



**Sunshine**  
Water Control District

# **401(A) COMMITTEE MEETING AGENDA**

**July 12, 2023**

**SUNSHINE  
WATER CONTROL DISTRICT**

**AGENDA  
LETTER**



July 5, 2023

401(A) Committee  
Sunshine Water Control District

Dear Board Members:

The 401(A) Committee of the Sunshine Water Control District will hold a Meeting on July 12, 2023 at 6:00 p.m., at the *La Quinta Inn & Suites, 3701 N. University Drive, Coral Springs, Florida 33065*. The agenda is as follows:

1. Call to Order
2. Presentation from NFP
3. Adjournment

Should you have any questions, please contact me directly at (561) 346-5294 or Jamie Sanchez at (561) 512-9027.

Sincerely,

A handwritten signature in black ink that reads "Cindy Cerbone".

Cindy Cerbone  
District Manager

**ATTENDEES:**

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE**

**CALL-IN NUMBER: 1-888-354-0094**

**PARTICIPANT PASSCODE: 131 733 0895**

**SUNSHINE  
WATER CONTROL DISTRICT**

**2**

# Fiduciary Investment Review™



*Prepared for:*

**Sunshine Water Control District**

June 14, 2023

*Prepared by:*



*Presented by:*

**Brad L. Larsen, AIF, CHSA, C(k)P, PRP**

Managing Director – Southeast Region

**NFP**

120 Vantis

Suite 400

Aliso Viejo, CA 92656

(800) 959-0071

[www.nfp.com/retirement](http://www.nfp.com/retirement)

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# NFP News – What’s New at NFP

Q1 2023

## Expanding Compensation Consulting Resources

NFP’s industry-leading Compensation Consulting team recently expanded with the addition of Longnecker & Associates. As part of NFP’s Executive Benefits platform, the Compensation Consulting practice works with companies to **develop tailored pay strategies** and structures that help attract, retain and motivate talented employees. With the addition of the Longnecker team, NFP’s capabilities to deliver objective insights and **benchmarking of total compensation plans** is further enhanced.

## Retirement Plan University Goes National

NFP’s proprietary Retirement Plan University program is designed to help retirement plan sponsors stay up to date on the latest industry trends and best practices of leading retirement offerings. In addition to virtual sessions, RPU is now expanding with **live events across the country** where plan sponsors can connect with peers, share ideas and hear from industry experts. Visit [www.myRPU.com](http://www.myRPU.com) for the latest updates and list of virtual and live events.

## An End to Non-Compete Agreements?

In response to a proposed rule from the FTC that would **ban non-compete agreements**, NFP’s Executive Benefits team is further engaging clients to help retain key employees. The proposed rule could remove one of the hurdles to changing jobs that employers may need to **replace with “golden handcuff” structures** and other benefits differentiated. These programs provide flexibility for employers to reward and retain executives through customized designs and simplified administration outsourced to NFP.

**For more information on any of these resources, please contact your plan advisor.**

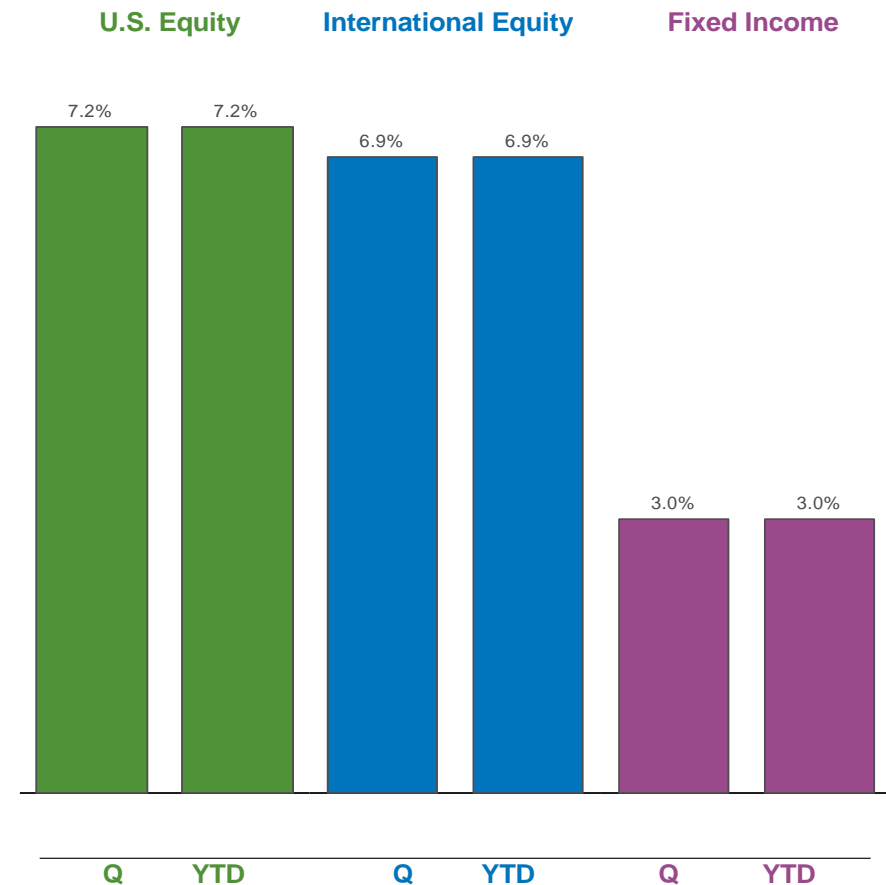
Securities may be offered through Kestra Investment Services, LLC (Kestra IS), Member FINRA/SIPC. Investment Advisory Services may be offered through NFP Retirement, Inc. Kestra IS is not affiliated with NFP Retirement, Inc., or NFP. NFPR-2023-34 ACR# 5438814 01/23

# Q1 2023 Market Review

## SUMMARY

- U.S. equity markets rallied in the first quarter, rising 7.2% (Russell 3000) on continued moderating inflation. The Consumer Price Index (CPI) peaked last June and has seen steady improvement since.
- International equities rose to a lesser extent, posting a 6.9% gain over the quarter (MSCI ACWI ex U.S.).
- The broad U.S. fixed income market showed continued improvement, up 3% (Bloomberg Barclays Aggregate).
- Despite cooling economic growth, the U.S. labor market remained tight during the quarter with unemployment at 3.5% in March.
- Large cap growth stocks had a strong quarter, with the Russell 1000 Growth up 14.4% and outperformed the Russell 1000 Value by over 13 percentage points.
- The Federal Reserve raised interest rates 50 basis points during the first quarter. The Fed will continue to analyze incoming data on inflation in deciding whether to continue its interest rate hiking regime.

## TRAILING RETURNS (3/31/2023)



Quarterly and year-to-date returns of the following indices: U.S. Equity (Russell 3000 Index), Fixed Income (Bloomberg Barclays U.S. Aggregate Bond Index) and International Equity (MSCI ACWI ex U.S. Index)

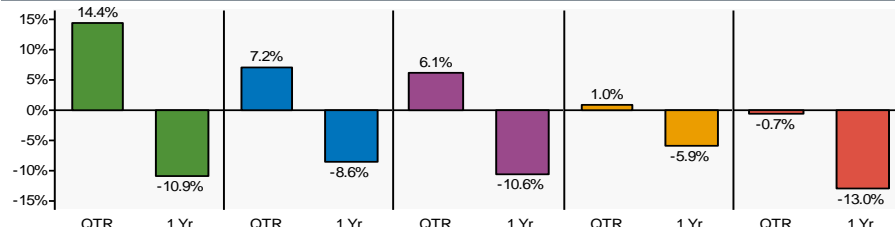


# Q1 2023 Market Review – U.S. Equity

## U.S. EQUITY

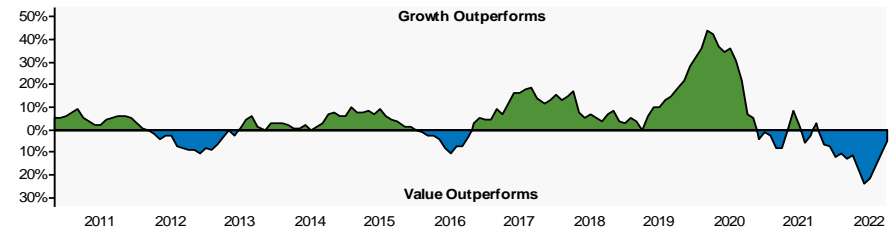
- The broad U.S. equity market, as measured by the Russell 3000 Index, was up 7.2% for the quarter.
- The best performing U.S. equity index for the quarter was Russell 1000 Growth, returning a positive 14.4%.
- The worst performing U.S. equity index for the quarter was Russell 2000 Value, returning a negative 0.7%.

## INDEX PERFORMANCE (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Russell 1000 Growth	14.4	14.4	-10.9	18.6	13.7	14.6
Russell 3000	7.2	7.2	-8.6	18.5	10.5	11.7
Russell 2000 Growth	6.1	6.1	-10.6	13.4	4.3	8.5
Russell 1000 Value	1.0	1.0	-5.9	17.9	7.5	9.1
Russell 2000 Value	-0.7	-0.7	-13.0	21.0	4.5	7.2

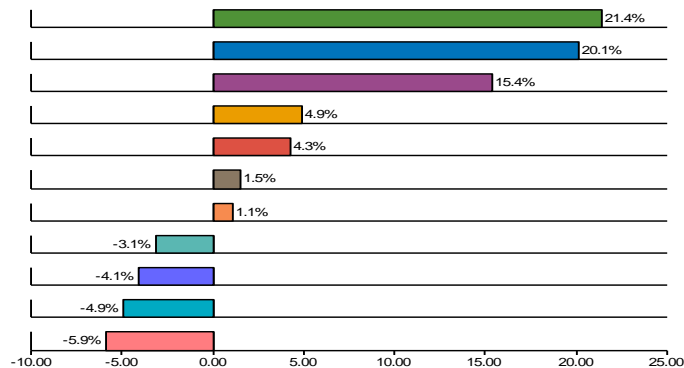
## GROWTH VS. VALUE



Over the last year, value stocks outperformed growth stocks by 5.00%. For the trailing quarter, growth stocks outperformed value stocks by 13.40%.

The graph above is plotted using a rolling one-year time period. Growth stock performance is represented by the Russell 1000 Growth Index. Value stock performance is represented by the Russell 1000 Value Index.

## SECTOR (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Information Technology	21.4	21.4	-4.5	24.3	19.2	19.7
Telecommunication Svcs.	20.1	20.1	-17.8	9.4	6.4	5.3
Consumer Discretionary	15.4	15.4	-18.0	16.4	8.7	11.9
Materials	4.9	4.9	-5.6	25.2	9.4	9.8
Industrials	4.3	4.3	0.8	22.5	8.8	11.3
Real Estate	1.5	1.5	-20.9	9.8	6.1	6.6
Consumer Staples	1.1	1.1	1.6	14.9	10.6	9.7
Utilities	-3.1	-3.1	-6.0	10.1	9.2	9.3
Health Care	-4.1	-4.1	-4.4	15.1	11.5	12.9
Energy	-4.9	-4.9	11.9	49.0	8.6	3.6
Financials	-5.9	-5.9	-14.1	18.0	5.1	10.1

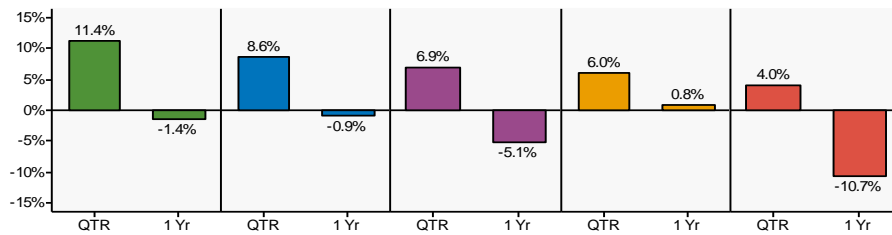
Source: S&P 1500 Sector Indices

# Q1 2023 Market Review – International Equity

## INTERNATIONAL EQUITY

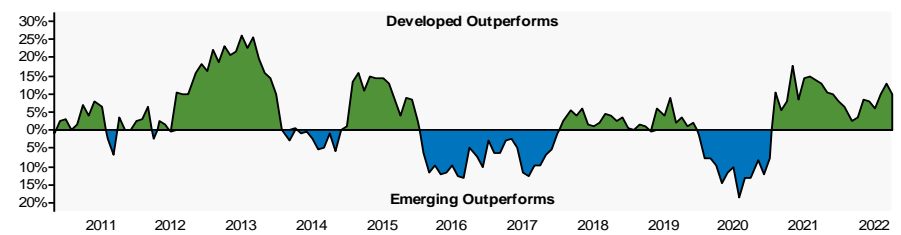
- Developed international equity returned a positive 8.6% in the last quarter (MSCI EAFE).
- Emerging market equity posted a positive 4% return (MSCI Emerging Markets Index).

## INDEX PERFORMANCE (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
MSCI EAFE Large Growth	11.4	11.4	-1.4	11.5	6.1	6.4
MSCI EAFE	8.6	8.6	-0.9	13.5	4.0	5.5
MSCI ACWI ex US	6.9	6.9	-5.1	11.8	2.5	4.2
MSCI EAFE Large Value	6.0	6.0	0.8	15.2	2.1	3.6
MSCI Emg Markets	4.0	4.0	-10.7	7.8	-0.9	2.0

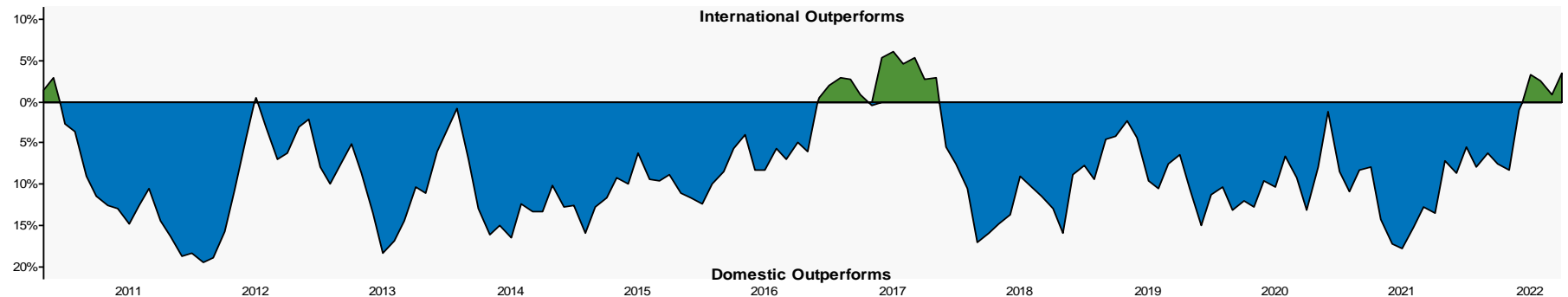
## DEVELOPED VS. EMERGING MARKETS



Over the last year, developed international stocks outperformed emerging market stocks by 9.80%.  
For the trailing quarter, developed international stocks outperformed emerging market stocks by 4.60%.

The graph above is plotted using a rolling one-year time period. Developed international stock performance is represented by the MSCI EAFE Index. Emerging market stock performance is represented by the MSCI Emerging Markets Index.

## INTERNATIONAL VS. DOMESTIC



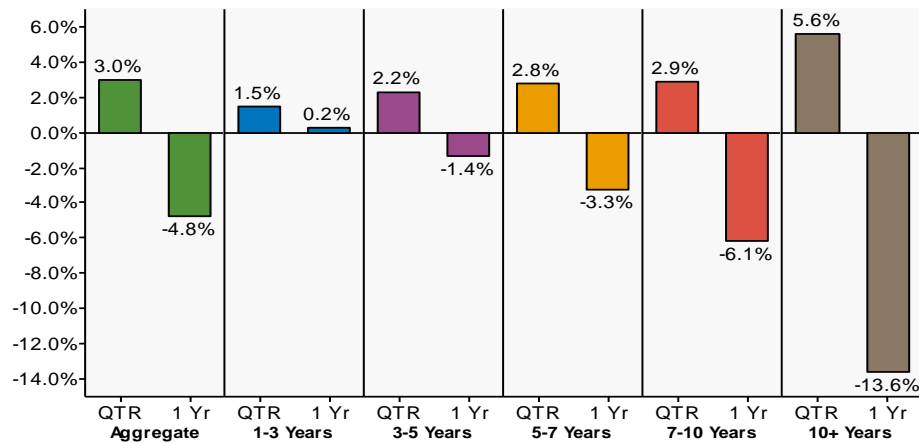
The graph above is plotted using a rolling one-year time period. International stock performance is represented by the MSCI ACWI ex U.S. Index. Domestic stock performance is represented by the Russell 3000 Index.

# Q1 2023 Market Review – Fixed Income

## FIXED INCOME

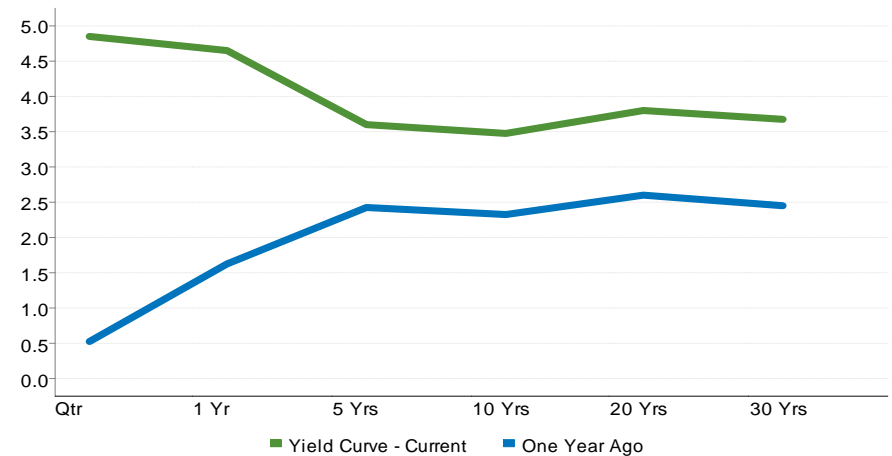
- The broad U.S. fixed income market returned a positive 3% (Bloomberg Barclays U.S. Aggregate) for the quarter.
- The best performing sector for the quarter was High Yield Corporate Bond, returning a positive 3.6%.
- The worst performing sector for the quarter was Cash, returning a positive 1.1%.

## PERFORMANCE BY MATURITY



Source: Bloomberg Barclays U.S. Aggregate Indices

## YIELD CURVE



## SECTOR (sorted by trailing quarterly performance)



Source: Bloomberg Barclays U.S. Indices

# Q1 2023 Market Kaleidoscope

## ASSET CLASS RETURNS

The following chart exhibits the volatility of asset class returns from year to year by ranking indices in order of performance, highlighting the importance of diversification.

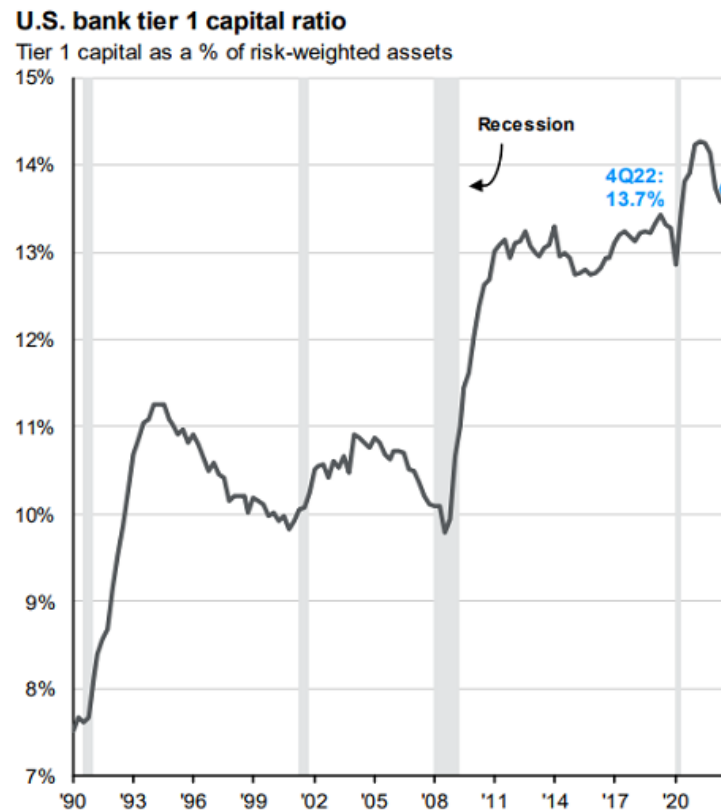
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Global REIT 23.73	Sm Growth 43.30	Global REIT 22.81	Large Growth 5.67	Sm Value 31.74	Large Growth 30.21	Cash 1.87	Large Growth 36.39	Large Growth 38.49	Global REIT 32.50	Commodities 16.09	Large Growth 14.37
Sm Value 18.05	Sm Value 34.52	Large Value 13.45	Global REIT 0.59	Large Value 17.34	International 27.19	Fixed Income 0.01	Sm Growth 28.48	Sm Growth 34.63	Sm Value 28.27	Cash 1.46	International 6.87
Large Value 17.51	Large Growth 33.48	Large Growth 13.05	Fixed Income 0.55	Commodities 11.77	Sm Growth 22.17	Large Growth -1.51	Large Value 26.54	Balanced Index 15.07	Large Growth 27.60	Large Value -7.54	Sm Growth 6.07
International 16.83	Large Value 32.53	Balanced Index 6.56	Cash 0.05	Sm Growth 11.32	Balanced Index 15.00	Balanced Index -4.70	Global REIT 24.49	International 10.65	Commodities 27.11	Fixed Income -13.01	Balanced Index 5.43
Large Growth 15.26	International 15.29	Fixed Income 5.97	Balanced Index -0.55	Large Growth 7.08	Large Value 13.66	Global REIT -4.77	Sm Value 22.39	Fixed Income 7.51	Large Value 25.16	Sm Value -14.48	Fixed Income 2.96
Sm Growth 14.59	Balanced Index 14.92	Sm Growth 5.60	Sm Growth -1.38	Balanced Index 7.06	Global REIT 8.63	Large Value -8.27	International 21.51	Sm Value 4.63	Balanced Index 10.79	Balanced Index -15.87	Global REIT 1.65
Balanced Index 11.76	Global REIT 2.81	Sm Value 4.22	Large Value -3.83	Global REIT 6.90	Sm Value 7.84	Sm Growth -9.31	Balanced Index 20.02	Large Value 2.80	International 7.82	International -16.00	Cash 1.07
Fixed Income 4.22	Cash 0.07	Cash 0.03	International -5.66	International 4.50	Fixed Income 3.54	Commodities -11.25	Fixed Income 8.72	Cash 0.67	Sm Growth 2.83	Global REIT -23.60	Large Value 1.01
Cash 0.11	Fixed Income -2.02	International -3.87	Sm Value -7.47	Fixed Income 2.65	Commodities 1.70	Sm Value -12.86	Commodities 7.69	Commodities -3.12	Cash 0.05	Sm Growth -26.36	Sm Value -0.66
Commodities -1.06	Commodities -9.52	Commodities -17.01	Commodities -24.66	Cash 0.33	Cash 0.86	International -14.20	Cash 2.28	Global REIT -8.11	Fixed Income -1.54	Large Growth -29.14	Commodities -5.36

<span style="display:inline-block; width:10px; height:10px; background-color:purple;"></span> Large Value (Russell 1000 Value)	<span style="display:inline-block; width:10px; height:10px; background-color:grey;"></span> Small Growth (Russell 2000 Growth)	<span style="display:inline-block; width:10px; height:10px; background-color:green;"></span> Global REIT (S&P Global REIT)
<span style="display:inline-block; width:10px; height:10px; background-color:darkblue;"></span> Large Growth (Russell 1000 Growth)	<span style="display:inline-block; width:10px; height:10px; background-color:red;"></span> International (MSCI ACWI ex-US)	<span style="display:inline-block; width:10px; height:10px; background-color:teal;"></span> Commodities (Bloomberg Commodities)
<span style="display:inline-block; width:10px; height:10px; background-color:lightblue;"></span> Small Value (Russell 2000 Value)	<span style="display:inline-block; width:10px; height:10px; background-color:orange;"></span> Fixed Income (Bloomberg Barclays Agg)	<span style="display:inline-block; width:10px; height:10px; background-color:lightgreen;"></span> Cash (Merrill Lynch 3-Mo T-Bill)
<span style="display:inline-block; width:10px; height:10px; background-color:yellow;"></span> Balanced (40% Russell 3000, 40% Bloomberg Barclay's U.S. Aggregate, 20% MSCI ACWI ex US)		

# Q1 2023 Market Review Chart of the Quarter

## Bank Outlook

Despite the recent banking turmoil, the overall banking system looks healthy from a Tier 1 capital ratio perspective. The Tier 1 capital ratio measures a bank's capital against its total risk weighted assets, and is a measure that signifies a bank's financial strength. This ratio has improved steadily since the Great Financial Crisis in 2008, due to stricter lending standards and capital requirements.



Source: Bloomberg, FDIC, Federal Reserve, J.P. Morgan Asset Management. The tier 1 capital ratio is the ratio of a bank's core tier 1 capital (equity capital and disclosed reserves) to its total risk-weighted assets. It is a key measure of a bank's financial strength that has been adopted as part of the Basel III Accord on bank regulation. *Guide to the Markets – U.S.* Data are as of March 31, 2023.

# Q1 2023 Disclosures

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

**Citigroup Corporate Bond** is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

**Citigroup Mortgage Master** is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

**Citigroup WGBI Index** is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

**Credit Suisse High Yield Index** is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

**BC (Barclays Capital) U.S. Aggregate Bond Index** represents securities that are U.S., domestic, taxable, and dollar dominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**BC Credit Bond Index** includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**BC U.S. Corporate Investment Grade** represents investment grade corporate securities that are U.S., domestic, taxable, and dollar denominated.

**BC High Yield Corporate Bond** represents below investment grade corporate securities that are U.D., domestic, taxable, and dollar denominated.

**BC TIPS Index** includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

**BC Mortgage-Backed Securities** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**BC Muni Bond** covers the USD-denominated long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**BC Government Index** includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

**BarCap U.S. Aggregate 1-3 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 1-3 years.

**BarCap U.S. Aggregate 3-5 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3-5 years.

**BarCap U.S. Aggregate 5-7 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

**BarCap U.S. Aggregate 7-10 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7-10 years.

**BarCap U.S. Aggregate 10+ Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

**DJW 5000 (Full Cap)** Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the U.S.

**MSCI FI Emerging Markets** is a rules-based index which serves as a benchmark for emerging country fixed income performance.

**MSCI FI EAFE International** is a rules-based index which serves as a benchmark for developed international country fixed income performance.

**MSCI EAFE Index** is listed for foreign stock funds (EAFE refers to Europe, Australia and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

**MSCI EAFE Large Value** represents the large cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Large Growth** represents the large cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Value** represents the mid cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Growth** represents the mid cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Small Value** represents the small cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Small Growth** represents the small cap growth stocks within the MSCI EAFE Index.

**MSCI EM (Emerging Markets) Index** serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

**MSCI World Index** is a rules-based index that serves as a benchmark for the developed global equity markets.

**MSCI Europe ex UK Index** is a rules-based index that serves as a benchmark for Europe's equity markets, excluding the United Kingdom.

**MSCI Pacific ex Japan Index** is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

**MSCI United Kingdom Index** is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

**MSCI Japan** is a rules-based index that serves as a benchmark for Japan's equity markets.

**NAREIT All REIT Index** includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange the American Stock Exchange or the NASDAQ National Market List.

**3-Month T-Bills** (90 Day T-Bill Index) are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

**Russell 1000 Growth Index** is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**Russell Top 200 Growth Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

**Russell Top 200 Value Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

**Russell 2000 Index** consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

**Russell 2000 Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratio and lower forecasted growth values.

# Q1 2023 Disclosures

**Russell MidCap Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratio and higher forecasted growth values.

**Russell MidCap Index** includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

**Russell MidCap Value Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having lower price-to-book ratio and lower forecasted growth values.

**Russell Top 200 Index** consists of the 200 largest securities in the Russell 3000 Index. Russell 3000 Index is a market capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

**Salomon 1-10 Yr. Governments** is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

**S&P 500 Index** measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the U.S.

**S&P 1500 Energy Index** measures the performance of the energy sector in the S&P 1500 Index.

**S&P 1500 Industrials** measures the performance of the industrial sector in the S&P 1500 Index.

**S&P 1500 Financials** measures the performance of the financials sector in the S&P 1500 Index.

**S&P 1500 Utilities** measures the performance of the utilities sector in the S&P 1500 Index.

**S&P 1500 Consumer Discretionary Index** measures the performance of the consumer discretionary sector in the S&P 1500 Index.

**S&P 1500 Consumer Staples Index** measures the performance of the consumer staples sector in the S&P 1500 Index.

**S&P 1500 Information Technology** measures the performance of the information technology sector in the S&P 1500 Index.

**S&P 1500 Materials** measures the performance of the materials sector in the S&P 1500 Index.

**S&P 1500 Health Care** measures the performance of the health care sector in the S&P 1500 Index.

**S&P 1500 Telecommunications Services Index** measures the performance of the telecommunications services sector in the S&P 1500 Index.

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## Research/Outlook Disclosure

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NFPR-2023-98 ACR# 5629420 04/23

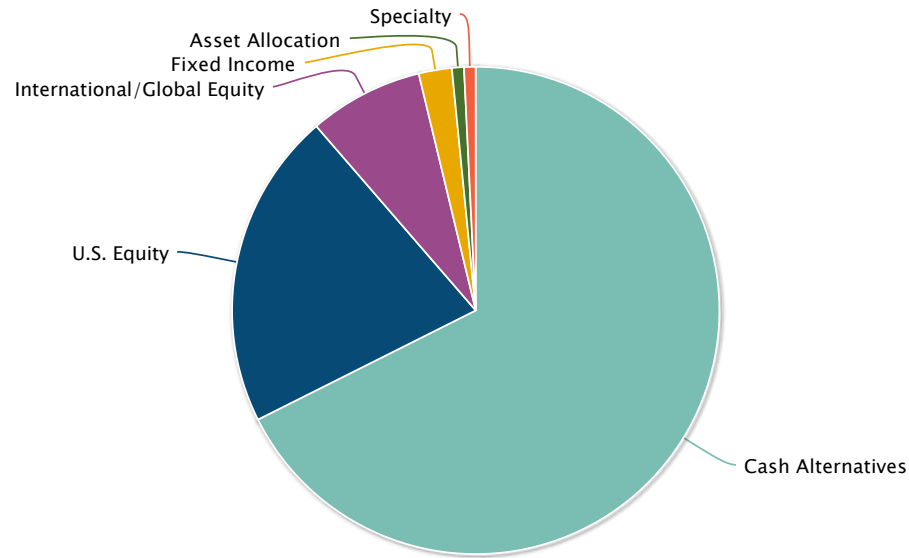
# Summary of Considerations

Watchlist	Asset Class	Fund	Score
	CFI	MSQ Western Asset Core Plus Bond R5	4
	UGT	MissionSquare Inflation Focused Fund Class R1	5

Considerations:  Add  Delete  Watchlist



# Plan Allocation by Investment Type



Investment Type	Assets	Percentage
Cash Alternatives	\$309,363.05	67.6%
U.S. Equity	\$96,273.35	21.0%
International/Global Equity	\$34,686.01	7.6%
Fixed Income	\$10,064.45	2.2%
Asset Allocation	\$3,671.88	0.8%
Specialty	\$3,497.87	0.8%
<b>Total</b>	<b>\$457,556.61</b>	<b>100%</b>

as of 5/31/2023

# Plan Allocation by Investment Type

Investment Name	Asset Class	Amount	Percentage	Score
<b>Cash Alternatives</b>				
MissionSquare PLUS Fund Class R1	SV	\$309,363	67.6%	
<b>U.S. Equity</b>				
MSQ BlackRock Equity Dividend R5	LCV	\$1,806	0.4%	10
MSQ Contrafund R5	LCG	\$1,001	0.2%	7
MissionSquare Growth Fund Class R1	LCG	\$994	0.2%	7
MSQ Victory Sycamore Established Value R5	MCV	\$845	0.2%	10
MissionSquare Select Value Fund Class R1	MCV	\$847	0.2%	10
MissionSquare 500 Stock Index Fund Class R1	LCB-P	\$2,849	0.6%	9
MissionSquare Broad Market Index Fund Class R1	LCB-P	\$81,146	17.7%	9
MissionSquare Mid/Small Company Index Fund R1	SMCB-P	\$6,785	1.5%	8
<b>International/Global Equity</b>				
MissionSquare International Fund Class R1	ILCB	\$4,540	1.0%	7
MissionSquare Emerging Markets Fund Class R1	EME	\$5,353	1.2%	7
MissionSquare MP Global Equity Grwth Fund Class R1	GE	\$13,825	3.0%	
MissionSquare Overseas Equity Index Fund Class R1	ILCB-P	\$10,968	2.4%	9
<b>Fixed Income</b>				
MSQ Western Asset Core Plus Bond R5	CFI	\$8,232	1.8%	4
MissionSquare Inflation Focused Fund Class R1	UGT	\$1,832	0.4%	5
<b>Asset Allocation</b>				
MissionSquare MP Conservative Growth Fund Class R1	MC	\$926	0.2%	
MissionSquare MP Traditional Growth Fund Class R1	MOD	\$2,746	0.6%	
<b>Specialty</b>				
MSQ Cohen & Steers Realty Shares Fund	GRE	\$3,498	0.8%	

# Plan Allocation by Investment Type

Investment Name	Asset Class	Amount	Percentage	Score
Total		\$457,557	100.0%	

# Scorecard™

Total Plan Assets: \$457,556.61 as of 5/31/2023

## Risk-based Series

Asset Allocation	Assets	Asset Class	Risk Index	Allocation Score (Series Funds)		Selection Score (Underlying Funds)		Blended Score			
				# of Funds	Avg Score	# of Funds	Avg Score	Q1 2023	Q4 2022	Q3 2022	Q2 2022
VT Vantagepoint MP Risk-Based Series R1	\$17,496.76	N/A	N/A	4	5.8	-	-	-	-	-	-

## Core Lineup

Active	Assets	Asset Class	Ticker/ID	Style			Risk/Return			Peer Group		Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Risk/Return	Up/Down	Info Ratio	Return Rank	Info Ratio Rank		2pt Max/Expense	Q1 2023	Q4 2022	Q3 2022
MSQ BlackRock Equity Dividend R5	\$1,806.46	LCV	SPUSA06COI	1	1	1	1	1	1	1	1	2	10	10	10	10
				-94.0/ 89.9	3.8	96.6	17.9/ 8.1	94.5/ 91.8	0.17	38	37	- 0.68	LCV	LCV	LCV	LCV
MSQ Contrafund R5	\$1,001.14	LCG	SPUSA06CAX	1	1	1	1	0	0	1	0	2	7	6	6	6
				79.5/ 93.5	6.3	97.8	19.6/ 10.2	85.9/ 94.9	-1.04	42	70	- 0.81	LCG	LCG	LCG	LCG
MissionSquare Growth Fund Class R1	\$994.31	LCG	92210J689	1	1	1	1	0	0	1	0	2	7	7	7	7
				93.1/ 86.7	4.2	99.1	20.3/ 10.1	89.4/ 99.6	-1.71	47	84	- 1.32	LCG	LCG	LCG	LCG
MSQ Victory Sycamore Established Value R5	\$844.74	MCV	SPUSA06CBX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-97.2/ 15.3	8.8	98.2	20.6/ 10.6	102.8/ 89.4	1.35	3	1	- 0.61	MCV	MCV	MCV	MCV
MissionSquare Select Value Fund Class R1	\$847.11	MCV	92210J630	1	1	1	1	1	1	1	1	2	10	10	10	8
				-94.8/ 15.8	9.4	98.1	20.4/ 7.6	95.2/ 92.0	0.33	29	22	- 1.35	MCV	MCV	MCV	MCV

# Scorecard™

continued

Active	Assets	Asset Class	Ticker/ ID	Style			Risk/Return			Peer Group		Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank		2pt Max/ Expense	Q1 2023	Q4 2022	Q3 2022
MissionSquare International Fund Class R1	\$4,539.77	ILCB	92210J390	1	1	1	0	0	0	1	1	2	7	7	8	9
				-0.9/ 57.4	20.7	97.3	18.7/ 3.0	105.6/ 107.1	-0.17	36	35	- 1.51	ILCB	ILCB	ILCB	ILCB
MissionSquare Emerging Markets Fund Class R1	\$5,353.00	EME	92210J283	1	1	1	0	0	0	1	1	2	7	6	-	-
				-7.7/ -89.1	12.1	96.5	19.1/ -1.2	97.0/ 98.7	-0.07	45	45	- 1.65	EME	EME	-	-
MSQ Western Asset Core Plus Bond R5	\$8,232.18	CFI	SPUSA06CC0	1	0	1	0	0	0	0	0	2	4	7	7	6
				-46.6/ 59.6	29.3	87.1	8.0/ 0.1	136.6/ 148.8	-0.22	51	53	- 0.45	CFI	CFI	CFI	CFI
MissionSquare Inflation Focused Fund Class R1	\$1,832.27	UGT	92210F885	1	1	1	0	0	0	0	0	2	5	5	5	5
				-91.5/ 91.2	1.1	99.2	6.1/ 2.0	94.4/ 106.5	-1.68	58	84	- 1.16	UGT	UGT	UGT	UGT
MissionSquare PLUS Fund Class R1	\$309,363.05	SV	92208J105									-	-	-	-	
													- 1.32	-	-	-
MSQ Cohen & Steers Realty Shares Fund	\$3,497.87	GRE	192476109									-	-	-	-	
													-	-	-	-

Passive	Assets	Asset Class	Ticker/ ID	Style			Peer Group				Qual	Score				
				Style	Style Drift	R <sup>2</sup>	Tracking Error	TE Rank	Expense Rank	Return Rank		SR Rank	2pt Max/ Expense	Q1 2023	Q4 2022	Q3 2022
MissionSquare 500 Stock Index Fund Class R1	\$2,848.69	LCB-P	92210J812	1	1	1	1	1	0	1	1	2	9	9	9	10
				0.7/ 99.3	1.2	99.7	1.1	62.0	76.0	68	63	- 0.95	LCB- P	LCB- P	LCB- P	LCB- P

# Scorecard™

continued

Passive	Assets	Asset Class	Ticker/ ID	Style				Peer Group				Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	2pt Max/ Expense	Q1 2023	Q4 2022	Q3 2022	Q2 2022
MissionSquare Broad Market Index Fund Class R1	\$81,146.27	LCB-P	92210J721	1	1	1	1	1	0	1	1	2	9	7	8	8
				1.0/ 87.1	1.7	99.9	0.7	8.0	75.0	71	74	- 0.94	LCB-P	LCB-P	LCB-P	LCB-P
MissionSquare Mid/Small Company Index Fund R1	\$6,784.63	SMCB-P	92210J572	1	1	1	1	1	0	1	1	1	8	8	8	8
				-22.5/ -56.8	10.1	100.0	0.1	9.0	100.0	35	30	E 0.95	SMCB- P	SMCB- P	SMCB- P	SMCB- P
MissionSquare Overseas Equity Index Fund Class R1	\$10,968.36	ILCB-P	92210J432	1	1	1	1	1	0	1	1	2	9	9	9	9
				5.1/ 95.5	6.5	98.1	2.6	60.0	84.0	70	69	- 1.02	ILCB-P	ILCB-P	ILCB-P	ILCB-P

Disclosure

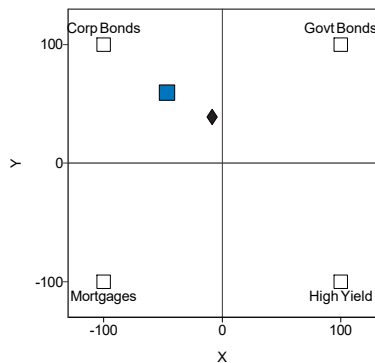
The CIT exclusively available to RPAG utilizes the same manager and strategy as the Scored fund equivalent, which is highlighted and shown below the CIT option. The Scored fund equivalent generally has a higher fee and is shown for CIT investment due diligence purposes only. The average score includes Strategy Equivalent scores where utilized ACR# 5531104 03/23

Returns Analysis	QTR	YTD	1 Yr	3 Yr Ann.	5 Yr Ann.	10 Yr Ann.	Since Inception	Manager Tenure (Years)	Fund Inception	Net Exp. Ratio	Net Exp. Ratio Rank	Gross Exp. Ratio
■ MSQ Western Asset Core Plus Bond R5	3.35	3.35	-8.00	-2.72	0.13	NA	1.32	16.33	01/23/2015	0.45	20	0.45

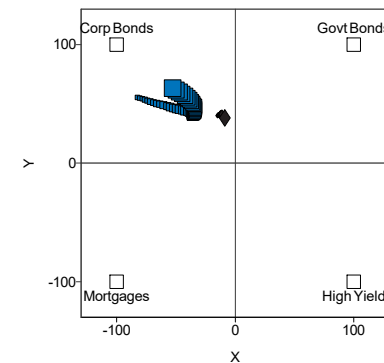
Calendar Year Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
■ MSQ Western Asset Core Plus Bond R5	NA	NA	4.80	6.95	-1.54	12.31	9.43	-1.96	-18.81	3.35
◆ BB Aggregate Bond	5.97	0.55	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	2.96
Core Fixed Income Average	5.46	-0.53	3.40	4.01	-1.14	9.01	8.31	-1.35	-14.41	3.08

Scorecard - Active	Ticker/ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R <sup>2</sup>	Risk/Return	Up/Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	03/31 2023	12/30 2022	09/30 2022	06/30 2022
MSQ Western Asset Core Plus Bond R5	SPUSA06CC0	1	0	1	0	0	0	0	0	2	4	7	7	6
		-46.63/59.55	29.30	87.10	8.03/0.13	136.58/148.75	-0.22	51.00	53.00		CFI	CFI	CFI	CFI

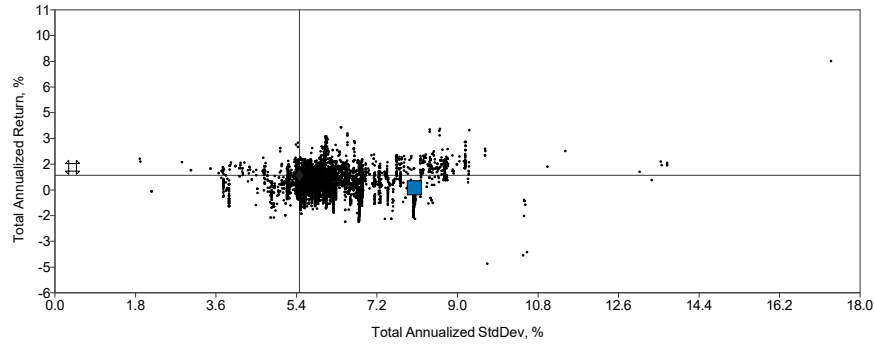
Average Style Apr 18 - Mar 23



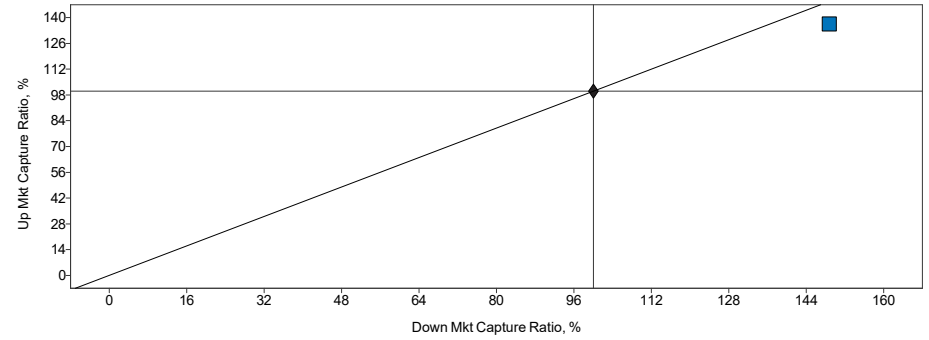
Style Drift 36 Month rolling windows, Apr 18 - Mar 23



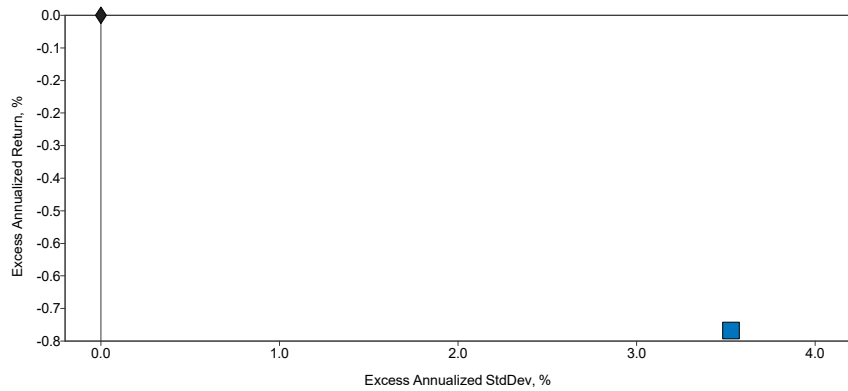
Risk / Return *Single Computation, Apr 18 - Mar 23*



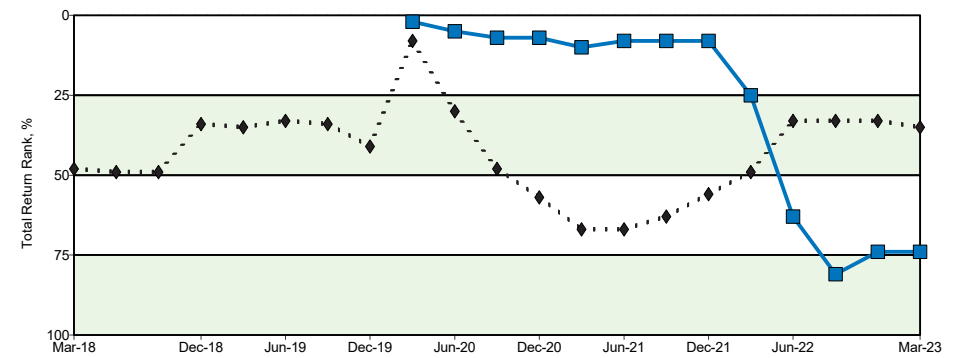
Up/Down Capture *Apr 18 - Mar 23*



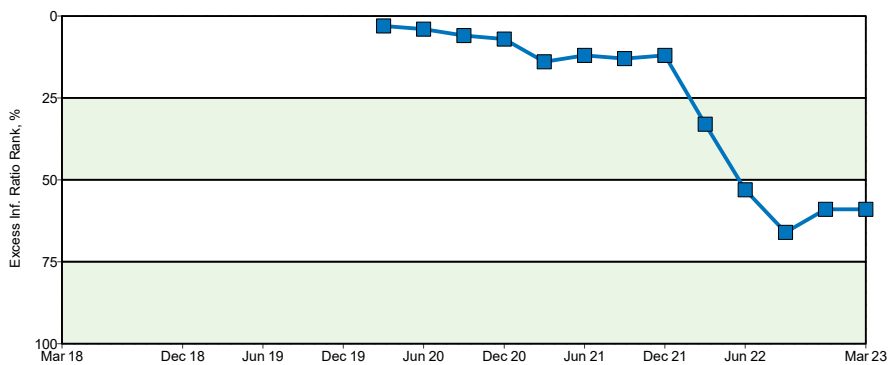
Relative Risk Return *Apr 18 - Mar 23*



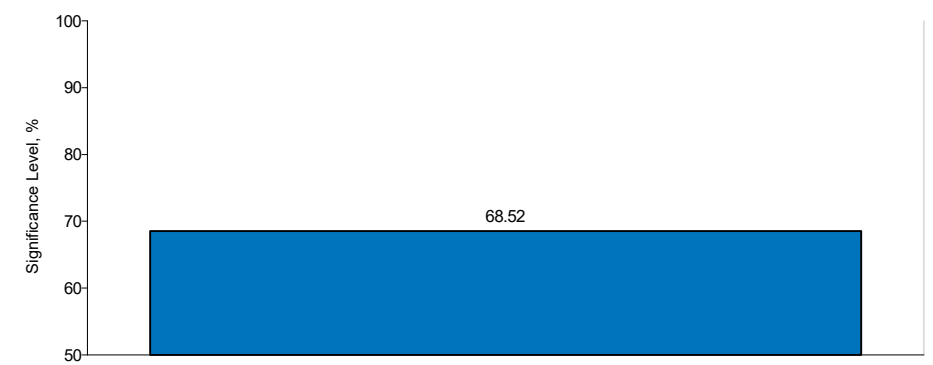
Rolling 5 Year Return Rank *20 quarter rolling windows, Apr 13 - Mar 23*



Rolling 5 Year Information Ratio Rank *20 quarter rolling windows, Apr 13 - Mar 23*



Significance Level *Apr 18 - Mar 23*





Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class. All definitions are typical category representations. Please note that all investments are subject to market and other risk factors, which could result in loss of principal. Fixed income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. The specific share classes or accounts identified above may not be available or chosen by the plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the plan. The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted. Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds. Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

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#### Notes

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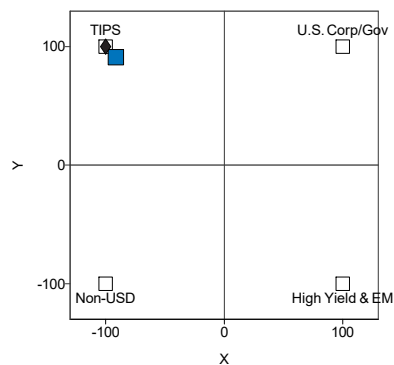
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Returns Analysis	QTR	YTD	1 Yr	3 Yr Ann.	5 Yr Ann.	10 Yr Ann.	Since Inception	Manager Tenure (Years)	Fund Inception	Net Exp. Ratio	Net Exp. Ratio Rank	Gross Exp. Ratio
MissionSquare Inflation Focused Fund Class R1	3.31	3.31	-7.10	1.15	1.99	0.49	2.43	6.92	07/01/1992	1.16	64	1.16

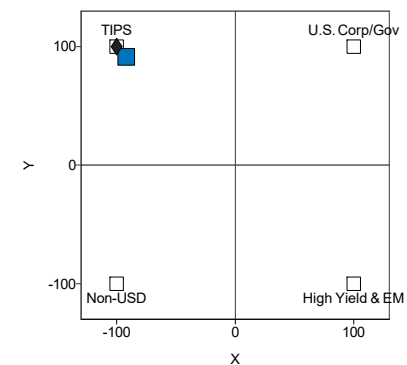
Calendar Year Returns	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
MissionSquare Inflation Focused Fund Class R1	1.85	-2.39	3.84	2.24	-2.35	7.50	10.27	5.02	-12.96	3.31
◆ BB TIPS	3.64	-1.44	4.68	3.01	-1.26	8.43	10.99	5.96	-11.85	3.34
U.S. Government TIPS Average	2.26	-2.61	4.03	2.52	-2.27	7.38	10.33	5.13	-11.93	3.22

Scorecard - Active	Ticker/ID	Style			Risk/Return			Peer Group		Qual. (2pt. max)	Score			
		Style	Style Drift	R <sup>2</sup>	Risk/Return	Up/Down	Info Ratio	Return Rank	Info Ratio Rank		03/31 2023	12/30 2022	09/30 2022	06/30 2022
MissionSquare Inflation Focused Fund Class R1	92210F885	1	1	1	0	0	0	0	0	2	5	5	5	5
		-91.48/91.17	1.05	99.18	6.11/1.99	94.40/106.46	-1.68	58.00	84.00		UGT	UGT	UGT	UGT

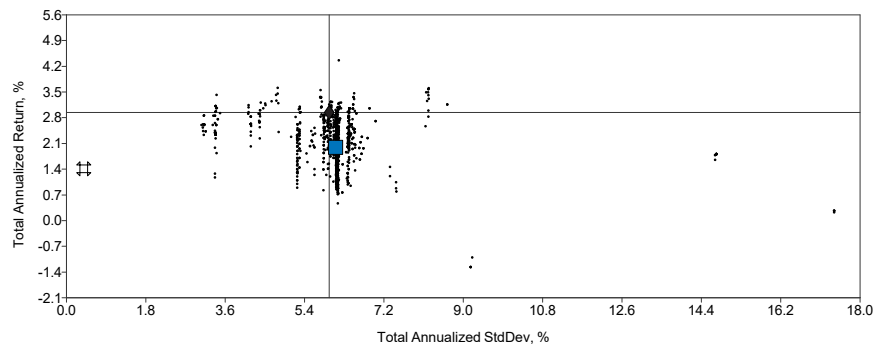
Average Style Apr 18 - Mar 23



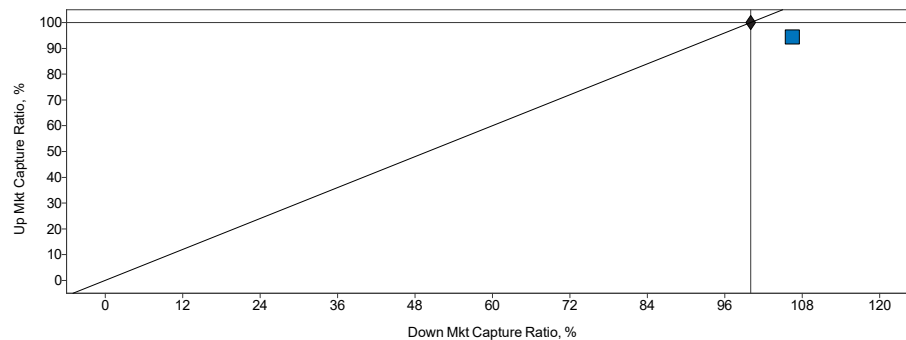
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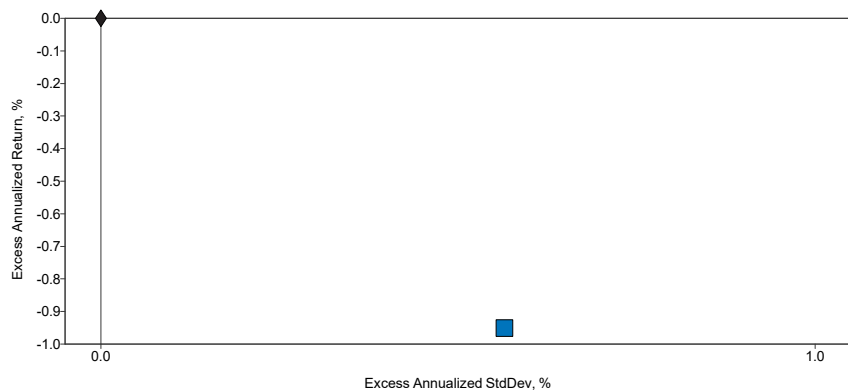
Risk / Return *Single Computation, Apr 18 - Mar 23*



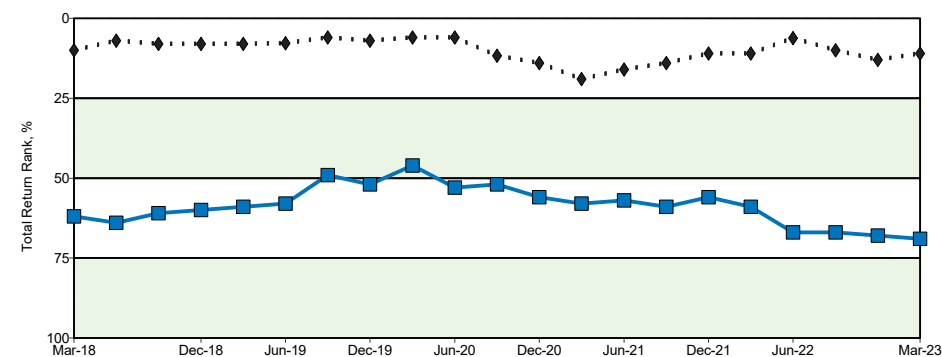
Up/Down Capture *Apr 18 - Mar 23*



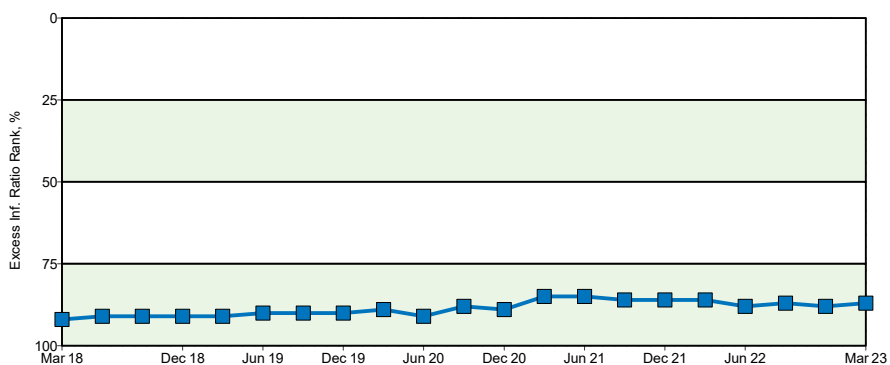
Relative Risk Return *Apr 18 - Mar 23*



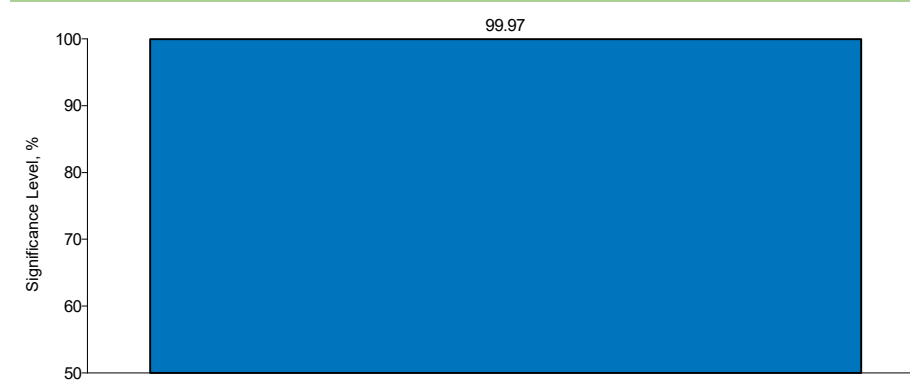
Rolling 5 Year Return Rank *20 quarter rolling windows, Apr 13 - Mar 23*



Rolling 5 Year Information Ratio Rank *20 quarter rolling windows, Apr 13 - Mar 23*



Significance Level *Apr 18 - Mar 23*



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# MissionSquare MP Conservative Growth Fund Class R1

## Category: Moderate Conservative

92210F273  
3/31/2023

### Fund Strategy

The objective is to offer reasonable current income and capital preservation, with modest potential for capital growth. The Fund invests in a combination of other MissionSquare Funds Class M and third party ETFs to seek to obtain exposure to approximately 62% fixed income/stable value investments, 34% equity investments, and 4% multi-strategy investments. These asset allocations are referred to as "neutral targets" because they may not reflect investment decisions made by MissionSquare Investments. The actual asset class allocation of the Fund may vary by as much as ten percent but the multi-strategy asset class will generally not exceed seven percent.

### Fund Information

Strategy Asset (\$ mm):	443.00	Alpha*:	-	P/E:	15.99
Share Class Assets (\$ mm):	102.49	Beta*:	-	P/B:	2.51
Manager:	Wayne Wicker	as of date 3/31/2023	SEC Yield (%):	-	
Manager Tenure:	18 Years	Turnover:	20.02		
					as of date 3/31/2023
		*Best fit index: Morningstar Lifetime Mod Incm TR USD			
		*3-year statistic: Morningstar Lifetime Mod Incm TR USD			

### Scorecard

Asset Allocation Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score Components		Score
		Risk Level	Style Diversity	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	SR Ratio Rank		Allocation	Selection	
MissionSquare MP Conservative Grow...	92210F273	1	0	1	0	0	0	0	0	2	4	-	-
		9.01	43.09/56.91	98.7	9.01/2.98	93.45/105.43	-1.51	63.00	59.00	-			

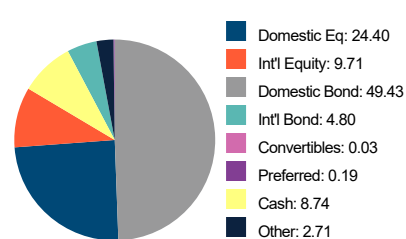
Asset Allocation Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare MP Conservative Grow...	-	-	-	-	-	-	-	-

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Risk Bucket as of 3/31/2023

Risk Bucket	Risk Range	Risk (X)
Aggressive	15.50X≤18.00	-
Moderate Aggressive	13.00X≤15.50	-
Moderate	10.25X≤13.00	-
Moderate Conservative	8.00X≤10.25	9.01
Conservative	5.00X≤8.00	-

### Asset Allocation (%) as of 3/31/2023

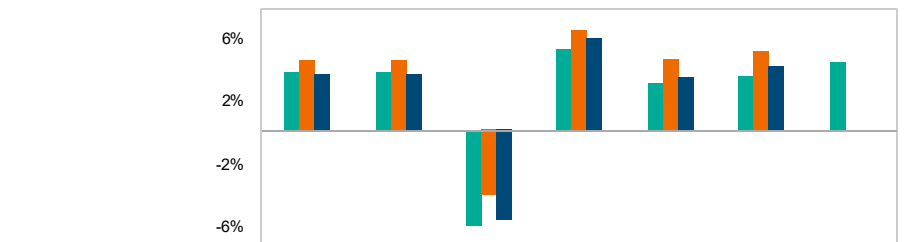


% Emerging Mkt: 5.63

### Top 10 Holdings(%) as of 3/31/2023

MissionSquare MP Conservative Growth M / ...	100.00	Prospectus Net Exp. Ratio:	1.30
-	-	Prospectus Gross Exp. Ratio:	1.30
-	-	Avg Exp Ratio Morningstar (%):	0.68
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	4/1/1999
# of Holdings	1	Share Class Inception:	4/1/1996

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Peer Group Rank*	56	56	67	70	62	78	-
Peer Group Size (funds)*	-	-	466	432	408	291	-

\*Morningstar Peer Group: Allocation~30% to 50% Equity

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare MP Traditional Growth Fund Class R1

## Category: Moderate

92210F224  
3/31/2023

### Fund Strategy

The objective is to offer moderate capital growth and reasonable current income. The Fund invests in a combination of other MissionSquare Funds Class M and third party ETFs to seek to obtain exposure to approximately 33% fixed income/stable value investments, 60% equity investments, and 7% multi-strategy investments. These asset allocations are referred to as "neutral targets" because they may not reflect investment decisions made by MissionSquare Investments. The actual asset class allocation of the Fund may vary by as much as ten percentage points, however, the multi-strategy asset class will generally not exceed seven percent.

### Fund Information

Strategy Asset (\$ mm):	1,235.00	Alpha*:	-	P/E:	16.88
Share Class Assets (\$ mm):	313.40	Beta*:	-	P/B:	2.73
Manager:	Wayne Wicker	as of date 3/31/2023	SEC Yield (%):	-	
Manager Tenure:	18 Years	Turnover:		14.96	
					as of date 3/31/2023
		*Best fit index: Morningstar US Mod Agg Tgt Alloc NR USD			
		*3-year statistic: Morningstar US Mod Agg Tgt Alloc NR USD			

### Scorecard

Asset Allocation Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score Components		Score
		Risk Level	Style Diversity	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	SR Ratio Rank		Allocation	Selection	
MissionSquare MP Traditional Growth..	92210F224	1	0	1	0	0	0	1	1	2	6	-	-
		12.55	65.17/34.83	99.39	12.55/4.98	96.32/103.20	-1.27	25.00	29.00	-			

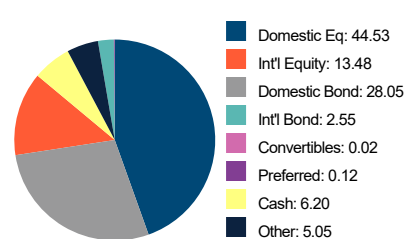
Asset Allocation Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare MP Traditional Growth..	-	-	-	-	-	-	-	-

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Risk Bucket as of 3/31/2023

Risk Bucket	Risk Range	Risk (X)
Aggressive	15.50X≤18.00	-
Moderate Aggressive	13.00X≤15.50	-
Moderate	10.25X≤13.00	12.55
Moderate Conservative	8.00X≤10.25	-
Conservative	5.00X≤8.00	-

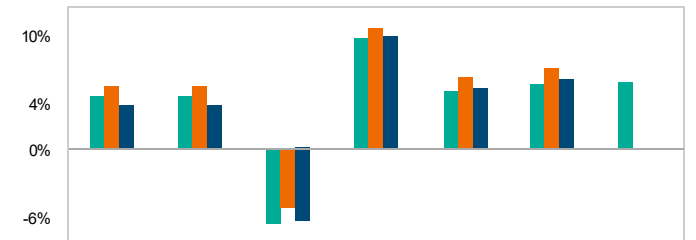
### Asset Allocation (%) as of 3/31/2023



### Top 10 Holdings(%) as of 3/31/2023

MissionSquare MP Traditional Growth M / ...	100.00	Prospectus Net Exp. Ratio:	1.31
-	-	Prospectus Gross Exp. Ratio:	1.31
-	-	Avg Exp Ratio Morningstar (%):	0.82
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	4/1/1999
# of Holdings	1	Share Class Inception:	4/1/1996

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare MP Traditional Growth Fund Class R1	4.59%	4.59%	-6.70%	9.69%	4.98%	5.57%	5.79%
StyleBenchmark	5.41%	5.41%	-5.28%	10.54%	6.22%	7.00%	-
Peer Group*	3.78%	3.78%	-6.50%	9.83%	5.22%	6.08%	-

Peer Group Rank*	42	42	59	53	52	68	-
Peer Group Size (funds)*	-	-	743	678	651	480	-

\*Morningstar Peer Group: Allocation~50% to 70% Equity

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare 500 Stock Index Fund Class R1

## Category: Large Cap Blend

92210J812  
3/31/2023

### Fund Strategy

This Fund seeks to offer long-term capital growth by approximating the performance of the S&P 500® Index. This Fund follows an indexing investment approach designed to track the performance of the S&P 500® Index. Under normal circumstances, it invests at least 90% of its net assets in stocks included in the Index. The stocks are weighted to seek to track the investment characteristics and performance of the Index.

### Fund Information

Strategy Asset (\$ mm): 1,507.00  
Share Class Assets (\$ mm): 307.63  
Manager: David France  
Manager Tenure: 2 Years

### Portfolio Statistics

Alpha\*: - P/E: 20.62  
Beta\*: - P/B: 3.78  
as of date 3/31/2023 SEC Yield (%): -  
Turnover: 4.41  
as of date 3/31/2023  
\*Best fit index: S&P 500 TR USD  
\*3-year statistic: S&P 500 TR USD

### Scorecard

Passive Strategies	Ticker	Style				Peer Group				Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Tracking Error	T E Rank	Expense Rank	Return Rank	SR Ratio Rank		
MissionSquare 500 Stock Index Fund...	92210J812	1	1	1	1	1	0	1	1	2	9
		0.73/ 99.28	1.19	99. 68	1.14	62.00	76.00	68.00	63.00	-	LCB-P

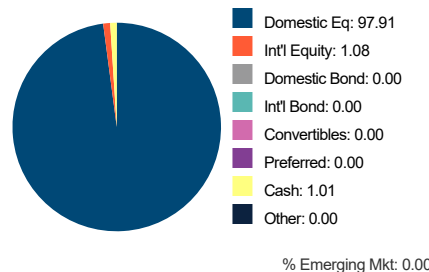
Passive Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare 500 Stock Index Fund...	9	9	9	10	10	10	10	10
	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Sector Allocation as of 3/31/2023

Basic Materials: 2.38  
Real Estate: 2.65  
Utilities: 2.87  
Energy: 4.61  
Cons Defensive: 7.20  
Comm: 8.11  
Industrials: 8.41  
Cons Cyclical: 10.41  
Financial Services: 12.44  
Healthcare: 14.26  
Technology: 26.66

### Asset Allocation (%) as of 3/31/2023



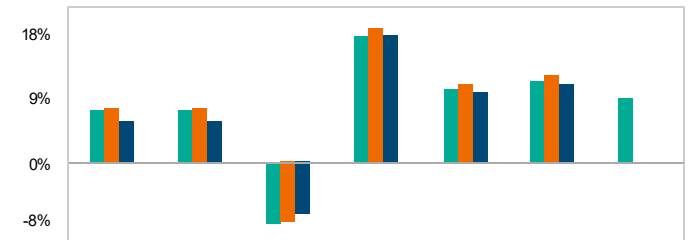
### Top 10 Holdings(%) as of 3/31/2023

MissionSquare 500 Stock Index M /... 100.00  
-  
-  
-  
-  
-  
-  
-  
-  
-  
-  
% in Top 10 Holdings 100.00  
# of Holdings 1

### Additional Information

Prospectus Net Exp. Ratio: 0.95  
Prospectus Gross Exp. Ratio: 0.95  
Avg Exp Ratio Morningstar (%): 0.78  
-  
12b-1 fees (%): -  
Closed - New Inv: -  
Closed - All Inv: -  
Min Investment: \$0  
Waiver Amt: -  
Waiver Exp Date: -  
Strategy Inception: 4/1/1999  
Share Class Inception: 6/2/1997

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare 500 Stock Index Fund Class R1	7.24%	7.24%	-8.64%	17.53%	10.16%	11.19%	8.85%
Russell 1000 Index	7.46%	7.46%	-8.39%	18.55%	10.87%	12.01%	
Peer Group*	5.67%	5.67%	-7.36%	17.68%	9.68%	10.85%	
Peer Group Rank*	35	35	73	64	50	52	-
Peer Group Size (funds)*	-	-	1,367	1,233	1,123	829	-

\*Morningstar Peer Group: Large Blend

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Broad Market Index Fund Class R1

## Category: Large Cap Blend

92210J721  
3/31/2023

### Fund Strategy

This Fund seeks to offer long-term capital growth by approximating the performance of the Russell 3000® Index. This Fund seeks to track the investment and performance characteristics of the Russell 3000® Index. Holdings are selected using a sampling technique. This means the Fund holds less stocks than are contained in the Index. The stocks are then weighted to seek the investment characteristics and performance of the Index. Under normal circumstances, at least 90% of this Fund's net assets are invested in stocks included in the Index.

### Fund Information

Strategy Asset (\$ mm):	1,130.00	Alpha*:	-	P/E:	19.45
Share Class Assets (\$ mm):	224.07	Beta*:	-	P/B:	3.45
Manager:	David France	as of date 3/31/2023	SEC Yield (%):	-	
Manager Tenure:	2 Years	Turnover:	6.88		
		as of date 3/31/2023			
		*Best fit index: Russell 3000 TR USD			
		*3-year statistic: Russell 3000 TR USD			

### Scorecard

Passive Strategies	Ticker	Style				Peer Group				Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Tracking Error	T E Rank	Expense Rank	Return Rank	SR Ratio Rank		
MissionSquare Broad Market Index Fun...	92210J721	1	1	1	1	1	0	1	1	2	9
		1.04/87.08	1.74	99.88	0.68	8.00	75.00	71.00	74.00	-	LCB-P

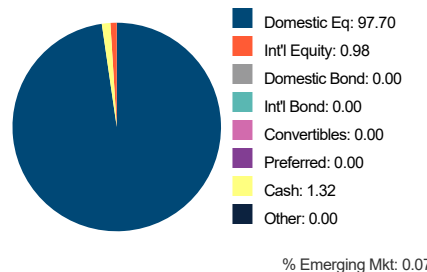
Passive Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Broad Market Index Fun...	9	7	8	8	8	8	9	8
	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P	LCB-P

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Sector Allocation as of 3/31/2023

Basic Materials:	2.63
Utilities:	2.76
Real Estate:	3.30
Energy:	4.68
Cons Defensive:	6.60
Comm:	7.57
Industrials:	9.38
Cons Cyclical:	10.59
Financial Services:	12.66
Healthcare:	14.11
Technology:	25.72

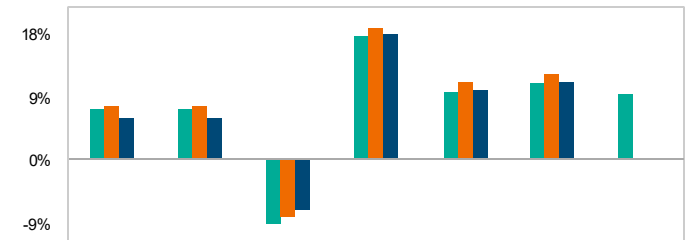
### Asset Allocation (%) as of 3/31/2023



### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Broad Market Index M / ...	100.00	Prospectus Net Exp. Ratio:	0.94
-	-	Prospectus Gross Exp. Ratio:	0.94
-	-	Avg Exp Ratio Morningstar (%):	0.78
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	4/1/1999
# of Holdings	1	Share Class Inception:	10/1/1994

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Broad Market Index Fund Class R1	6.98%	6.98%	-9.33%	17.44%	9.49%	10.76%	9.10%
Russell 1000 Index	7.46%	7.46%	-8.39%	18.55%	10.87%	12.01%	
Peer Group*	5.67%	5.67%	-7.36%	17.68%	9.68%	10.85%	
Peer Group Rank*	41	41	84	66	63	62	-
Peer Group Size (funds)*	-	-	1,367	1,233	1,123	829	-

\*Morningstar Peer Group: Large Blend

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Contact (800) 959-0071 for most recent month end performance.



# MissionSquare Growth Fund Class R1

## Category: Large Cap Growth

92210J689  
3/31/2023

### Fund Strategy

This Fund seeks to offer long-term capital growth. Under normal circumstances, this Fund primarily seeks exposure to U.S. common stocks that have above-average growth potential. It generally focuses on well-established large and medium sized companies based on their market capitalization. This Fund may use equity securities or pooled investment vehicles to gain the desired exposure. This Fund may also invest in other equity securities, fixed income securities, cash and cash equivalents, and derivative instruments. This Fund uses multiple managers. Each manager independently selects and maintains a portfolio for this Fund.

### Fund Information

Strategy Asset (\$ mm): 1,420.00  
Share Class Assets (\$ mm): 341.75  
Manager: William A. Muggia  
Manager Tenure: 18 Years

### Portfolio Statistics

Alpha\*: - P/E: 26.93  
Beta\*: - P/B: 7.17  
as of date 3/31/2023 SEC Yield (%): -  
Turnover: 73.89  
as of date 3/31/2023  
\*Best fit index: Morningstar US LM Brd Growth TR USD  
\*3-year statistic: Morningstar US LM Brd Growth TR USD

### Scorecard

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Rank		
MissionSquare Growth Fund Clas...	92210J689	1	1	1	1	0	0	1	0	2	7
		93.12/ 86.65	4.17	99.07	20.33/ 10.06	89.36/ 99.57	-1.71	47.00	84.00	-	LCG

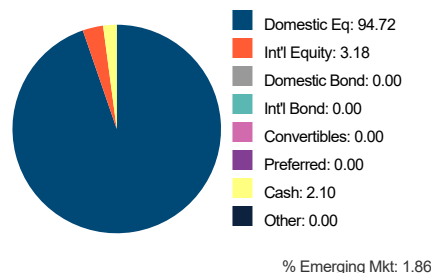
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Growth Fund Clas...	7	7	7	7	7	7	7	7
	LCG	LCG	LCG	LCG	LCG	LCG	LCG	LCG

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Sector Allocation as of 3/31/2023

Utilities: 0.00  
Real Estate: 0.16  
Basic Materials: 1.40  
Energy: 1.60  
Cons Defensive: 3.80  
Industrials: 7.28  
Comm: 7.43  
Financial Services: 8.84  
Healthcare: 13.19  
Cons Cyclical: 16.20  
Technology: 40.10

### Asset Allocation (%) as of 3/31/2023



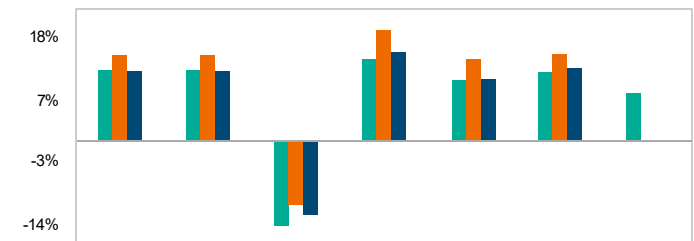
### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Growth M / US92211E7884 100.00  
-  
-  
-  
-  
-  
-  
-  
-  
-  
-  
% in Top 10 Holdings 100.00  
# of Holdings 1

### Additional Information

Prospectus Net Exp. Ratio: 1.32  
Prospectus Gross Exp. Ratio: 1.32  
Avg Exp Ratio Morningstar (%): 0.95  
-  
12b-1 fees (%): -  
Closed - New Inv: -  
Closed - All Inv: -  
Min Investment: \$0  
Waiver Amt: -  
Waiver Exp Date: -  
Strategy Inception: 4/4/1983  
Share Class Inception: 4/4/1983

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Growth Fund Class R1	11.79%	11.79%	-14.51%	13.64%	10.06%	11.50%	7.93%
Russell 1000 Growth Index	14.37%	14.37%	-10.90%	18.58%	13.66%	14.59%	
Peer Group*	11.65%	11.65%	-12.67%	14.80%	10.21%	12.07%	

	Peer Group Rank*	Peer Group Size (funds)*
Peer Group Rank*	52	52
Peer Group Size (funds)*	-	-

\*Morningstar Peer Group: Large Growth

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Select Value Fund Class R1

## Category: Mid Cap Value

92210J630  
3/31/2023

**Fund Strategy**  
Long-term growth from dividend income and capital appreciation. Under normal circumstances, this Fund primarily seeks exposure to U.S. common stocks that are undervalued. It also seeks growth potential through reinvestment of dividends. It generally focuses on medium sized companies based on their market capitalization. This Fund may use equity securities or pooled investment vehicles to gain the desired exposure. This Fund may also invest in other equity securities, fixed income securities, cash and cash equivalents, and derivative instruments. This Fund uses multiple managers. Each manager independently selects and maintains a portfolio for this Fund.

Fund Information		Portfolio Statistics	
Strategy Asset (\$ mm):	57.00	Alpha*:	- P/E: 16.90
Share Class Assets (\$ mm):	14.02	Beta*:	- P/B: 2.28
Manager:	James M. Tringas	as of date 3/31/2023	SEC Yield (%): -
Manager Tenure:	7 Years	Turnover:	34.90
		as of date 3/31/2023	
		*Best fit index: Russell Mid Cap Value TR USD	
		*3-year statistic: Russell Mid Cap Value TR USD	

**Scorecard**

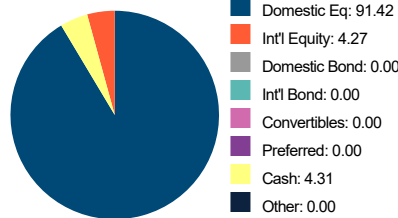
Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		
MissionSquare Select Value Fun...	92210J630	1	1	1	1	1	1	1	1	2	10
		-94.83/15.75	9.37	98.12	20.42/7.56	95.22/92.03	0.33	29.00	22.00	-	MCV

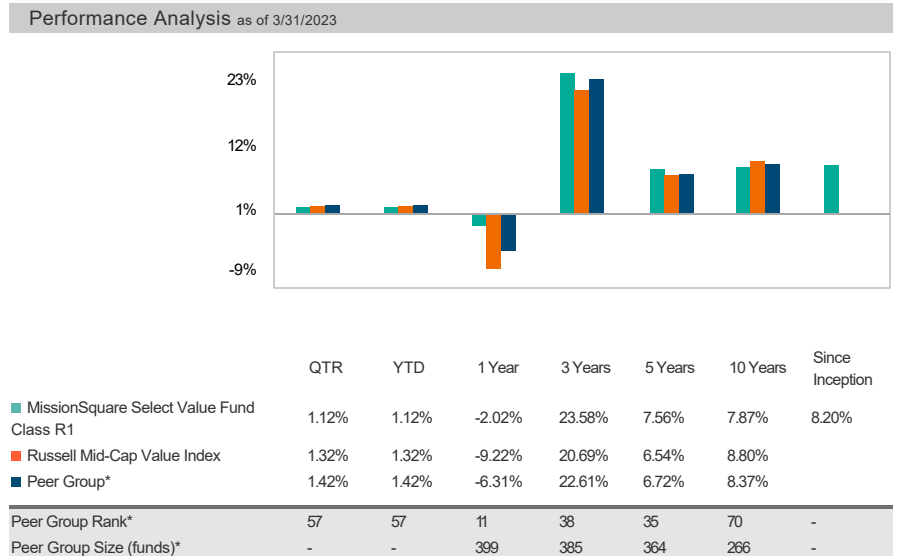
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Select Value Fun...	10	10	10	8	6	6	6	6
	MCV	MCV	MCV	MCV	MCV	MCV	MCV	MCV

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

Sector Allocation as of 3/31/2023		Asset Allocation (%) as of 3/31/2023	
Comm:	0.90	Domestic Eq:	91.42
Energy:	4.38	Int'l Equity:	4.27
Cons Defensive:	5.04	Domestic Bond:	0.00
Basic Materials:	5.11	Int'l Bond:	0.00
Utilities:	5.15	Convertibles:	0.00
Real Estate:	8.74	Preferred:	0.00
Healthcare:	8.78	Cash:	4.31
Technology:	11.38	Other:	0.00
Financial Services:	14.20		
Cons Cyclical:	14.44		
Industrials:	21.88	% Emerging Mkt:	1.66



Top 10 Holdings(%) as of 3/31/2023		Additional Information	
MissionSquare Select Value M / US92211E7702	100.00	Prospectus Net Exp. Ratio:	1.35
-	-	Prospectus Gross Exp. Ratio:	1.35
-	-	Avg Exp Ratio Morningstar (%):	0.98
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	10/30/2007
# of Holdings	1	Share Class Inception:	4/15/2008



\*Morningstar Peer Group: Mid-Cap Value

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Mid/Small Company Index Fund R1

## Category: SMid Cap Blend

92210J572  
3/31/2023

### Fund Strategy

This Fund seeks to offer long-term capital growth by approximating the performance of the Russell 2500™ Index. This Fund follows an indexing investment approach designed to track the performance of the Russell 2500™ Index. Under normal circumstances, it invests at least 90% of its net assets in stocks included in the Index. The stocks are weighted to seek to track the investment characteristics and performance of the Index.

### Fund Information

Strategy Asset (\$ mm):	457.00	Alpha*:	-	P/E:	12.98
Share Class Assets (\$ mm):	96.13	Beta*:	-	P/B:	2.11
Manager:	David France	as of date 3/31/2023	SEC Yield (%):	-	
Manager Tenure:	2 Years	Turnover:	17.52		
		*Best fit index: Morningstar US Sml Ext TR USD			
		*3-year statistic: Morningstar US Sml Ext TR USD			

### Scorecard

Passive Strategies	Ticker	Style				Peer Group				Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Tracking Error	T E Rank	Expense Rank	Return Rank	SR Ratio Rank		
MissionSquare Mid/Small Compa...	92210J572	1	1	1	1	1	0	1	1	1	8
		-22.45/ -56.81	10.10	100.00	0.09	9.00	100.00	35.00	30.00	E	SMCB -P

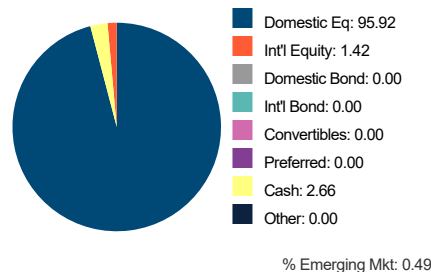
Passive Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Mid/Small Compa...	8	8	8	8	6	6	6	6
	SMCB-P	SMCB-P	SMCB-P	SMCB-P	SMCB-P	SMCB-P	SMCB-P	SMCB-P

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Sector Allocation as of 3/31/2023

Comm:	2.75
Utilities:	2.92
Cons Defensive:	3.81
Basic Materials:	4.44
Energy:	4.81
Real Estate:	8.41
Healthcare:	12.51
Cons Cyclical:	12.93
Financial Services:	13.50
Technology:	15.64
Industrials:	18.27

### Asset Allocation (%) as of 3/31/2023

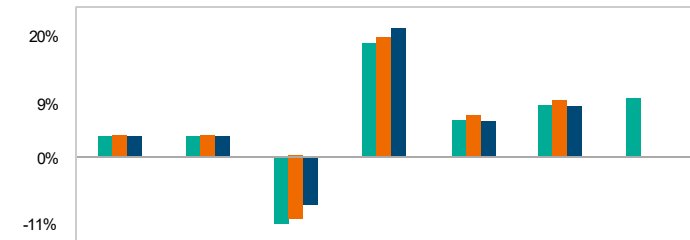


### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Mid/Small Co Index M /...	100.00	Prospectus Net Exp. Ratio:	0.95
-	-	Prospectus Gross Exp. Ratio:	0.95
-	-	Avg Exp Ratio Morningstar (%):	0.98
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	4/1/1999
# of Holdings	1	Share Class Inception:	6/2/1997

### Additional Information

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Mid/Small Company Index Fund R1	3.17%	3.17%	-11.11%	18.43%	5.76%	8.23%	9.42%
Russell 2500 Index	3.39%	3.39%	-10.39%	19.42%	6.65%	9.07%	
Peer Group*	3.20%	3.20%	-7.94%	20.92%	5.68%	8.17%	
Peer Group Rank*	46	46	81	77	54	51	-
Peer Group Size (funds)*	-	-	614	589	543	372	-

\*Morningstar Peer Group: Small Blend

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# MissionSquare International Fund Class R1

## Category: International Large Cap Blend

92210J390  
3/31/2023

### Fund Strategy

Long-term capital growth and diversification by country. Under normal circumstances, this Fund invests at least 80% of its net assets in non-U.S. equity securities, including emerging market equity securities. This Fund primarily seeks exposure to common stocks of companies located outside of the United States. It seeks to invest in companies that are undervalued or that have above-average growth potential. The Fund may also invest in U.S. equity securities, fixed income securities, cash and cash equivalents, and derivative instruments. This Fund uses multiple managers. Each manager independently selects and maintains a portfolio for this Fund.

### Fund Information

Strategy Asset (\$ mm): 299.00  
Share Class Assets (\$ mm): 66.30  
Manager: Jane E. Henderson  
Manager Tenure: 14 Years

### Portfolio Statistics

Alpha\*: - P/E: 11.19  
Beta\*: - P/B: 1.70  
as of date 3/31/2023 SEC Yield (%): -  
Turnover: 72.83  
as of date 3/31/2023  
\*Best fit index: Morningstar Gbl xUS TME NR USD  
\*3-year statistic: Morningstar Gbl xUS TME NR USD

### Scorecard

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		
MissionSquare International Fun...	92210J390	1	1	1	0	0	0	1	1	2	7
		-0.86/ 57.35	20.65	97. 31	18.66/ 2.99	105.56/ 107.07	-0.17	36.00	35.00	-	ILCB

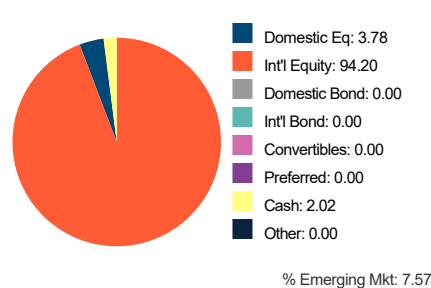
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare International Fun...	7	7	8	9	7	10	7	7
	ILCB	ILCB	ILCB	ILCB	ILCB	ILCB	ILCB	ILCB

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Country Exposure (%) as of 3/31/2023

US: 3.85  
Canada: 4.39  
Latin America: 2.03  
United Kingdom: 11.37  
EuroZone: 34.78  
Europe ex-EuroZone: 16.63  
Europe Emerging: 0.00  
Africa: 0.03  
Middle East: 1.43  
Japan: 10.50  
Australasia: 5.50  
Asia Developed: 3.98  
Asia Emerging: 5.51

### Asset Allocation (%) as of 3/31/2023



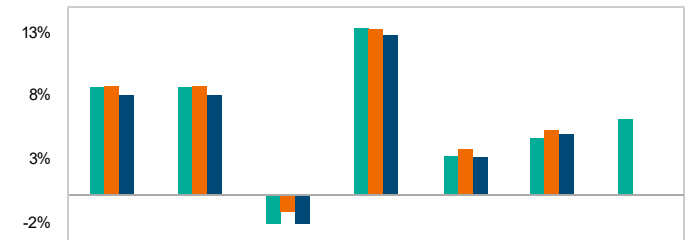
### Top 10 Holdings (%) as of 3/31/2023

MissionSquare International M / US92211E7470 100.00  
-  
-  
-  
-  
-  
-  
-  
-  
-  
-  
% in Top 10 Holdings 100.00  
# of Holdings 1

### Additional Information

Prospectus Net Exp. Ratio: 1.51  
Prospectus Gross Exp. Ratio: 1.51  
Avg Exp Ratio Morningstar (%): 0.90  
-  
12b-1 fees (%): -  
Closed - New Inv: -  
Closed - All Inv: -  
Min Investment: \$0  
Waiver Amt: -  
Waiver Exp Date: -  
Strategy Inception: 10/3/1994  
Share Class Inception: 10/3/1994

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare International Fund Class R1	8.45%	8.45%	-2.33%	13.07%	2.99%	4.36%	5.87%
MSCI EAFE ND USD	8.47%	8.47%	-1.38%	12.99%	3.52%	5.00%	-
Peer Group*	7.79%	7.79%	-2.32%	12.54%	2.86%	4.67%	-

	33	33	50	43	48	67	-
Peer Group Rank*	33	33	50	43	48	67	-
Peer Group Size (funds)*	-	-	744	692	623	418	-

\*Morningstar Peer Group: Foreign Large Blend

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Overseas Equity Index Fund Class R1

## Category: International Large Cap Blend

92210J432  
3/31/2023

### Fund Strategy

This Fund seeks to offer long-term capital growth and diversification by approximating the performance of the MSCI Europe Australasia Far East (EAFE) Index (Net). This Fund follows an indexing investment approach designed to track the performance of the MSCI Europe Australasia Far East (EAFE) Index (Net). Under normal circumstances, it invests at least 90% of its net assets in stocks included in the Index. The stocks are weighted to seek to track the investment characteristics and performance of the Index.

### Fund Information

Strategy Asset (\$ mm):	511.00	Alpha*:	-	P/E:	13.64
Share Class Assets (\$ mm):	102.93	Beta*:	-	P/B:	1.68
Manager:	David France	as of date 3/31/2023		SEC Yield (%):	-
Manager Tenure:	2 Years	*Best fit index: Morningstar DM Eur TME NR USD		Turnover:	19.46
		*3-year statistic: Morningstar DM Eur TME NR USD			

### Scorecard

Passive Strategies	Ticker	Style				Peer Group				Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Tracking Error	T E Rank	Expense Rank	Return Rank	SR Ratio Rank		
MissionSquare Overseas Equity...	92210J432	1	1	1	1	1	0	1	1	2	9
		5.08/ 95.54	6.47	98. 13	2.62	60.00	84.00	70.00	69.00	-	ILCB-P

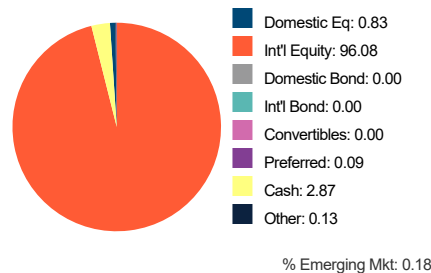
Passive Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Overseas Equity...	9	9	9	9	10	9	9	10
	ILCB-P	ILCB-P	ILCB-P	ILCB-P	ILCB-P	ILCB-P	ILCB-P	ILCB-P

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Country Exposure(%) as of 3/31/2023

US:	0.86
Canada:	0.00
Latin America:	0.10
United Kingdom:	14.28
EuroZone:	32.97
Europe ex-EuroZone:	17.53
Europe Emerging:	0.00
Africa:	0.00
Middle East:	0.63
Japan:	21.67
Australasia:	7.62
Asia Developed:	4.26
Asia Emerging:	0.07

### Asset Allocation (%) as of 3/31/2023

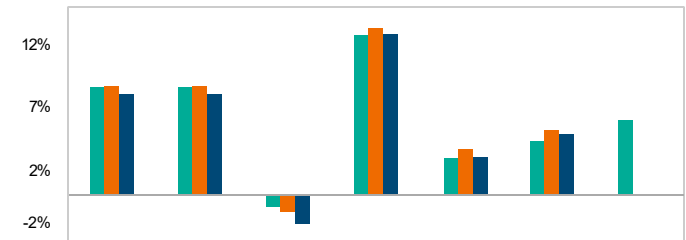


### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Overseas Equity Index M / ...	100.00	Prospectus Net Exp. Ratio:	1.02
-	-	Prospectus Gross Exp. Ratio:	1.02
-	-	Avg Exp Ratio Morningstar (%):	0.90
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	4/1/1999
# of Holdings	1	Share Class Inception:	6/2/1997

### Additional Information

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Overseas Equity Index Fund Class R1	8.35%	8.35%	-1.01%	12.43%	2.77%	4.16%	5.78%
MSCI EAFE ND USD	8.47%	8.47%	-1.38%	12.99%	3.52%	5.00%	
Peer Group*	7.79%	7.79%	-2.32%	12.54%	2.86%	4.67%	
Peer Group Rank*	36	36	34	59	53	73	-
Peer Group Size (funds)*	-	-	744	692	623	418	-

\*Morningstar Peer Group: Foreign Large Blend

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Emerging Markets Fund Class R1

## Category: Emerging Market Equity

92210J283  
3/31/2023

### Fund Strategy

Long-term capital growth. Under normal circumstances, this Fund seeks to invest at least 80% of its net assets in emerging market equity securities that offer the opportunity for capital appreciation. It primarily invests in equity securities of companies located in emerging market countries, but may also invest in emerging market securities issued by companies located in developed market countries. The Fund may also invest in other equity securities, fixed income securities, cash and cash equivalents, and derivative instruments. This Fund uses multiple managers. Each manager independently selects and maintains a portfolio for this Fund.

### Fund Information

Strategy Asset (\$ mm): 91.00  
Share Class Assets (\$ mm): 21.51  
Manager: Ian J. Beattie  
Manager Tenure: 5 Years

### Portfolio Statistics

Alpha\*: - P/E: 14.52  
Beta\*: - P/B: 2.17  
as of date 3/31/2023 SEC Yield (%): -  
Turnover: 64.09  
as of date 3/31/2023  
\*Best fit index: MSCI EM NR USD  
\*3-year statistic: MSCI EM NR USD

### Scorecard

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		
MissionSquare Emerging Market...	92210J283	1	1	1	0	0	0	1	1	2	7
		-7.69/ -89.11	12.14	96.51	19.13/ -1.16	97.03/ 98.66	-0.07	45.00	45.00	-	EME

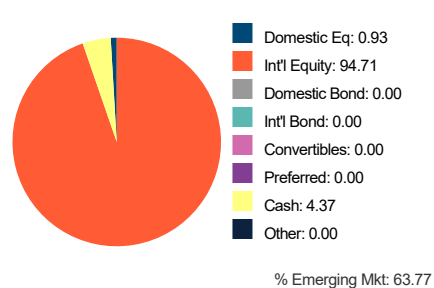
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Emerging Market...	7	6	-	-	-	-	-	-
	EME	EME	-	-	-	-	-	-

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Country Exposure(%) as of 3/31/2023

US: 0.97  
Canada: 0.00  
Latin America: 8.99  
United Kingdom: 1.50  
EuroZone: 1.08  
Europe ex-EuroZone: 0.00  
Europe Emerging: 0.41  
Africa: 2.61  
Middle East: 0.28  
Japan: 0.00  
Australasia: 0.00  
Asia Developed: 32.41  
Asia Emerging: 51.76

### Asset Allocation (%) as of 3/31/2023



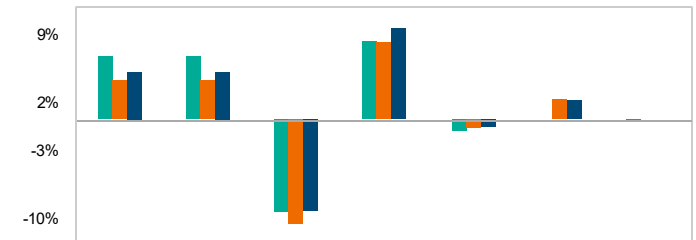
### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Emerging Markets M / ... 100.00  
-  
-  
-  
-  
-  
-  
-  
-  
-  
-  
% in Top 10 Holdings 100.00  
# of Holdings 1

### Additional Information

Prospectus Net Exp. Ratio: 1.65  
Prospectus Gross Exp. Ratio: 1.65  
Avg Exp Ratio Morningstar (%): 1.16  
-  
12b-1 fees (%): -  
Closed - New Inv: -  
Closed - All Inv: -  
Min Investment: \$0  
Waiver Amt: -  
Waiver Exp Date: -  
Strategy Inception: 12/11/2017  
Share Class Inception: 12/12/2017

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Emerging Markets Fund Class R1	6.41%	6.41%	-9.45%	7.98%	-1.16%	-	-0.08%
MSCI EM (Emerging Markets) ND USD	3.96%	3.96%	-10.70%	7.83%	-0.91%	2.00%	-
Peer Group*	4.83%	4.83%	-9.39%	9.29%	-0.80%	1.93%	-

	19	19	50	57	58	-	-
Peer Group Rank*	19	19	50	57	58	-	-
Peer Group Size (funds)*	-	-	833	744	654	394	-

\*Morningstar Peer Group: Diversified Emerging Mkts

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# MissionSquare MP Global Equity Grwth Fund Class R1

## Category: Global Equity

92210J606  
3/31/2023

### Fund Strategy

The objective is to offer high long-term capital growth. The Fund invests, under normal circumstances, 100% of its net assets in equity funds by investing in a combination of other MissionSquare Funds Class M and third party ETFs whose assets are invested, under normal circumstances, at least 80% in equity securities (common and preferred stock) or instruments that provide equity exposure.

### Fund Information

Strategy Asset (\$ mm):	801.00	Alpha*:	- P/E:	16.19
Share Class Assets (\$ mm):	176.33	Beta*:	- P/B:	2.56
Manager:	Wayne Wicker	as of date 3/31/2023	SEC Yield (%):	-
Manager Tenure:	18 Years	Turnover:	24.38	as of date 3/31/2023
		*Best fit index: MSCI ACWI NR USD		
		*3-year statistic: MSCI ACWI NR USD		

### Scorecard

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score Components			Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		Allocation	Selection	Q1 2023	
MissionSquare MP Global Equity Grwth...	92210J606	1	1	1	1	0	0	1	0	2	7	-	-	-
		-1.64/60.66	12.26	99.53	17.75/5.89	97.47/101.51	-0.86	43.00	79.00	-				

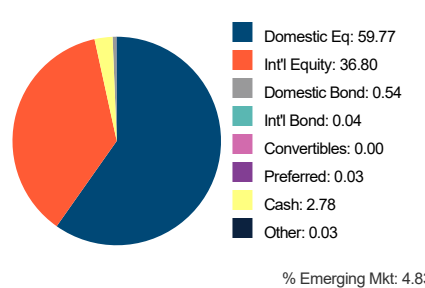
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare MP Global Equity Grwth...	-	-	-	-	-	-	-	-

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Country Exposure(%) as of 3/31/2023

US:	61.89
Canada:	1.44
Latin America:	0.97
United Kingdom:	4.41
EuroZone:	11.48
Europe ex-EuroZone:	5.82
Europe Emerging:	0.02
Africa:	0.12
Middle East:	0.44
Japan:	4.64
Australasia:	2.02
Asia Developed:	3.01
Asia Emerging:	3.72

### Asset Allocation (%) as of 3/31/2023



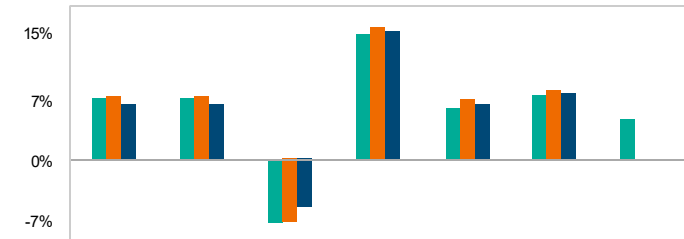
### Top 10 Holdings(%) as of 3/31/2023

MissionSquare MP Global Equity Grwth M /...	100.00
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
% in Top 10 Holdings	100.00
# of Holdings	1

### Additional Information

Prospectus Net Exp. Ratio:	1.34
Prospectus Gross Exp. Ratio:	1.34
Avg Exp Ratio Morningstar (%):	0.92
-	-
-	-
12b-1 fees (%):	-
Closed - New Inv:	-
Closed - All Inv:	-
Min Investment:	\$0
Waiver Amt:	-
Waiver Exp Date:	-
Strategy Inception:	10/2/2000
Share Class Inception:	10/2/2000

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare MP Global Equity Grwth Fund Class R1	7.06%	7.06%	-7.50%	14.55%	5.89%	7.45%	4.59%
MSCI ACWI NR	7.31%	7.31%	-7.44%	15.36%	6.93%	8.06%	
Peer Group*	6.35%	6.35%	-5.65%	14.95%	6.37%	7.67%	
Peer Group Rank*	38	38	82	58	64	64	-
Peer Group Size (funds)*	-	-	368	334	288	182	-

\*Morningstar Peer Group: Global Large-Stock Blend

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Contact (800) 959-0071 for most recent month end performance.

# MissionSquare Inflation Focused Fund Class R1

## Category: U.S. Government TIPS

92210F885  
3/31/2023

### Fund Strategy

Inflation protection and income. Under normal conditions, this Fund seeks exposure to a combination of inflation-indexed fixed income instruments, other fixed income instruments and inflation-linked derivatives. To the extent this Fund invests in fixed income instruments that are not inflation-indexed, it may use inflation-linked derivatives in connection with such investments. The Fund generally invests in investment grade fixed income securities and securities denominated in U.S. dollars. It may also invest in cash and cash equivalents, and other derivative instruments. This Fund uses multiple managers and each independently selects and maintains a portfolio.

### Fund Information

Strategy Asset (\$ mm): 522.00  
Share Class Assets (\$ mm): 112.13  
Manager: Michael S. Canter  
Manager Tenure: 7 Years

### Portfolio Statistics

Alpha\*: - P/E: 59.99  
Beta\*: - P/B: 5.13  
as of date 3/31/2023 SEC Yield (%): -  
Turnover: 263.81  
as of date 3/31/2023  
\*Best fit index: Bloomberg US Treasury US TIPS TR USD  
\*3-year statistic: Bloomberg US Treasury US TIPS TR USD

### Scorecard

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		
MissionSquare Inflation Focused...	92210F885	1	1	1	0	0	0	0	0	2	5
		-91.48/ 91.17	1.05	99.18	6.11/ 1.99	94.40/ 106.46	-1.68	58.00	84.00	-	UGT

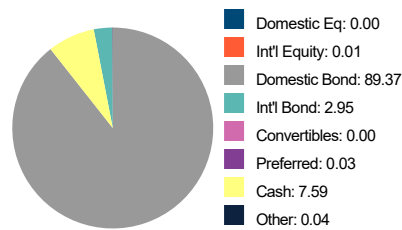
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare Inflation Focused...	5	5	5	5	5	5	5	5
	UGT	UGT	UGT	UGT	UGT	UGT	UGT	UGT

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

### Fixed Income Detail as of 3/31/2023

Average Effective Duration\*: 6.68  
Effective Maturity: 7.66

### Asset Allocation (%) as of 3/31/2023



% Emerging Mkt: 0.00

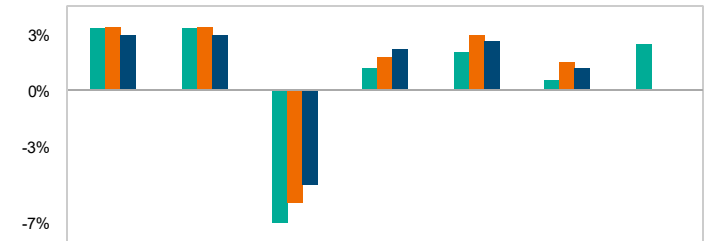
### Top 10 Holdings(%) as of 3/31/2023

MissionSquare Inflation Focused M /... 100.00  
-  
-  
-  
-  
-  
-  
-  
-  
-  
-  
% in Top 10 Holdings 100.00  
# of Holdings 1

### Additional Information

Prospectus Net Exp. Ratio: 1.16  
Prospectus Gross Exp. Ratio: 1.16  
Avg Exp Ratio Morningstar (%): 0.60  
-  
12b-1 fees (%): -  
Closed - New Inv: -  
Closed - All Inv: -  
Min Investment: \$0  
Waiver Amt: -  
Waiver Exp Date: -  
Strategy Inception: 7/1/1992  
Share Class Inception: 7/1/1992

### Performance Analysis as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare Inflation Focused Fund Class R1	3.31%	3.31%	-7.10%	1.15%	1.99%	0.49%	2.43%
BB TIPS	3.34%	3.34%	-6.06%	1.75%	2.94%	1.48%	
Peer Group*	2.91%	2.91%	-5.08%	2.16%	2.60%	1.17%	
Peer Group Rank*	46	46	86	86	88	93	-
Peer Group Size (funds)*	-	-	214	201	194	136	-

\*Morningstar Peer Group: Inflation-Protected Bond

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Contact (800) 959-0071 for most recent month end performance.



# MissionSquare PLUS Fund Class R1

## Category: Stable Value

92208J105  
3/31/2023

**Fund Strategy**

The PLUS Fund's investment objective is to seek to offer a competitive level of income consistent with providing capital preservation and meeting liquidity needs. MissionSquare Investments employs a structured and diversified multi-product, multi-manager approach in managing the PLUS Fund. The PLUS Fund invests primarily in a diversified and tiered portfolio of stable value investment contracts and in fixed income securities, fixed income mutual funds, and fixed income commingled trust funds that back certain stable value investment contracts. In addition, the PLUS Fund invests in money market mutual funds, as well as cash and cash equivalents.

Fund Information		Portfolio Statistics	
Strategy Asset (\$ mm):		Alpha*:	- P/E: -
Share Class Assets (\$ mm):	1,218.64	Beta*:	- P/B: -
Manager:	Karen Chong-Wulff		as of date 3/31/2023 SEC Yield (%): -
Manager Tenure:	16 Years		Turnover: -
			as of date 3/31/2023
		*Best fit index: Morningstar USD 1M Cash TR USD	
		*3-year statistic: Morningstar USD 1M Cash TR USD	

**Scorecard**

Active Strategies	Ticker	Style			Risk / Return			Peer Group		Qual. (2pt max)	Score
		Style	Style Drift	R <sup>2</sup>	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank		
MissionSquare PLUS Fund Class R1	92208J105	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

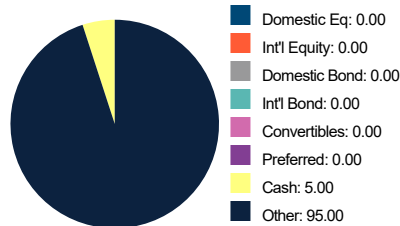
Active Strategies	Score 3/31/2023	Score 12/31/2022	Score 9/30/2022	Score 6/30/2022	Score 3/31/2022	Score 12/31/2021	Score 9/30/2021	Score 6/30/2021
MissionSquare PLUS Fund Class R1	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The Scorecard Methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies (80% of the score is quantitative and 20% is qualitative). The scoring system is built around pass/fail criteria, on a scale of 0-10 (with 10 being the best) and there is a fund history requirement (5 years for active strategies and 3 years for passive strategies). For Active and Asset Allocation Strategies, the Scorecard factors are weighted 30% to style, 30% to risk/return, 20% to peer group rankings and 20% to qualitative factors.

**Fixed Income Detail** as of 3/31/2023

Average Effective Duration*:	3.05
Effective Maturity:	5.06

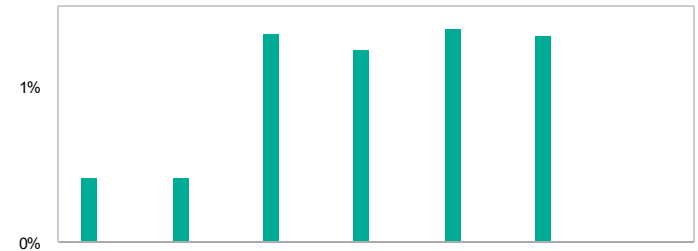
**Asset Allocation (%)** as of 3/31/2023



% Emerging Mkt: 0.00

Top 10 Holdings(%) as of 3/31/2023		Additional Information	
MissionSquare PLUS Fund M / US92211E5805	100.00	Prospectus Net Exp. Ratio:	1.32
-	-	Prospectus Gross Exp. Ratio:	1.32
-	-	Avg Exp Ratio Morningstar (%):	-
-	-	12b-1 fees (%):	-
-	-	Closed - New Inv:	-
-	-	Closed - All Inv:	-
-	-	Min Investment:	\$0
-	-	Waiver Amt:	-
-	-	Waiver Exp Date:	-
% in Top 10 Holdings	100.00	Strategy Inception:	1/2/1991
# of Holdings	1	Share Class Inception:	1/2/1991

**Performance Analysis** as of 3/31/2023



	QTR	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
MissionSquare PLUS Fund Class R1	0.41%	0.41%	1.33%	1.23%	1.36%	1.32%	
Peer Group*							
Peer Group Rank*	-	-	-	-	-	-	-
Peer Group Size (funds)*	-	-	-	-	-	-	-

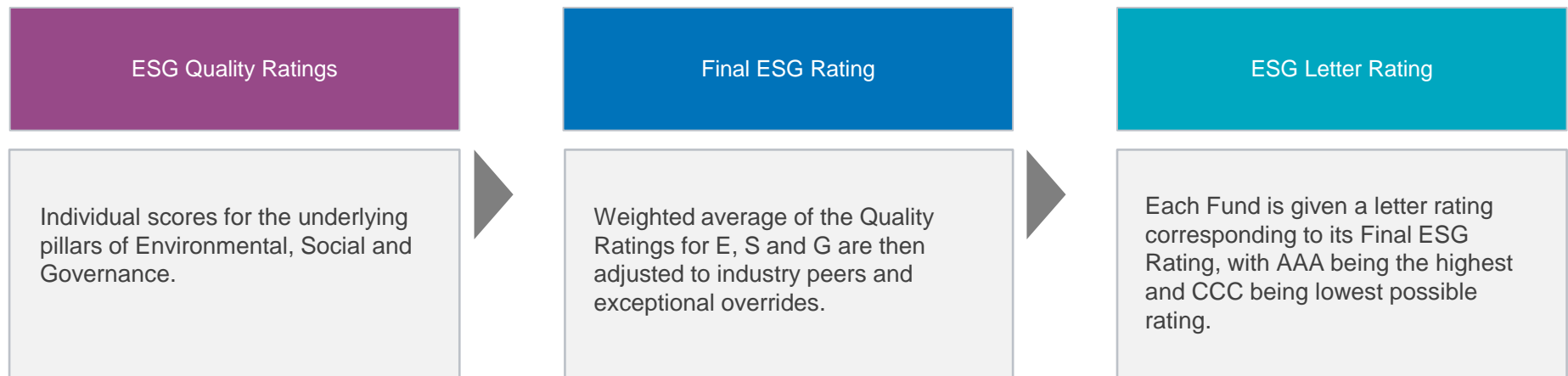
\*Morningstar Peer Group: Stable Value

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Contact (800) 959-0071 for most recent month end performance.

# ESG Rating Methodology

ESG Ratings are designed to measure the Environmental, Social and Governance (ESG) characteristics of a fund's underlying holdings, making it possible to screen investments using a AAA to CCC ratings scale. ESG Ratings are available for over 8,500 companies (approximately 14,000 total issuers including subsidiaries) and more than 680,000 equity and fixed income securities globally, with ESG Ratings and metrics for approximately 53,000 multi-asset class investments globally.



# ESG Rating Methodology

Fund ESG Quality Rating	Fund ESG Rating	What it means	
8.6 - 10.0	AAA	Leader	The companies that the fund invests in show strong and/or improving management of financially relevant environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events.
7.1 – 8.6	AA		
5.7 – 7.1	A	Average	The fund invests in companies that show average management of ESG issues, or in a mix of companies with both above-average and below-average ESG risk management.
4.3 – 5.7	BBB		
2.9 – 4.3	BB		
1.4 – 2.9	B	Laggard	The fund is exposed to companies that do not demonstrate adequate management of the ESG risks that they face or show worsening management of these issues. These companies may be more vulnerable to disruptions arising from ESG events.
0.0 – 1.4	CCC		

# ESG Rating

Fund	Asset Class	Ticker ID	ESG Pillars			ESG Rating		Score
			Env	Soc	Gov	Q1 2023		Q1 2023
MissionSquare MP Conservative Growth Fund Class R1	MC	92210F273	-	-	-	-	-	4
MissionSquare MP Traditional Growth Fund Class R1	MOD	92210F224	-	-	-	-	-	6
MSQ BlackRock Equity Dividend R5	LCV	SPUSA06COI	-	-	-	-	-	10
MSQ Contrafund R5	LCG	SPUSA06CAX	-	-	-	-	-	7
MissionSquare Growth Fund Class R1	LCG	92210J689	-	-	-	-	-	7
MSQ Victory Sycamore Established Value R5	MCV	SPUSA06CBX	-	-	-	-	-	10
MissionSquare Select Value Fund Class R1	MCV	92210J630	-	-	-	-	-	10
MissionSquare International Fund Class R1	ILCB	92210J390	-	-	-	-	-	7
MissionSquare Emerging Markets Fund Class R1	EME	92210J283	-	-	-	-	-	7
MissionSquare MP Global Equity Grwth Fund Class R1	GE	92210J606	-	-	-	-	-	7
MSQ Western Asset Core Plus Bond R5	CFI	SPUSA06CC0	-	-	-	-	-	4
MissionSquare Inflation Focused Fund Class R1	UGT	92210F885	-	-	-	-	-	5
MissionSquare PLUS Fund Class R1	SV	92208J105	-	-	-	-	-	-
MSQ Cohen & Steers Realty Shares Fund	GRE	192476109	-	-	-	-	-	-

# ESG Rating

Fund	Asset Class	Ticker ID	ESG Pillars			ESG Rating		Score
			Env	Soc	Gov	Q1 2023	Q1 2023	
MissionSquare 500 Stock Index Fund Class R1	LCB	92210J812	-	-	-	-	-	9
MissionSquare Broad Market Index Fund Class R1	LCB	92210J721	-	-	-	-	-	9
MissionSquare Mid/Small Company Index Fund R1	SMCB	92210J572	-	-	-	-	-	8
MissionSquare Overseas Equity Index Fund Class R1	ILCB	92210J432	-	-	-	-	-	9

# Disclosures

## SE= Strategy Equivalent

The CIT exclusively available to RPAG utilizes the same manager and strategy as the Scored fund equivalent, which is highlighted and shown below the CIT option. The Scored fund equivalent generally has a higher fee and is shown for CIT investment due diligence purposes only.

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ACR# 5462330 02/23

# Returns Analysis

Performance as of 3/31/2023

## Allocation (Series Funds)

Asset Allocation	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
MissionSquare MP Conservative Growth Fund Class R1	92210F273	3.65	3.65	-6.09	5.09	2.98	3.43	4.30	4/1/1996	4/1/1999	1.30	1.30
StyleBenchmark		4.39	4.39	-4.16	6.30	4.48	5.00	-	-	-	-	-
MissionSquare MP Traditional Growth Fund Class R1	92210F224	4.59	4.59	-6.70	9.69	4.98	5.57	5.79	4/1/1996	4/1/1999	1.31	1.31
StyleBenchmark		5.41	5.41	-5.28	10.54	6.22	7.00	-	-	-	-	-

# Returns Analysis

Performance as of 3/31/2023

Active	Ticker/ ID	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
MissionSquare MP Global Equity Grwth Fund Class R1	92210J606	7.06	7.06	-7.50	14.55	5.89	7.45	4.59	10/2/2000	10/2/2000	1.34	1.34
MSCI ACWI NR		7.31	7.31	-7.44	15.36	6.93	8.06	-	-	-	-	-



# Returns Analysis

Performance as of 3/31/2023

## Core Lineup

Active	Ticker/ ID	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
<b>U.S. Equity</b>												
<b>Large Cap Value</b>												
MSQ BlackRock Equity Dividend R5	SPUSA06COI	1.23	1.23	-4.62	17.11	8.11	-	9.73	-	9/30/2016	0.68	0.68
Russell 1000 Value Index		1.01	1.01	-5.91	17.93	7.50	9.13	-	-	-	-	-
<b>Large Cap Growth</b>												
MissionSquare Growth Fund Class R1	92210J689	11.79	11.79	-14.51	13.64	10.06	11.50	7.93	4/4/1983	4/4/1983	1.32	1.32
MSQ Contrafund R5	SPUSA06CAX	11.51	11.51	-11.28	15.16	10.24	12.63	13.15	-	4/5/1999	0.81	0.81
Russell 1000 Growth Index		14.37	14.37	-10.90	18.58	13.66	14.59	-	-	-	-	-
<b>Mid Cap Value</b>												
MissionSquare Select Value Fund Class R1	92210J630	1.12	1.12	-2.02	23.58	7.56	7.87	8.20	4/15/2008	10/30/2007	1.35	1.35
MSQ Victory Sycamore Established Value R5	SPUSA06CBX	1.71	1.71	-1.35	25.99	10.61	-	10.66	-	6/9/2017	0.61	0.61
Russell Mid-Cap Value Index		1.32	1.32	-9.22	20.69	6.54	8.80	-	-	-	-	-
<b>International/Global Equity</b>												
<b>International Large Cap Blend</b>												
MissionSquare International Fund Class R1	92210J390	8.45	8.45	-2.33	13.07	2.99	4.36	5.87	10/3/1994	10/3/1994	1.51	1.51
MSCI EAFE ND USD		8.47	8.47	-1.38	12.99	3.52	5.00	-	-	-	-	-
<b>Emerging Market Equity</b>												
MissionSquare Emerging Markets Fund Class R1	92210J283	6.41	6.41	-9.45	7.98	-1.16	-	-0.08	12/12/2017	12/11/2017	1.65	1.65
MSCI EM (Emerging Markets) ND USD		3.96	3.96	-10.70	7.83	-0.91	2.00	-	-	-	-	-
<b>Fixed Income</b>												
<b>Core Fixed Income</b>												
MSQ Western Asset Core Plus Bond R5	SPUSA06CC0	3.35	3.35	-8.00	-2.72	0.13	-	1.32	-	1/23/2015	0.52	0.45
BB Aggregate Bond		2.96	2.96	-4.78	-2.77	0.91	1.36	-	-	-	-	-
<b>U.S. Government TIPS</b>												
MissionSquare Inflation Focused Fund Class R1	92210F885	3.31	3.31	-7.10	1.15	1.99	0.49	2.43	7/1/1992	7/1/1992	1.16	1.16
BB TIPS		3.34	3.34	-6.06	1.75	2.94	1.48	-	-	-	-	-
<b>Cash Alternatives</b>												
<b>Stable Value</b>												
MissionSquare PLUS Fund Class R1	92208J105	0.41	0.41	1.33	1.23	1.36	1.32	-	1/2/1991	1/2/1991	1.32	1.32
No Benchmark Data		-	-	-	-	-	-	-	-	-	-	-
<b>Specialty</b>												
<b>Global Real Estate</b>												
MSQ Cohen & Steers Realty Shares Fund	192476109	-	-	-	-	-	-	-	-	-	-	-

# Returns Analysis

Performance as of 3/31/2023

## Core Lineup

Active	Ticker/ ID	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio		
				1 Year	3 Year	5 Year	10 Year				Gross	Net	
No Benchmark Data													
Passive	Ticker/ ID	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio		
				1 Year	3 Year	5 Year	10 Year				Gross	Net	
U.S. Equity													
Large Cap Blend													
	MissionSquare 500 Stock Index Fund Class R1	92210J812	7.24	7.24	-8.64	17.53	10.16	11.19	8.85	6/2/1997	4/1/1999	0.95	0.95
	MissionSquare Broad Market Index Fund Class R1	92210J721	6.98	6.98	-9.33	17.44	9.49	10.76	9.10	10/1/1994	4/1/1999	0.94	0.94
	Russell 1000 Index		7.46	7.46	-8.39	18.55	10.87	12.01	-	-	-	-	-
SMid Cap Blend													
	MissionSquare Mid/Small Company Index Fund R1	92210J572	3.17	3.17	-11.11	18.43	5.76	8.23	9.42	6/2/1997	4/1/1999	0.95	0.95
	Russell 2500 Index		3.39	3.39	-10.39	19.42	6.65	9.07	-	-	-	-	-
International/Global Equity													
International Large Cap Blend													
	MissionSquare Overseas Equity Index Fund Class R1	92210J432	8.35	8.35	-1.01	12.43	2.77	4.16	5.78	6/2/1997	4/1/1999	1.02	1.02
	MSCI EAFE ND USD		8.47	8.47	-1.38	12.99	3.52	5.00	-	-	-	-	-

### Disclosure

SE = Strategy Equivalent

For use by Plan Sponsors or Institutional Investors Only- not intended for distribution to Retail Investors

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

The performance data quoted may not reflect the deduction of additional fees, if applicable. Additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice. Expenses shown reflect the fund's prospectus Net and Gross expense ratios.

Some funds, accounts, or share classes may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the manager's historical performance record. Expenses for mutual funds reflect the fund's prospectus Net and Gross expense ratios. In the case of Collective Investment Trust Funds, expenses generally reflect the CIT fund fact sheet and/ or Trust agreement

Fund Inception Date - the date on which a fund commenced operations.

Share Class Inception Date - the date on which a fund's share class was introduced.

The CIT exclusively available to NFP utilizes the same manager and strategy as the Scored fund equivalent, which is highlighted and shown below the CIT option. The Scored fund equivalent generally has a higher fee and is shown for CIT investment due diligence purposes only.

Performance differences, if any, between the Scored fund equivalent and CIT may be the result of, but are not limited to the pricing method of the fund's underlying securities, timing of cash flows including primarily contributions and redemptions, and the timing / execution of trades within the underlying fund. NFP-2023-56 ACR# 5462336 02/23

Contact NFP with any questions about this report or for the most current month-end performance at (800) 959-0071.

# Fiduciary Fitness Program™

## Module 16: Employer Securities

The investment of retirement plan assets in either employer securities or employer real property raises unique concerns under ERISA. As a result, fiduciaries face heightened fiduciary responsibilities under the law when such investments are made by a plan. In addition, investment in employer stock has been the source of significant litigation in recent years. This module will discuss the specific requirements that apply to such investments.

### ERISA Fiduciary Duties Applicable to Investment in Employer Stock

- Duty of loyalty and prudence apply
- Fiduciaries held to prudent expert standard of care
  - Up until recently, presumption of prudence was applied for ESOPs, but the presumption no longer applies
  - Court cases provide guidance on how to meet the prudent expert standard
    - May rely upon market price of publicly traded stock
    - If fiduciaries rely on non-public information, plaintiffs must show alternative, legal courses of action available to avoid losses and that such action would not be more likely to harm, versus help, the plan
    - Defendant must show a similar fiduciary would have made the same decision
- ESOPs are not subject to the duty to diversify



#### ACTION STEP

- **Consult with legal counsel**
- **Consider hiring an independent fiduciary to manage company stock fund**

# Module 16: Employer Securities

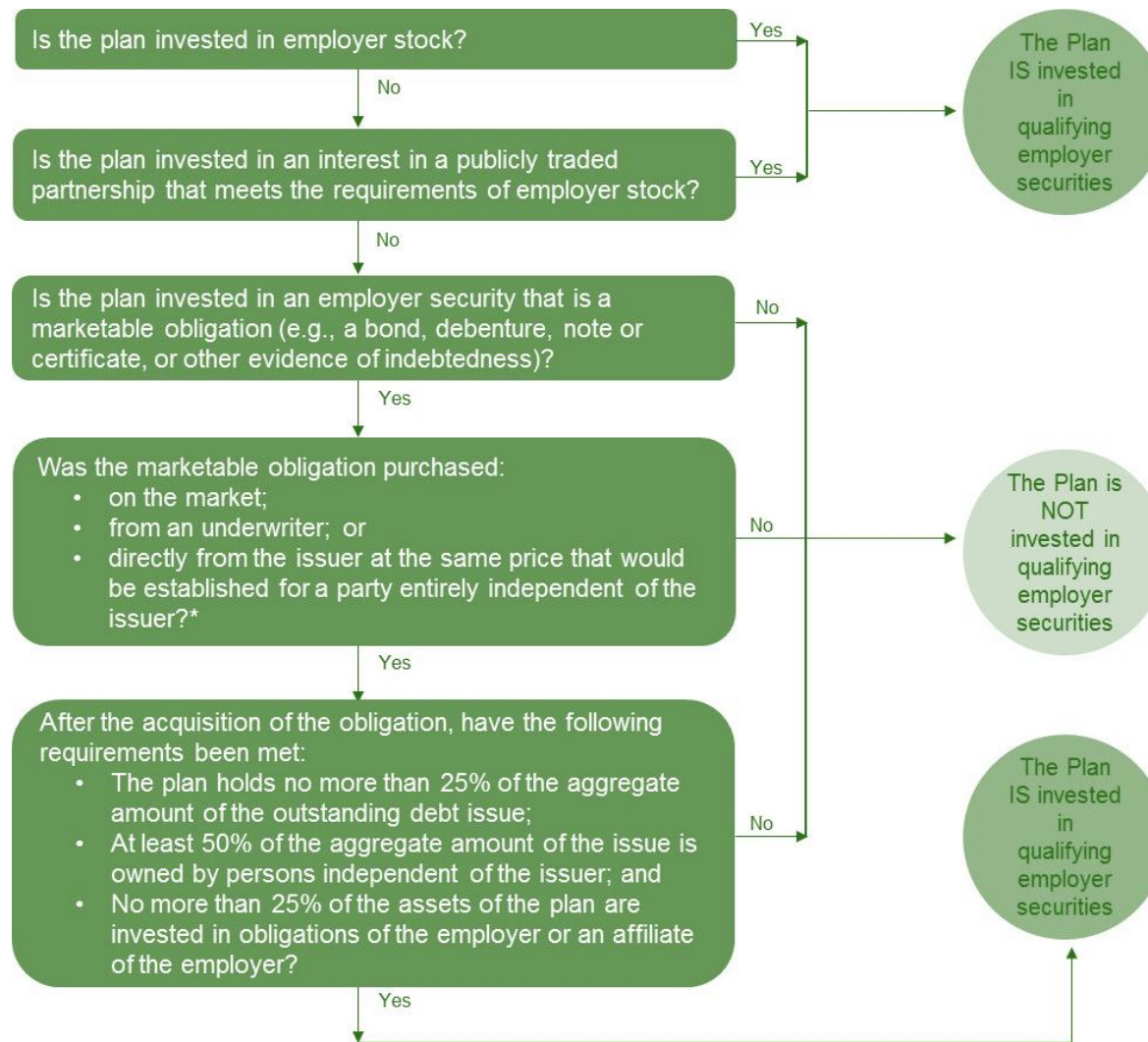
## Employer Securities and Real Property in Qualified Plans

- A plan may only acquire employer securities or employer real property that are considered “qualifying employer securities” or “qualifying real property”
- A qualifying employer security is:
  - A stock, marketable obligation (e.g., a bond, debenture, note, certificate or other evidence of indebtedness), or an interest in a publicly traded partnership
  - Special rules apply to a qualifying marketable obligation
  - An interest in a publicly traded partnership acquired on or after December 17, 1987, by a defined benefit plan or money purchase pension plan is not qualifying unless special requirements are met

# Module 16: Employer Securities

## Module 16: Employer Securities

### Determining if a Plan Invests in Qualifying Employer Securities

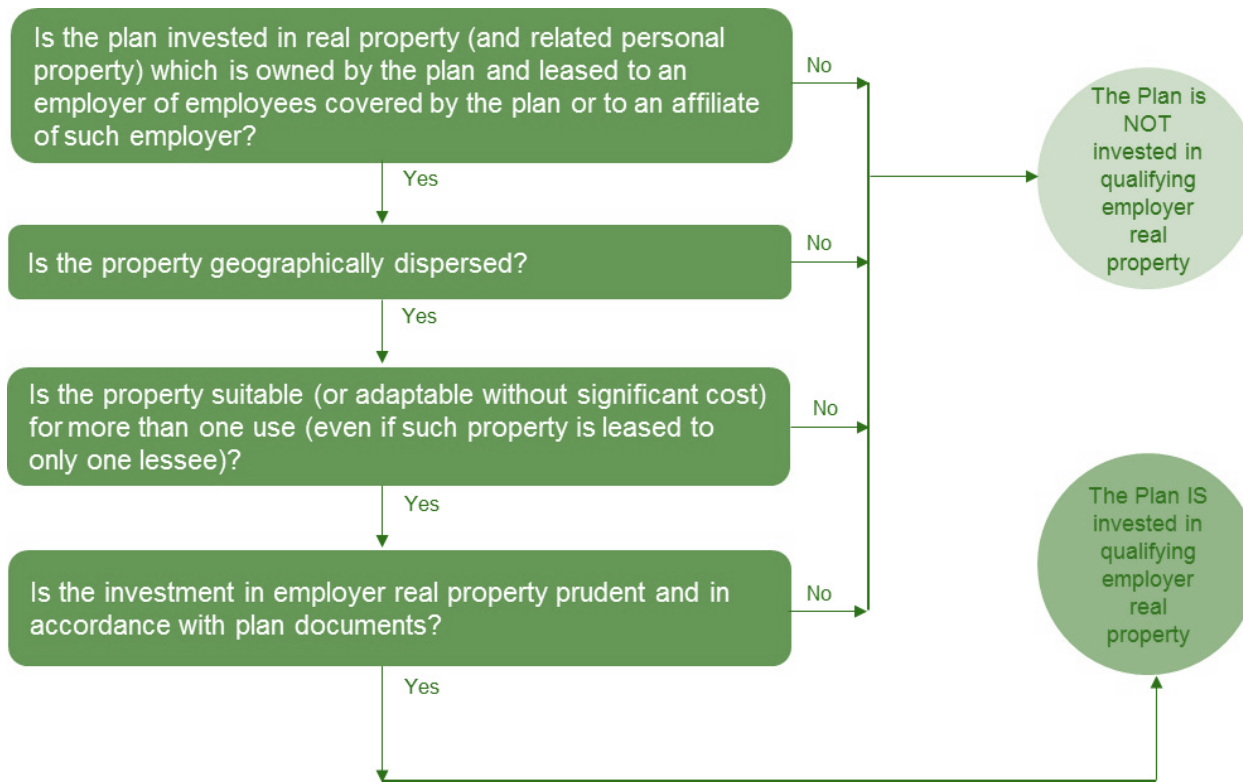


\*Stock or an interest in a publicly traded partnership acquired on or after 12/17/87 by a defined benefit plan or money purchase pension plan is not qualifying unless immediately following the acquisition of such stock: no more than 25 percent of the aggregate amount of stock of the same class issued and outstanding at the time of the acquisition is held by the plan; and, at least 50 percent of the aggregate amount of stock of the same class of stock is held by persons independent of the issuer. After 1/1/93, for Title I purposes only, the employer securities owned (not merely acquired) by these plans must meet certain requirements.

# Module 16: Employer Securities

- Qualifying employer real property are parcels of employer real property that:
  - Are geographically dispersed (i.e., there must be more than one property)
  - Are suitable (or adaptable without significant cost) for more than one use (even if such property is leased to only one lessee)
  - Comply with ERISA (e.g., the investment in employer real property is prudent, in accordance with plan documents, sufficiently diversified so as to minimize the risk of large losses to the plan)

## Determining if a Plan Invests in Qualifying Employer Real Property



**Note:** Employer owned property leased to the plan is not exempt under ERISA provisions relating to the acquisition and holding of qualifying employer real property.

# Module 16: Employer Securities

## Limits on Plan's Investment in Employer Securities and Real Property

- Investments in “qualifying employer securities” or “qualifying real property” are limited based on the type of plan and the provisions in the plan document
  - Generally, the total value of investments in qualifying employer securities and qualifying real property cannot exceed 10 percent of the total value of the plan assets
  - Eligible individual account plans (e.g., 401(k), employee stock ownership plans (ESOPs) or profit-sharing plans) are not subject to the 10 percent limit, if the investment complies with the terms of the plan document
    - This exception does not apply if more than 1 percent of elective deferral contributions are required (without participant consent) to be invested in qualifying employer securities or qualifying real property
      - In such a case, the plan must limit the elective deferrals invested in these investments to 10 percent of the elective deferrals, unless the plan is coupled with an ESOP

## Participant Diversification Rights for Defined Contribution Plans with Publicly-Traded Employer Securities

- All participants must have the right to diversify all employee contributions (elective deferrals, after-tax and rollovers)
- Participants with three years of service must have the right to diversify employer contributions
- Must be three alternative investment options
  - No unreasonable restrictions on timing
- Notice provided to participants 30 days before right to diversify
  - Explain the right to diversify employer stock
  - Describe the importance of diversification of retirement account assets

# Module 16: Employer Securities

- IRS model notice
- An ESOP is not subject to these diversification requirements if:
  - No elective deferrals or matching contributions (or earnings thereon) held by the ESOP, and
  - The ESOP is not a portion of a plan that holds assets that are not part of the ESOP

## Diversification Rights Specific to ESOPs

- Participants in ESOPs must be given the opportunity to diversify their company stock assets after age 55 and 10 years of service
  - Applies even if the ESOP is not subject to the general diversification requirements applicable to publicly traded employer securities discussed above
  - Annual election to diversify 25% of assets in employer stock for 5 years; 50% thereafter

## Voting Rights

- Generally, the responsibility for voting or deciding not to vote proxies lies exclusively with the plan trustee unless:
  - The trustee is subject to the direction of a named fiduciary, or
  - The power to manage, acquire or dispose of the qualifying employer securities has been delegated to one or more investment managers
- Fiduciary must carry out this responsibility solely in the interest of participants and beneficiaries
- However, for ERISA Section 404(c) protection, voting and similar rights must be passed through to plan participants
- If the named fiduciary delegates the authority to manage plan assets to an investment manager
  - The investment manager has the authority to make voting decisions for proxies attributable to those plan assets



# Module 16: Employer Securities

- The fiduciary can reserve to itself the right to direct a trustee with respect to the voting of all proxies or reserve to itself the right to direct a trustee regarding the voting of only those proxies relating to specified assets or issues
- A plan's investment policy should include a proxy voting policy where there are qualifying employer securities in the plan
- When delegating voting rights to investment managers, the fiduciary has the authority to condition the appointment on acceptance of a statement of the investment policy

## Buying or Selling from a Party in Interest

- A plan can buy or sell qualified employer securities from a party in interest, which would otherwise be prohibited, if it is for fair market value and no sales commission is charged



### **ACTION STEP**

- **Consult with legal counsel**
- **Adopt a prudent process to ensure diversification and voting rights requirements are being met**
- **Include a proxy voting policy in the investment policy statement for a plan with qualifying employer securities**

# Fiduciary Fitness Program™

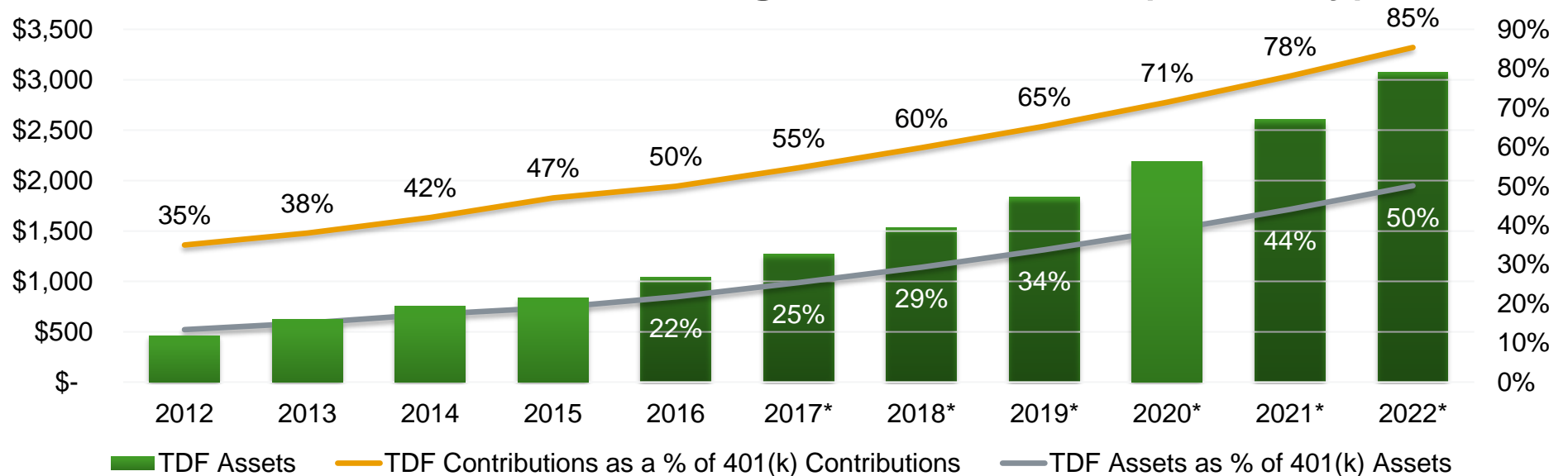
## Module 17: Target Date Funds

TDFs represent one of the most critical decisions fiduciaries must make about an investment lineup. While TDFs represent a growing share of retirement plan assets, these investments have a high degree of variability and are commonly misunderstood. This module describes existing guidance about selecting a TDF and best practices to comply with the guidance.

### Proliferation of Target Date Funds (TDFs)

- One of the most widely used investment options in defined contribution plans
- Over \$1 trillion in total assets<sup>1</sup>
- Projecting 85% of new contributions and representing 50% of total 401(k) assets by 2022<sup>1</sup>
- Prolific TDF prevalence necessitates increased due diligence by fiduciaries

### TDFs Assets Under Management \$Billions (U.S. only)

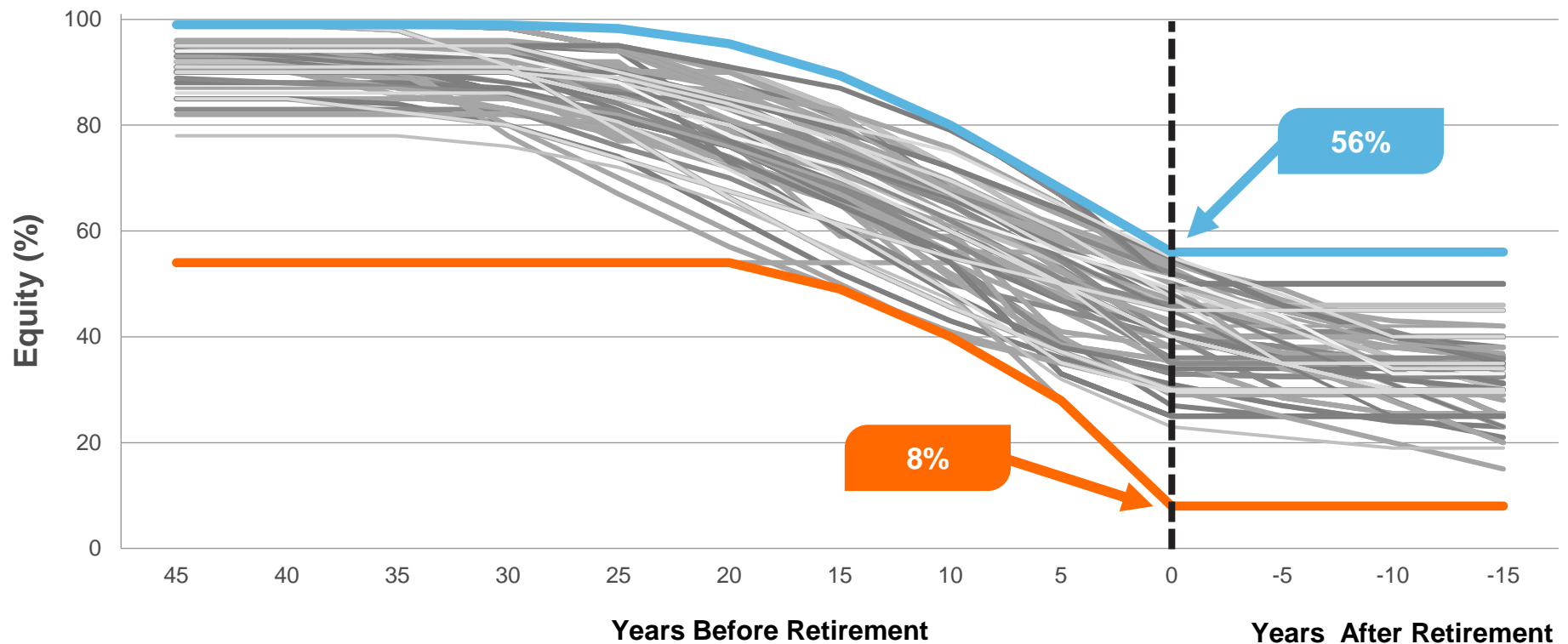


<sup>1</sup>Cerulli Associates Inc.  
\* Estimated

# Module 17: Target Date Funds

## Differences Among Off-the-Shelf TDF Glidepaths

- TDF equity allocations at retirement can vary by as much as 48%
- TDFs have never been more widely available or more diverse
- Those offering their recordkeeper's target date option continued to drop — from more than 50% in 2012 to 25% in 2018<sup>1</sup>

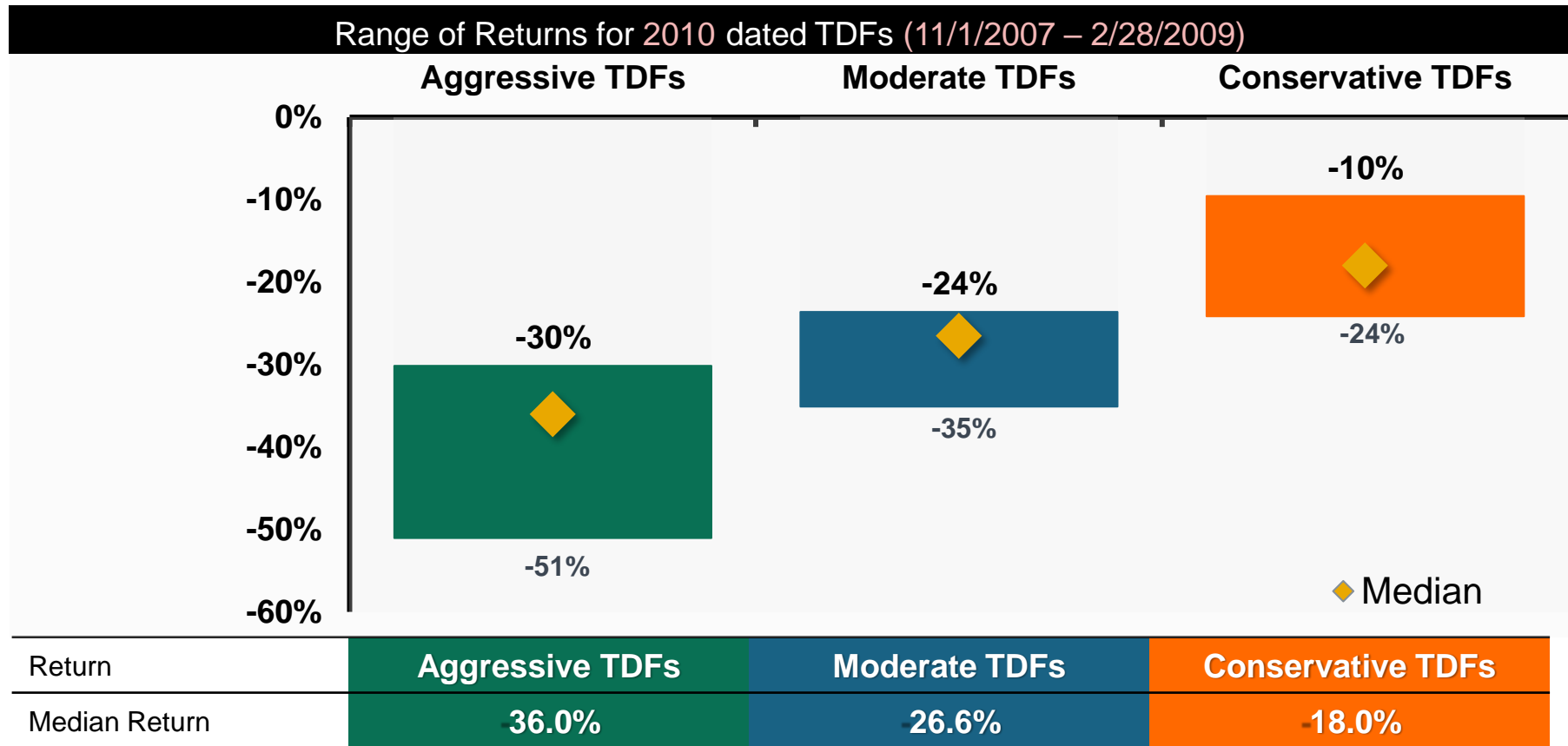


Data as of 09/20/2019. Source: Morningstar, Inc. The multiple lines represent various TDF glidepath options available within the market place.  
<sup>1</sup>Defined Contribution Trends Survey, Callan Investments Institute, 2019 report. Past performance is not indicative of future results.

# Module 17: Target Date Funds

## TDF Risk Categories and Drawdowns – Global Financial Crisis

Differences in glidepath risk posture can lead to extreme differences in returns for participants.



Source: Morningstar Direct, as of 30 June 2019.

Conservative, Moderate and Aggressive TDFs are classified utilizing the NFP TDF Risk Index

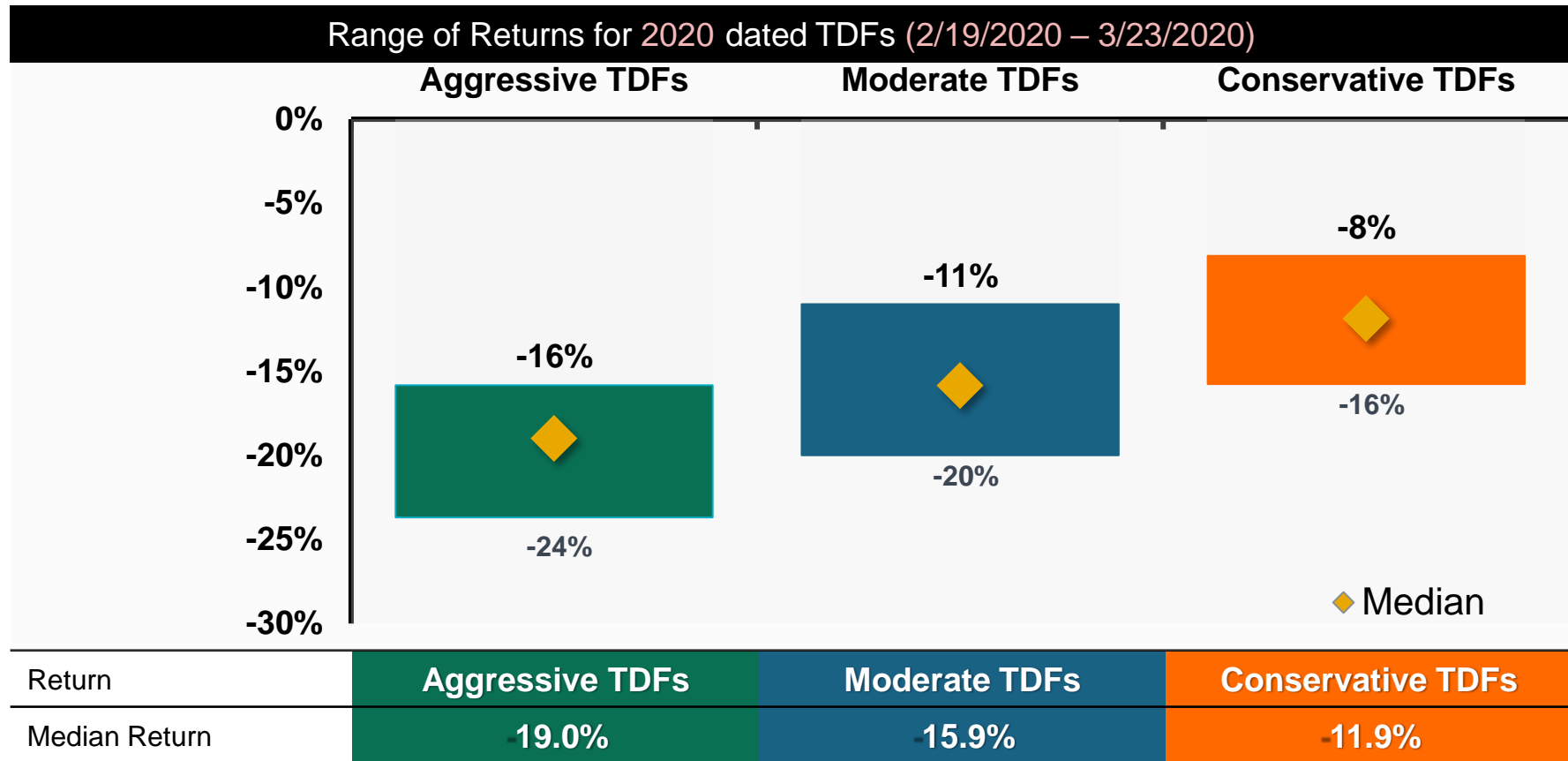
The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.

Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

# Module 17: Target Date Funds

## TDF Risk Categories and Drawdowns – COVID

Differences in glidepath risk posture can lead to extreme differences in returns for participants.



Source: Morningstar Direct, as of 30 June 2019.

Conservative, Moderate and Aggressive TDFs are classified utilizing the NFP TDF Risk Index

The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.

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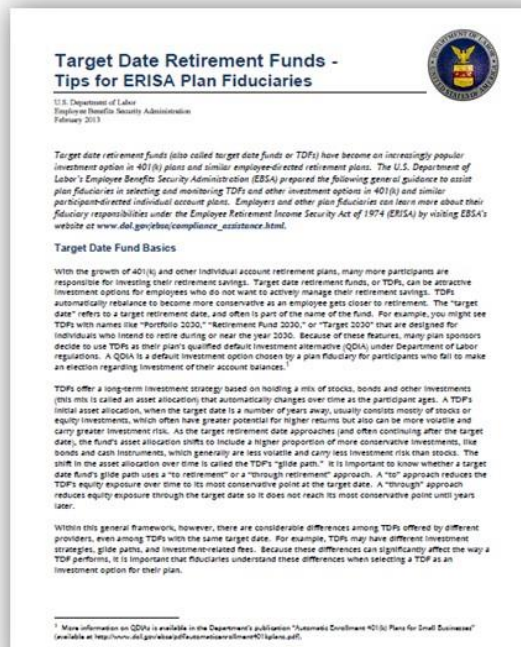
# Module 17: Target Date Funds

## Fiduciary Duties

- Given the importance of this unique asset class, fiduciaries must take the necessary steps to ensure proper selection, due diligence and documentation.

## TDF Fiduciary Checklist

- In response to the growing popularity of TDFs and general lack of understanding on the part of fiduciaries, the Department of Labor (DOL) issued specific guidance regarding TDF selection and monitoring



- Align TDF and participant characteristics
- Understand underlying investments
- Review fees and investment expenses
- Consider custom or non-proprietary options
- Develop effective employee communications
- Document the process

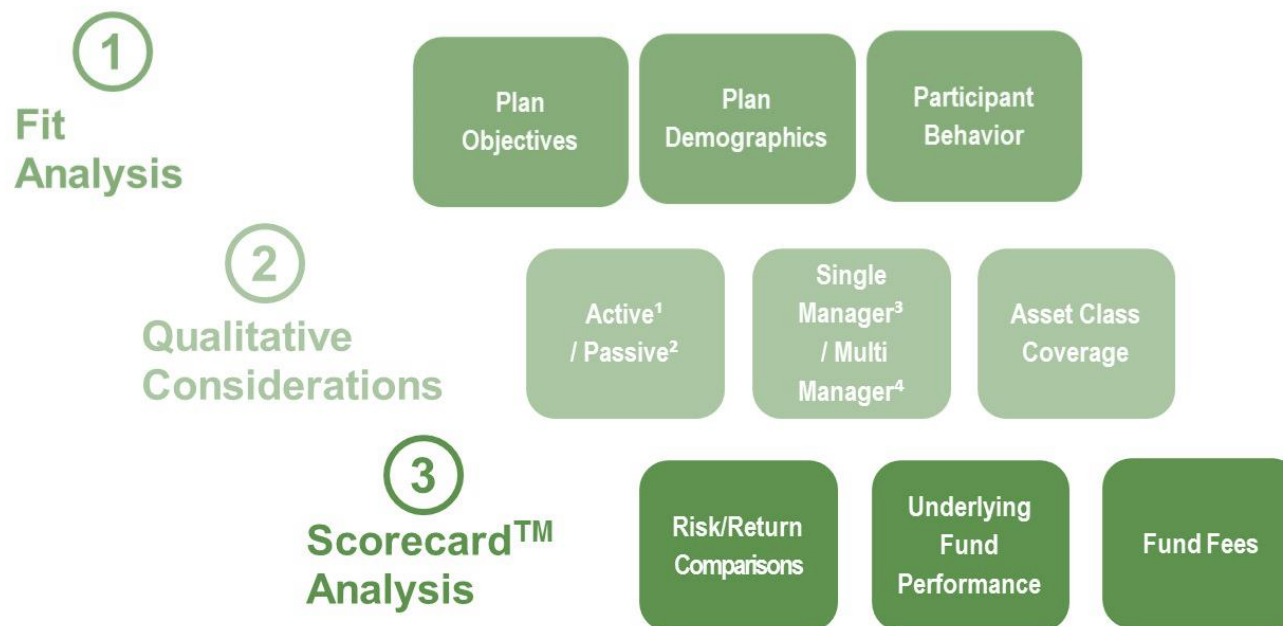
See full list of DOL Tips in the appendix of this module.

# Module 17: Target Date Funds

## TDF Evaluation Methodology

- A TDF is largely defined by its broad-based allocations, or glidepath, and the specific investments utilized to achieve those allocations. The RPAG Risk Index classifies TDFs into risk levels based on their glidepath. Underlying funds scores give insight into the quality of the investments within each asset class.

## TDF Evaluation Methodology



<sup>1</sup>Fund manager is trying to add value and outperform (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s).

<sup>2</sup>Fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds.

<sup>3</sup>One manager manages the underlying funds within the suite.

<sup>4</sup>Multiple managers manage the underlying funds within the suite.

# Module 17: Target Date Funds

## Glidepath Segmentation

- To assist fiduciaries with glidepath identification and selection, TDFs are categorized into one of three risk postures. Several factors are taken into consideration including equity exposure at various points and the rate of transition away from riskier investments.

### Conservative

- Objective: stability
- Lower equity exposure at retirement
- Incorporates a long and gradual transition away from risky assets

### Moderate

- Objective: balance
- Moderate equity exposure at retirement
- Incorporates a more steady transition away from risky assets

### Aggressive

- Objective: growth
- Higher equity exposure at retirement
- Incorporates a faster transition away from risky assets



# Module 17: Target Date Funds

## TDF Fit Analysis

- Plan sponsors must understand the plan's objectives, demographics and participant behavior in order to select a suitable TDF. A TDF Fit Analysis aims to identify the proper glidepath risk for a particular plan based on key plan-specific factors.

Plan Objectives		
Plan objectives impact participant savings and their ability to take risk. It is important that the plan's glidepath aligns with the plan's structure, including whether or not supplemental savings plans exist and the level to which these other plans provide income in retirement.	Is this retirement plan a supplement to another retirement savings plan?	Yes
	Do participants generally stay in the plan through retirement?	No
	Does the company's other retirement savings plan, if one exists, offer significant income in retirement?	Yes
		Glidepath Risk Consideration <b>Aggressive</b>

Plan Demographics		
Plan demographics drive glidepath strategy based on the funded status of the participants, which is primarily driven by contribution rates and account balances. These factors, in addition to the sophistication of the participants, dictate their need to take risk.	Do plan participants have above average investment knowledge?	Yes
	Does the plan have high average contribution rates?	No
	Does the plan have high average account balances at retirement?	Yes
		Glidepath Risk Consideration <b>Moderate</b>

Participant Behavior		
Participant behavior influences optimal glidepath strategy to the extent that participants are more or less engaged with their retirement plan. Their expectations regarding the timing of distributions and overall willingness to take risk are also key factors.	Does the plan have high participant involvement?	Yes
	Do participants expect to stay in the plan through retirement?	No
	Are participants generally risk-averse?	Yes
		Glidepath Risk Consideration <b>Conservative</b>

## TDF Evaluation

- In order to evaluate and select a TDF series, fiduciaries should conduct a thorough quantitative and Scorecard analysis. Important factors include glidepath risk, underlying funds, fees and asset class coverage.

# Module 17: Target Date Funds

## DOL Tips

**What to Remember When Choosing Target Date Funds** • **Establish a process for comparing and selecting TDFs.** In general, plan fiduciaries should engage in an objective process to obtain information that will enable them to evaluate the prudence of any investment option made available under the plan. For example, in selecting a TDF you should consider prospectus information, such as information about performance (investment returns) and investment fees and expenses. You should consider how well the TDF's characteristics align with eligible employees' ages and likely retirement dates. It also may be helpful for plan fiduciaries to discuss with their prospective TDF providers the possible significance of other characteristics of the participant population, such as participation in a traditional defined benefit pension plan offered by the employer, salary levels, turnover rates, contribution rates and withdrawal patterns.

• **Establish a process for the periodic review of selected TDFs.** Plan fiduciaries are required to periodically review the plan's investment options to ensure that they should continue to be offered. At a minimum, the review process should include examining whether there have been any significant changes in the information fiduciaries considered when the option was selected or last reviewed. For instance, if a TDF's investment strategy or management team changes significantly, or if the fund's manager is not effectively carrying out the fund's stated investment strategy, then it may be necessary to consider replacing the fund. Similarly, if your plan's objectives in offering a TDF change, you should consider replacing the fund.

• **Understand the fund's investments – the allocation in different asset classes (stocks, bonds, cash), individual investments, and how these will change over time.** Have you looked at the fund's prospectus or offering materials? Do you understand the principal strategies and risks of the fund, or of any underlying asset classes or investments that may be held by the TDF? Make sure you understand the fund's glide path, including when the fund will reach its most conservative asset allocation and whether that will occur at or after the target date. Some funds keep a sizeable investment in more volatile assets, like stocks, even as they pass their "target" retirement dates. Since these funds continue to invest in stock, your employees' retirement savings may continue to have some investment risk after they retire. These funds are generally for employees who don't expect to withdraw all of their 401(k) account savings immediately upon retirement, but would rather make periodic withdrawals over the span of their retirement years. Other TDFs are concentrated in more conservative and less volatile investments at the target date, assuming that employees will want to cash out of the plan on the day they retire. If the employees don't understand the fund's glide path assumptions when they invest, they may be surprised later if it turns out not to be a good fit for them.

• **Review the fund's fees and investment expenses.** TDF costs can vary significantly, both in the amount and types of fees. Small differences in investment fees and costs can have a serious impact on reducing long term retirement savings. 2 Do you understand the fees and expenses, including any sales loads, for the TDF? If the TDF invests in other funds, did you consider the fees and expenses for both the TDF and the underlying funds? If the expense ratios of the individual component funds are substantially less than the overall TDF, you should ask what services and expenses make up the difference. Added expenses may be for asset allocation, rebalancing and access to special investments that can smooth returns in uncertain markets, and may be worth it, but it is important to ask. 2 A difference of just one percentage point in fees (1.5% as compared with 0.5%) over 35 years dramatically affects overall returns. If a worker with a 401(k) account balance of \$25,000 averages a seven percent return, the worker will have \$227,000 at retirement with the lower fee and \$163,000 with the higher fee, assuming no further contributions. U.S. Department of Labor, Employee Benefits Security Administration, A Look At 401(k) Plan Fees, at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html).

• **Inquire about whether a custom or non-proprietary target date fund would be a better fit for your plan.** Some TDF vendors may offer a pre-packaged product which uses only the vendor's proprietary funds as the TDF component investments. Alternatively, a "custom" TDF may offer advantages to your plan participants by giving you the ability to incorporate the plan's existing core funds in the TDF. Nonproprietary TDFs could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus diversifying participants' exposure to one investment provider. There are some costs and administrative tasks involved in creating a custom or nonproprietary TDF, and they may not be right for every plan, but you should ask your investment provider whether it offers them.

• **Develop effective employee communications.** Have you planned for the employees to receive appropriate information about TDFs in general, as a retirement investment option, and about individual TDFs available in the plan? Just as it is important for the plan fiduciary to understand TDF basics when choosing a TDF investment option for the plan, employees who are responsible for investing their individual accounts need information too. Disclosures required by law also must be considered. The Department published a final rule that, starting for most plans in August 2012, requires that participants in 401(k)-type individual account retirement plans receive greater information about the fees and expenses associated with their plans, including specific fee and expense information about TDFs and other investment options available under their plans. The Department of Labor is also working on regulations to improve the disclosures that must be made to participants specifically about TDFs. For example, in addition to general information about TDFs, the proposed regulations call for disclosures to include an explanation that an investment in a TDF is not guaranteed and that participants can lose money in the fund, including at and after the target date. Check EBSA's website for updates on regulatory disclosure requirements.

• **Take advantage of available sources of information to evaluate the TDF and recommendations you received regarding the TDF selection.** While TDFs are relatively new investment options, there are an increasing number of commercially available sources for information and services to assist plan fiduciaries in their decision-making and review process.

• **Document the process.** Plan fiduciaries should document the selection and review process, including how they reached decisions about individual investment options.

### Related Information

#### From the Department of Labor:

- Investor Bulletin: Target Date Retirement Funds
- A Look at 401(k) Plan Fees
- Meeting Your Fiduciary Responsibilities
- Understanding Retirement Plan Fees and Expenses
- Understanding Your Retirement Plan Fees
- Selecting and Monitoring Pension Consultants – Tips for Plan Fiduciaries

#### From the SEC:

- Beginners' Guide to Asset Allocation, Diversification, and Rebalancing
- Invest Wisely: An Introduction to Mutual Funds
- Mutual Fund Fees and Expenses

#### From the Financial Industry Regulatory Authority (FINRA):

- Fund Analyzer

# Module 17: Target Date Funds

## Scorecard Disclosures

**Scorecard System Methodology™** - The Scorecard System Methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other twenty percent of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for each type of investing strategies.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with our sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a "watch-list" or removal candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

Scorecard Point System	
Good	9-10 Points
Acceptable	7-8 Points
Watch List	5-6 Points
Poor	0-4 Points

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the plan.

The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted. Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the Scorecard System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to

# Module 17: Target Date Funds

## Module 17: Target Date Funds

change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the Scorecard System does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function. Cash Alternatives (e.g., money market fund) and some specialty funds are not scored by the Scorecard System.

The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.**

**For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**

# Module 17: Target Date Funds

**Scorecard System Methodology™ - Asset Allocation Group Score.** Asset allocation strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value from both asset allocation and manager selection.

Multisector Bond (MSB) asset class follows the same evaluation criteria with some slightly different tolerance levels where noted. These managers are also evaluated on both their asset allocation and security selection.

Weightings	Asset Allocation Strategies	Maximum Points
Style Factors 30%	<b>Risk Level:</b> The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.	1
	<b>Style Diversity:</b> Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category. <i>MSB</i> funds pass if reflect some level of diversity among fixed income asset classes (Cash, U.S. Fixed Income, Non-U.S. Fixed Income and High Yield/Emerging Markets).	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 90 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

# Module 17: Target Date Funds

## Glossary

**Active strategies:** investment strategies where the fund manager is trying to add value and out-perform the market averages (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the Scorecard System is trying to identify those managers who can add value on a consistent basis within their own style of investing.

**Alpha:** a measure used to quantify a fund manager's value added. Alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. A positive alpha means the fund has beaten expectations and implies a skillful manager. A negative alpha means that the manager failed to match performance with the given risk level.

**Asset allocation strategies:** investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value from both asset allocation and manager selection.

**Beta:** a measure of risk that gauges the sensitivity of a manager to movements in the benchmark (market). If the market returns change by some amount  $x$ , then the manager returns can be expected to change by Beta times  $x$ . A Beta of 1 implies that you can expect the movement of a fund's return series to match that of the benchmark. A portfolio with a beta of 2 would move approximately twice as much as the benchmark.

**Downside Deviation:** also referred to as downside risk. The downside standard deviation shows the average size of the deviations (from the mean) when the return is negative.

**Excess Return:** the difference between the returns of a mutual fund and its benchmark.

**Explained Variance:** the explained variance measures the variance of the fund that is explained by the benchmark (similar to the R-squared statistic).

**Information Ratio:** a measure of the consistency of excess return. The ratio is calculated by taking the annualized excess return over a benchmark (numerator) and dividing it by the standard deviation of excess return (denominator). The result is a measure of the portfolio management's performance against risk and return relative to a benchmark. This is a straightforward way to evaluate the return a fund manager achieves, given the risk they take on.

**Median Rank:** refers to the midpoint of the range numbers that are arranged in order of value (lowest to highest).

**Passive strategies:** investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the Scorecard System is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers

**R-squared:** measures (on a scale of 0 to 100) the amount of movement of a fund's return that can be explained by that fund's benchmark. An R-squared of 100 means that all movements of a fund are completely explained by movements in the associated index (benchmark).

**Returns Based Style Analysis:** uses a fund's return series to help identify the style of the fund. This is done by comparing those returns across a specific time period to a series of index returns of various styles (Large Cap Growth, Small Cap Value, etc.) over the same period. Through quadratic optimization, the best fit style is calculated. Once the best fit is found, the fund's style can then be analyzed and weightings toward each asset class can be made.

**Sharpe Ratio:** a ratio developed by Bill Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns to measure reward on a per unit of risk basis. For example if a bond fund returns 6% and has a standard deviation of 4% and the risk free rate is 2% then the Sharpe Ratio for this fund will be  $1. (6-2)/4 = 1$ .

**Significance Level:** indicates the level of confidence (on a percentage basis) with which the statement "the manager's annualized excess return over the benchmark is positive" or "the manager's annualized excess return over the benchmark is negative," as the case may be, holds true.

**Standard Deviation:** of return measures the average deviations of a return series from its mean (average) return. A large standard deviation implies that there have been large swings in the return series of the manager. The larger the swing, the more volatile the fund's returns and hence more implied risk. For smaller swings the opposite is true. Standard deviation helps us analyze risk by revealing how much the return on the fund is deviating.

**Style Drift:** is the tendency of a fund to deviate from its investment style over time is style drift. This generally occurs because of a change in the fund's strategy, the manager's philosophy or even a portfolio manager change. During the 1990's dotcom boom, for example, many managers – regardless of the strategies they were initially bound by – were able to justify buying tech stocks for their portfolio, in hopes of capitalizing on the tech boom in the market at that time. Consequently, their styles "drifted" from their original strategy.

**Tracking Error:** refers to the standard deviation of excess returns or the divergence between the return behavior of a portfolio and the return behavior of a benchmark. Tracking error is reported as a "standard deviation percentage" difference that accounts for the volatility between the return of a fund versus its benchmark.

**Volatility of Rank:** is measured by taking the median of a series of numbers, or taking the absolute value of the distance of each individual number to that median, then finding the median of those distances. Volatility is used because it makes a better companion to the median than the standard deviation. Standard deviation is commonly used when measuring volatility around the mean (average), while volatility of rank is used for medians.

**Up/Down Capture:** a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. For example, if a fund has an up capture of 120 that means that the fund goes up 12% when the benchmark moves up 10%. The same fund has a down capture of 90 so that means the fund returns a -9% when the benchmark returns a -10%.

# Module 17: Target Date Funds

## Asset Class Definitions

**Conservative (CON):** a diversified asset allocation strategy including equity with an emphasis on fixed income. Demonstrates a lower overall volatility (risk) level when compared to the other asset allocation categories.

**Moderate Conservative (MC):** a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON, but lower volatility level when compared to MOD, MA and AGG.

**Moderate (MOD):** a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON and MC, but lower volatility level when compared to MA and AGG.

**Moderate Aggressive (MA):** a diversified asset allocation strategy including equity and fixed income.

Demonstrates a higher overall volatility (risk) level when compared to CON, MC, and MOD, but lower volatility level when compared to AGG.

**Aggressive (AGG):** a diversified asset allocation strategy including fixed income with an emphasis on equity. Demonstrates a higher overall volatility (risk) level when compared to the other asset allocation categories.

**Large Cap Value (LCV):** large capitalization companies who have lower prices in relation to their earnings or book value.

**Large Cap Blend (LCB):** large capitalization companies who display both value and growth-like characteristics.

**Large Cap Growth (LCG):** large capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

**Mid Cap Value (MCV):** mid-capitalization companies who have lower prices in relation to their earnings or book value.

**Mid Cap Blend (MCB):** mid-capitalization companies who display both value and growth-like characteristics.

**Mid Cap Growth (MCG):** mid-capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher expected growth rate.

**Small Cap Value (SCV):** small capitalization companies who have lower prices in relation to their earnings or book value.

**Small Cap Blend (SCB):** small capitalization companies who display both value and growth-like characteristics.

**Small Cap Growth (SCG):** small capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

**International Large Cap Value (ILCV):** primarily large capitalization foreign companies displaying both value-like characteristics.

**International Large Cap Blend (ILCB):** primarily large capitalization foreign companies displaying both value and growth-like characteristics.

**International Large Cap Growth (ILCG):** primarily large capitalization foreign companies displaying both growth-like characteristics.

**International Small-Mid Cap Value (ISMV):** primarily small and mid capitalization foreign companies displaying both value-like characteristics.

**International Small-Mid Cap Growth (ISMG):** primarily small and mid capitalization foreign companies displaying both growth-like characteristics.

**Emerging Market Equity (EME):** foreign companies in countries that are not considered to have fully developed markets or economies.

**Global Equity (GE):** large capitalization domestic and foreign companies displaying both value and growth-like characteristics.

**Core Fixed Income (CFI):** domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage backed securities.

**Intermediate Government (IG):** domestic Government or Government-backed fixed income securities.

**U.S. Government TIPS (UGT):** treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

**Short-Term Bond (STB):** a broad array of fixed income securities that have short durations and/or maturities (typically 1-3 years).

**High Yield (HY):** below investment grade domestic fixed income securities, which have a higher likelihood of default.

**Global Fixed Income (GFI):** a broad array of fixed income securities across many different countries.

**Multisector Bond (MB):** a broad array of fixed income securities across many different sectors including domestic government, corporate, sovereign and emerging markets debt. They generally have few limitations when it comes to domicile, sectors, maturities or credit ratings.

**Specialty Fixed Income (SFI):** a particular segment of the stock market focused on utility companies.

**Stable Value (SV):** a conservative fixed income strategy that is designed to preserve capital.

**Money Market (MM):** conservative, short-term oriented money market securities.

**Guaranteed Investment Contract (GIC):** products that have some type of guarantee from the issuer or provider.

**REIT (RE):** real estate securities traded on a stock exchange.

**Technology (TEC):** a particular segment of the stock market focused on technology related companies.

**Natural Resources (NR):** a particular segment of the stock market focused on natural resource related companies.

**HealthCare (HC):** a particular segment of the stock market focused on healthcare related companies.

**Communication (COM):** a particular segment of the stock market focused on communications related companies.

**Financial Services (FS):** a particular segment of the stock market focused on financial services companies.

**Utilities (UTI):** a particular segment of the stock market focused on utility companies.

**Specialty (SPC):** a unique area of the market.

**-P:** Asset Class abbreviations with a "-P" after the abbreviation indicate that the strategy was classified as passively managed. When not indicated, all other strategies are classified as actively managed and/or asset allocation.

# Module 17: Target Date Funds

## Index Disclosure

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

**Citigroup Corporate Bond** is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

**Citigroup Mortgage Master** is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

**Citigroup WGBI Index** is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

**Credit Suisse High Yield Index** is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

**BC (Barclays Capital) U.S. Aggregate Bond Index** represents securities that are U. S., domestic, taxable, and dollar denominated. The index covers the U. S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**BC Credit Bond Index** includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**BC U.S. Corporate Investment Grade** represents investment grade corporate securities that are U. S., domestic, taxable, and dollar denominated.

**BC High Yield Corporate Bond** represents below investment grade corporate securities that are U. S., domestic, taxable, and dollar denominated.

**BC TIPS Index** includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

**BC Mortgage Backed Securities** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**BC Muni Bond** covers the USD-denominated long term tax exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**BC Government Index** includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

**BarCap U.S. Aggregate 1-3 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 1 to 3 years.

**BarCap U.S. Aggregate 3-5 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3 to 5 years.

**BarCap U.S. Aggregate 5-7 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

**BarCap U.S. Aggregate 7-10 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7 to 10 years.

**BarCap U.S. Aggregate 10+ Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

**DJW 5000 (Full Cap) Index** measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the United States.

**MSCI FI Emerging Markets** is a rules-based index which serves as a benchmark for emerging country fixed income performance.

**MSCI FI EAFE International** is a rules-based index which serves as a benchmark for developed international country fixed income performance.

**MSCI EAFE Index** is listed for foreign stock funds (EAFE refers to Europe, Australia, and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

**MSCI EAFE Large Value** represents the large cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Large Growth** represents the large cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Value** represents the mid cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Growth** represents the mid cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Small Value** represents the small cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Small Growth** represents the small cap growth stocks within the MSCI EAFE Index.

**MSCI EM (Emerging Markets) Index** serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

**MSCI World Index** is a rules-based index that serves as a benchmark for the developed global equity markets.

**MSCI Europe ex UK Index** is a rules-based index that serves as a benchmark for the Europe's equity markets, excluding the United Kingdom.

**MSCI Pacific ex Japan Index** is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

**MSCI United Kingdom Index** is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

**MSCI Japan** is a rules-based index that serves as a benchmark for Japan's equity markets.

**NAREIT All REIT Index** includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market List.

**3-Month T-bills (90 Day T-Bill Index)** are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

**Russell 1000 Growth Index** is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**Russell Top 200 Growth Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

**Russell Top 200 Value Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.



# Module 17: Target Date Funds

## Index Disclosure

**Russell 2000 Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

**Russell 2000 Index** consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

**Russell 2000 Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.

**Russell MidCap Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratios and higher forecasted growth values.

**Russell Mid-Cap Index** includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

**Russell MidCap Value Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap index having lower price-to-book ratios and lower forecasted growth values.

**Russell Top 200 Index** consists of the 200 largest securities in the Russell 3000 Index.

**Russell 3000 Index** is a market-capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

**Salomon 1-10 Yr. Governments** is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

**S&P 500 Index** measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the United States.

**S&P 500 Energy Index** measures the performance of the energy sector in the S&P 500 Index.

**S&P 500 Industrials** measures the performance of the industrial sector in the S&P 500 Index.

**S&P 500 Financials** measures the performance of the financials sector in the S&P 500 Index.

**S&P 500 Utilities** measures the performance of the utilities sector in the S&P 500 Index.

**S&P 500 Consumer Discretionary** Index measures the performance of the consumer discretionary sector in the S&P 500 Index.

**S&P 500 Consumer Staples** Index measures the performance of the consumer staples sector in the S&P 500 Index.

**S&P 500 Information Technology** measures the performance of the information technology sector in the S&P 500 Index.

**S&P 500 Materials** measures the performance of the materials sector in the S&P 500 Index.

**S&P 500 Health Care** measures the performance of the health care sector in the S&P 500 Index.

**S&P 500 Telecommunications Services Index** measures the performance of the telecommunications services sector in the S&P 500 Index.

## General Disclosure

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## Investment Risk Disclosure

**Consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please contact your advisor for the most recent prospectus. Prospectus should be read carefully before investing.**

The target date is the approximate date when investors plan on withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears target retirement date. The principal value of the funds is not guaranteed at any time including at and after the target date.

**International/Emerging Markets:** The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Sector Funds:** The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Non-Diversified Funds:** The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

**Small-Cap Stocks:** The investor should note that funds that invest in stocks of small cap companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid-Cap Stocks:** The investor should note that funds that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**High-Yield Bonds:** The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Bond/Fixed Income Funds:** The investor should note that funds that invest in bonds (fixed income securities), including government, corporate and mortgage-backed securities, involve additional risks. Interest rate risk may cause bonds to lose their value. The investor should be aware that it is possible in a rising rate environment for investment grade bond strategies to lose value and experience negative returns over certain time periods.

**Stable Value Funds:** The investor should note that these funds invest in short to intermediate term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

**Money Market Funds:** The investor should note that these funds invest in short term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

**Guaranteed Investment Contract (GIC):** Contract that guarantees the repayment of principal and a fixed or floating rate over a specified period of time. The guarantee is backed by the provider, typically an insurance company.

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# Fiduciary Fitness Program

## Module 18: Addressing the Participant Experience

### Automatic Contribution Arrangement

- Automatic Contribution Arrangements (ACAs)
  - Automatically reduces an employee's compensation by a specified percentage and contributes that amount on the employee's behalf to a 401(k) plan or an ERISA-covered 403(b) plan
  - The default election terminates when the employee files an affirmative election to terminate the default contribution or change the contribution amount
- A notice must be provided to eligible employees that explains the automatic enrollment provisions and the employee's rights

### Eligible Automatic Contribution Arrangement

- Eligible Automatic Contribution Arrangements (EACAs)
  - Automatically reduces an employee's compensation by a specified percentage and contributes that amount on the employee's behalf to a plan
  - The default election terminates when the employee files an affirmative election to terminate the default contribution or change the contribution amount
  - Participants may elect to receive a distribution of their default elective contributions (including any earnings or losses) within 90 days of beginning participation without being subject to the early distribution tax
- QDIA must be used as default investment
- Initial and annual notice requirements
- Extended corrective distribution period

# Module 18: Addressing the Participant Experience

## Qualified Automatic Contribution Arrangement

- Qualified Automatic Contribution Arrangements (QACAs)
  - Requires minimum levels of 401(k) deferrals and exempts the 401(k) plan from non-discrimination (ADP/ACP) and top-heavy testing
- Employer contribution either 3 percent non-elective or match of 100 percent of first 1 percent and 50 percent of next 5 percent of pay (potential total of 3.5 percent of pay must be matched)
- Minimum beginning employee contribution of 3 percent of pay with 1 percent annual escalation until 6 percent of pay reached
- QDIA must be used as default investment
- One hundred percent vesting of employer contributions within two years of service (may be cliff or graded)
- Initial and annual notice requirements

## Qualified Default Investment Alternatives

- Qualified Default Investment Alternative (QDIAs)
  - An investment fund or model portfolio designed to provide both long-term appreciation and capital preservation through a mix of equity and fixed income exposures
- Examples of three investments that meet the requirements to be QDIAs are
  - Lifecycle/target date funds
  - Balanced funds
  - Managed accounts

# Module 18: Addressing the Participant Experience

## QDIA and Fiduciary Relief

- To obtain relief the fiduciary must
  - Invest assets in a QDIA on behalf of participants who had the opportunity but failed to provide investment direction
  - Provide participants and beneficiaries with the opportunity to invest in a broad range of investment alternatives
  - Send a notice at least 30 days before the first investment in the QDIA as well as an annual notice
  - Provide all required material relating to their investment in the QDIA
  - Give participants and beneficiaries the opportunity to transfer assets from the QDIA to any other investment alternative available under the plan without financial penalty or restriction



**ACTION  
STEP**

**Designate or review a QDIA**

## Key Item: Participation and Eligibility

- Designing eligibility and monitoring participation is the starting point for plan management
- Helps to indicate the overall health of the plan
  - Total eligible participants
  - Total participating participants
  - Contribution eligibility

# Module 18: Addressing the Participant Experience

## Key Item: Participation Rate

- Participation rate helps show the percentage of eligible employees that are participating in the plan
- High participation rates indicate widespread usage
- Low rates can be corrected through automatic enrollment features

## Key Item: Deferral Percentages

- Deferral rate helps determine the inflows and expected future assets available for retirement
- Higher deferral rates are very important to help ensure participants defer enough money to meet their retirement needs

## Key Item: Asset Allocation

- Analyzing the plan and participant holdings and allocations can help identify a need for more help
- Effective strategies:
  - More education
  - Investment advice
  - More resources reflective of the organization's demographics

## Vesting Schedule

- Plan sponsors can compare their vesting schedule to plans of similar demographics
- Shows plan's vesting schedule competitiveness
- Acts as a retention tool for key employees

# Module 18: Addressing the Participant Experience

## Plan Withdrawals

- Helps monitor cash flows in retirement plan
- Monitoring can help identify:
  - If participants are dipping into retirement savings early
    - Do plan features need to be adjusted to prevent this?
  - How terminated participants are behaving (keeping money in plan or rolling assets out)

## Education and Communication Strategies

- Education and communication strategies are important to maintain plan compliance
  - Helps meet 404(c) requirements and obtain plan safe harbors
- Identifies effective strategies to increase participant deferrals and savings ratios

## Conclusion

- Fiduciary responsibilities require plan fiduciaries to monitor the plan and ensure it is compliant with the terms of the plan document
- Analyzing the plan's demographic and usage data helps to identify areas of needed assistance and growth opportunities



### **ACTION STEP**

- **Examine your participation rates and consider adding auto features**
- **Create or review a participation education plan. Consider a financial wellness program**
- **Review the plan document**

Securities may be offered through Kestra Investment Services, LLC (Kestra IS), Member FINRA/SIPC. Investment Advisory Services may be offered through NFP Retirement, Inc. Kestra IS is not affiliated with NFP Retirement, Inc., a subsidiary of NFP.

# Fiduciary Fitness Program™

## Module 19: Fee Levelization

Retirement plan fees can be one of the most complicated things to understand. Historically, fees have not been fully and simply disclosed, but the industry is changing towards greater and more understandable disclosure. With the new transparency comes questions from plan sponsors and a desire for more equitable sharing of plan expenses.

### Why Fee Levelization?

- Equal share of administrative expenses
- Greater transparency
- More flexibility in fund selection

### Approaches to Fee Levelization

#### Zero Revenue Sharing

Every fund in the plan selected through a share class with no revenue sharing



Plan expenses paid through an asset charge or per-participant fee

May be difficult to find zero revenue sharing class for each option in the plan

#### Revenue Rebates

Any revenue sharing is rebated back to participants



Plan expenses paid through an asset charge or per-participant fee

Important to understand the recordkeeper's method for rebating

#### Debits and Credits

Recordkeeper applies a charge or credit to each fund based on the level of revenue sharing relative to required revenue



Depending on the funds they hold, participants may see a charge or credit on their statements

Not all recordkeepers offer this option

# Module 19: Fee Levelization

## Share Class Efficiency

- An efficient share class is the share class of a fund that has the lowest net cost of investment manager fees
- After adjusting for revenue sharing, the lowest cost share class may not be the true lowest cost
- Recordkeeper capabilities and plan philosophy should drive how efficiency is pursued
  - Limited recordkeeper capabilities for rebating revenue and/or concerns for participant confusion may reduce value of using the lowest net investment cost share class
  - Most efficient share class may have lower score due to higher overall expense ratio

Share Class	Score <sup>1</sup>	Expense Ratio	Revenue Sharing	Net Investment Cost
R6	7	0.41%	0.00%	0.41%
R5	7	0.51%	0.20%	0.31%
R4	6	0.59%	0.25%	0.34%
R3	4	0.84%	0.55%	0.29%
R2	4	1.09%	0.80%	0.29%
R1	4	1.59%	1.30%	0.29%

*For illustrative purposes only.*

*<sup>1</sup>The score is derived from RPAG's Scorecard System™. The Scorecard System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being best) and measures active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period.*

  
**ACTION  
STEP**

**Ask your recordkeeper what capabilities they possess for fee levelization and discuss what design, if any, would be the most prudent for the plan**

ACR#4618533 03/22



# Fiduciary Fitness Program™

## Module 20: Missing Participants

**A missing participant is a participant or beneficiary who, after reasonable efforts made by the plan administrator, cannot be located. A participant or beneficiary is still considered missing if they are located, but fail to respond to plan correspondence and/or request for direction.**

### Reasonable Efforts

What are considered to be reasonable search efforts?

#### Old Process

Previously, the Internal Revenue Service (IRS) provided letter forwarding Services to help locate missing participants, but with August 2012 release of Revenue Procedure 2012-35, the IRS stopped the letter forwarding program

The IRS no longer processes requests to locate retirement plan participants or beneficiaries

Similarly, the Social Security Administration (SSA) eliminated their letter forwarding program

#### New Process

January 2021 the SSA released 2021-01 launching a terminated vested participants project for defined benefit plans

January 2021 Department of Labor (DOL) announced a new enforcement policy for terminating DC plans use of PBGC expanded missing participants program.

January 2021 DOL release red flags and missing person best practices for all retirement plans.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Department of Labor – Red Flags

The Department of Labor (DOL) recently published their list of red flags which they consider to be warnings or indicators of a problem with missing and nonresponsive participants.

- More than a small number of missing or nonresponsive participants.
- More than a small number of terminated vested participants who have reached normal retirement age but have not started receiving their pension benefits.
- Missing, inaccurate, or incomplete contact information, census data, or both (e.g., incorrect or out-of-date mail, email, and other contact information, partial social security numbers, missing birthdates, missing spousal information, or placeholder entries).
- Absence of sound policies and procedures for handling mail returned marked “return to sender,” “wrong address,” “addressee unknown,” or otherwise, and undeliverable email.
- Absences of an effective communication program including preparation and distribution of benefit statements and communications to participants, spouses and beneficiaries regarding their benefit rights and claims procedures.
- Absence of sound policies and procedures for handling uncashed checks (as reflected for example, by the absence of an accounting journal or similar record of uncashed checks, a substantial number of stale uncashed distribution checks, or failure to reclaim stale uncashed check funds in distribution accounts).

***DOL: “A common characteristic of plans with low numbers of missing and nonresponsive participants is that staff are committed to making sure that plan records are complete and up to date and to proactively take steps to ensure that participants and beneficiaries get the benefits they have earned in a timely fashion”.***

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Missing Participants – Best Practices for Pension Plans (released January 12, 2021)

#### *Key footnote states:*

“ERISA’s fiduciary obligations apply equally to defined benefit plans and defined contribution plans, and these best practice tips apply equally to both types of plans. The Department also stresses that ERISA’s fiduciary obligations fully apply to missing participants whose accounts the plan purports to treat as “conditionally forfeited” under Treasury Regulation 1.411(a)-4(b)(6). Under Title I of ERISA, plan fiduciaries retain full responsibility for adhering to Title I’s provisions with respect to such participants and their beneficiaries; these participants and beneficiaries remain fully entitled to all their promised benefits; and the fiduciaries have an obligation to keep accurate records and take appropriate steps to ensure that the participants and beneficiaries are paid their full benefits when due.”

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### 1. Maintain Accurate Census Information

- Contacting participants, both current and retired, and beneficiaries on a periodic basis to confirm or update their contact information. Relevant contact information could include home and business addresses, telephone numbers (including cell phone numbers), social media contact information, and next of kin/emergency contact information. Well-run plans regularly reconfirm that the information in their possession is accurate.
- Including contact information change requests in plan communications along with a reminder to advise the plan of any changes in contact information.
- Flagging undeliverable mail/email and uncashed checks for follow-up.
- Maintaining and monitoring an online platform for the plan that participants can use to update contact information for themselves and their spouses/beneficiaries, if any, and incorporating such updates into the plan's census information.
- Providing prompts for participants and beneficiaries to confirm contact information upon login to online platforms.
- Regularly requesting updates to contact information for beneficiaries, if any.
- Regularly auditing census information and correcting data errors.
- In the case of a change in record keepers or a business merger or acquisition by the plan sponsor, addressing the transfer of appropriate plan information (including participant and beneficiary contact information) and relevant employment records (e.g. next of kin information and emergency contacts). EBSA has found that in the context of an acquisition, merger, or divestiture, well-run plans make missing participant searches of plan, related plan (e.g., health plan) and employer records (e.g., payroll records) part of the collection and transfer of records

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### 2. Implementing effective communication strategies

- Using plain language and offering non-English language assistance when and where appropriate.
- Stating upfront and prominently what the communication is about – e.g., eligibility to start payment of pension benefits, a request for updated contact information, etc.
- Encouraging contact through plan/plan sponsor websites and toll free numbers.
- Building steps into the employer and plan onboarding and enrollment processes for new employees, and exit processes for separating or retiring employees, to confirm or update contact information, confirm information needed to determine when benefits are due and to correctly calculate the amount of benefits owed, and advise employees of the importance of ensuring that the plan has accurate contact information at all times.
- Communicating information about how the plan can help eligible employees consolidate accounts from prior employer plans or rollover IRAs.
- Clearly marking envelopes and correspondence with the original plan or sponsor name for participants who separated before the plan or sponsor name changed, for example, during a corporate merger, and indicating that the communication relates to pension benefit rights.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### 3. Missing Participant Searches

- Checking related plan and employer records for participant, beneficiary and next of kin/emergency contact information. While the plan may not possess current contact information, it is possible that the employer's payroll records or the records maintained by another of the employer's plans, such as a group health plan, may have more up-to-date information. If there are privacy concerns, the person engaged in the search can request that the employer or other plan fiduciary forward a letter from the plan to the missing participant or beneficiary.
- Checking with designated plan beneficiaries (e.g., spouse, children) and the employee's emergency contacts (in the employer's records) for updated contact information; if there are privacy concerns, asking the designated beneficiary or emergency contact to forward a letter to the missing participant or beneficiary.
- Using free online search engines, public record databases (such as those for licenses, mortgages and real estate taxes), obituaries, and social media to locate individuals.
- Using a commercial locator service, a credit-reporting agency, or a proprietary internet search tool to locate individuals.
- Attempting contact via United States Postal Service (USPS) certified mail, or private delivery service with similar tracking features if less expensive than USPS certified mail, to the last known mailing address.
- Attempting contact via other available means such as email addresses, telephone and text numbers, and social media.
- If participants are nonresponsive over a period of time, using death searches (e.g., Social Security Death Index) as a check and, to the extent such search confirms a participant's death, redirecting communications to beneficiaries.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### (3. Missing Participant Searches continued)

- Reaching out to the colleagues of missing participants by, for example, contacting employees who worked in the same office (e.g., a small employer with one or two locations) or by publishing a list of “missing” participants on the company’s intranet, in email notices to existing employees, or in communications with other retirees who are already receiving benefits. Similarly, for unionized employees, some have reached out to the union’s local offices and through union member communications to find missing retirees.
- Registering missing participants on public and private pension registries with privacy and cyber security protections (e.g., National Registry of Unclaimed Retirement Benefits), and publicizing the registry through emails, newsletters, and other communications to existing employees, union members, and retirees.
- Searching regularly using some or all of the above steps.

### 4. Documenting procedures and actions

- Reducing the plan’s policies and procedures to writing to ensure they are clear and result in consistent practices.
- Documenting key decisions and the steps and actions taken to implement the policies.
- For plans that use third party record keepers to maintain plan records and handle participant communications, ensuring the record keeper is performing agreed upon services, and working with the record keeper to identify and correct shortcomings in the plan’s recordkeeping and communication practices, including establishing procedures for obtaining relevant information held by the employer.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### You've Tried to Locate, But Can't Find Them – Now What?

#### DOL Safe Harbor for Automatic Rollovers

- DOL issued safe harbor for mandatory “cash out” distributions to a missing/unresponsive participant
  - Plans may automatically “cash out” participants who terminate if the value of the participant’s vested benefit does not exceed \$5,000
  - If the cash-out amount exceeds \$1,000, the Code requires the plan to roll over cashed out amounts to an IRA established for participant
- Fiduciary responsibility to select IRA provider and investments deemed met if the safe harbor’s conditions are satisfied.
- DOL specifically declined to address whether the safe harbor could be used for distribution of amounts above \$5,000.



# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Forfeiture and Restatement

IRS recognizes “forfeiture and restatement” as an acceptable method for dealing with missing participants for plan qualification purposes.

Plan sponsors may forfeit amounts which are payable to a missing participant provided that the benefit is reinstated if a claim for the benefit is later made by the participant or beneficiary. The plan is not required to credit the participant’s benefit with any subsequent gains or losses.

When is the benefit payable to the missing participant?

- Likely means when the benefit may be paid without the participant’s consent.
- Thus, if vested benefit exceeds \$5,000, forfeiture should not occur prior to normal retirement age (or age 62, if later).

Unclear if “forfeiture and reinstatement” is consistent with the DOL’s interpretation of ongoing plan fiduciary’s obligations

- DOL has taken position during recent examinations that forfeiture and reinstatement is a breach of fiduciary duty and/or a prohibited transaction.
- This position is *ad hoc* and there is no national guidance specifically addressing this issue.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Plan Termination

Decision to terminate a plan is a “settlor” function, but implementing plan termination, including locating missing participants, is fiduciary in nature.

### Distribution Options

IRA rollover is the primary distribution method

If unable to find an IRA rollover provider (e.g., in the case of a very small account balance) the DOL offers two alternatives:

Transfer to a federally insured interest bearing bank account

**OR**

Transfer unclaimed property funds to state

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Plan Termination

#### Pension Benefit Guaranty Corporation (PBGC) Missing Participant Program

Program expanded to cover defined contribution plans (e.g., 401(k) plans) that terminate on or after January 1, 2018.

Program is voluntary for terminating defined contribution plans.

Two ways to use the program:

- Transfer the participant's account balance to PBGC
- PBGC will provide the benefit once the participant is found
- Note: Must transfer to PBGC account balances for all missing participants; the "all or nothing" rule.
- Send PBGC information about the financial institution where the participant's account balance was transferred, in which case PBGC will share that information with the participant once found

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Plan Termination

Pension Benefit Guaranty Corporation (PBGC) Missing Participant Program

### Who Counts as Missing?

#### Unlocatable

- Plan does not know the individual's location (e.g., notice from plan is returned as undeliverable)

#### Unresponsive

- Participant did not return paperwork instructing how distribution should be made (e.g., by check or direct rollover), or
- Distribution check remains uncashed by the "cash by" date on the check or in an accompanying notice.
  - "Cash by" date must be at least 45 days after the check is issued.
  - If there is no "cash by" date, then use the check's "stale date", which varies state-to-state, but is typically 6 months after the check is issued.

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### What You Cannot Do

#### Escheat

States have unclaimed property laws

- Require “holders” to annually report and deliver property to the state if no activity on the account or contact with owner for a period of time – generally 3+ years
- DOL has taken the position that ERISA preempts state unclaimed property laws for ongoing plans. DOL Advisory Opinion 94-41A (Dec. 7, 1994)

#### 100% Income Tax Withholding

Withholding 100% of missing participant’s benefits, transfers benefits to the IRS

- DOL
  - This option is not in the best interest of participants and beneficiaries
  - Plan fiduciaries should not use withholding as a way to distribute benefits to missing participants and beneficiaries

# Fiduciary Fitness Program™

## Module 20: Missing Participants

### Summary

Use reasonable efforts and document your actions.

#### Ongoing Plan

- Less than \$1,000
  - Consider forfeiture and restatement
- Less than \$5,000
  - Transfer to IRA
- Greater than \$5,000
  - Maintain account balance in plan until benefits are “payable” without the participant’s consent
  - Then transfer to an IRA

#### Terminating Plan

- Options are to
  - Transfer to an IRA
  - Send to state unclaimed property office
  - Send to PBGC (all or nothing rule)

# Scorecard System Methodology™

The **Scorecard System Methodology** incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The **Scorecard System** is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other 20 percent of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for each type of investing strategies.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with our sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a "watchlist" or review candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

<b>Scorecard Point System</b>	
<b>Acceptable:</b>	<b>7-10 Points</b>
<b>Watchlist<sup>1</sup>:</b>	<b>5-6 Points</b>
<b>Review<sup>2</sup>:</b>	<b>0-4 Points</b>

1 Funds that receive a watchlist score four consecutive quarters or five of the last eight quarters should be placed under review status.

2 Review status necessitates documenting why the fund/strategy remains appropriate or documenting the course of action for removal as an investment option.

# Scorecard System Methodology™

## Target Date Fund Strategies

Target Date Fund strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value from asset allocation. Asset allocation is measured using our Asset allocation strategies methodology and manager selection is measured using either our Active and/or Passive strategies methodologies, depending on the underlying fund options utilized within the Target Date Fund strategy.

Risk-based strategies follow the same evaluation criteria and are evaluated on both their asset allocation and security selection.

Weightings	Target Date Fund Strategies	Maximum Points
<b>Asset Allocation Score (Average) 50%</b>	<p>The individual funds in this Score average require five years of time history to be included. See Asset Allocation strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.</p> <p>The Funds included in this average are from the Conservative, Moderate Conservative, Moderate, Moderate Aggressive and Aggressive categories, where Funds (also referred to as “vintages”) are individually Scored according to their standard deviation or risk bucket.</p>	5
<b>Selection Score (Average) 50%</b>	<p><b>Active strategies:</b> The individual active funds in this Score average require five years of time history to be Scored. See Active strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.</p> <p><b>Passive strategies:</b> The individual passive funds in this Score average require three years of time history to be Scored. See Passive strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.</p>	5
	<b>Total</b>	<b>10</b>



# Scorecard System Methodology™

## Asset Allocation Strategies

Asset allocation strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value, with asset allocation being the primary driver of investment returns and the resulting Score. Multisector Bond (MSB) asset class follows the same evaluation criteria with some slightly different tolerance levels where noted. These managers are also evaluated on both their asset allocation and security selection.

Weightings	Asset Allocation Strategies	Maximum Points
Style Factors 30%	<b>Risk Level:</b> The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.	1
	<b>Style Diversity:</b> Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category. <i>MSB</i> funds pass if reflect some level of diversity among fixed income asset classes (Cash, U.S. Fixed Income, Non-U.S. Fixed Income and High Yield/Emerging Markets).	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 90 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

# Scorecard System Methodology™

## Active Strategies

Active strategies are investment strategies where the fund manager is trying to add value and outperform the market averages (for that style of investing). Typically, these investment strategies have higher associated fees due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the Scorecard System is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Weightings	Active Strategies	Maximum Points
Style Factors 30%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 80 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Information Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
<b>Total</b>		<b>10</b>

# Scorecard System Methodology™

## Passive Strategies

Passive strategies are investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower fees than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the Scorecard System is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers.

Weightings	Passive Strategies	Maximum Points
<b>Style &amp; Tracking Factors</b> 40%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 95 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
	<b>Tracking Error:</b> Measures the percentage of a fund's excess return volatility relative to the benchmark. Fund passes with a tracking error less than 4. This statistic measures how well the fund tracks the benchmark.	1
<b>Peer Group Rankings</b> 40%	<b>Tracking Error Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Expense Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
<b>Qualitative Factors</b> 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
	<b>Total</b>	<b>10</b>

# Manager Research Methodology

## Beyond the Scorecard

The Scorecard System uses an institutional approach which is comprehensive, independent, and utilizes a process and methodology that strives to create successful outcomes for plan sponsors and participants. The Scorecard helps direct the additional research the Investment team conducts with fund managers throughout the year. Three of the primary factors that go into the fund manager research are people, process and philosophy.

### PEOPLE

#### Key Factors:

- Fund manager and team experience
- Deep institutional expertise
- Organizational structure
- Ability to drive the process and performance

### PROCESS

#### Key Factors:

- Clearly defined
- Consistent application
- Sound and established
- Clearly communicated
- Successfully executed process

### PHILOSOPHY

#### Key Factors:

- Research and ideas must be coherent and persuasive
- Strong rationale
- Logical and compelling
- Focus on identifying skillful managers

# Scorecard Disclosures

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the Plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the Plan. The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as *Markov Processes International*, *Morningstar*, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the **Scorecard System**, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the Plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the **Scorecard System** does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the Plan sponsor as the Plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the Plan sponsor or the Committee appointed to perform that function.

Cash Equivalents (e.g., money market fund) and some specialty funds are not scored by the **Scorecard System**.

The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For funds that do not have a score, one of the following will be shown: HIS, SPC, or OTH.

HIS- fund does not have enough performance history to Score.

SPC- fund is in a specialty category that does not Score.

OTH- fund may no longer be active, not in database or available to Score

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.**

**For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**

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# Online Report Access

Proper documentation is a must for plan governance. That's why we created the **Fiduciary Briefcase™**, an online portal that serves as your private fiduciary file. One that gives you 24/7 access to plan information, meeting summaries, compliance documents, newsletters, memos and so much more. You can access this system by going to [www.nfp.com/login](http://www.nfp.com/login), selecting Fiduciary Briefcase from the drop-down menu and then enter your secure User ID and Password.



## FIDUCIARY BRIEFCASE

Your resource where you will find all the documents we provide to help you reduce the fiduciary liability you face in managing your retirement plan.

Through this portal, we make pertinent plan data available to plan fiduciaries to help them better manage their plan, and organize their fiduciary file in case of an audit. Examples of resources available to our clients are:

- Fiduciary Investment Review™
- Investment policy statements and guidelines
- Meeting minutes and service plans
- Quarterly Market Reviews and plan sponsor newsletters
- General retirement education and communications
- B3 Provider Analysis™ and Fiduciary Plan Review™
- Organization of your plan's file
- Daily access to plan information
- Investment education information for investment committees
- Fiduciary liability management and instant preparation for plan audits

# Glossary

**Active strategies:** investment strategies where the fund manager is trying to add value and outperform the market averages (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the **Scorecard System™** is trying to identify those managers who can add value on a consistent basis within their own style of investing.

**Alpha:** a measure used to quantify a fund manager's value added. Alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. A positive alpha means the fund has beaten expectations and implies a skillful manager. A negative alpha means that the manager failed to match performance with the given risk level.

**Asset allocation strategies:** investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value from both asset allocation and manager selection.

**Beta:** a measure of risk that gauges the sensitivity of a manager to movements in the benchmark (market). If the market returns change by some amount  $x$ , then the manager returns can be expected to change by Beta times  $x$ . A Beta of 1 implies that you can expect the movement of a fund's return series to match that of the benchmark. A portfolio with a beta of 2 would move approximately twice as much as the benchmark.

**Downside deviation:** also referred to as downside risk. The downside standard deviation shows the average size of the deviations (from the mean) when the return is negative.

**Excess return:** the difference between the returns of a mutual fund and its benchmark.

**Explained variance:** the explained variance measures the variance of the fund that is explained by the benchmark (similar to the R-squared statistic).

**Information ratio:** a measure of the consistency of excess return. The ratio is calculated by taking the annualized excess return over a benchmark (numerator) and dividing it by the standard deviation of excess return (denominator). The result is a measure of the portfolio management's performance against risk and return relative to a benchmark. This is a straightforward way to evaluate the return a fund manager achieves, given the risk they take on.

**Median rank:** refers to the midpoint of the range numbers that are arranged in order of value (lowest to highest).

**Passive strategies:** investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the Scorecard System is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers.

**R-squared:** measures (on a scale of 0 to 100) the amount of movement of a fund's return that can be explained by that fund's benchmark. An R-squared of 100 means that all movements of a fund are completely explained by movements in the associated index (benchmark).

**Returns-based style analysis:** uses a fund's return series to help identify the style of the fund. This is done by comparing those returns across a specific time period to a series of index returns of various styles (Large Cap Growth, Small Cap Value, etc.) over the same period. Through quadratic optimization, the best fit style is calculated. Once the best fit is found, the fund's style can then be analyzed and weightings toward each asset class can be made.

**Sharpe ratio:** a ratio developed by Bill Sharpe to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns to measure reward on a per unit of risk basis. For example, if a bond fund returns 6% and has a standard deviation of 4% and the risk-free rate is 2% then the Sharpe Ratio for this fund will be 1.  $(6-2)/4=1$ .

**Significance level:** indicates the level of confidence (on a percentage basis) with which the statement "the manager's annualized excess return over the benchmark is positive" or "the manager's annualized excess return over the benchmark is negative," as the case may be, holds true.

**Standard deviation:** of return measures the average deviations of a return series from its mean (average) return. A large standard deviation implies that there have been large swings in the return series of the manager. The larger the swing, the more volatile the fund's returns and hence more implied risk. For smaller swings the opposite is true. Standard deviation helps us analyze risk by revealing how much the return on the fund is deviating.

**Style drift:** is the tendency of a fund to deviate from its investment style over time is style drift. This generally occurs because of a change in the fund's strategy, the manager's philosophy or even a portfolio manager change. During the 1990's dotcom boom, for example, many managers – regardless of the strategies they were initially bound by – were able to justify buying tech stocks for their portfolio, in hopes of capitalizing on the tech boom in the market at that time. Consequently, their styles "drifted" from their original strategy.

**Tracking error:** refers to the standard deviation of excess returns or the divergence between the return behavior of a portfolio and the return behavior of a benchmark. Tracking error is reported as a "standard deviation percentage" difference that accounts for the volatility between the return of a fund versus its benchmark.

**Volatility of rank:** is measured by taking the median of a series of numbers, or taking the absolute value of the distance of each individual number to that median, then finding the median of those distances. Volatility is used because it makes a better companion to the median than the standard deviation. Standard deviation is commonly used when measuring volatility around the mean (average), while volatility of rank is used for medians.

**Up/Down capture:** a measure of how well a manager was able to replicate or improve on periods of positive benchmark returns, and how badly the manager was affected by periods of negative benchmark returns. For example, if a fund has an up capture of 120 that means that the fund goes up 12% when the benchmark moves up 10%. The same fund has a down capture of 90 so that means the fund returns a -9% when the benchmark returns a -10%.

# Asset Class Definitions

**Conservative (CON):** a diversified asset allocation strategy including equity with an emphasis on fixed income. Demonstrates a lower overall volatility (risk) level when compared to the other asset allocation categories.

**Moderate Conservative (MC):** a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON, but lower volatility level when compared to MOD, MA and AGG.

**Moderate (MOD):** a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON and MC, but lower volatility level when compared to MA and AGG.

**Moderate Aggressive (MA):** a diversified asset allocation strategy including equity and fixed income. Demonstrates a higher overall volatility (risk) level when compared to CON, MC and MOD, but lower volatility level when compared to AGG.

**Aggressive (AGG):** a diversified asset allocation strategy including fixed income with an emphasis on equity. Demonstrates a higher overall volatility (risk) level when compared to the other asset allocation categories.

**Large Cap Value (LCV):** large capitalization companies who have lower prices in relation to their earnings or book value.

**Large Cap Blend (LCB):** large capitalization companies who display both value and growth-like characteristics.

**Large Cap Growth (LCG):** large capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

**Mid Cap Value (MCV):** mid-capitalization companies who have lower prices in relation to their earnings or book value.

**Mid Cap Blend (MCB):** mid-capitalization companies who display both value and growth-like characteristics.

**Mid Cap Growth (MCG):** mid-capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher expected growth rate.

**Small Cap Value (SCV):** small capitalization companies who have lower prices in relation to their earnings or book value.

**Small Cap Blend (SCB):** small capitalization companies who display both value and growth-like characteristics.

**Small Cap Growth (SCG):** small capitalization companies who have higher prices relative to their earnings or book value, generally due to a higher forecasted or expected growth rate.

**SMid Value (SMCV):** includes any fund categorized as SCV or MCV within Morningstar and whose primary prospectus benchmark is the Russell 2500 Value, which consists primarily of small and mid-capitalization companies who have lower prices in relation to their earnings or book value.

**SMid Growth (SMCG):** includes any fund categorized as SCG or MCG within Morningstar and whose primary prospectus benchmark is the Russell 2500 Growth, which consists primarily of small and mid-capitalization companies who have higher prices in relation to their earnings or book value, generally due to a higher forecasted or expected growth rate.

**SMid Blend (SMCB):** includes any fund categorized as SCB or MCB within Morningstar and whose primary prospectus benchmark is the Russell 2500, which consists primarily of small and mid-capitalization companies who display both value and growth-like characteristics.

**Bank Loans (BL):** an array of loans to corporations made by banks and other financial outfits that do not pay a fixed interest rate, but rather an adjustable one and are therefore often referred to as floating rate loans.

**International Equity (IE):** includes any fund whose primary prospectus benchmark is the MSCI ACWI ex USA, which includes both developed and emerging markets, and is intended to provide a broad measure of stock performance throughout the world, with the exception of U.S. based companies.

**International Large Cap Value (ILCV):** primarily large capitalization foreign companies displaying both value-like characteristics.

**International Large Cap Blend (ILCB):** primarily large capitalization foreign companies displaying both value and growth-like characteristics.

**International Large Cap Growth (ILCG):** primarily large capitalization foreign companies displaying growth-like characteristics.

**International Small-Mid Cap Value (ISMCP):** primarily small and mid-capitalization foreign companies displaying both value-like characteristics.

**International Small-Mid Cap Growth (ISMG):** primarily small and mid-capitalization foreign companies displaying both growth-like characteristics.

**Emerging Market Equity (EME):** foreign companies in countries that are not considered to have fully developed markets or economies.

**Global Equity (GE):** large capitalization domestic and foreign companies displaying both value and growth-like characteristics.

**Core Fixed Income (CFI):** domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage-backed securities.

**Intermediate Government (IG):** domestic Government or Government-backed fixed income securities.

**U.S. Government TIPS (UGT):** treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

**Short-Term Bond (STB):** a broad array of fixed income securities that have short durations and/or maturities (typically 1-3 years).

**High Yield (HY):** below investment grade domestic fixed income securities, which have a higher likelihood of default.

**Global Fixed Income (GFI):** a broad array of fixed income securities across many different countries.

**Multisector Bond (MB):** a broad array of fixed income securities across many different sectors including domestic government, corporate, sovereign and emerging markets debt. They generally have a few limitations when it comes to domicile, sectors, maturities or credit ratings.

**Specialty Fixed Income (SFI):** a particular segment of the stock market focused on utility companies.

**Stable Value (SV):** a conservative fixed income strategy that is designed to preserve capital.

**Money Market (MM):** conservative, short-term oriented money market securities.

**Guaranteed Investment Contract (GIC):** products that have some type of guarantee from the issuer or provider.

**REIT (RE):** real estate securities traded on a stock exchange.

**Technology (TEC):** a particular segment of the stock market focused on technology related companies.

**Natural Resources (NR):** a particular segment of the stock market focused on natural resource related companies.

**HealthCare (HC):** a particular segment of the stock market focused on healthcare related companies.

**Communication (COM):** a particular segment of the stock market focused on communications related companies.

**Financial Services (FS):** a particular segment of the stock market focused on financial services related companies.

**Utilities (UTI):** a particular segment of the stock market focused on utility companies.

**Specialty (SPC):** a unique area of the market

**-P:** Asset class abbreviations with a "P" after the abbreviation indicate that the strategy was classified as passively managed. When not indicated, all other strategies are classified as actively managed and/or asset allocation.



# Fund Fact Sheet Disclosures

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

The performance data quoted may not reflect the deduction of additional fees, if applicable. Additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to insure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: inaccurate reporting by the manager/provider; changes in reporting by the manager/provider from the time this report was prepared to a subsequent retroactive audit and corrected reporting; differences in fees and share classes impacting net investment return; and, Scriverners error by your advisor preparing this report.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manger tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance or statistics calculated using past performance are a guarantee of a fund's future performance. Likewise, a fund's score using the Scorecard System does not guarantee the future performance or style consistency of a fund.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform the function.

This report is provided solely for information purposes only and therefore not an offer to buy or sell a security. An offer to buy or sell a security may be made only after the client has received and read the appropriate prospectus.

For a copy of the most recent prospectus, please contact your investment advisor/consultant.

# Index Disclosures

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

**Citigroup Corporate Bond** is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

**Citigroup Mortgage Master** is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

**Citigroup WGBI Index** is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

**Credit Suisse High Yield Index** is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

**Bloomberg Barclays U.S. Aggregate Bond (BB Aggregate Bond)** represents securities that are U.S., domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**BC Credit Bond Index** includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**BC U.S. Corporate Investment Grade** represents investment grade corporate securities that are U.S., domestic, taxable, and dollar denominated.

**BC High Yield Corporate Bond** represents below investment grade corporate securities that are U.D., domestic, taxable, and dollar denominated.

**BC TIPS Index** includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

**BC Mortgage-Backed Securities** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**BC Muni Bond** covers the USD-denominated long term tax exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**BC Government Index** includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

**BarCap U.S. Aggregate 1-3 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 1-3 years.

**BarCap U.S. Aggregate 3-5 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3-5 years.

**BarCap U.S. Aggregate 5-7 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

**BarCap U.S. Aggregate 7-10 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7-10 years.

**BarCap U.S. Aggregate 10+ Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

**DJW 5000 (Full Cap)** Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the U.S.

**MSCI FI Emerging Markets** is a rules-based index which serves as a benchmark for emerging country fixed income performance.

**MSCI FI EAFE International** is a rules-based index which serves as a benchmark for developed international country fixed income performance.

**MSCI EAFE Index** is listed for foreign stock funds (EAFE refers to Europe, Australia and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

**MSCI EAFE Large Value** represents the large cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Large Growth** represents the large cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Value** represents the mid cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Growth** represents the mid cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Small Value** represents the small cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Small Growth** represents the small cap growth stocks within the MSCI EAFE Index.

**MSCI EM (Emerging Markets) Index** serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

**MSCI World Index** is a rules-based index that serves as a benchmark for the developed global equity markets.

**MSCI Europe ex UK Index** is a rules-based index that serves as a benchmark for Europe's equity markets, excluding the United Kingdom.

**MSCI Pacific ex Japan Index** is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

**MSCI United Kingdom Index** is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

**MSCI Japan** is a rules-based index that serves as a benchmark for Japan's equity markets.

**NAREIT All REIT Index** includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange the American Stock Exchange or the NASDAQ National Market List.

**3-Month T-Bills** (90 Day T-Bill Index) are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

**Russell 1000 Growth Index** is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**Russell Top 200 Growth Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

**Russell Top 200 Value Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

**Russell 2000 Index** consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

**Russell 2000 Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratio and lower forecasted growth values.

# Index Disclosures

**Russell MidCap Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratio and higher forecasted growth values.

**Russell MidCap Index** includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

**Russell MidCap Value Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having lower price-to-book ratio and lower forecasted growth values.

**Russell Top 200 Index** consists of the 200 largest securities in the Russell 3000 Index.

**Russell 3000 Index** is a market capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

**Salomon 1-10 Yr. Governments** is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

**S&P 500 Index** measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the U.S.

**S&P 500 Energy Index** measures the performance of the energy sector in the S&P 500 Index.

**S&P 500 Industrials** measures the performance of the industrial sector in the S&P 500 Index.

**S&P 500 Financials** measures the performance of the financials sector in the S&P 500 Index.

**S&P 500 Utilities** measures the performance of the utilities sector in the S&P 500 Index.

**S&P 500 Consumer Discretionary Index** measures the performance of the consumer discretionary sector in the S&P 500 Index.

**S&P 500 Consumer Staples Index** measures the performance of the consumer staples sector in the S&P 500 Index.

**S&P 500 Information Technology** measures the performance of the information technology sector in the S&P 500 Index.

**S&P 500 Materials** measures the performance of the materials sector in the S&P 500 Index.

**S&P 500 Health Care** measures the performance of the health care sector in the S&P 500 Index.

**S&P 500 Telecommunications Services Index** measures the performance of the telecommunications services sector in the S&P 500 Index.

## General Disclosure

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# Scorecard Disclosures

Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the plan.

The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the Scorecard System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the Scorecard System does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.

Cash Alternatives (e.g., money market fund) and some specialty funds are not scored by the Scorecard System.

The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.**

**For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**

# Investment Risk Disclosures

Consider the investment objectives, risks and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. Please contact your advisor for the most recent prospectus. Prospectus should be read carefully before investing.

**International/Emerging Markets:** The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Sector Funds:** The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Non-Diversified Funds:** The investor should note that funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

**Small-Cap Stocks:** The investor should note that funds that invest in stocks of small cap companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid-Cap Stocks:** The investor should note that funds that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

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Contact your advisor with any questions about this report or for the most current month-end performance.

The information presented within this market commentary is intended for informational purposes only and cannot be guaranteed. Please direct all questions and comments concerning this report to your advisor.

**High-Yield Bonds:** The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Bond/Fixed Income Funds:** The investor should note that funds that invest in bonds (fixed income securities), including government, corporate and mortgage-backed securities, involve additional risks. Interest rate risk may cause bonds to lose their value. The investor should be aware that it is possible in a rising rate environment for investment grade bond strategies to lose value and experience negative returns over certain time periods.

**Stable Value Funds:** The investor should note that these funds invest in short to intermediate term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

**Money Market Funds:** The investor should note that these funds invest in short term securities that can and may lose value. These funds, while managed to protect principal, do not guarantee the investor's principal, nor are they insured or guaranteed by the FDIC or any other government agency.

**Guaranteed Investment Contract (GIC):** Contract that guarantees the repayment of principal and a fixed or floating rate over a specified period of time. The guarantee is backed by the provider, typically an insurance company.