MEKETA

Hospitality Industry 401(k) Plan

January 22, 2025

Investment Review

Agenda

1. Defined Contribution Marketplace Update
2. Executive Summary
3. Performance Update as of December 31, 2024
4. Fee Benchmarking Review Follow Up
5. Disclaimer, Glossary, and Notes

Defined Contribution Marketplace Update

Third Quarter 2024 Defined Contribution Marketplace Update

Regulatory Update: SECURE Act 2.0 Timeline of Effective Dates of Key Provisions (Source: Fidelity):

2020/2021	2022	2023	2024	2025	2026
Section 311: Repayments of qualified birth or adoption distributions is limited to three years (2020) Section 331: Withdrawals for federally declared disasters (2021)	Section 113: Small immediate financial incentives for contributing to a plan Section 128: 403(b) Plan investments in Collective Investment trusts (CITs) Section 204: Eliminates RMD penalty on partial annuitization Section 301: Recouping overpayments Section 306: Eliminates the first day of the month requirement for government plans Section 312: Self-certification of hardship and unforeseeable emergency distributions Section 326: Exception to the penalty on early distributions from a qualified plan for individuals with terminal illness Section 349: PBGC variable rate premiums Section 604: Participants may elect Roth treatment for matching and nonelective contributions	Section 106: Multiple employer plans (MEPs) for 403(b) plans *Section 107: Increase RMD age Section 120: Automatic portability *Section 201: Eliminates RMD barriers for Life Annuities in plan and IRAs *Section 302: Reduce RMD penalty Section 320: Disclosures for eligible 'unenrolled' participants Section 348: Cash Balance interest credit projections	Section 110: Student loan payments Section 115: Withdrawals for emergency expenses Section 127: In-plan emergency savings accounts Section 303: Lost and found Section 304: Increase in cash-out limit *Section 310: Top-Heavy rule modifications Section 314: Eligible distributions for domestic abuse victims *Section 325: Extend the pre-death RMD exemption for Roth IRAs to in-plan Roth amounts *Section 327: Spousal beneficiaries treated as plan participants for RMD purposes *Section 342: Lump-sum disclosures *Section 343: Annual funding notice changes Section 602: Hardship withdrawal rules for 403(b) Plans	*Section 101: Automatic enrollment requirement for new plans Section 109: Increase age 50 catch-up contribution limit for participants ages 60 through 63 *Section 125: Long-term, part-time eligibility Section 334: Long term care insurance	*Section 338: Annual paper statement requirement *Section 603: Age 50 catch-up contributions must be Roth for certain participants

** Mandatory Provision*

Third Quarter 2024 Defined Contribution Marketplace Update

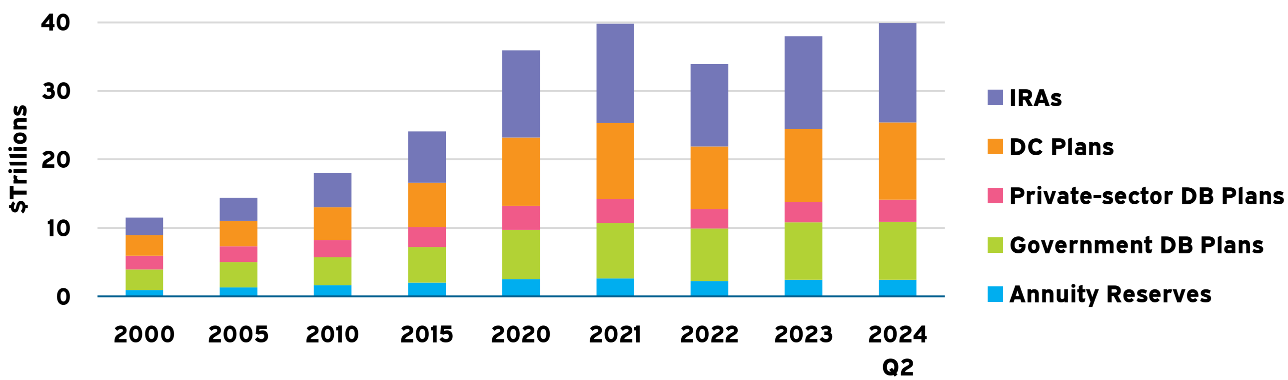
Drivers of Recordkeeping Costs (August 2024)

→ CEM Benchmarking released an analysis it conducted on the recordkeeping fees of its $1.3 trillion DC Database across 123 plan sponsors with a median plan size of $6.4 billion from its annual Defined Contribution survey, highlighting the following:

- The typical participant has an annual cost ranging from $20 to $80 US dollars per year per participant, with the average being $37 per participant.
- Higher participant account balances do not imply a lower cost. However, an increase in the number of plan participants can lead to lower overall recordkeeping costs.

US Retirement Assets Hit $40 Trillion (September 2024 Source: ICI)

→ Investment Company Institute (ICI) released its Quarterly Retirement Market Data as of June 30, 2024 which shows that, for the first time, US Retirement Assets have hit $40 trillion, accounting for 32% of all US household financial assets.



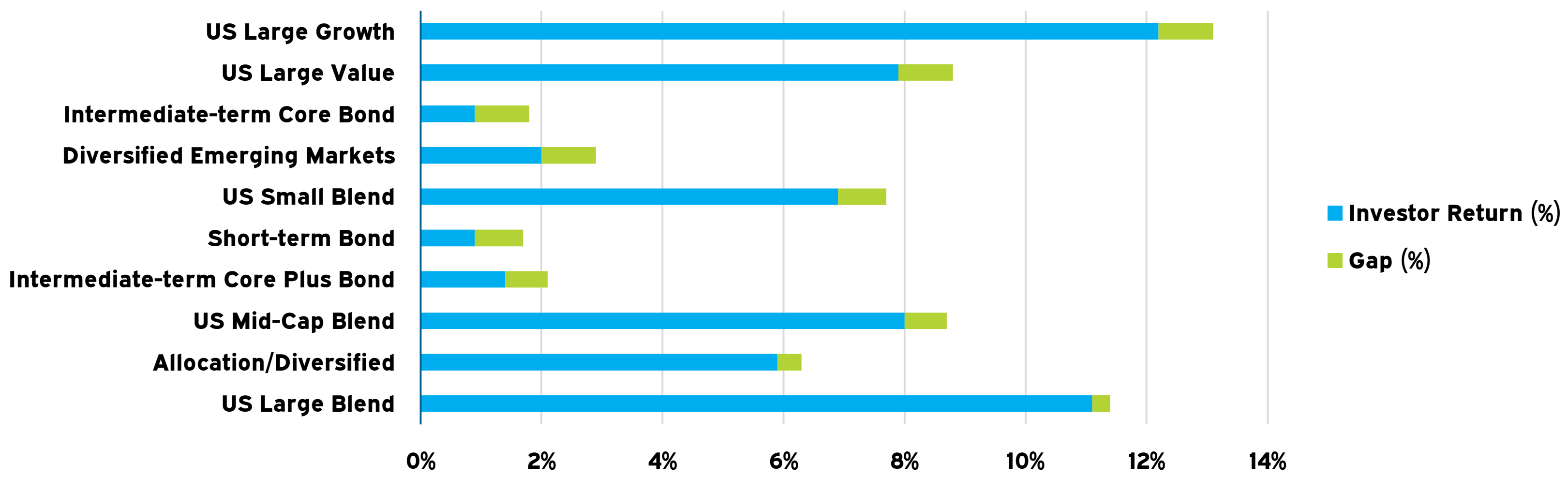
Third Quarter 2024 Defined Contribution Marketplace Update

Mind the Gap (August 2024 Source: Morningstar)

→ Morningstar's annual study spanned more than 20,000 fund share classes that accounted in aggregate for more than $12 trillion in net assets at the start of the 10-year period to nearly $21 trillion by the end.

- Mutual fund investors earned a 6.3% per year dollar-weighted return ("investor return") over the 10 years ended Dec. 31, 2023, while their fund holdings earned about 7.3% per year ("total return").
- The 1.1% annual estimated return gap stems from ill-timed purchases and sales.
- The average dollar's return lagged the average total return in all 10 of the calendar years in the study period; investors appear to have incurred heavy timing costs in 2020 (leading to a negative 2% gap that year).

Morningstar's 10-Year "Total Return" Components



Executive Summary

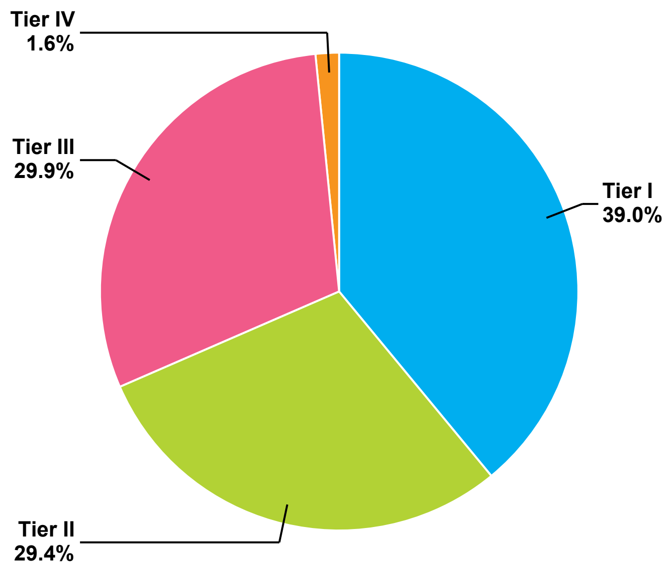
- → The value of the 401(k) Plan increased by $0.7 million during the fourth quarter of 2024, ending at $53.7 million on December 31, 2024.

Quarter	Market Value ($mm)
2024Q4	53.7
2024Q3	53.0
2024Q2	50.1
2024Q1	49.2
2023Q4	46.3
2023Q3	42.1

- → All managers produced negative returns for the quarter, except for the Vanguard 500 Index, the Vanguard Mid-Cap Index and the Vanguard Small-Cap Index. All managers produced positive results for the trailing year. The Vanguard 500 Index was the best performing asset for both time periods as well.
- → All managers have produced positive gains over the 5-year period, except for the Vanguard Total Bond Market Index. Over the trailing ten years, all managers have produced positive returns.
- → The Guaranteed Income Fund was the largest single investment and represented 17.0% of the Plan's assets as of December 31. As a group, the Target Date funds accounted for 39.0% of the Plan assets, an increase of 1% from the prior quarter.
- → The new investment lineup approved by the Trustees at the March meeting has been fully implemented.
- → All investment options have net expense ratios lower than their respective peer group average.
- → Empower has also provided a new recordkeeping proposal for the Trustees' consideration.

Performance Update
As of December 31, 2024

Current Plan Allocation



Asset Allocation

	12/31/2024 Market Value($)
Tier I	20,936,975
Tier II	15,800,853
Tier III	16,064,123
Tier IV	851,901
Total	53,653,852

Performance Summary (Trailing)

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund Aggregate		**53,653,852**	**100.0**					
Tier I		**20,936,975**	**39.0**					
Vanguard Target Retirement Income	VTINX	1,827,485	3.4	-1.6	6.6	1.0	3.6	--
Vanguard Target Retirement Income Index				*-1.5*	*6.7*	*1.2*	*3.9*	*--*
Target-Date Retirement Rank				*12*	*51*	*33*	*44*	*--*
Vanguard Target Retirement 2020	VTWNX	3,796,073	7.1	-1.6	7.7	1.3	4.8	--
Vanguard Target Retirement 2020 Index				*-1.5*	*7.9*	*1.6*	*5.1*	*--*
Target-Date 2020 Rank				*12*	*41*	*33*	*41*	*--*
Vanguard Target Retirement 2025	VTTVX	1,029,577	1.9	-1.6	9.4	1.9	5.7	--
Vanguard Target Retirement 2025 Index				*-1.6*	*9.6*	*2.2*	*6.1*	*--*
Target-Date 2025 Rank				*14*	*8*	*14*	*20*	*--*
Vanguard Target Retirement 2030	VTHRX	6,537,431	12.2	-1.7	10.6	2.4	6.4	--
Vanguard Target Retirement 2030 Index				*-1.7*	*10.8*	*2.8*	*6.9*	*--*
Target-Date 2030 Rank				*18*	*13*	*14*	*22*	*--*
Vanguard Target Retirement 2035	VTTHX	996,205	1.9	-1.6	11.8	3.0	7.2	--
Vanguard Target Retirement 2035 Index				*-1.6*	*11.9*	*3.3*	*7.6*	*--*
Target-Date 2035 Rank				*18*	*26*	*20*	*40*	*--*
Vanguard Target Retirement 2040	VFORX	4,174,563	7.8	-1.5	12.9	3.5	8.0	--
Vanguard Target Retirement 2040 Index				*-1.6*	*12.9*	*3.8*	*8.4*	*--*
Target-Date 2040 Rank				*23*	*47*	*26*	*49*	*--*
Vanguard Target Retirement 2045	VTIVX	355,050	0.7	-1.5	13.9	4.0	8.7	--
Vanguard Target Retirement 2045 Index				*-1.5*	*14.0*	*4.3*	*9.1*	*--*
Target-Date 2045 Rank				*31*	*50*	*24*	*39*	*--*
Vanguard Target Retirement 2050	VFIFX	1,330,023	2.5	-1.5	14.6	4.4	9.0	--
Vanguard Target Retirement 2050 Index				*-1.5*	*14.9*	*4.7*	*9.4*	*--*
Target-Date 2050 Rank				*38*	*39*	*17*	*33*	*--*

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Vanguard Target Retirement 2055	VFFVX	222,348	0.4	-1.5	14.6	4.4	9.0	--
Vanguard Target Retirement 2055 Index				*-1.5*	*14.9*	*4.7*	*9.4*	*--*
Target-Date 2055 Rank				*39*	*42*	*22*	*37*	*--*
Vanguard Target Retirement 2060	VTTSX	522,088	1.0	-1.5	14.6	4.4	9.0	--
Vanguard Target Retirement 2060 Index				*-1.5*	*14.9*	*4.7*	*9.4*	*--*
Target-Date 2060 Rank				*38*	*45*	*21*	*39*	*--*
Vanguard Target Retirement 2065	VLXVX	146,130	0.3	-1.5	14.6	4.4	9.0	--
Vanguard Target Retirement 2065 Index				*-1.5*	*14.9*	*4.7*	*9.4*	*--*
Target-Date 2060 Rank				*39*	*45*	*20*	*41*	*--*

Asset Allocation & Performance | As of December 31, 2024

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier II		**15,800,853**	**29.4**					
Vanguard Inflation Protected Securities	VAIPX	81,708	0.2	-3.0	1.9	-2.3	1.8	2.1
Blmbg. U.S. TIPS Index				*-2.9*	*1.8*	*-2.3*	*1.9*	*2.2*
Inflation-Protected Bond Rank				*61*	*56*	*39*	*44*	*32*
Vanguard Total Bond Market Index	VBTLX	98,435	0.2	-3.0	1.2	-2.4	-0.3	1.3
Blmbg. U.S. Aggregate Float Adjusted				*-3.0*	*1.3*	*-2.4*	*-0.3*	*1.4*
Intermediate Core Bond Rank				*47*	*67*	*45*	*55*	*49*
Vanguard 500 Index	VFIAX	12,458,225	23.2	2.4	25.0	8.9	14.5	13.1
S&P 500 Index				*2.4*	*25.0*	*8.9*	*14.5*	*13.1*
Large Cap Rank				*37*	*32*	*19*	*28*	*27*
Vanguard MidCap Index	VIMAX	1,317,859	2.5	0.4	15.2	2.8	9.8	9.5
CRSP U.S. Mid Cap TR Index				*0.5*	*15.3*	*2.8*	*9.9*	*9.6*
Mid Cap Rank				*39*	*33*	*55*	*39*	*37*
Vanguard Small Cap Index	VSMAX	1,701,045	3.2	1.7	14.2	3.6	9.3	9.1
CRSP U.S. Small Cap TR Index				*1.7*	*14.2*	*3.6*	*9.3*	*9.1*
Small Cap Rank				*21*	*25*	*28*	*32*	*25*
Vanguard Total International Stock Index	VTIAX	143,581	0.3	-7.4	5.1	0.7	4.3	5.1
Spliced Total International Stock Index				*-7.5*	*5.9*	*1.2*	*4.7*	*5.4*
Foreign Large Blend Rank				*44*	*39*	*51*	*54*	*43*

Asset Allocation & Performance | As of December 31, 2024

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier III		**16,064,123**	**29.9**					
Guaranteed Income Fund		9,124,659	17.0	0.6	2.3	2.1	2.1	--
ICE BofA 3 Month U.S. T-Bill				*1.2*	*5.3*	*3.9*	*2.5*	*--*
Prime Money Market Rank				*97*	*97*	*97*	*80*	*--*
Baird Core Bond Plus	BCOIX	1,650,702	3.1	-2.7	2.5	-1.5	0.6	2.1
Blmbg. U.S. Universal Index				*-2.7*	*2.0*	*-2.0*	*0.1*	*1.7*
Intermediate Core-Plus Bond Rank				*28*	*35*	*20*	*24*	*17*
Vanguard Equity Income	VEIRX	600,625	1.1	-0.7	15.2	7.5	10.0	10.1
Russell 1000 Value Index				*-2.0*	*14.4*	*5.6*	*8.7*	*8.5*
Large Value Rank				*28*	*41*	*26*	*34*	*13*
Boston Trust SMID Cap Fund	BTSMX	2,943,667	5.5	-1.4	10.2	3.1	9.1	9.9
Russell 2500 Index				*0.6*	*12.0*	*2.4*	*8.8*	*8.8*
SMID Blend Rank				*79*	*70*	*48*	*48*	*9*
Capital Research & Mgmt American Funds EuroPacific Growth	RERGX	352,684	0.7	-7.0	5.0	-2.0	3.9	5.7
MSCI AC World ex USA				*-7.6*	*5.5*	*0.8*	*4.1*	*4.8*
Foreign Large Growth Rank				*37*	*45*	*40*	*48*	*46*
DFA International Small Cap Value	DISVX	1,391,786	2.6	-6.5	7.9	4.6	6.0	--
MSCI AC World ex USA Small Cap				*-7.7*	*3.4*	*-1.5*	*4.3*	*--*
Foreign Small/Mid Value Rank				*39*	*24*	*23*	*35*	*--*
Tier IV		**851,901**	**1.6**					
Columbia High Yield Bond	CHYYX	851,901	1.6	-0.2	7.1	2.5	3.7	4.7
ICE BofA US High Yield, Cash Pay Constrained Index				*0.1*	*8.0*	*2.9*	*4.0*	*5.1*
High Yield Bond Rank				*81*	*65*	*54*	*45*	*30*

Performance Summary (Calendar Year)

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Total Fund Aggregate												
Tier I												
Vanguard Target Retirement Income	6.6	10.7	-12.7	5.2	10.0	13.2	-2.0	8.5	5.3	--	--	--
Vanguard Target Retirement Income Index	*6.7*	*10.8*	*-12.4*	*5.4*	*10.7*	*13.4*	*-2.0*	*8.7*	*5.4*	*--*	*--*	*--*
Vanguard Target Retirement 2020	7.7	12.5	-14.2	8.2	12.0	17.6	-4.2	14.1	6.9	--	--	--
Vanguard Target Retirement 2020 Index	*7.9*	*12.7*	*-13.8*	*8.4*	*12.9*	*17.9*	*-4.1*	*14.2*	*7.2*	*--*	*--*	*--*
Vanguard Target Retirement 2025	9.4	14.5	-15.5	9.8	13.3	19.6	-5.2	15.9	7.5	--	--	--
Vanguard Target Retirement 2025 Index	*9.6*	*14.7*	*-15.0*	*10.1*	*14.2*	*19.9*	*-5.0*	*16.1*	*7.7*	*--*	*--*	*--*
Vanguard Target Retirement 2030	10.6	16.0	-16.3	11.4	14.1	21.1	-5.9	17.5	7.9	--	--	--
Vanguard Target Retirement 2030 Index	*10.8*	*16.3*	*-15.7*	*11.7*	*15.0*	*21.3*	*-5.7*	*17.7*	*8.1*	*--*	*--*	*--*
Vanguard Target Retirement 2035	11.8	17.1	-16.6	13.0	14.8	22.4	-6.6	19.1	8.3	--	--	--
Vanguard Target Retirement 2035 Index	*11.9*	*17.4*	*-16.1*	*13.2*	*15.7*	*22.8*	*-6.5*	*19.2*	*8.6*	*--*	*--*	*--*
Vanguard Target Retirement 2040	12.9	18.3	-17.0	14.6	15.5	23.9	-7.3	20.7	8.7	--	--	--
Vanguard Target Retirement 2040 Index	*12.9*	*18.6*	*-16.5*	*14.8*	*16.3*	*24.2*	*-7.2*	*20.9*	*9.0*	*--*	*--*	*--*
Vanguard Target Retirement 2045	13.9	19.5	-17.4	16.2	16.3	24.9	-7.9	21.4	8.9	--	--	--
Vanguard Target Retirement 2045 Index	*14.0*	*19.8*	*-16.9*	*16.5*	*17.0*	*25.4*	*-7.8*	*21.5*	*9.1*	*--*	*--*	*--*
Vanguard Target Retirement 2050	14.6	20.2	-17.5	16.4	16.4	25.0	-7.9	21.4	8.9	--	--	--
Vanguard Target Retirement 2050 Index	*14.9*	*20.5*	*-17.1*	*16.8*	*17.2*	*25.4*	*-7.8*	*21.5*	*9.1*	*--*	*--*	*--*
Vanguard Target Retirement 2055	14.6	20.2	-17.5	16.4	16.3	25.0	-7.9	21.4	8.9	--	--	--
Vanguard Target Retirement 2055 Index	*14.9*	*20.5*	*-17.1*	*16.8*	*17.2*	*25.4*	*-7.8*	*21.5*	*9.1*	*--*	*--*	*--*
Vanguard Target Retirement 2060	14.6	20.2	-17.5	16.4	16.3	25.0	-7.9	21.4	8.8	--	--	--
Vanguard Target Retirement 2060 Index	*14.9*	*20.5*	*-17.1*	*16.8*	*17.2*	*25.4*	*-7.8*	*21.5*	*9.1*	*--*	*--*	*--*
Vanguard Target Retirement 2065	14.6	20.1	-17.4	16.5	16.2	25.0	-7.9	--	--	--	--	--
Vanguard Target Retirement 2065 Index	*14.9*	*20.5*	*-17.1*	*16.8*	*17.2*	*25.4*	*-7.8*	*--*	*--*	*--*	*--*	*--*

Asset Allocation & Performance | As of December 31, 2024

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Tier II												
Vanguard Inflation Protected Securities	1.9	3.8	-11.9	5.7	11.0	8.2	-1.4	2.9	4.6	-1.7	4.0	-8.9
Blmbg. U.S. TIPS Index	*1.8*	*3.9*	*-11.8*	*6.0*	*11.0*	*8.4*	*-1.3*	*3.0*	*4.7*	*-1.4*	*3.6*	*-8.6*
Vanguard Total Bond Market Index	1.2	5.7	-13.2	-1.7	7.7	8.7	0.0	3.6	2.6	0.4	5.9	-2.1
Blmbg. U.S. Aggregate Float Adjusted	*1.3*	*5.6*	*-13.1*	*-1.6*	*7.7*	*8.9*	*-0.1*	*3.6*	*2.8*	*0.4*	*5.9*	*-2.0*
Vanguard 500 Index	25.0	26.2	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.6	32.3
S&P 500 Index	*25.0*	*26.3*	*-18.1*	*28.7*	*18.4*	*31.5*	*-4.4*	*21.8*	*12.0*	*1.4*	*13.7*	*32.4*
Vanguard MidCap Index	15.2	16.0	-18.7	24.5	18.2	31.0	-9.2	19.3	11.2	-1.3	13.8	35.2
CRSP U.S. Mid Cap TR Index	*15.3*	*16.0*	*-18.7*	*24.5*	*18.2*	*31.1*	*-9.2*	*19.3*	*11.2*	*-1.3*	*13.8*	*35.3*
Vanguard Small Cap Index	14.2	18.2	-17.6	17.7	19.1	27.4	-9.3	16.2	18.3	-3.6	7.5	37.8
CRSP U.S. Small Cap TR Index	*14.2*	*18.1*	*-17.6*	*17.7*	*19.1*	*27.3*	*-9.3*	*16.2*	*18.3*	*-3.7*	*7.5*	*38.5*
Vanguard Total International Stock Index	5.1	15.5	-16.0	8.6	11.3	21.5	-14.4	27.6	4.7	-4.3	-4.2	15.1
Spliced Total International Stock Index	*5.9*	*16.2*	*-15.8*	*9.1*	*11.5*	*22.2*	*-14.4*	*27.8*	*5.0*	*-4.0*	*-3.1*	*15.9*

Asset Allocation & Performance | As of December 31, 2024

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Tier III												
Guaranteed Income Fund	2.3	2.2	1.9	1.9	2.3	2.6	--	--	--	--	--	--
ICE BofA 3 Month U.S. T-Bill	*5.3*	*5.0*	*1.5*	*0.0*	*0.7*	*2.3*	*--*	*--*	*--*	*--*	*--*	*--*
Baird Core Bond Plus	2.5	6.9	-12.9	-1.0	8.8	10.1	-0.5	4.6	4.7	0.1	6.6	-1.3
Blmbg. U.S. Universal Index	*2.0*	*6.2*	*-13.0*	*-1.1*	*7.6*	*9.3*	*-0.3*	*4.1*	*3.9*	*0.4*	*5.6*	*-1.3*
Vanguard Equity Income	15.2	7.8	0.0	25.6	3.1	25.3	-5.6	18.5	14.8	0.9	11.4	30.2
Russell 1000 Value Index	*14.4*	*11.5*	*-7.5*	*25.2*	*2.8*	*26.5*	*-8.3*	*13.7*	*17.3*	*-3.8*	*13.5*	*32.5*
Boston Trust SMID Cap Fund	10.2	13.1	-12.0	30.5	8.3	26.7	-5.6	18.4	20.2	-2.5	4.1	30.7
Russell 2500 Index	*12.0*	*17.4*	*-18.4*	*18.2*	*20.0*	*27.8*	*-10.0*	*16.8*	*17.6*	*-2.9*	*7.1*	*36.8*
Capital Research & Mgmt American Funds EuroPacific Growth	5.0	16.1	-22.7	2.8	25.3	27.4	-14.9	31.2	1.0	-0.5	-2.3	20.6
MSCI AC World ex USA	*5.5*	*15.6*	*-16.0*	*7.8*	*10.7*	*21.5*	*-14.2*	*27.2*	*4.5*	*-5.7*	*-3.9*	*15.3*
DFA International Small Cap Value	7.9	17.6	-9.8	15.9	0.8	21.0	-23.3	28.0	8.0	--	--	--
MSCI World ex U.S. Small Cap Index	*2.8*	*12.6*	*-20.6*	*11.1*	*12.8*	*25.4*	*-18.1*	*31.0*	*4.3*	*--*	*--*	*--*
Tier IV												
Columbia High Yield Bond	7.1	12.5	-10.7	4.9	6.1	17.2	-4.1	6.6	11.6	-1.1	4.1	6.3
ICE BofA US High Yield, Cash Pay Constrained Index	*8.0*	*13.4*	*-11.1*	*5.3*	*6.1*	*14.4*	*-2.3*	*7.5*	*17.3*	*-4.5*	*2.5*	*7.4*

Fee Schedule | As of December 31, 2024

Investment Expense Analysis As of December 31, 2024	Net Expense Ratio (%)	Median Expense Ratio (%)
Vanguard Target Retirement Income	0.08	0.66
Vanguard Target Retirement 2020	0.08	0.65
Vanguard Target Retirement 2025	0.08	0.61
Vanguard Target Retirement 2030	0.08	0.66
Vanguard Target Retirement 2035	0.08	0.64
Vanguard Target Retirement 2040	0.08	0.70
Vanguard Target Retirement 2045	0.08	0.65
Vanguard Target Retirement 2050	0.08	0.69
Vanguard Target Retirement 2055	0.08	0.65
Vanguard Target Retirement 2060	0.08	0.66
Vanguard Target Retirement 2065	0.08	0.66
Vanguard Inflation Protected Securities	0.10	0.65
Vanguard Total Bond Market Index	0.05	0.54
Vanguard 500 Index	0.04	0.81
Vanguard MidCap Index	0.05	0.95
Vanguard Small Cap Index	0.05	1.06
Vanguard Total International Stock Index	0.12	0.90
Guaranteed Income Fund	0.00	0.36
Baird Core Bond Plus	0.30	0.67
Vanguard Equity Income	0.18	0.83
Boston Trust SMID Cap Fund	0.75	0.95
Capital Research & Mgmt American Funds EuroPacific Growth	0.47	0.97
DFA International Small Cap Value	0.43	1.11
Columbia High Yield Bond	0.60	0.82

Fee Benchmarking Review Follow Up

Background

→ At the September 2024 meeting, Meketa presented the Fee Benchmarking Review from a third-party provider, Fiduciary Decisions, to the Trustees and noted that the Empower fee was slightly above the median.

- The current fee is 20 basis points (0.2%). The median fee for plans of a similar size according to the Fee Benchmarking is 19 basis points (0.19%).

→ The Trustees requested Meketa engage Empower to discuss these findings and ask them to review the fee being paid for recordkeeping.

→ Empower came back with a proposal to decrease the fee to 18 basis points (0.18%). Alternatively, Empower proposed an option of a flat fee of $75 per person.

→ As of December 31, the recordkeeping fee would be $96,576 using the percentage of assets option, and $94,425 for the per participant fee structure[1].

- This results in savings of approximately $11,000 and $13,000 per year depending on the chosen fee structure.

→ In addition to the recordkeeping fee there is an administrative fee of 0.36% charged to participants as well.

[1] Based on 1,259 participants with a balance as of 12/31/2024

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Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{\text{5\% (discount)}}{\text{5 (yrs. to maturity)}} = \begin{array}{l}\text{1\% pro rata, plus} \\ \text{5.26\% (current yield)}\end{array} = \text{6.26\% (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.