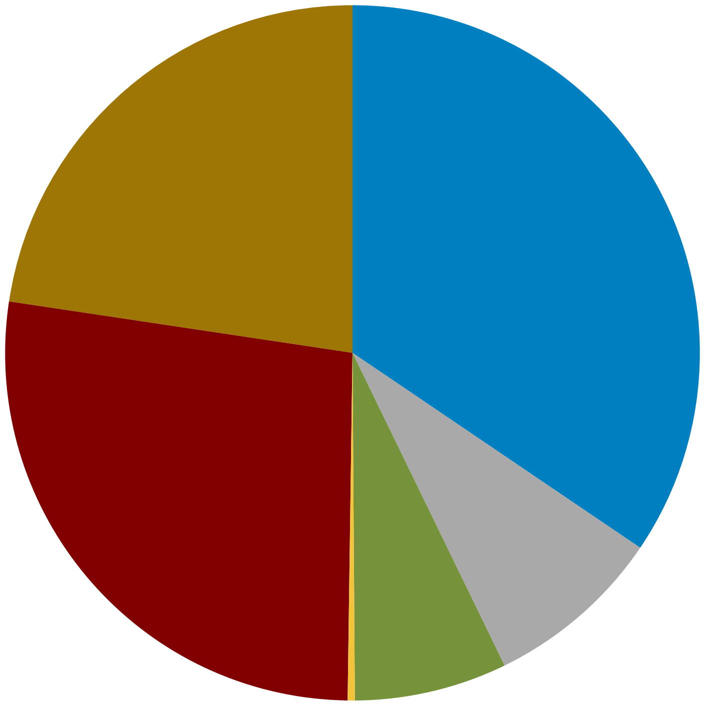
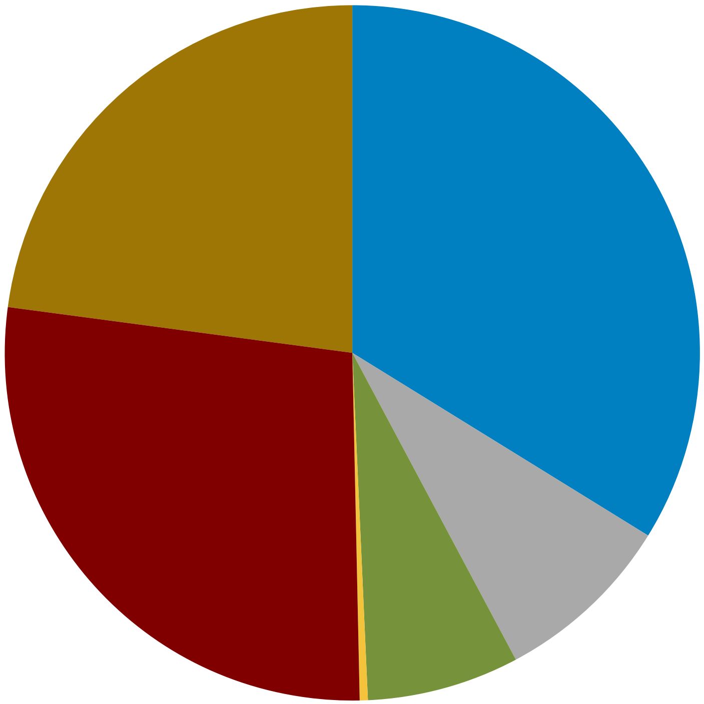
June 30, 2023 : $73,217,202	September 30, 2023 : $72,029,406





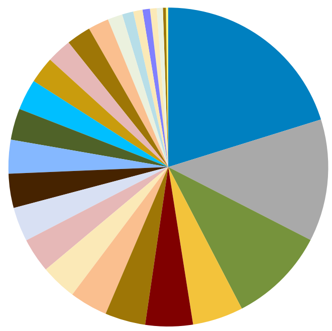
Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	25,239,773	34.5
International Equity	6,091,132	8.3
Domestic Fixed Income	5,199,704	7.1
Cash Equivalent	243,807	0.3
Target Date Funds	19,872,318	27.1
Fixed Account	16,570,469	22.6

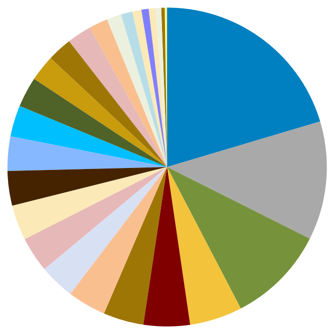
Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	24,349,467	33.8
International Equity	6,051,215	8.4
Domestic Fixed Income	5,100,048	7.1
Cash Equivalent	273,258	0.4
Target Date Funds	19,767,586	27.4
Fixed Account	16,487,833	22.9

Jun-2023 : $73,217,202



Sep-2023 : $72,029,406



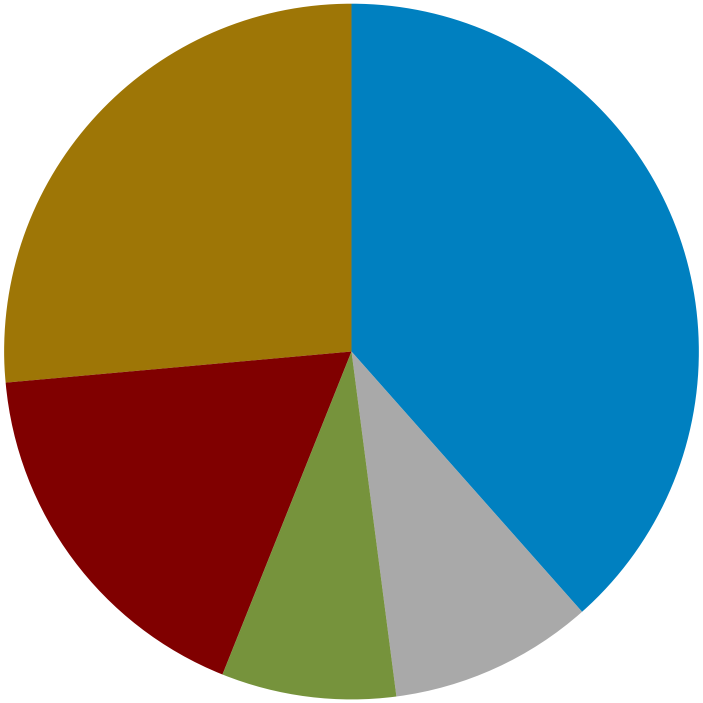
Allocation

	Market Value	Allocation
Nationwide Fixed Account	14,771,841	20.2
MFS Growth R4 (MFEJX)	9,068,115	12.4
Vanguard 500 Index (VFIAX)	7,197,157	9.8
Vanguard Total Intl Stock Index (VTIAX)	3,761,198	5.1
DFA US Large Cap Value (DFLVX)	3,500,398	4.8
American Funds 2040 Target Date (RDGTX)	2,997,131	4.1
American Funds 2045 Target Date (RDHTX)	2,815,045	3.8
Western Asset Core Plus Bond Fund (WACPX)	2,665,074	3.6
American Funds 2035 Target Date (RDFTX)	2,568,538	3.5
American Funds 2030 Target Date (RDETX)	2,547,737	3.5
Vanguard Total Bond Index (VBTLX)	2,534,630	3.5
American Funds 2050 Target Date (RDITX)	2,503,905	3.4
American Funds Europacific Growth R4 (REREX)	2,329,934	3.2
American Funds 2025 Target Date (RDDTX)	2,290,419	3.1
American Funds 2055 Target Date (RDJTX)	1,972,844	2.7
Vanguard Mid Cap Index (VIMAX)	1,847,776	2.5
Total Fixed Assets	1,798,628	2.5
Touchstone Mid Cap Growth Y (TEGYX)	1,530,860	2.1
Hood River Small-Cap Growth Fund Retirement (HRSIX)	1,101,840	1.5
American Funds 2020 Target Date (RDCTX)	831,360	1.1
American Funds 2010 Target Date (RDATX)	689,515	0.9
Vanguard Small Cap Index (VSMAX)	545,278	0.7
American Funds 2060 Target Date (RDKTX)	500,141	0.7
American Beacon Small Cap Value Y (ABSYX)	448,349	0.6
Nationwide Government Money Fund (GMIXX)	223,172	0.3
American Funds 2015 Target Date (RDBTX)	155,682	0.2
Total Vanguard Treasury Money Market Fund (VUSXX)	20,635	0.0

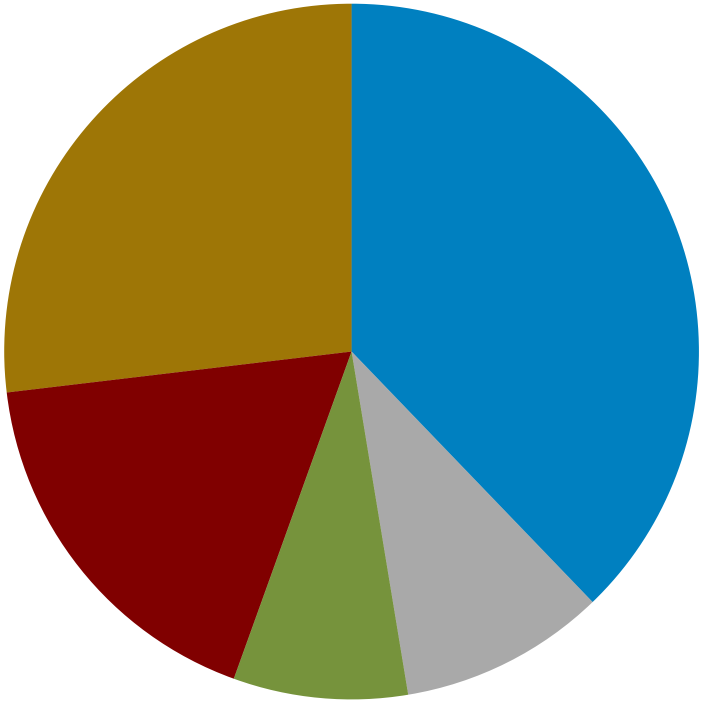
Allocation

	Market Value	Allocation
Nationwide Fixed Account	14,678,429	20.4
MFS Growth R4 (MFEJX)	8,667,728	12.0
Vanguard 500 Index (VFIAX)	7,171,415	10.0
Vanguard Total Intl Stock Index (VTIAX)	3,836,556	5.3
DFA US Large Cap Value (DFLVX)	3,370,047	4.7
American Funds 2040 Target Date (RDGTX)	2,943,263	4.1
American Funds 2045 Target Date (RDHTX)	2,807,026	3.9
American Funds 2030 Target Date (RDETX)	2,581,767	3.6
American Funds 2035 Target Date (RDFTX)	2,579,194	3.6
Western Asset Core Plus Bond Fund (WACPX)	2,576,255	3.6
Vanguard Total Bond Index (VBTLX)	2,523,793	3.5
American Funds 2050 Target Date (RDITX)	2,519,121	3.5
American Funds 2025 Target Date (RDDTX)	2,275,542	3.2
American Funds Europacific Growth R4 (REREX)	2,214,660	3.1
American Funds 2055 Target Date (RDJTX)	1,904,743	2.6
Total Fixed Assets	1,809,403	2.5
Vanguard Mid Cap Index (VIMAX)	1,771,959	2.5
Touchstone Mid Cap Growth Y (TEGYX)	1,365,668	1.9
Hood River Small-Cap Growth Fund Retirement (HRSIX)	1,066,990	1.5
American Funds 2020 Target Date (RDCTX)	828,943	1.2
American Funds 2010 Target Date (RDATX)	674,136	0.9
Vanguard Small Cap Index (VSMAX)	525,944	0.7
American Funds 2060 Target Date (RDKTX)	503,230	0.7
American Beacon Small Cap Value Y (ABSYX)	409,715	0.6
Nationwide Government Money Fund (GMIXX)	251,424	0.3
American Funds 2015 Target Date (RDBTX)	150,622	0.2
Total Vanguard Treasury Money Market Fund (VUSXX)	21,834	0.0

June 30, 2023 : $62,709,878



September 30, 2023 : $61,345,586

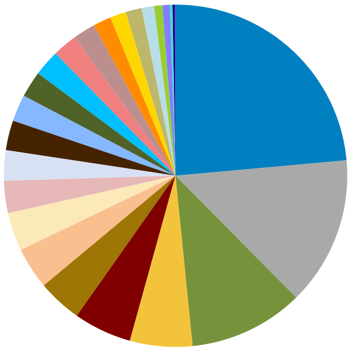
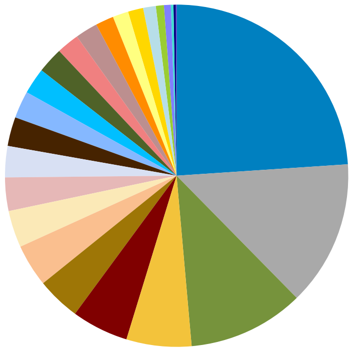


Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	24,112,614	38.5
International Equity	5,949,108	9.5
Domestic Fixed Income	5,092,741	8.1
Target Date Funds	10,984,946	17.5
Fixed Account	16,570,469	26.4

Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	23,186,317	37.8
International Equity	5,889,192	9.6
Domestic Fixed Income	4,976,287	8.1
Target Date Funds	10,805,958	17.6
Fixed Account	16,487,833	26.9

Jun-2023 : $62,709,878	Sep-2023 : $61,345,586
	

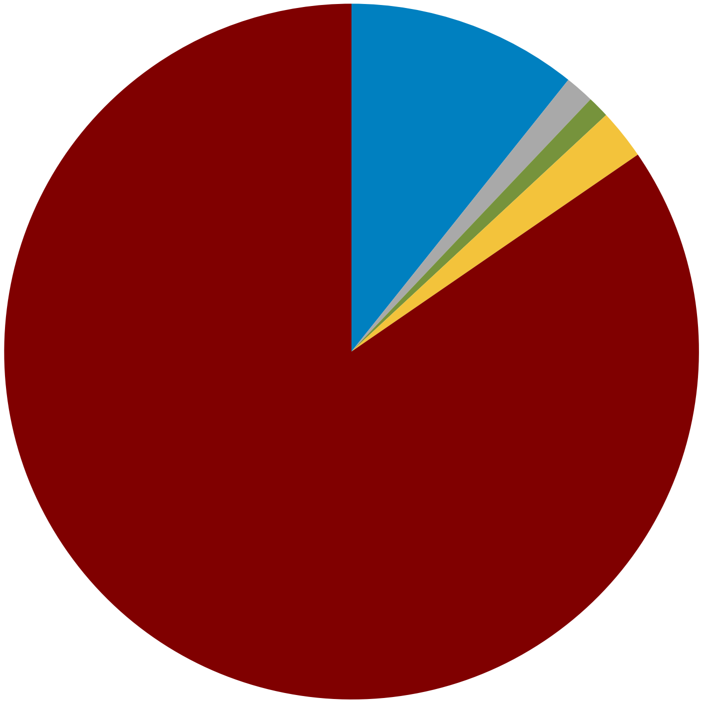
Allocation

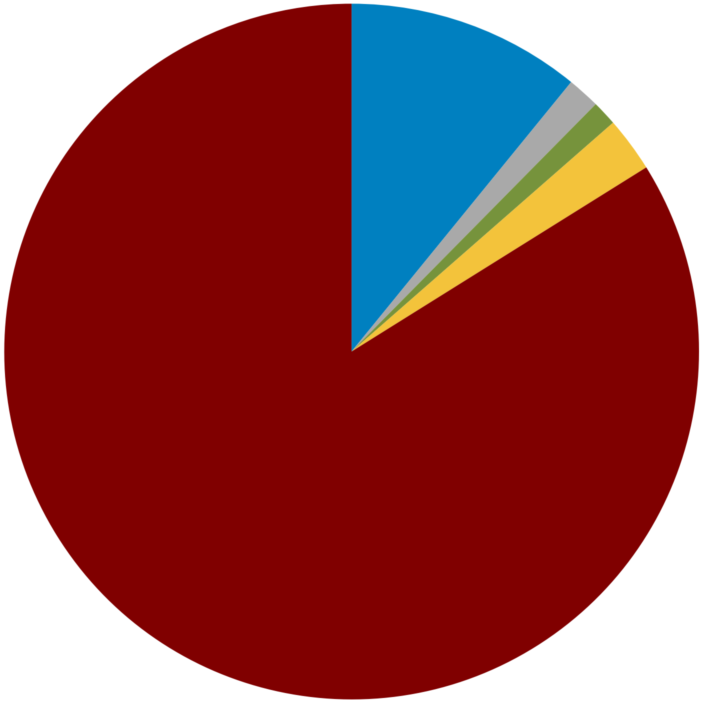
	Market Value	Allocation
457(b) Nationwide Fixed Account	14,771,841	23.6
457(b) MFS Growth R4 (MFEJX)	8,810,797	14.1
457(b) Vanguard 500 Index (VFIAX)	6,778,524	10.8
457(b) Vanguard Total Intl Stock Index (VTIAX)	3,681,829	5.9
457(b) DFA US Large Cap Value (DFLVX)	3,424,238	5.5
457(b) Western Asset Core Plus Bond Fund (WACPX)	2,619,746	4.2
457(b) Vanguard Total Bond Index (VBTLX)	2,472,995	3.9
457(b) American Funds Europacific Growth R4 (REREX)	2,267,279	3.6
457(b) American Funds 2030 Target Date (RDETX)	1,910,919	3.0
457(b) Fixed Assets	1,798,628	2.9
457(b) Vanguard Mid Cap Index (VIMAX)	1,763,398	2.8
457(b) American Funds 2035 Target Date (RDFTX)	1,590,359	2.5
457(b) American Funds 2040 Target Date (RDGTX)	1,548,350	2.5
457(b) American Funds 2025 Target Date (RDDTX)	1,539,218	2.5
457(b) Touchstone Mid Cap Growth Y (TEGYX)	1,467,041	2.3
457(b) American Funds 2045 Target Date (RDHTX)	1,321,380	2.1
457(b) American Funds 2050 Target Date (RDITX)	1,055,536	1.7
457(b) American Funds 2055 Target Date (RDJTX)	950,415	1.5
457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	941,007	1.5
457(b) American Funds 2020 Target Date (RDCTX)	736,212	1.2
457(b) Vanguard Small Cap Index (VSMAX)	486,122	0.8
457(b) American Beacon Small Cap Value Y (ABSYX)	441,486	0.7
457(b) American Funds 2015 Target Date (RDBTX)	155,288	0.2
457(b) American Funds 2060 Target Date (RDKTX)	127,439	0.2
457(b) American Funds 2010 Target Date (RDATX)	49,830	0.1
457(b) Hood River Small Cap Growth Ret (HRSIX)	-	0.0

Allocation

	Market Value	Allocation
457(b) Nationwide Fixed Account	14,678,429	23.9
457(b) MFS Growth R4 (MFEJX)	8,425,897	13.7
457(b) Vanguard 500 Index (VFIAX)	6,714,343	10.9
457(b) Vanguard Total Intl Stock Index (VTIAX)	3,748,882	6.1
457(b) DFA US Large Cap Value (DFLVX)	3,288,492	5.4
457(b) Western Asset Core Plus Bond Fund (WACPX)	2,523,106	4.1
457(b) Vanguard Total Bond Index (VBTLX)	2,453,181	4.0
457(b) American Funds Europacific Growth R4 (REREX)	2,140,310	3.5
457(b) American Funds 2030 Target Date (RDETX)	1,941,747	3.2
457(b) Fixed Assets	1,809,403	2.9
457(b) Vanguard Mid Cap Index (VIMAX)	1,683,801	2.7
457(b) American Funds 2035 Target Date (RDFTX)	1,578,181	2.6
457(b) American Funds 2025 Target Date (RDDTX)	1,513,050	2.5
457(b) American Funds 2040 Target Date (RDGTX)	1,490,845	2.4
457(b) Touchstone Mid Cap Growth Y (TEGYX)	1,300,949	2.1
457(b) American Funds 2045 Target Date (RDHTX)	1,294,942	2.1
457(b) American Funds 2050 Target Date (RDITX)	1,051,691	1.7
457(b) Hood River Small Cap Growth Ret (HRSIX)	908,644	1.5
457(b) American Funds 2055 Target Date (RDJTX)	877,177	1.4
457(b) American Funds 2020 Target Date (RDCTX)	730,439	1.2
457(b) Vanguard Small Cap Index (VSMAX)	463,571	0.8
457(b) American Beacon Small Cap Value Y (ABSYX)	400,621	0.7
457(b) American Funds 2015 Target Date (RDBTX)	149,865	0.2
457(b) American Funds 2060 Target Date (RDKTX)	129,764	0.2
457(b) American Funds 2010 Target Date (RDATX)	48,256	0.1
457(b) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	-	0.0

June 30, 2023 : $10,507,323	September 30, 2023 : $10,683,820





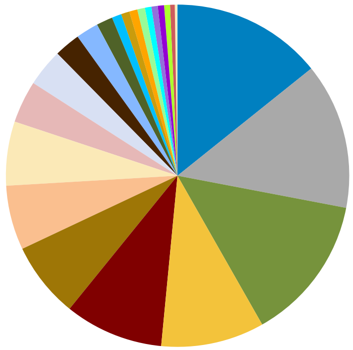
Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	1,127,159	10.7
International Equity	142,024	1.4
Domestic Fixed Income	106,963	1.0
Cash Equivalent	243,807	2.3
Target Date Funds	8,887,372	84.6

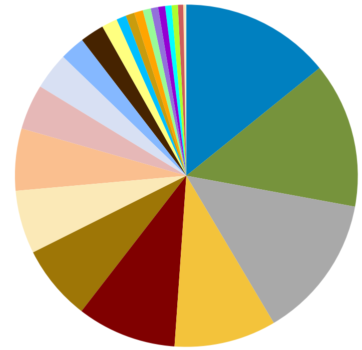
Asset Allocation by Segment

Segments	Market Value	Allocation
Domestic Equity	1,163,150	10.9
International Equity	162,024	1.5
Domestic Fixed Income	123,761	1.2
Cash Equivalent	273,258	2.6
Target Date Funds	8,961,628	83.9

Jun-2023 : $10,507,323



Sep-2023 : $10,683,820



Allocation

	Market Value	Allocation
401(a) American Funds 2045 Target Date (RDHTX)	1,493,665	14.2
401(a) American Funds 2040 Target Date (RDGTX)	1,448,780	13.8
401(a) American Funds 2050 Target Date (RDITX)	1,448,368	13.8
401(a) American Funds 2055 Target Date (RDJTX)	1,022,430	9.7
401(a) American Funds 2035 Target Date (RDFTX)	978,179	9.3
401(a) American Funds 2025 Target Date (RDDTX)	751,201	7.1
401(a) American Funds 2010 Target Date (RDATX)	639,685	6.1
401(a) American Funds 2030 Target Date (RDETX)	636,818	6.1
401(a) Vanguard 500 Index (VFIAX)	418,633	4.0
401(a) American Funds 2060 Target Date (RDKTX)	372,702	3.5
401(a) MFS Growth R4 (MFEJX)	257,319	2.4
401(a) Nationwide Government Money Fund (GMIXX)	223,172	2.1
401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	160,832	1.5
401(a) American Funds 2020 Target Date (RDCTX)	95,148	0.9
401(a) Vanguard Mid Cap Index (VIMAX)	84,378	0.8
401(a) Vanguard Total Intl Stock Index (VTIAX)	79,369	0.8
401(a) DFA US Large Cap Value (DFLVX)	76,160	0.7
401(a) Touchstone Mid Cap Growth Y (TEGYX)	63,819	0.6
401(a) American Funds Europacific Growth R4 (REREX)	62,654	0.6
401(a) Vanguard Total Bond Index (VBTLX)	61,635	0.6
401(a) Vanguard Small Cap Index (VSMAX)	59,155	0.6
401(a) Western Asset Core Plus Bond Fund (WACPX)	45,327	0.4
401(a) Vanguard Treasury Money Market Fund (VUSXX)	20,635	0.2
401(a) American Beacon Small Cap Value Y (ABSYX)	6,863	0.1
401(a) American Funds 2015 Target Date (RDBTX)	394	0.0
401(a) Hood River Small Cap Growth Ret (HRSIX)	-	0.0

Allocation

	Market Value	Allocation
401(a) American Funds 2045 Target Date (RDHTX)	1,512,084	14.2
401(a) American Funds 2050 Target Date (RDITX)	1,467,429	13.7
401(a) American Funds 2040 Target Date (RDGTX)	1,452,418	13.6
401(a) American Funds 2055 Target Date (RDJTX)	1,027,566	9.6
401(a) American Funds 2035 Target Date (RDFTX)	1,001,013	9.4
401(a) American Funds 2025 Target Date (RDDTX)	762,492	7.1
401(a) American Funds 2030 Target Date (RDETX)	640,020	6.0
401(a) American Funds 2010 Target Date (RDATX)	625,879	5.9
401(a) Vanguard 500 Index (VFIAX)	457,072	4.3
401(a) American Funds 2060 Target Date (RDKTX)	373,466	3.5
401(a) Nationwide Government Money Fund (GMIXX)	251,424	2.4
401(a) MFS Growth R4 (MFEJX)	241,831	2.3
401(a) Hood River Small Cap Growth Ret (HRSIX)	158,347	1.5
401(a) American Funds 2020 Target Date (RDCTX)	98,504	0.9
401(a) Vanguard Mid Cap Index (VIMAX)	88,159	0.8
401(a) Vanguard Total Intl Stock Index (VTIAX)	87,674	0.8
401(a) DFA US Large Cap Value (DFLVX)	81,555	0.8
401(a) American Funds Europacific Growth R4 (REREX)	74,350	0.7
401(a) Vanguard Total Bond Index (VBTLX)	70,612	0.7
401(a) Touchstone Mid Cap Growth Y (TEGYX)	64,719	0.6
401(a) Vanguard Small Cap Index (VSMAX)	62,373	0.6
401(a) Western Asset Core Plus Bond Fund (WACPX)	53,149	0.5
401(a) Vanguard Treasury Money Market Fund (VUSXX)	21,834	0.2
401(a) American Beacon Small Cap Value Y (ABSYX)	9,094	0.1
401(a) American Funds 2015 Target Date (RDBTX)	757	0.0
401(a) Goldman Sachs Small Cap Growth Insights Instl (GSIOX)	-	0.0

Port of Houston
Investment Option Performance Review
As of September 30, 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
DFA US Large Cap Value (DFLVX)	11.7	US Equity Large Cap Value	22,123.3	21 bps	80 bps	YES	YES	NO (5)	Yes	82 (5)	53 (2)	85 (5)	70 (5)	-1.03 (5)	-0.57 (5)	NO
MFS Growth R4 (MFEJX)	21.5	US Equity Large Cap Growth	37,916.6	59 bps	80 bps	YES	YES	NO (5)	NO (5)	52 (2)	39	44	24	-1.90 (5)	-0.80 (5)	NO
Touchstone Mid Cap Growth Y (TEGYX)	24.5	US Equity Mid Cap	1,129.5	103 bps	94 bps	YES	YES	Yes	Yes	20	13	22	18	0.78	0.86	NO
American Beacon Small Cap Value Y (ABSYX)	24.8	US Equity Small Cap	4,348.0	86 bps	104 bps	YES	YES	Yes	Yes	46	29	46	29	2.09	0.86	NO
Hood River Small Cap Growth Ret (HRSIX)	20.8	US Equity Small Cap	1,517.4	99 bps	104 bps	YES	YES	Yes	N/A (0)	5	N/A (5)	6	N/A (5)	5.88	N/A	NO
American Funds Europacific Growth R4 (REREX)	22.3	Global Equity Large Cap	126,913.6	82 bps	91 bps	YES	YES	Yes	Yes	64 (5)	40	64 (5)	40	0.20	0.97	NO
Western Asset Core Plus Bond Fund (WACPX)	16.8	US Fixed Income	22,078.8	45 bps	56 bps	YES	YES	NO (5)	Yes	94 (5)	38	70 (5)	42	-0.76 (5)	0.03	NO

Index Funds	Manager Tenure	Style	Asset Level (millions)	Expense Ratio	Category Median Exp Ratio	5 & 10 Year Tracking Error <50th %-tile		On Watch
Vanguard 500 Index (VFIAX)	7.5	US Equity Large Cap Blend	331,996.6	4 bps	80 bps	1	1	NO
Vanguard Mid Cap Index (VIMAX)	25.4	US Equity Mid Cap	52,481.2	5 bps	94 bps	1	1	NO
Vanguard Small Cap Index (VSMAX)	7.5	US Equity Small Cap	43,111.4	5 bps	104 bps	1	1	NO
Vanguard Total Intl Stock Index (VTIAX)	15.2	Global Equity Large Cap	56,392.6	11 bps	91 bps	1	1	NO
Vanguard Total Bond Index (VBTLX)	10.7	US Fixed Income	95,076.3	5 bps	56 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
American Funds 2010 Target Date (RDATX)	11.8	Target Date	3,790.6	63 bps	43 bps	YES	YES	27	22	16	10	NO
American Funds 2015 Target Date (RDBTX)	11.8	Target Date	4,848.9	65 bps	50 bps	YES	YES	16	27	12	8	NO
American Funds 2020 Target Date (RDCTX)	11.8	Target Date	15,371.4	65 bps	54 bps	YES	YES	18	22	14	6	NO
American Funds 2025 Target Date (RDDTX)	11.8	Target Date	30,726.2	67 bps	58 bps	YES	YES	11	8	7	3	NO
American Funds 2030 Target Date (RDETX)	11.8	Target Date	40,826.5	68 bps	59 bps	YES	YES	11	5	7	4	NO
American Funds 2035 Target Date (RDFTX)	11.8	Target Date	37,362.1	70 bps	60 bps	YES	YES	6	4	4	4	NO
American Funds 2040 Target Date (RDGTX)	11.8	Target Date	33,597.6	71 bps	63 bps	YES	YES	8	4	5	4	NO
American Funds 2045 Target Date (RDHTX)	11.8	Target Date	27,544.7	72 bps	62 bps	YES	YES	14	5	8	4	NO
American Funds 2050 Target Date (RDITX)	11.8	Target Date	24,459.9	73 bps	63 bps	YES	YES	18	5	11	4	NO
American Funds 2055 Target Date (RDJTX)	11.8	Target Date	16,484.3	73 bps	64 bps	YES	YES	25	8	18	4	NO
American Funds 2060 Target Date (RDKTX)	8.6	Target Date	9,267.3	73 bps	64 bps	YES	YES	23	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)	-1.40	(19)	2.20	(48)	16.56	(44)	13.49	(24)	5.57	(82)	8.38	(64)	8.65	(53)
Russell 1000 Value Index	-3.16	(69)	1.79	(52)	14.44	(57)	11.05	(55)	6.23	(68)	7.92	(76)	8.45	(61)
IM U.S. Large Cap Value Equity (MF) Median	-2.36		2.03		15.11		11.44		6.71		8.87		8.73	
Vanguard 500 Index (VFIAX)	-3.28	(56)	13.04	(35)	21.57	(40)	10.11	(26)	9.88	(24)	12.20	(24)	11.87	(14)
S&P 500 Index	-3.27	(56)	13.07	(34)	21.62	(39)	10.15	(25)	9.92	(23)	12.24	(22)	11.91	(12)
IM U.S. Large Cap Core Equity (MF) Median	-3.17		11.65		20.90		8.94		9.02		11.31		10.84	
MFS Growth R4 (MFEJX)	-2.83	(25)	20.66	(69)	25.21	(60)	3.50	(67)	9.53	(52)	13.69	(34)	12.73	(39)
Russell 1000 Growth Index	-3.13	(35)	24.98	(33)	27.72	(35)	7.97	(10)	12.42	(7)	15.64	(7)	14.48	(5)
IM U.S. Large Cap Growth Equity (MF) Median	-3.55		23.17		26.27		4.70		9.57		13.09		12.33	
Vanguard Mid Cap Index (VIMAX)	-5.07	(65)	3.30	(59)	12.61	(56)	7.26	(60)	6.49	(33)	8.68	(43)	9.05	(31)
CRSP U.S. Mid Cap TR Index	-5.06	(64)	3.30	(59)	12.62	(56)	7.28	(60)	6.51	(33)	8.70	(42)	9.08	(29)
IM U.S. Mid Cap Equity (MF) Median	-4.57		3.94		13.38		9.31		5.86		8.34		8.20	
Touchstone Mid Cap Growth Y (TEGYX)	-5.25	(44)	9.53	(35)	17.03	(19)	4.02	(27)	7.55	(20)	10.82	(27)	10.60	(13)
Russell Midcap Growth Index	-5.22	(43)	9.88	(29)	17.47	(16)	2.61	(39)	6.97	(29)	10.40	(34)	9.94	(31)
IM U.S. Mid Cap Growth Equity (MF) Median	-5.52		7.82		14.58		1.04		6.11		9.81		9.17	
American Beacon Small Cap Value Y (ABSYX)	-1.80	(42)	4.33	(36)	18.65	(26)	18.13	(42)	4.56	(46)	7.38	(35)	7.19	(29)
Russell 2000 Value Index	-2.96	(64)	-0.53	(77)	7.84	(86)	13.32	(88)	2.59	(83)	5.94	(71)	6.19	(55)
IM U.S. Small Cap Value Equity (MF) Median	-1.97		2.74		14.48		17.23		4.30		6.94		6.39	
Vanguard Small Cap Index (VSMAX)	-4.61	(50)	4.22	(40)	12.53	(42)	8.71	(58)	4.60	(31)	8.01	(34)	7.99	(21)
CRSP U.S. Small Cap TR Index	-4.64	(51)	4.12	(42)	12.40	(43)	8.66	(58)	4.57	(31)	7.98	(35)	7.96	(22)
IM U.S. Small Cap Equity (MF) Median	-4.62		3.22		11.27		10.25		3.56		7.28		6.93	
Hood River Small Cap Growth Ret (HRSIX)	-8.50	(84)	5.17	(42)	4.77	(82)	7.10	(19)	7.26	(5)	N/A		N/A	
Russell 2000 Growth Index	-7.32	(71)	5.24	(41)	9.59	(49)	1.09	(60)	1.55	(77)	6.77	(81)	6.72	(68)
IM U.S. Small Cap Growth Equity (MF) Median	-6.31		4.42		9.56		2.25		3.33		8.36		7.36	
International Equity														
Vanguard Total Intl Stock Index (VTIAX)	-4.02	(20)	5.05	(49)	20.46	(60)	3.86	(38)	2.74	(61)	4.78	(52)	3.60	(52)
FTSE Global ex USA All Cap Index (Net)	-3.33	(15)	5.48	(43)	20.40	(60)	4.13	(37)	2.86	(58)	4.94	(47)	3.72	(45)
IM International Large Cap Equity (MF) Median	-6.25		4.99		21.87		2.50		3.06		4.83		3.62	
American Funds Europacific Growth R4 (REREX)	-6.40	(38)	4.87	(35)	19.22	(47)	-0.27	(67)	2.75	(64)	4.84	(57)	4.28	(40)
MSCI AC World ex USA (Net)	-3.77	(4)	5.34	(26)	20.39	(41)	3.74	(14)	2.58	(72)	4.73	(59)	3.35	(74)
IM International Large Cap Growth Equity (MF) Median	-7.10		4.42		18.88		0.89		3.23		5.02		3.96	

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	Performance(%)													
	QTR		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Target Date Funds														
American Funds 2010 Target Date (RDATX)	-2.51	(54)	0.74	(94)	7.01	(51)	1.68	(13)	3.37	(27)	3.92	(43)	4.40	(22)
Morningstar Target-Date 2000-2010	-2.47	(50)	2.76	(38)	7.33	(44)	0.41	(55)	2.77	(56)	3.47	(78)	3.65	(78)
IM Mixed-Asset Target 2010 (MF) Median	-2.48		2.39		7.06		0.83		2.97		3.79		4.09	
American Funds 2015 Target Date (RDBTX)	-2.65	(35)	1.15	(94)	7.81	(72)	1.96	(12)	3.62	(17)	4.27	(45)	4.74	(26)
Morningstar Target-Date 2015	-2.79	(53)	3.06	(49)	8.25	(50)	0.86	(61)	2.96	(66)	3.84	(80)	4.00	(87)
IM Mixed-Asset Target 2015 (MF) Median	-2.78		3.05		8.21		1.13		3.14		4.23		4.52	
American Funds 2020 Target Date (RDCTX)	-2.91	(44)	1.48	(94)	8.45	(70)	1.96	(22)	3.74	(19)	4.67	(44)	5.15	(23)
Morningstar Target-Date 2020	-2.99	(60)	3.33	(55)	8.83	(54)	1.08	(62)	2.99	(66)	4.01	(71)	4.18	(75)
IM Mixed-Asset Target 2020 (MF) Median	-2.94		3.43		8.88		1.41		3.33		4.57		4.69	
American Funds 2025 Target Date (RDDTX)	-3.03	(43)	2.53	(84)	9.73	(57)	2.30	(26)	4.28	(11)	5.51	(22)	5.88	(9)
Morningstar Target-Date 2025	-3.27	(65)	3.64	(48)	9.57	(62)	1.58	(56)	3.34	(61)	4.72	(61)	4.83	(60)
IM Mixed-Asset Target 2025 (MF) Median	-3.13		3.56		9.90		1.71		3.57		4.90		4.98	
American Funds 2030 Target Date (RDETX)	-3.21	(39)	4.07	(67)	11.83	(46)	3.11	(28)	4.79	(11)	6.47	(11)	6.68	(6)
Morningstar Target-Date 2030	-3.45	(57)	4.47	(53)	11.27	(64)	2.54	(64)	3.89	(63)	5.47	(66)	5.39	(61)
IM Mixed-Asset Target 2030 (MF) Median	-3.37		4.60		11.66		2.77		4.05		5.73		5.63	
American Funds 2035 Target Date (RDFTX)	-3.32	(33)	5.57	(60)	14.23	(41)	4.27	(36)	5.66	(6)	7.61	(5)	7.52	(5)
Morningstar Target-Date 2035	-3.66	(61)	5.50	(62)	13.33	(64)	3.65	(71)	4.51	(65)	6.35	(62)	6.09	(61)
IM Mixed-Asset Target 2035 (MF) Median	-3.55		5.82		13.93		4.04		4.71		6.52		6.29	
American Funds 2040 Target Date (RDGTX)	-3.52	(35)	7.05	(46)	16.34	(38)	4.94	(56)	6.08	(8)	8.11	(5)	7.88	(5)
Morningstar Target-Date 2040	-3.65	(51)	6.34	(70)	15.17	(68)	4.61	(70)	4.94	(66)	6.82	(71)	6.43	(63)
IM Mixed-Asset Target 2040 (MF) Median	-3.65		6.95		15.95		5.02		5.16		7.13		6.73	
American Funds 2045 Target Date (RDHTX)	-3.66	(39)	7.42	(54)	16.93	(58)	4.99	(76)	6.15	(14)	8.25	(11)	8.00	(5)
Morningstar Target-Date 2045	-3.78	(50)	7.11	(64)	16.49	(67)	5.34	(65)	5.35	(64)	7.36	(61)	6.86	(57)
IM Mixed-Asset Target 2045 (MF) Median	-3.78		7.49		17.15		5.68		5.53		7.51		6.98	
American Funds 2050 Target Date (RDITX)	-3.73	(42)	7.85	(46)	17.36	(63)	4.91	(85)	6.11	(19)	8.29	(13)	8.03	(5)
Morningstar Target-Date 2050	-3.86	(54)	7.36	(67)	17.06	(70)	5.60	(63)	5.45	(61)	7.39	(65)	6.89	(65)
IM Mixed-Asset Target 2050 (MF) Median	-3.83		7.74		17.71		5.81		5.61		7.61		7.09	
American Funds 2055 Target Date (RDJTX)	-3.74	(42)	8.27	(36)	17.69	(58)	4.78	(89)	6.04	(26)	8.22	(16)	7.97	(8)
Morningstar Target-Date 2055	-3.86	(51)	7.53	(68)	17.33	(69)	5.73	(60)	5.54	(60)	7.60	(57)	7.10	(58)
IM Mixed-Asset Target 2055 (MF) Median	-3.86		7.93		17.97		5.91		5.64		7.67		7.18	
American Funds 2060 Target Date (RDKTX)	-3.72	(40)	8.36	(43)	17.77	(62)	4.74	(83)	5.99	(23)	8.18	(N/A)	N/A	
Morningstar Target-Date 2060	-3.86	(53)	7.56	(69)	17.43	(66)	5.90	(47)	5.56	(64)	7.67	(N/A)	7.23	(N/A)
IM Mixed-Asset Target 2065+ (MF) Median	-3.84		8.10		18.11		5.81		5.78		N/A		N/A	

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	Performance(%)													
	QTR		**YTD**		**1 YR**		**3 YR**		**5 YR**		**7 YR**		**10 YR**	
Fixed Income														
Vanguard Total Bond Index (VBTLX)	-3.09	(80)	-0.93	(78)	0.73	(72)	-5.21	(85)	0.13	(73)	-0.10	(69)	1.11	(37)
Blmbg. U.S. Aggregate Float Adjusted	-3.11	(80)	-1.06	(79)	0.78	(72)	-5.18	(84)	0.18	(71)	-0.04	(68)	1.16	(33)
IM U.S. Intermediate Duration Fixed Income (MF) Median	-0.05		0.99		2.31		-2.17		0.84		0.54		0.86	
Western Asset Core Plus Bond Fund (WACPX)	-5.27	(99)	-2.39	(93)	0.75	(66)	-7.09	(98)	-0.74	(94)	-0.24	(79)	1.45	(38)
Blmbg. U.S. Aggregate Index	-3.23	(69)	-1.21	(72)	0.64	(69)	-5.21	(67)	0.10	(63)	-0.09	(71)	1.13	(60)
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-3.03		-0.62		1.29		-4.84		0.31		0.23		1.27	
Nationwide Government Money Fund (GMIXX)	1.24	(68)	3.46	(64)	4.29	(65)	1.58	(65)	1.45	(64)	1.23	(63)	0.87	(63)
90 Day U.S. Treasury Bill	1.31	(16)	3.60	(36)	4.47	(37)	1.70	(28)	1.72	(9)	1.54	(11)	1.10	(11)
IM U.S. Taxable Money Market (MF) Median	1.27		3.53		4.40		1.63		1.52		1.32		0.92	

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Asset Allocation & Performance

	Performance(%)											
	YTD		2022		2021		2020		2019		2018	
Domestic Equity												
DFA US Large Cap Value (DFLVX)	2.20	(48)	-5.78	(48)	28.07	(21)	-0.61	(91)	25.45	(66)	-11.65	(87)
Russell 1000 Value Index	1.79	(52)	-7.54	(66)	25.16	(63)	2.80	(61)	26.54	(50)	-8.27	(45)
IM U.S. Large Cap Value Equity (MF) Median	2.03		-6.10		25.96		3.82		26.50		-8.61	
Vanguard 500 Index (VFIAX)	13.04	(35)	-18.15	(46)	28.66	(26)	18.37	(51)	31.46	(37)	-4.43	(32)
S&P 500 Index	13.07	(34)	-18.11	(45)	28.71	(25)	18.40	(50)	31.49	(36)	-4.38	(32)
IM U.S. Large Cap Core Equity (MF) Median	11.65		-18.72		26.95		18.39		30.70		-5.45	
MFS Growth R4 (MFEJX)	20.66	(69)	-31.15	(47)	23.64	(37)	31.63	(73)	37.68	(10)	2.59	(13)
Russell 1000 Growth Index	24.98	(33)	-29.14	(27)	27.60	(17)	38.49	(34)	36.39	(19)	-1.51	(54)
IM U.S. Large Cap Growth Equity (MF) Median	23.17		-31.30		22.39		35.62		33.26		-1.22	
Vanguard Mid Cap Index (VIMAX)	3.30	(59)	-18.71	(61)	24.51	(48)	18.24	(42)	31.03	(39)	-9.23	(40)
CRSP U.S. Mid Cap TR Index	3.30	(59)	-18.68	(61)	24.52	(48)	18.24	(42)	31.09	(38)	-9.22	(40)
IM U.S. Mid Cap Equity (MF) Median	3.94		-14.74		23.76		10.76		29.85		-10.90	
Touchstone Mid Cap Growth Y (TEGYX)	9.53	(35)	-26.00	(33)	16.12	(33)	27.32	(79)	42.46	(5)	-3.52	(38)
Russell Midcap Growth Index	9.88	(29)	-26.72	(38)	12.73	(60)	35.59	(46)	35.47	(34)	-4.75	(47)
IM U.S. Mid Cap Growth Equity (MF) Median	7.82		-28.79		14.22		34.91		33.86		-5.01	
American Beacon Small Cap Value Y (ABSYX)	4.33	(36)	-7.83	(29)	28.08	(75)	3.96	(44)	23.37	(18)	-15.70	(46)
Russell 2000 Value Index	-0.53	(77)	-14.48	(96)	28.27	(73)	4.63	(35)	22.39	(28)	-12.86	(23)
IM U.S. Small Cap Value Equity (MF) Median	2.74		-11.09		31.97		3.57		21.05		-16.08	
Vanguard Small Cap Index (VSMAX)	4.22	(40)	-17.61	(53)	17.73	(64)	19.11	(40)	27.37	(28)	-9.31	(34)
CRSP U.S. Small Cap TR Index	4.12	(42)	-17.64	(53)	17.71	(64)	19.07	(40)	27.35	(28)	-9.33	(34)
IM U.S. Small Cap Equity (MF) Median	3.22		-17.18		22.41		13.30		24.44		-11.88	
Hood River Small Cap Growth Ret (HRSIX)	5.17	(42)	-27.93	(53)	23.88	(9)	60.81	(10)	24.19	(73)	-6.78	(57)
Russell 2000 Growth Index	5.24	(41)	-26.36	(44)	2.83	(82)	34.63	(56)	28.48	(47)	-9.31	(73)
IM U.S. Small Cap Growth Equity (MF) Median	4.42		-27.54		10.51		36.57		27.63		-5.58	
International Equity												
Vanguard Total Intl Stock Index (VTIAX)	5.05	(49)	-16.01	(37)	8.62	(63)	11.28	(65)	21.51	(77)	-14.43	(41)
FTSE Global ex USA All Cap Index (Net)	5.48	(43)	-16.10	(38)	8.84	(62)	11.24	(65)	21.80	(75)	-14.61	(43)
IM International Large Cap Equity (MF) Median	4.99		-18.14		9.70		15.36		26.23		-15.06	
American Funds Europacific Growth R4 (REREX)	4.87	(35)	-23.00	(64)	2.49	(88)	24.81	(23)	26.98	(62)	-15.22	(62)
MSCI AC World ex USA (Net)	5.34	(26)	-16.00	(14)	7.82	(61)	10.65	(90)	21.51	(96)	-14.20	(44)
IM International Large Cap Growth Equity (MF) Median	4.42		-20.24		8.88		20.00		27.50		-14.67	

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	Performance(%)											
	YTD		2022		2021		2020		2019		2018	
Target Date Funds												
401(a) American Funds 2010 Target Date (RDATX)	0.74	(94)	-9.47	(6)	8.95	(7)	8.83	(88)	13.42	(70)	-2.80	(17)
Morningstar Target-Date 2000-2010	2.76	(38)	-12.77	(52)	6.26	(50)	10.46	(49)	13.83	(58)	-3.26	(34)
IM Mixed-Asset Target 2010 (MF) Median	2.39		-12.72		5.80		10.43		14.19		-3.58	
401(a) American Funds 2015 Target Date (RDBTX)	1.15	(94)	-10.55	(7)	9.98	(9)	9.47	(73)	14.58	(66)	-3.04	(18)
Morningstar Target-Date 2015	3.06	(49)	-13.62	(49)	7.81	(55)	10.45	(60)	15.37	(48)	-3.95	(56)
IM Mixed-Asset Target 2015 (MF) Median	3.05		-13.67		7.98		11.36		15.26		-3.88	
401(a) American Funds 2020 Target Date (RDCTX)	1.48	(94)	-11.36	(7)	10.29	(13)	10.55	(55)	15.28	(65)	-3.08	(10)
Morningstar Target-Date 2020	3.33	(55)	-14.40	(52)	8.47	(60)	10.75	(52)	16.18	(48)	-4.59	(53)
IM Mixed-Asset Target 2020 (MF) Median	3.43		-14.36		8.71		10.89		16.00		-4.52	
401(a) American Funds 2025 Target Date (RDDTX)	2.53	(84)	-13.04	(19)	10.98	(22)	13.35	(31)	17.41	(68)	-3.77	(12)
Morningstar Target-Date 2025	3.64	(48)	-15.21	(47)	9.72	(50)	11.72	(55)	18.28	(50)	-5.40	(53)
IM Mixed-Asset Target 2025 (MF) Median	3.56		-15.31		9.71		12.12		18.21		-5.25	
401(a) American Funds 2030 Target Date (RDETX)	4.07	(67)	-14.76	(30)	12.66	(24)	14.77	(20)	19.71	(61)	-4.53	(11)
Morningstar Target-Date 2030	4.47	(53)	-16.10	(48)	11.64	(45)	12.93	(50)	20.08	(51)	-6.33	(50)
IM Mixed-Asset Target 2030 (MF) Median	4.60		-16.21		11.46		12.85		20.13		-6.34	
401(a) American Funds 2035 Target Date (RDFTX)	5.57	(60)	-16.52	(39)	15.13	(17)	17.11	(10)	22.90	(32)	-5.52	(10)
Morningstar Target-Date 2035	5.50	(62)	-16.90	(47)	13.71	(57)	14.04	(52)	22.03	(56)	-7.06	(48)
IM Mixed-Asset Target 2035 (MF) Median	5.82		-17.04		13.84		14.14		22.27		-7.27	
401(a) American Funds 2040 Target Date (RDGTX)	7.05	(46)	-17.86	(51)	16.38	(26)	18.37	(9)	23.94	(42)	-5.85	(7)
Morningstar Target-Date 2040	6.34	(70)	-17.42	(40)	15.41	(59)	14.58	(53)	23.16	(59)	-7.78	(46)
IM Mixed-Asset Target 2040 (MF) Median	6.95		-17.85		15.68		14.73		23.63		-7.96	
401(a) American Funds 2045 Target Date (RDHTX)	7.42	(54)	-18.45	(64)	16.74	(49)	18.80	(8)	24.25	(61)	-5.90	(5)
Morningstar Target-Date 2045	7.11	(64)	-17.73	(42)	16.56	(53)	15.11	(53)	24.32	(59)	-8.13	(49)
IM Mixed-Asset Target 2045 (MF) Median	7.49		-18.15		16.69		15.35		24.60		-8.21	
401(a) American Funds 2050 Target Date (RDITX)	7.85	(46)	-19.20	(84)	16.90	(54)	19.03	(8)	24.61	(54)	-5.92	(5)
Morningstar Target-Date 2050	7.36	(67)	-17.96	(42)	17.07	(49)	15.28	(54)	24.51	(55)	-8.44	(48)
IM Mixed-Asset Target 2050 (MF) Median	7.74		-18.30		17.00		15.52		24.67		-8.55	
401(a) American Funds 2055 Target Date (RDJTX)	8.27	(36)	-19.77	(95)	16.82	(61)	19.00	(9)	24.60	(58)	-5.92	(5)
Morningstar Target-Date 2055	7.53	(68)	-18.05	(42)	17.24	(47)	15.51	(52)	24.90	(48)	-8.43	(49)
IM Mixed-Asset Target 2055 (MF) Median	7.93		-18.31		17.19		15.61		24.82		-8.51	
401(a) American Funds 2060 Target Date (RDKTX)	8.36	(43)	-19.96	(96)	16.82	(60)	19.02	(1)	24.53	(89)	-5.95	(1)
Morningstar Target-Date 2060	7.56	(69)	-18.06	(31)	17.45	(44)	15.31	(66)	25.17	(57)	-8.51	(18)
IM Mixed-Asset Target 2065+ (MF) Median	8.10		-18.58		17.15		16.23		26.28		-9.37	

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

	Performance(%)											
	YTD		2022		2021		2020		2019		2018	
Fixed Income												
Vanguard Total Bond Index (VBTLX)	-0.93	(78)	-13.16	(98)	-1.67	(85)	7.72	(5)	8.71	(1)	-0.03	(83)
Blmbg. U.S. Aggregate Float Adjusted	-1.06	(79)	-13.07	(97)	-1.58	(83)	7.75	(4)	8.87	(1)	-0.08	(86)
IM U.S. Intermediate Duration Fixed Income (MF) Median	0.99		-7.17		-0.84		5.57		5.30		0.64	
Western Asset Core Plus Bond Fund (WACPX)	-2.39	(93)	-18.79	(98)	-1.90	(85)	9.39	(31)	12.28	(3)	-1.49	(68)
Blmbg. U.S. Aggregate Index	-1.21	(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	-0.62		-13.73		-0.94		8.58		9.33		-0.97	
Nationwide Government Money Fund (GMIXX)	3.46	(64)	1.29	(68)	0.01	(56)	0.25	(70)	1.80	(61)	1.40	(65)
90 Day U.S. Treasury Bill	3.60	(36)	1.46	(37)	0.05	(6)	0.67	(1)	2.28	(5)	1.87	(10)
IM U.S. Taxable Money Market (MF) Median	3.53		1.39		0.01		0.30		1.90		1.53	

*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
September 30, 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.

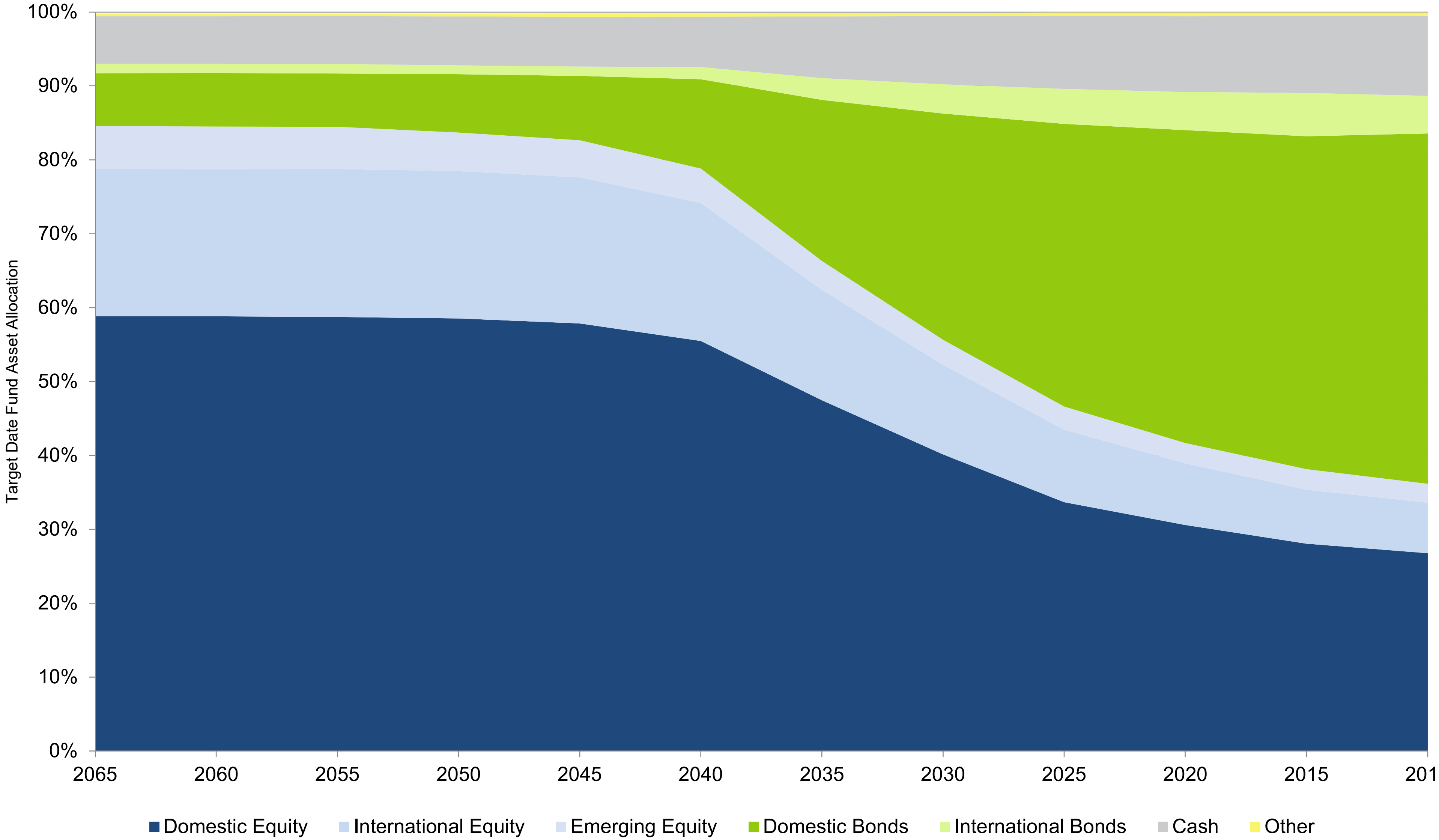
Asset Class	**2065**	**2060**	**2055**	**2050**	**2045**	**2040**	**2035**	**2030**	**2025**	**2020**	**2015**	**2010**
Total Equity	**85%**	**85%**	**84%**	**84%**	**83%**	**79%**	**66%**	**56%**	**48%**	**43%**	**39%**	**37%**
Domestic Equity	59%	59%	59%	59%	58%	55%	47%	40%	34%	31%	28%	27%
International Equity	20%	20%	20%	20%	20%	19%	15%	12%	10%	8%	7%	7%
Emerging Equity	6%	6%	6%	5%	5%	5%	4%	3%	3%	3%	3%	3%
Total Fixed Income	**8%**	**8%**	**9%**	**9%**	**10%**	**14%**	**25%**	**35%**	**43%**	**48%**	**51%**	**52%**
Domestic Bonds	7%	7%	7%	8%	9%	12%	22%	31%	38%	42%	45%	47%
International Bonds	1%	1%	1%	1%	1%	2%	3%	4%	5%	5%	6%	5%
Cash	**6%**	**6%**	**6%**	**7%**	**7%**	**7%**	**8%**	**9%**	**10%**	**10%**	**10%**	**11%**
Other	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**101%**	**101%**	**101%**	**101%**

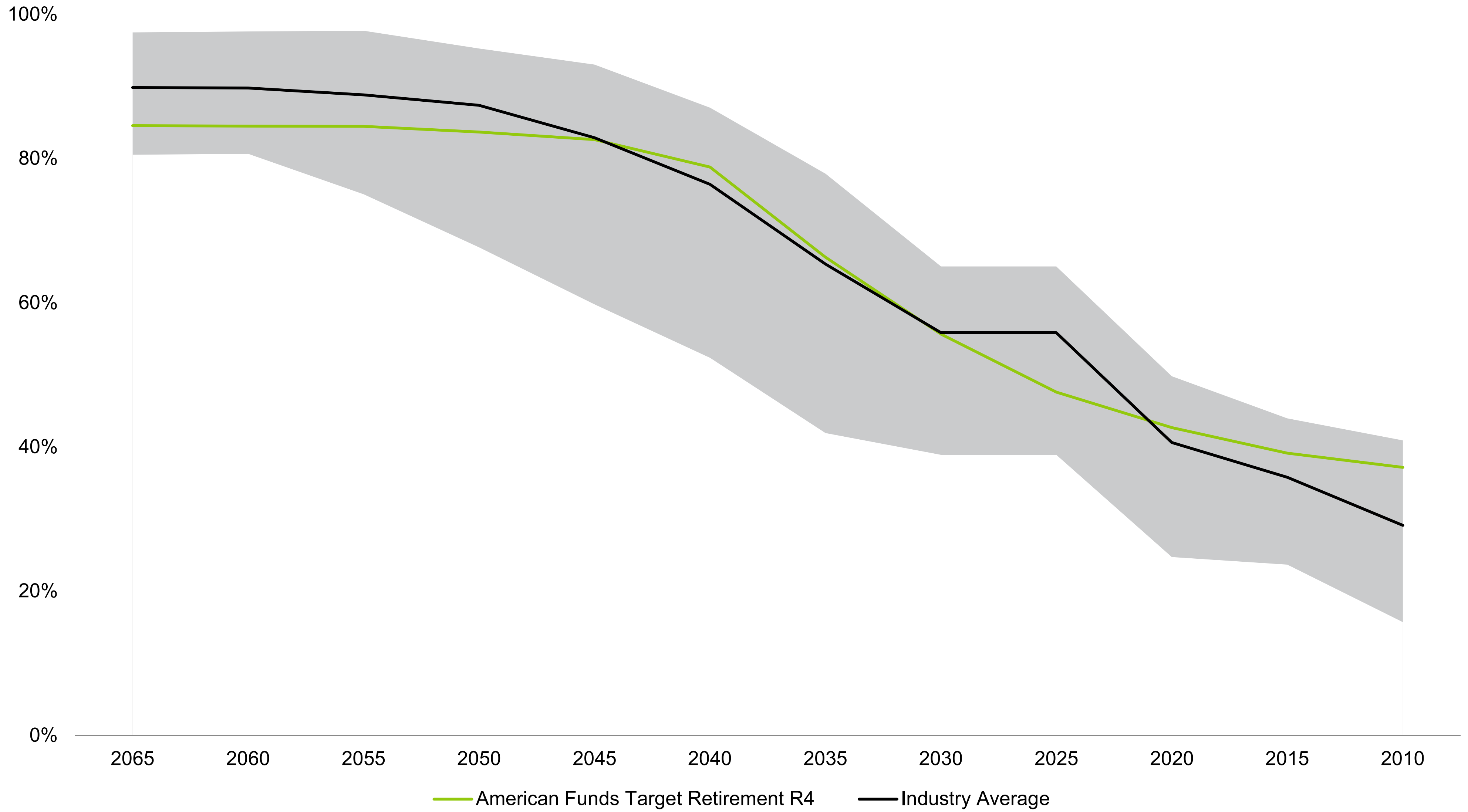
Terminal Equity Date:	30 years after Retirement
Active/Passive/Blend Allocation:	Active

Morningstar Definitions:

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%.


Target Date Fund Asset Allocation
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2065
2060
2055
2050
2045
2040
2035
2030
2025
2020
2015
2010
Domestic Equity
International Equity
Emerging Equity
Domestic Bonds
International Bonds
Cash
Other



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			Completed	
Plan recordkeeping & administration services review			Completed	
Employee education review	✓			
Review of ancillary products, if applicable (self-directed brokerage, managed accounts, etc.)			Completed	
Other Projects				
Small Cap Growth Replacement			July 2023	

Plan sponsors have a **fiduciary duty to ensure that fees are reasonable and customary**, especially when paid for by plan assets or participant accounts. In order to accomplish this, sponsors must first **understand** all fees associated with the plan, and **periodically benchmark** them to determine if they are appropriate.

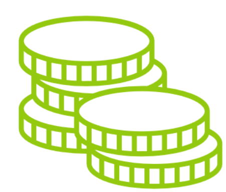
Common Types of Defined Contribution Plan Fees

Operational Expenses		
Recordkeeping	Consulting	Legal
Audit	Fund Changes	Communications

Participant Transactions	
Distributions	Loans
Brokerage (SDBA)	QDROs

Fee Transparency Under ERISA[1]

ERISA requires annual fee disclosures for participants (§404(a)(5)) which summarizes all applicable expenses that may be charged. Service providers are also required to disclose all revenue (§408(b)(2)), either direct or indirect, earned as part of their agreement with the client. While these disclosure requirements are NOT applicable to non-ERISA DC Plans, we consider it best practice for all clients to request itemized fee disclosures for review from their respective administrator or recordkeeper.



[1] Department of Labor, ERISA § 2550.404a-5 and§ 2550.408b-2 .

Plan sponsors have several options when considering the most appropriate and equitable fee structure given their unique organizational and budgetary circumstances. Who is responsible for each expense and how that fee is determined may also be dependent on participant status (active vs. inactive/term) or balance.

Who Pays for Plan Fees?

Plan Sponsor | **Plan Participants** | **Both**

Fee Methodologies

- **Asset-Based Fees (%)**: assessed on the value of account balances; also known as Pro-Rata
- **Per Head Fee ($)**: fixed dollar fee on each participant; also known as Per-Capita
- **Hybrid (% + $)**: combination of both methods

According to some recent surveys, over 50% of plans now use a fixed per head fee methodology for recordkeeping[1]. Recent trends have favored this approach since it more closely aligns with the cost driver of delivering contracted services.

[1] PLANSPONSOR - "The Math Behind Plan Fee Evaluations" April 1, 2020.

Investment expenses are a meaningful component of total plan fees and are subject to the same fiduciary duty of oversight as other expenses. Expense ratios may vary based on fund structure, management style and asset class. In addition to selecting funds with competitive expenses in their respective asset class, two other areas of focus related to investment expenses are **Share Class Optimization** and **Revenue Share**.

Impact of Fund Characteristics on Expenses [1]

Active Management	>	Passive Management
Mutual Fund	Greater than	**Collective Investment Trust**
Broad Asset Class		**Niche Asset Class**

Share Class Optimization

Funds commonly have different share classes available for purchase by investors, with varying expense ratios, eligibility and minimum investment requirements. Plan sponsors should have a documented process to periodically validate utilization of the lowest cost share class of each fund offered in the plan. Failure to adopt the lowest cost share class based on plan eligibility is a common citation in breach of fiduciary duty litigation.

[1] General representation. Results may vary based on specific asset class and market-based considerations.

Revenue Share Considerations

- Historically used to compensate for the administration and distribution of certain funds.
- Increased fiduciary pressure and transparency into fee rebate arrangements.
- Plan sponsors have the duty to understand and direct how any rebates embedded within the expense ratio of certain fund share classes are utilized:
  - Credit back to participants invested in the fund which generated the rebate (considered best practice and referred to as ‘Fee Levelization’).
  - Direct funds into an expense account used to pay for qualified plan expenses

Sample Revenue Share Fee Analysis[1]

Fund Holding	Expense Ratio	Revenue Sharing (12b-1, subTA)	Net Expense
Fund X Class A	0.75%	0.25%	0.50%
Fund X Class I	0.50%	0.00%	0.50%

[1] For illustrative purposes only.

Sponsors should document their decision and rationale for allocating revenue share within the plan.

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.

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