



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of April 24, 2025

From: Alice Ng, Director of Fiscal Resources  
Jennifer H. Mennucci, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **ANNUAL REVIEW OF THE DISTRICT'S 457(b) DEFERRED  
COMPENSATION AND 401(a) DEFINED CONTRIBUTION PROGRAMS**

### **Recommendation**

This report is provided for informational purposes only and does not require any action.

### **Summary**

This is the annual staff report to the Board regarding the Golden Gate Bridge, Highway and Transportation District's ("District") 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Plan (collectively referred to as "the Plans"), both administered by MissionSquare Retirement ("MissionSquare"). The purpose of this report is to review and report on the Plans' funds and MissionSquare's performance and to summarize amendments and/or changes made to the administration of the Plans and Policy Statement during the 2024 calendar year.

On March 4, 2025, District staff, led by NFP Retirement, Inc. ("NFP"), the District's deferred compensation and defined contribution consultant, conducted an annual review of the Plans' investment fund performance and MissionSquare, as the Plans' service provider, and found both to be satisfactory.

Below is a summary of the amendments and/or changes to the administration of the Plans as well as selected fund statistics and information regarding the Plans' asset allocation, the Plans' fund performance, watch list, and the Plans' fees and charges.

### **Amendments and/or Changes to the Administration of the Plans**

The SECURE 2.0 Act was signed into law in late 2022, building on the original SECURE Act of 2019, which altered the rules around how a participant can save and withdraw money from their retirement accounts. Staff and MissionSquare continue to work together to implement changes in compliance to the SECURE Act 2.0. The chart below summarizes the provisions that the District has or will be adopting.

| Adoption Year | Provision of the SECURE 2.0 Act                                                                                                                                                                | Optional (Elected by District) | Mandatory |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------|
| 2023          | Eliminate the "first day of the month" rule requirement which means participants may now change their deferral elections in the same month their compensation being deferred becomes available | X                              |           |
| 2024          | Penalty-free withdrawals for domestic abuse victims                                                                                                                                            | X                              |           |
| 2024          | Withdrawals for federally declared disasters                                                                                                                                                   | X                              |           |
| 2025          | Higher catch-up contribution limit to apply for ages 60 to 63 ("Super Catch Up")                                                                                                               | X                              |           |
| 2026          | Age-based catch-up contributions must be made on a Roth Basis                                                                                                                                  |                                | X         |

MissionSquare will continue to assist the District in informing participants of the details of these provisions.

### **MissionSquare**

Participants (current employees and retirees) are encouraged to meet with a MissionSquare Retirement Plan Specialist (RPS) through in-person and virtual appointments. During 2024, there were 183 one-on-one consultations (and 134 in 2023). As part of ongoing education and communication with District employees, MissionSquare conducts various seminars and webinars covering a variety of topics of interest to retirees and near retirees. Staff also meets quarterly with MissionSquare to build a strategy to increase participation in the Plan and improve educational opportunities for its participants.

Through past negotiations with MissionSquare, participants have benefitted from cost reductions as a result of changing to lowest-cost share classes or indexes, reduced expense ratios, and reduced administrative fees. As presented to the Board at the May 2024 meeting, in the most recent 2024 renewal, MissionSquare's record keeping fee was further reduced by 30% from 0.04% to .028%. Additionally, for participants who elect to be in managed accounts, their fees for the first \$100,000 managed was reduced from 0.05% to 0.04%. To further improve participant retirement readiness, all participants, regardless of assets managed have access to a Certified Financial Planner at no cost; those with account balances of \$50,000 are eligible for an annual comprehensive financial plan also at no cost.

### **Investment Policy Review**

The Investment Policy Statement establishes the framework for investment asset class options, fund selection, and fund performance evaluation. The current Investment Policy is applicable to both the District's 457(b) and 401(a) plans as they both have the same investment line up. As of December 31, 2024, the Plans were in full compliance with the Investment Policy Statement.

**Plan Assets**

**457(b) Plan**

| <b><u>457(b) Fund Statistics</u></b> |                |                |
|--------------------------------------|----------------|----------------|
|                                      | <b>2024</b>    | <b>2023</b>    |
| Plan Assets at December 31:          | \$ 138,262,655 | \$ 123,134,878 |
| Plan Participants:                   | 924            | 922            |
| Active Plan Participants:            | 562            | 570            |
| Average balance/participant          | \$ 149,635     | \$ 133,552     |
| Contributions (excludes Roll ins)    | \$ 5,648,679   | \$ 5,083,639   |
| Average contribution/participant     | \$ 10,051      | \$ 8,919       |

Total assets in the 457(b) Plan were \$138.3 million as of December 31, 2024, an increase of \$15.1 million (12.3%) from \$123.1 million as of December 31, 2023. Total 457(b) Plan participants (current employees and retirees) increased slightly to 924 from 922, as the number of active Plan participants decreased from 570 to 562. Contributions in 2024 were \$5.7 million as compared to \$5.1 million in 2023. The average contribution per active participant increased to \$10,051 in 2024 from \$8,919 in 2023. The average account balance increased to \$149,635 as of December 31, 2024, from \$133,552 as of December 31, 2023.

**401(a) Plan**

| <b><u>401(a) Fund Statistics</u></b> |              |              |
|--------------------------------------|--------------|--------------|
|                                      | <b>2024</b>  | <b>2023</b>  |
| Plan Assets at December 31:          | \$ 1,705,971 | \$ 1,430,252 |
| Plan Participants:                   | 52           | 50           |
| Active Plan Participants:            | 39           | 42           |
| Employer Contributions               | \$ 92,955    | \$ 70,000    |
| Employee Contributions               | \$ 68,955    | \$ 46,000    |
| Total Contributions                  | \$ 161,909   | \$ 115,999   |

The assets in the 401(a) Plan are administered by MissionSquare in the same manner as the 457(b) Plan. Both Plans share the same investment lineup. The total assets in the 401(a) Plan were \$1,705,971 as of December 31, 2024, an increase of \$275,719 (19%) from \$1,430,252 as of December 31, 2023.

There are three employee eligibility groups in the 401(a) Plan:

- (1) **“SERP” Group** – In December 2012, the Board authorized the adoption of the MissionSquare 401(a) Defined Contribution Plan and the termination of the District’s defined benefit Supplemental Retirement Plan (“SERP”). SERP assets of the four participants were then rolled into newly established participants’ accounts in the 401(a) Plan. There were three participants receiving contributions in the SERP eligibility group in 2024 and 2023. In accordance with the SERP Group participants’ employee contracts, the District contributed \$24,000 in 2024 and 2023. Employees in the SERP Group may not voluntarily contribute into the 401(a) Plan.
- (2) **“PEPRA” Group** – With Board approval in 2015, this eligibility group was established for non-represented employees who are considered “new members” (hired on or after January 1, 2013, without reciprocity) under the California Public Employees’ Pension Act of 2013 (“PEPRA”), who are in the District’s sponsored CalPERS 2% @ 62 Plan. The District’s employer contributions for the PEPRA eligibility group is a 100% employee match. Once the eligibility requirement is fulfilled, the PEPRA employee is required to contribute the CalPERS’ 2% @ 62 Plan’s employee contribution rate (stipulated by CalPERS as 50% of normal cost, 7.75% effective July 1, 2023) on his/her PERSable wages that exceed the wage limit set by PEPRA for the applicable calendar year (i.e., \$151,446 for 2024; \$146,042 for 2023). In 2024 there were 23 employees who earned wages that exceeded the wage limit set by PEPRA, as compared to 19 employees in 2023. Total employee contributions for the PEPRA Group from these 23 employees totaled \$49,202 in 2024 (compared to \$29,835, for the 19 employees in 2022), that the District matched 100%. Note that the PEPRA wage limit has increased to \$155,081 for 2025.
- (3) **“2% @ 60” Group** – In August 2016, the Board authorized adding a new eligibility group for non-represented Classic 2% @ 60 employees to supplement the difference in pension benefits between the two classic CalPERS plans (2% @ 60 vs. 2.5% @ 55). In May 2023, the Board adopted a resolution to add represented employees Classic 2% @ 60 employees on the same terms as non-represented employees in the 2% @ 60 Eligibility Group, subject to collective bargaining. A 2% @ 60 employee contributes the difference between the CalPERS’ 2.5% @ 55 Plan’s employee contribution rate (currently at 8% as stipulated by CalPERS) on his/her PERSable wages, and the CalPERS’ 2% @ 60 Plan’s employee contribution rate (currently at 7% as stipulated by CalPERS). The District matches the 2% @ 60 employee's contribution. 17 employees in 2024 and 20 employees in 2023, were eligible for this eligibility group. Total employee contributions for the 2% @ 60 Group totaled \$19,752 in 2024 (compared to \$16,614 in 2023), which the District matched 100%.

### **Plan Asset Allocation**

Asset allocation of the combined assets of both Plans as of December 31, 2024, and 2023, is summarized in the table below. The largest two asset allocations as of December 31, 2024 remain in U.S. Equity at \$73.8 million (52.7%) of assets and in Cash Alternatives (stable value and money market funds) at \$25.1 million (18.0%) of assets.

|                             | At December 31, 2024  |               | At December 31, 2023  |               |
|-----------------------------|-----------------------|---------------|-----------------------|---------------|
|                             | COMBINED PLANS        |               | COMBINED PLANS        |               |
|                             | Plan                  | %             | Plan                  | %             |
|                             | Assets                | of Assets     | Assets                | of Assets     |
| US Equity                   | \$ 73,764,772         | 52.7%         | \$ 58,773,111         | 47.2%         |
| Cash Alternatives           | \$ 25,137,596         | 18.0%         | \$ 29,212,943         | 23.5%         |
| Asset Allocation            | \$ 22,411,583         | 16.0%         | \$ 20,181,844         | 16.2%         |
| International/Global Equity | \$ 10,353,670         | 7.4%          | \$ 8,448,414          | 6.8%          |
| Fixed Income                | \$ 7,365,973          | 5.3%          | \$ 7,235,803          | 5.8%          |
| Self Directed Brokerage     | \$ 935,032            | 0.7%          | \$ 713,015            | 0.6%          |
|                             | <b>\$ 139,968,626</b> | <b>100.0%</b> | <b>\$ 124,565,130</b> | <b>100.0%</b> |

### **Plan Fund Performance**

The individual fund performance for all the funds in the Plans is detailed in Exhibit A. Results utilizing NFP's Scorecard Methodology, as per the Plans' Investment Policy, showed many funds received good and acceptable scores (7-10). Funds that did not meet the criteria standards as outlined in the Investment Policy, such as scoring 6 or below in the Scorecard Point System, are placed on the Watch List or identified for Deletion/Replacement. These funds are discussed in the section below. All other funds were reviewed and met qualitative reviews and/or scoring of acceptable to good.

### **Watch List and Lineup Changes**

The Watch List and Lineup Changes proposed by NFP to staff (Exhibit B) contains funds that did not meet the criteria standards as outlined in the Investment Policy, such as scoring 6 or below in the Scorecard Point System. After discussion with NFP regarding its recommendations, staff agrees with NFP's proposed actions and rationale as summarized in Exhibit B.

NFP will continue to monitor the other two funds (*Small Cap Growth II-Neuberger Berman SCG Fund* and *Vanguard Mid Cap Index Fund*) on the Watch List and advise staff of any future recommended action.

The adding of 5-year intervals to the *Nuveen Lifecycle Target Date Fund* series will be made available to all participants in June. Staff will work with MissionSquare to target the transfer of assets of *Vanguard Dividend Growth Fund* to the *Vanguard Institutional Index* also targeted for June. MissionSquare will also be providing notification to all participants of the changes/transfer ahead of time in May.

### **Fees and Charges**

The Plans' expenses (both investment manager fund fees and Plan administration expenses) are paid by the participants. The District pays no fees to MissionSquare. The participants continue to enjoy high-performing funds with the lowest-cost share classes or indexes available to the Plans. A summary of estimated Plan fees is summarized below:

|                                   | 2024              |                | 2023              |                |
|-----------------------------------|-------------------|----------------|-------------------|----------------|
| Investment Managers               | \$ 265,940        | 0.1900%        | \$ 292,984        | 0.2392%        |
| MissionSquare Record Keeping      | \$ 39,191         | 0.0280%        | \$ 50,011         | 0.0400%        |
| District Administrative Allowance | \$ 19,596         | 0.0140%        | \$ 34,383         | 0.0275%        |
|                                   | <b>\$ 324,727</b> | <b>0.2320%</b> | <b>\$ 377,378</b> | <b>0.3067%</b> |

Investment manager fees vary by participant fund selection ranging from 4 basis points for index funds to 53 basis points for actively managed funds (.04% - 0.53%). The investment manager fee for the Plans averaged 19 basis points (0.19%) in 2024, and 24 basis points (0.24%) in 2023. According to Morningstar's 2023 Fee Study, the average weighted expense ratio across all funds was 0.36% (with asset-weighted average fee for Active Funds at 0.59% and Passive Funds at 0.11%).

As negotiated in 2024, MissionSquare's record keeping fee is 2.8 basis points (0.028%), totaling an estimated \$39,191 in 2024 versus \$50,011 in 2023 when the record keeping fee was 4 basis points (.04%). In addition, MissionSquare collects 1.4 basis points (0.014%), on behalf of the District, as an annual allowance for the District to pay for certain administrative and education costs to monitor the Plan. The District uses these funds to pay for the NFP consulting contract (annual investment review and Plan Provider RFP/renegotiation process), legal fees, and other education courses (i.e., The National Association of Government Defined Contribution Administrators, Inc. Annual Conference) for District staff relating to the Plans. The District was credited \$19,596 as its annual administrative allowance for 2024, and \$34,383 for 2023. As of December 31, 2024, the administrative allowance account was \$71,988. Staff periodically reviews the accumulated balance in the administrative allowance account and if expenses are lower than what is needed, the District rebates the amount not needed back to its participants. The District has requested that MissionSquare rebate \$50,000 back to the District's participants in Quarter 2 of 2025.

### **Fiscal Impact**

There is no fiscal impact associated with this informational report.

Attachment: Exhibit A. Fund Performance  
Exhibit B. Watchlist and Fund Lineup Changes

# Returns Analysis

## Allocation (Series Funds)

Performance as of 12/31/2024

| Asset Allocation                  | Ticker/<br>I D | QTR   | YTD   | Annualized Returns |        |        |         | Since<br>Incept. | Share Class<br>Inception | Strategy<br>Inception | Expense Ratio |      |
|-----------------------------------|----------------|-------|-------|--------------------|--------|--------|---------|------------------|--------------------------|-----------------------|---------------|------|
|                                   |                |       |       | 1 Year             | 3 Year | 5 Year | 10 Year |                  |                          |                       | Gross         | Net  |
| Nuveen Lifecycle Index Ret Inc R6 | TRILX          | -1.91 | 7.86  | 7.86               | 1.46   | 4.63   | 5.08    | 5.99             | 9/30/2009                | 9/30/2009             | 0.22          | 0.10 |
| StyleBenchmark                    |                | -1.74 | 7.98  | 7.98               | 1.55   | 4.51   | 5.03    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2015 R6    | TLFIX          | -1.83 | 8.06  | 8.06               | 1.50   | 4.89   | 5.49    | 6.67             | 9/30/2009                | 9/30/2009             | 0.21          | 0.10 |
| StyleBenchmark                    |                | -1.64 | 8.83  | 8.83               | 2.03   | 5.11   | 5.49    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2025 R6    | TLQIX          | -1.86 | 9.48  | 9.48               | 2.04   | 5.93   | 6.53    | 7.82             | 9/30/2009                | 9/30/2009             | 0.18          | 0.10 |
| StyleBenchmark                    |                | -1.56 | 10.73 | 10.73              | 2.80   | 6.39   | 6.57    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2035 R6    | TLYIX          | -1.71 | 11.84 | 11.84              | 3.16   | 7.50   | 7.87    | 9.16             | 9/30/2009                | 9/30/2009             | 0.17          | 0.10 |
| StyleBenchmark                    |                | -1.38 | 13.20 | 13.20              | 3.75   | 7.97   | 7.90    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2045 R6    | TLXIX          | -1.44 | 14.63 | 14.63              | 4.44   | 9.23   | 9.13    | 10.10            | 9/30/2009                | 9/30/2009             | 0.17          | 0.10 |
| StyleBenchmark                    |                | -1.04 | 15.66 | 15.66              | 4.82   | 9.48   | 9.11    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2055 R6    | TTIIX          | -1.35 | 15.35 | 15.35              | 4.71   | 9.58   | 9.41    | 9.46             | 4/29/2011                | 4/29/2011             | 0.18          | 0.10 |
| StyleBenchmark                    |                | -0.94 | 16.18 | 16.18              | 5.05   | 9.80   | 9.35    |                  |                          |                       |               |      |
| Nuveen Lifecycle Index 2065 R6    | TFITX          | -1.28 | 15.76 | 15.76              | 4.94   |        |         | 11.06            | 9/30/2020                | 9/30/2020             | 0.26          | 0.10 |
| Aggressive Benchmark              |                | -0.54 | 16.80 | 16.80              | 5.16   | 9.56   | 8.82    |                  |                          |                       |               |      |

## Core Lineup

| Active                                                                                                           | Ticker/<br>I D | QTR   | YTD   | Annualized Returns |        |        |         | Since<br>Incept. | Share Class<br>Inception | Strategy<br>Inception | Expense Ratio |      |
|------------------------------------------------------------------------------------------------------------------|----------------|-------|-------|--------------------|--------|--------|---------|------------------|--------------------------|-----------------------|---------------|------|
|                                                                                                                  |                |       |       | 1 Year             | 3 Year | 5 Year | 10 Year |                  |                          |                       | Gross         | Net  |
| U.S. Equity                                                                                                      |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Large Cap Value                                                                                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Large Cap Value I1 (Putnam LCV)                                                                                  | 97183K381      | -2.16 | 19.66 | 19.66              | 10.48  | 12.79  |         | 13.47            | 12/3/2018                | 12/3/2018             | 0.29          | 0.29 |
| SE: Putnam Large Cap Value R6                                                                                    | PEGSX          | -2.14 | 19.42 | 19.42              | 10.36  | 12.69  | 11.15   | 13.39            | 7/2/2012                 | 6/15/1977             | 0.55          | 0.55 |
| Russell 1000 Value Index                                                                                         |                | -1.98 | 14.37 | 14.37              | 5.63   | 8.68   | 8.49    |                  |                          |                       |               |      |
| Large Cap Blend                                                                                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Dividend Growth Inv  | VDIGX          | -4.72 | 9.03  | 9.03               | 3.88   | 9.42   | 10.48   | 9.04             | 5/15/1992                | 5/15/1992             | 0.29          | 0.29 |
| Russell 1000 Index                                                                                               |                | 2.75  | 24.51 | 24.51              | 8.41   | 14.28  | 12.87   |                  |                          |                       |               |      |
| Large Cap Growth                                                                                                 |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Large Cap Growth IV I1 (American Century Ultra)                                                                  | 97184E426      | 6.11  | 30.33 | 30.33              |        |        |         | 37.21            | 1/3/2023                 | 11/4/2022             | 0.34          | 0.34 |
| SE: American Century Ultra R6                                                                                    | AULDX          | 6.01  | 29.99 | 29.99              | 8.21   | 18.68  | 16.85   | 17.09            | 7/26/2013                | 11/2/1981             | 0.60          | 0.54 |
| Russell 1000 Growth Index                                                                                        |                | 7.07  | 33.36 | 33.36              | 10.47  | 18.96  | 16.78   |                  |                          |                       |               |      |
| Small Cap Value                                                                                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Small Cap Value I1 (PIMCO RAE SCV)                                                                               | 97181N296      | 3.04  | 8.83  | 8.83               | 3.66   | 8.78   |         | 10.10            | 8/9/2019                 | 8/9/2019              | 0.36          | 0.36 |
| SE: PIMCO RAE US Small Instl                                                                                     | PMJIX          | 2.94  | 22.08 | 22.08              | 11.81  | 15.96  |         | 11.31            | 6/5/2015                 | 6/5/2015              | 0.51          | 0.50 |
| Russell 2000 Value Index                                                                                         |                | -1.06 | 8.05  | 8.05               | 1.94   | 7.29   | 7.14    |                  |                          |                       |               |      |

# Returns Analysis

## Core Lineup

| Active                                        | Ticker/<br>I D | QTR   | YTD   | Annualized Returns |        |        |         | Since<br>Incept. | Share Class<br>Inception | Strategy<br>Inception | Expense Ratio |      |
|-----------------------------------------------|----------------|-------|-------|--------------------|--------|--------|---------|------------------|--------------------------|-----------------------|---------------|------|
|                                               |                |       |       | 1 Year             | 3 Year | 5 Year | 10 Year |                  |                          |                       | Gross         | Net  |
| Small Cap Growth                              |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Small Cap Growth I1 (Neuberger Berman SCG) 🇺🇸 | 97181N361      | -1.38 | 26.27 | 26.27              | -2.91  | 2.50   |         | 2.40             | 7/22/2019                | 7/22/2019             | 0.53          | 0.53 |
| SE: Neuberger Berman Small Cap Growth R6      | NSRSX          | -1.34 | 26.17 | 26.17              | 1.75   | 9.58   | 11.21   | 9.50             | 9/7/2018                 | 10/20/1998            | 1.04          | 0.81 |
| Russell 2000 Growth Index                     |                | 1.70  | 15.15 | 15.15              | 0.21   | 6.86   | 8.09    |                  |                          |                       |               |      |
| Fixed Income                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Core Fixed Income                             |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Core Bond I1 (Lord Abbett Total Return)       | 97183J566      | -2.58 | 3.10  | 3.10               | -1.73  | 0.47   |         | 1.50             | 1/2/2018                 | 1/2/2018              | 0.21          | 0.21 |
| SE: Lord Abbett Total Return R6               | LTRHX          | -2.59 | 2.99  | 2.99               | -1.86  | 0.39   | 1.77    | 1.84             | 6/30/2015                | 12/14/1998            | 0.35          | 0.35 |
| BB Aggregate Bond                             |                | -3.06 | 1.25  | 1.25               | -2.41  | -0.33  | 1.35    |                  |                          |                       |               |      |
| U.S. Government TIPS                          |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| PIMCO Real Return Instl                       | PRRIX          | -2.86 | 2.59  | 2.59               | -2.11  | 2.13   | 2.29    | 5.02             | 1/29/1997                | 1/29/1997             | 0.50          | 0.50 |
| BB TIPS                                       |                | -2.88 | 1.83  | 1.83               | -2.30  | 1.87   | 2.24    |                  |                          |                       |               |      |
| Cash Alternatives                             |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Stable Value                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| MissionSquare PLUS Fund Class R10             | 92208J709      | 0.76  | 3.02  | 3.02               | 2.59   | 2.38   | 2.27    | 2.26             | 10/11/2013               | 1/2/1991              | 0.52          | 0.52 |
| BofA US 3-Month Treasury Bill Index           |                | 1.16  | 5.25  | 5.25               | 3.89   | 2.47   | 1.77    |                  |                          |                       |               |      |
| Money Market                                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Fidelity Government MMkt                      | SPAXX          | 1.10  | 4.92  | 4.92               | 3.65   | 2.23   | 1.50    | 2.68             | 2/5/1990                 | 2/5/1990              | 0.42          | 0.42 |
| BofA US 3-Month Treasury Bill Index           |                | 1.16  | 5.25  | 5.25               | 3.89   | 2.47   | 1.77    |                  |                          |                       |               |      |
| Specialty                                     |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Specialty                                     |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| MissionSquare Brokerage                       |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| MissionSquare Roth Brokerage                  |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
|                                               |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Passive                                       | Ticker/<br>I D | QTR   | YTD   | Annualized Returns |        |        |         | Since<br>Incept. | Share Class<br>Inception | Strategy<br>Inception | Expense Ratio |      |
|                                               |                |       |       | 1 Year             | 3 Year | 5 Year | 10 Year |                  |                          |                       | Gross         | Net  |
| U.S. Equity                                   |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Large Cap Blend                               |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Institutional Index I                | VINIX          | 2.40  | 24.97 | 24.97              | 8.90   | 14.49  | 13.07   | 10.71            | 7/31/1990                | 7/31/1990             | 0.04          | 0.04 |
| Vanguard Total Stock Mkt Idx Adm              | VTSAX          | 2.62  | 23.74 | 23.74              | 7.86   | 13.80  | 12.49   | 8.51             | 11/13/2000               | 4/27/1992             | 0.04          | 0.04 |
| Russell 1000 Index                            |                | 2.75  | 24.51 | 24.51              | 8.41   | 14.28  | 12.87   |                  |                          |                       |               |      |
| Mid Cap Blend                                 |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Mid Cap Index Admiral 🇺🇸             | VIMAX          | 0.44  | 15.22 | 15.22              | 2.80   | 9.85   | 9.55    | 10.06            | 11/12/2001               | 5/21/1998             | 0.05          | 0.05 |
| Russell Mid-Cap Index                         |                | 0.62  | 15.34 | 15.34              | 3.79   | 9.92   | 9.63    |                  |                          |                       |               |      |

# Returns Analysis

| Passive                                  | Ticker/<br>I D | QTR   | YTD   | Annualized Returns |        |        |         | Since<br>Incept. | Share Class<br>Inception | Strategy<br>Inception | Expense Ratio |      |
|------------------------------------------|----------------|-------|-------|--------------------|--------|--------|---------|------------------|--------------------------|-----------------------|---------------|------|
|                                          |                |       |       | 1 Year             | 3 Year | 5 Year | 10 Year |                  |                          |                       | Gross         | Net  |
| Small Cap Blend                          |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Small Cap Index Admiral Shares  | VSMAX          | 1.66  | 14.23 | 14.23              | 3.61   | 9.30   | 9.09    | 9.23             | 11/13/2000               | 10/3/1960             | 0.05          | 0.05 |
| Russell 2000 Index                       |                | 0.33  | 11.54 | 11.54              | 1.24   | 7.40   | 7.82    |                  |                          |                       |               |      |
| International/Global Equity              |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| International Large Cap Blend            |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Developed Markets Index Admiral | VTMGX          | -8.14 | 3.04  | 3.04               | 0.89   | 4.76   | 5.47    | 4.41             | 8/17/1999                | 8/17/1999             | 0.08          | 0.08 |
| MSCI EAFE ND USD                         |                | -8.11 | 3.82  | 3.82               | 1.65   | 4.73   | 5.20    |                  |                          |                       |               |      |
| Fixed Income                             |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Core Fixed Income                        |                |       |       |                    |        |        |         |                  |                          |                       |               |      |
| Vanguard Total Bond Market Index Adm     | VBTLX          | -3.04 | 1.24  | 1.24               | -2.42  | -0.32  | 1.33    | 3.21             | 11/12/2001               | 12/11/1986            | 0.05          | 0.05 |
| BB Aggregate Bond                        |                | -3.06 | 1.25  | 1.25               | -2.41  | -0.33  | 1.35    |                  |                          |                       |               |      |

## Disclosure

\* Strategy Equivalent Score

SE = Strategy Equivalent

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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. The average score includes Strategy Equivalent scores where utilized. For Group Series funds, if Strategy Equivalents are included, the specific Strategy Equivalent(s) within each given series will be indicated in the Allocation (Series Funds) and/or Selection (Underlying Funds) section(s) within the detailed report. ACR#5821538 07/23

Contact RPAG with any questions about this report or for the most current month-end performance at (877)-360-2480.

# Summary of Considerations

| Watchlist                                                                         | Asset Class | Fund                                       | Score |
|-----------------------------------------------------------------------------------|-------------|--------------------------------------------|-------|
|  | MCB-P       | Vanguard Mid Cap Index Admiral             | 6     |
|  | SCG         | Small Cap Growth I1 (Neuberger Berman SCG) | 10*   |

| Eliminate                                                                         | Asset Class | Fund                         | Score | Action | Asset Class | Fund                           | Score |
|-----------------------------------------------------------------------------------|-------------|------------------------------|-------|--------|-------------|--------------------------------|-------|
|  | LCB         | Vanguard Dividend Growth Inv | 5     | Map to | LCB-P       | Vanguard Institutional Index I | 10    |

Considerations:  Add  Delete  Watchlist

\* Strategy Equivalent Score. Non-scoring funds will be assigned a letter. The letter definitions are 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.

## **WATCHLIST**

### **1. Small Cap Growth I1 (Neuberger Berman SCG) (97181N361)**

This fund is scoring a 5 due to the prior underlying manager's (Victory) performance. The score with the prior manager would actually be a 7 but, due to the change, an additional 2 points are lost for manager tenure. The current underlying fund manager (Neuberger Berman) / fund scores a 10, and has outperformed its benchmark by over 1100 bps over the last year.

### **2. The Vanguard Mid Cap Index fund (VIMAX)**

This fund scored a 6, its first quarter on the watchlist, on a handful of narrowly missed metrics.

## **LINE UP CHANGES**

### **1. The Vanguard Dividend Growth fund (VDIGX)**

This fund is scoring a 5 and has been scoring a watchlist score for four consecutive quarters, making it a review candidate. There is another large cap blend index option already on the investment menu – the Vanguard Institutional Index fund (VINIX). Removing the Vanguard Dividend Growth fund and mapping assets to the Vanguard Institutional Index fund results in a score improvement from a 5 to a 10, and an expense reduction from 0.29% to 0.04%. It also makes the menu more efficient, with the net reduction of 1 fund.

### **2. Add 5-year intervals to the Nuveen Lifecycle Target Date Fund Series**

The plan currently has the Nuveen Lifecycle Target Date Fund series with 10-year increments available. There was a discussion around adding to the suite to include options at 5-year intervals. The Committee determined it prudent to add the additional options to provide participants with additional years more aligned with their target retirement dates.

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