MEKETA

Hospitality Industry 401(k) Plan

November 19, 2025

Investment Review

Agenda

Defined Contribution Marketplace Update

Third Quarter 2025 Defined Contribution Marketplace Update

Regulatory, Legislative, and Legal Updates

→ On August 7, 2025, President Trump signed an Executive Order titled "Democratizing Access to Alternative Assets for 401(k) Investors."

- The Order defines "alternative assets" as private equity, real estate, infrastructure, private credit, digital assets, commodities, and lifetime income strategies.
- The DOL in consultation with the SEC is instructed to provide guidance within 180 days (by Feb. 3, 2026).
- While the executive order has some helpful elements: clarifying best fiduciary practices for evaluating new investments and trying to limit frivolous class action lawsuits, we believe plan adoption of alternative assets will take time. Plan sponsors will need to thoroughly review the benefits and risks of these asset classes, including valuation issues, liquidity limits, and higher fee structures.

→ In August, the DOL withdrew a direct final rule that would have eliminated a long-standing regulatory safe harbor for selecting annuity providers.

- In September, the DOL also issued an advisory opinion that lifetime income solutions meet the requirements of a Qualified Default Investment Alternative (QDIA). The opinion addressed a request from AllianceBernstein regarding its Lifetime Income Strategy, which includes a variable annuity feature.
- These recent actions are expected to ease regulatory burdens and increase flexibility for plan sponsors implementing retirement income solutions.

Third Quarter 2025 Defined Contribution Marketplace Update (continued)

→ In July, Pentegra agreed to pay a $48.5 million settlement following a jury ruling of more than $38 million in April.[1] The complaint, originally filed in September 2020, alleged that Pentegra breached its fiduciary duties by charging excessive recordkeeping and administrative fees and by retaining high-cost mutual funds and collective investment trusts in its plan.

- Pentegra runs a multiple employer plan (MEP) for employees of over 700 financial institutions. The plan has approximately 26,000 employees and $2 billion in assets.
- Following what appears to be the largest jury verdict ever for an ERISA class action lawsuit, the law firm who represented the plaintiffs, Schlichter Bogard LLC, is seeking fees of $17.5 million.[2]

→ Excessive fee lawsuits continue, forfeiture funds remain under scrutiny, and Supreme Court's decision in *Cunningham vs. Cornell* in April 2025 underscores the importance of a strong, well-documented fiduciary process.

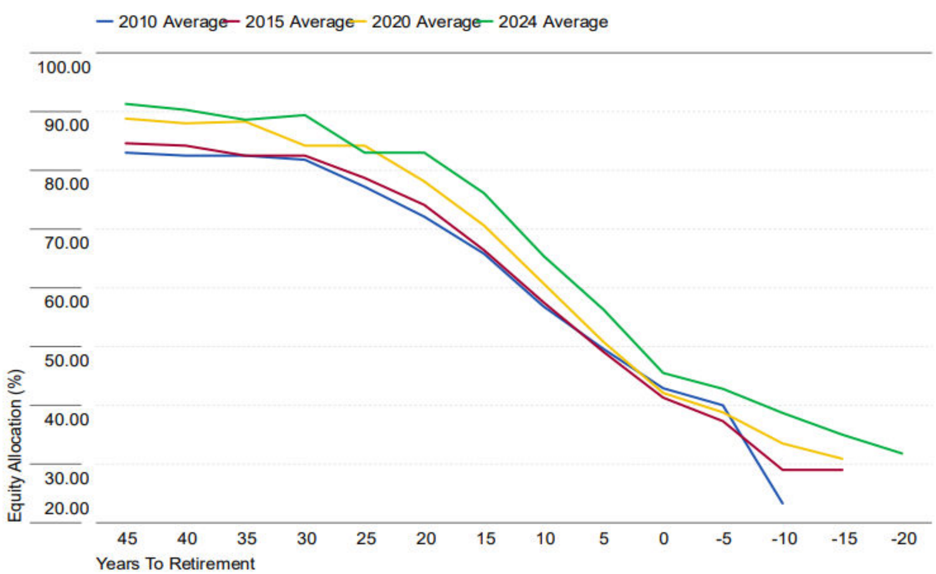
[1] Source: Plansponsor.com
[2] Source: National Association of Plan Advisors

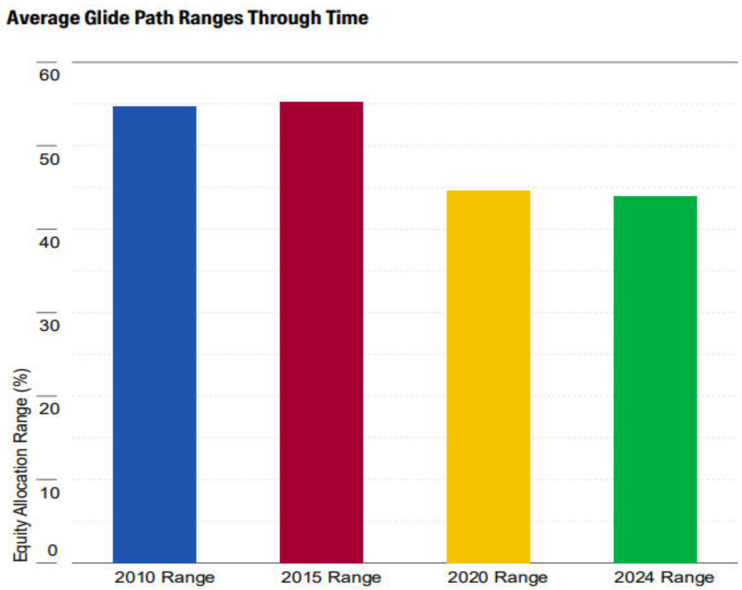
Third Quarter 2025 Defined Contribution Marketplace Update (continued)

Market Intelligence

→ Morningstar's 2025 Target-Date Fund (TDF) Landscape, included the following notable takeaways[1]:

- Asset weighted fees for TDF mutual funds were 0.29%. In the past decade, fees have declined by 48%.
- TDF assets grew to $4.0 trillion at the end of 2024, a 20% annualized increase over the past 15 years. Now, 52% of TDF assets reside in CIT vehicles vs. 29% a decade prior.
- Many asset allocation glide paths have become more aggressive over time. At the end of 2024, the average beginning equity allocation was 92% vs. 85% a decade prior. The gap between the highest and lowest average equity allocation at each point along the asset allocation glide path has narrowed.





[1] Source: Morningstar, 2025 Target-Date Fund Landscape

Third Quarter 2025 Defined Contribution Marketplace Update (continued)

→ Cerulli Associates, in partnership with the Defined Contribution Alternatives Association (DCALTA), released a study called, "Unlocking the Potential of Private Investments in Defined Contribution Plans[1]."

- Cerulli interviewed more than 35 industry executives including plan sponsors, recordkeepers, intermediaries (e.g., investment consultants and retirement plan advisors), CIT trust companies, and asset managers.
- Target date funds and managed accounts were cited as the most likely for incorporating private investments.
- Collective Investment Trusts (CITs), which have been gaining market share among DC plans, was the preferred vehicle among respondents. Greater flexibility, fiduciary oversight, and lower costs are potential advantages.
- Asset managers surveyed that offer or plan to offer the following private markets asset classes to DC plans include: Private Real Estate (59%), Private Credit (68%), Private Equity (42%), and Private Infrastructure (44%).

→ A Harris poll on behalf of the Wall Street Journal of over 2,000 US adults in August showed mixed interest in private investments for their 401(k)[2].

- Approximately 10% are dissatisfied with their current 401(k) investment offerings.
- 59% had a general interest in private companies and nearly 90% said they were comfortable with a portion invested in private markets. Younger respondents expressed greater interest (75% for Gen Z vs. 35% for boomers).
- 20% said they weren't sure how their 401(k) was invested, while 48% indicated they were invested in target-date funds.
- Less than half of respondents were familiar with terms related to private investments (e.g., 38% had never heard of private credit). Respondents also expressed skepticism about the higher fees and lack of familiarity.

[1] Source: Cerulli Associates, Unlocking the Potential of Private Investments in Defined Contribution Plans, September 2025
[2] Source: Wall Street Journal, Wall Street Is Pushing Private Assets Into 401(k)s. We Asked Whether Anyone Wants Them, October 2025

Executive Summary

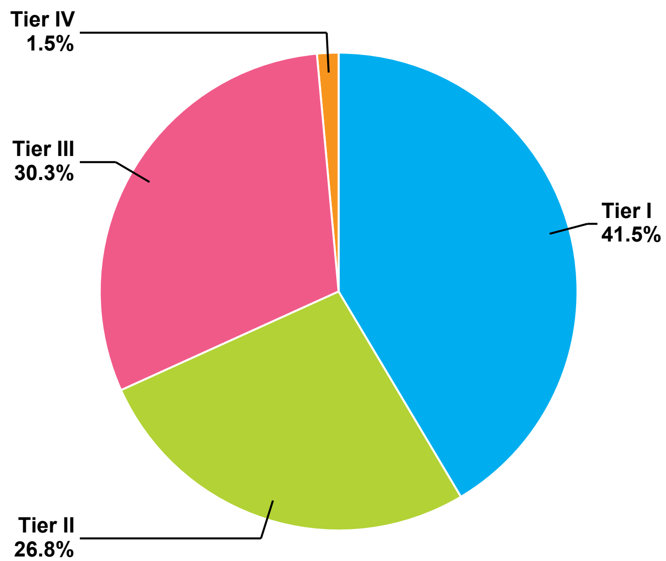
- The value of the 401(k) Plan increased by $3.6 million during the third quarter of 2025, ending at $60.6 million as of September 30, 2025.

Quarter	Market Value ($M)
2025Q3	60.6
2025Q2	57.0
2025Q1	53.6
2024Q4	53.7
2024Q3	53.0
2024Q2	50.1

- All managers posted positive results in the third quarter. All managers produced positive results for the trailing year, except for the Boston Trust SMID. DFA International Small Cap Value 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 17.1% of the Plan's assets as of September 30. As a group, the Target Date funds accounted for 41.5% of the Plan assets, an increase of 0.3% from the prior quarter.
- All investment options have net expense ratios lower than their respective peer group average.

Performance Update
as of September 30, 2025

Current Plan Allocation



Asset Allocation

	09/30/2025 Market Value($)
Tier I	25,135,529
Tier II	16,239,108
Tier III	18,381,354
Tier IV	881,756
Total	**60,637,747**

Performance Summary (Trailing)

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund Aggregate		**60,637,747**	**100.0**						
Tier I		**25,135,529**	**41.5**						
Vanguard Target Retirement Income	VTINX	1,968,119	3.2	3.4	9.6	7.9	10.3	4.5	5.3
Vanguard Target Retirement Income Index				*3.5*	*9.6*	*7.9*	*10.4*	*4.7*	*5.5*
Target-Date Retirement Rank				*51*	*33*	*14*	*50*	*49*	*39*
Vanguard Target Retirement 2020	VTWNX	3,951,119	6.5	3.8	10.3	8.6	12.0	6.0	7.0
Vanguard Target Retirement 2020 Index				*3.9*	*10.3*	*8.6*	*12.1*	*6.2*	*7.3*
Target-Date 2020 Rank				*64*	*67*	*40*	*55*	*62*	*48*
Vanguard Target Retirement 2025	VTTVX	1,299,310	2.1	4.7	12.4	10.5	14.3	7.4	8.0
Vanguard Target Retirement 2025 Index				*4.7*	*12.3*	*10.5*	*14.4*	*7.6*	*8.3*
Target-Date 2025 Rank				*17*	*23*	*1*	*9*	*11*	*16*
Vanguard Target Retirement 2030	VTHRX	7,577,482	12.5	5.3	13.6	11.7	15.9	8.5	8.8
Vanguard Target Retirement 2030 Index				*5.4*	*13.5*	*11.6*	*16.1*	*8.8*	*9.1*
Target-Date 2030 Rank				*2*	*11*	*1*	*2*	*11*	*23*
Vanguard Target Retirement 2035	VTTHX	1,451,146	2.4	5.8	14.7	12.8	17.3	9.6	9.5
Vanguard Target Retirement 2035 Index				*5.8*	*14.5*	*12.7*	*17.4*	*9.8*	*9.9*
Target-Date 2035 Rank				*10*	*12*	*2*	*25*	*36*	*29*
Vanguard Target Retirement 2040	VFORX	5,440,099	9.0	6.2	15.6	13.9	18.7	10.6	10.3
Vanguard Target Retirement 2040 Index				*6.3*	*15.5*	*13.7*	*18.8*	*10.9*	*10.6*
Target-Date 2040 Rank				*25*	*25*	*20*	*41*	*52*	*31*
Vanguard Target Retirement 2045	VTIVX	526,996	0.9	6.7	16.6	14.9	20.0	11.7	10.9
Vanguard Target Retirement 2045 Index				*6.8*	*16.5*	*14.7*	*20.1*	*11.9*	*11.2*
Target-Date 2045 Rank				*22*	*23*	*21*	*37*	*41*	*25*
Vanguard Target Retirement 2050	VFIFX	1,732,847	2.9	7.2	17.8	16.1	21.0	12.2	11.2
Vanguard Target Retirement 2050 Index				*7.2*	*17.7*	*15.9*	*21.2*	*12.5*	*11.5*
Target-Date 2050 Rank				*9*	*12*	*2*	*24*	*25*	*17*

Trailing Net Performance | As of September 30, 2025

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Vanguard Target Retirement 2055	VFFVX	312,138	0.5	7.2	17.8	16.1	21.0	12.2	11.2
Vanguard Target Retirement 2055 Index				*7.2*	*17.7*	*15.9*	*21.2*	*12.5*	*11.5*
Target-Date 2055 Rank				*11*	*15*	*8*	*31*	*30*	*22*
Vanguard Target Retirement 2060	VTTSX	633,897	1.0	7.2	17.8	16.1	21.0	12.2	11.2
Vanguard Target Retirement 2060 Index				*7.2*	*17.7*	*15.9*	*21.2*	*12.5*	*11.5*
Target-Date 2060 Rank				*17*	*16*	*11*	*32*	*33*	*36*
Vanguard Target Retirement 2065	VLXVX	242,376	0.4	7.2	17.8	16.0	21.0	12.2	--
Vanguard Target Retirement 2065 Index				*7.2*	*17.7*	*15.9*	*21.2*	*12.5*	*--*
Target-Date 2060 Rank				*17*	*16*	*12*	*32*	*32*	*--*

Trailing Net Performance | As of September 30, 2025

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier II		**16,239,108**	**26.8**						
Vanguard Inflation Protected Securities	VAIPX	86,203	0.1	2.1	6.8	3.6	4.7	1.3	2.9
Blmbg. U.S. TIPS Index				*2.1*	*6.9*	*3.8*	*4.9*	*1.4*	*3.0*
Inflation-Protected Bond Rank				*35*	*49*	*52*	*45*	*39*	*35*
Vanguard Total Bond Market Index	VBTLX	88,180	0.1	1.9	6.1	2.9	4.9	-0.5	1.8
Blmbg. U.S. Aggregate Float Adjusted				*2.0*	*6.1*	*2.9*	*5.0*	*-0.4*	*1.9*
Intermediate Core Bond Rank				*72*	*48*	*48*	*54*	*59*	*52*
Vanguard 500 Index	VFIAX	12,535,597	20.7	8.1	14.8	17.6	24.9	16.4	15.3
S&P 500 Index				*8.1*	*14.8*	*17.6*	*24.9*	*16.5*	*15.3*
Large Cap Rank				*24*	*28*	*30*	*33*	*18*	*25*
Vanguard MidCap Index	VIMAX	1,478,506	2.4	5.3	12.6	13.1	17.9	12.4	11.4
CRSP U.S. Mid Cap Index				*5.3*	*12.6*	*13.1*	*18.0*	*12.5*	*11.4*
Mid Cap Rank				*43*	*18*	*25*	*29*	*42*	*28*
Vanguard Small Cap Index	VSMAX	1,856,525	3.1	7.6	6.9	8.7	15.9	12.2	10.6
CRSP U.S. Small Cap Index				*7.5*	*6.9*	*8.7*	*15.9*	*12.2*	*10.5*
Small Cap Rank				*53*	*41*	*27*	*25*	*47*	*24*
Vanguard Total International Stock Index	VTIAX	194,097	0.3	7.0	26.5	17.1	20.8	10.4	8.3
Spliced Total International Stock Index				*7.1*	*26.2*	*16.8*	*21.0*	*10.8*	*8.8*
Foreign Large Blend Rank				*13*	*40*	*41*	*57*	*53*	*35*

Trailing Net Performance | As of September 30, 2025

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier III		**18,381,354**	**30.3**						
Guaranteed Income Fund		10,368,195	17.1	0.6	1.8	2.3	2.2	2.1	--
ICE BofA 3 Month U.S. T-Bill				*1.1*	*3.2*	*4.4*	*4.8*	*3.0*	*--*
Prime Money Market Rank				*97*	*97*	*97*	*97*	*96*	*--*
Baird Core Bond Plus	BCOIX	1,885,021	3.1	2.1	6.3	3.5	6.1	0.4	2.7
Blmbg. U.S. Universal Index				*2.1*	*6.3*	*3.4*	*5.6*	*0.1*	*2.3*
Intermediate Core-Plus Bond Rank				*49*	*55*	*40*	*25*	*36*	*25*
Vanguard Equity Income	VEIRX	747,208	1.2	5.7	13.2	12.4	17.0	14.8	12.1
Russell 1000 Value Index				*5.3*	*11.7*	*9.4*	*17.0*	*13.9*	*10.7*
Large Value Rank				*39*	*29*	*22*	*50*	*42*	*17*
Boston Trust SMID Cap Fund	BTSMX	2,607,584	4.3	1.7	0.5	-0.9	11.8	11.1	10.6
Russell 2500 Index				*9.0*	*9.5*	*10.2*	*15.6*	*12.1*	*10.5*
SMID Blend Rank				*92*	*88*	*90*	*83*	*72*	*26*
Capital Research & Mgmt American Funds EuroPacific Growth	RERGX	443,720	0.7	6.3	23.5	14.8	19.6	7.5	8.3
MSCI AC World ex USA				*6.9*	*26.0*	*16.4*	*20.7*	*10.3*	*8.2*
Foreign Large Growth Rank				*5*	*19*	*17*	*32*	*32*	*40*
DFA International Small Cap Value	DISVX	2,329,626	3.8	10.6	41.6	32.4	28.9	17.6	--
MSCI AC World ex USA Small Cap				*6.7*	*25.5*	*15.9*	*19.4*	*10.0*	*--*
Foreign Small/Mid Value Rank				*15*	*8*	*15*	*12*	*16*	*--*
Tier IV		**881,756**	**1.5**						
Columbia High Yield Bond	CHYYX	881,756	1.5	2.3	7.4	7.2	10.4	5.2	5.5
ICE BofA US High Yield, Cash Pay Constrained Index				*2.4*	*7.1*	*7.2*	*10.9*	*5.5*	*6.0*
High Yield Bond Rank				*53*	*14*	*31*	*43*	*45*	*33*

Performance Summary (Calendar Year)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
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*	*--*	*--*	*--*	*--*

Trailing Net Performance | As of September 30, 2025

	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)
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
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*
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
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*
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
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*
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
CRSP U.S. Mid Cap Index	*15.3*	*16.0*	*-18.7*	*24.5*	*18.2*	*31.1*	*-9.2*	*19.3*	*11.2*	*-1.3*	*13.8*
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
CRSP U.S. Small Cap Index	*14.2*	*18.1*	*-17.6*	*17.7*	*19.1*	*27.3*	*-9.3*	*16.2*	*18.3*	*-3.7*	*7.5*
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
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*
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
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*
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
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*
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
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*
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
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*
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
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*

Investment Expense Analysis
As of September 30, 2025

	Net Expense Ratio (%)	Median Expense Ratio (%)
Vanguard Target Retirement Income	0.08	0.66
Vanguard Target Retirement 2020	0.08	0.66
Vanguard Target Retirement 2025	0.08	0.60
Vanguard Target Retirement 2030	0.08	0.67
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	0.65
Vanguard Target Retirement 2065	0.08	0.65
Vanguard Inflation Protected Securities	0.10	0.65
Vanguard Total Bond Market Index	0.04	0.53
Vanguard 500 Index	0.04	0.82
Vanguard MidCap Index	0.05	0.95
Vanguard Small Cap Index	0.05	1.08
Vanguard Total International Stock Index	0.09	0.90
Guaranteed Income Fund	0.00	0.35
Baird Core Bond Plus	0.30	0.66
Vanguard Equity Income	0.18	0.83
Boston Trust SMID Cap Fund	0.75	0.96
Capital Research & Mgmt American Funds EuroPacific Growth	0.47	0.95
DFA International Small Cap Value	0.43	1.08
Columbia High Yield Bond	0.62	0.81

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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%.

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

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.