Hospitality Industry 401(k) Plan

April 30, 2025

Investment Review

Agenda

1. **Defined Contribution Marketplace Update**
2. **Executive Summary**
3. **Performance Update as of March 31, 2025**
4. **Disclaimer, Glossary, and Notes**

Defined Contribution Marketplace Update

First Quarter 2025 Defined Contribution Marketplace Update

Regulatory and Legislative Updates (plansponsor.com)

- On January 10, 2025, the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) issued proposed regulations for several provisions of the SECURE 2.0 Act of 2022.
  - The proposed regulations address the rules for new Roth catch-up contributions, beginning in 2026, as well as other catch-up contributions across different defined contribution plan types.
  - Additionally, the Treasury and IRS issued another set of proposed regulations that require newly established 401(k) and 403(b) plans to automatically enroll eligible employees beginning with the 2025 plan year.
  - A public hearing on the proposed auto-enrollment regulation has been scheduled for April 8, 2025.
  - *Plan sponsors should work with their legal counsel and recordkeepers on implementing required and optional provisions.*
- On January 14, 2025, the Employee Benefits Security Administration (EBSA) issued a final rule to update its Voluntary Fiduciary Correction Program, providing employers and plan administrators with more efficient ways to voluntarily correct compliance issues in retirement, health and other employee benefit plans. This includes a new self-correction tool that employers and plan officials can use to remedy delays in sending participant contributions.
- On February 11, 2025, Daniel Aronowitz, president of Encore Fiduciary, was nominated to become the next assistant secretary of labor and lead the EBSA, a position that must be confirmed by the full Senate. The EBSA is responsible for enforcement of ERISA and related laws and regulations.
- On February 25, 2025, a federal judge for the US Fifth Circuit Court of Appeals granted a motion filed by the Department of Labor (DOL) to delay its appeals in two court cases about the DOL's 2024 Retirement Security Rule—also known as the fiduciary rule.
- On March 10, 2025, the US Senate voted 67 to 32 securing Lori Chavez-DeRemer of Oregon as the 30th Secretary of the United States Department of Labor under President Donald Trump.

First Quarter 2025 Defined Contribution Marketplace Update (continued)

2025 Q1 Update

→ An increasing number of forfeiture use cases have been filed, specifically relating to the mismanagement of forfeitures in DC plans. This includes cases filed against Amazon, JPMorgan Chase & Co., Trader Joe's Co., and Charter Communications Inc.

- Forfeitures are created when a Plan has a vesting schedule for employer contributions. When a participant experiences a benefit event and withdraws their assets from a Plan, the portion of employer contributions that has not vested is transferred to a forfeiture account. Employers may use forfeitures for the following reasons, but must do so in the year they're created. Uses can include:
  - Reduce employer contributions;
  - Pay reasonable plan expenses; or
  - Allocate as an additional employer contribution.
- These lawsuits have targeted DC Plans that do not use forfeitures to offset plan related expenses, or have discretion to choose how to use forfeitures, which can be found in the plan document.

→ Performance related lawsuits continue to dominate new filings. This includes lawsuits filed against Sentara Healthcare, Southwest Airlines, PPL Corp., and JPMorgan Chase Bank.

First Quarter 2025 Defined Contribution Marketplace Update (continued)

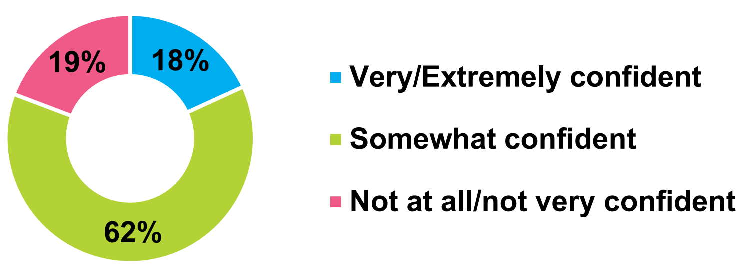
Key Updates

→ In March, Investment Company Institute (ICI) reported the average expense ratios for long-term mutual funds have declined substantially over the past 28 years. For example, from 1996 to 2024, the average expense ratio for equity mutual funds dropped by 62 percent and the average expense ratio for bond mutual funds dropped by 55 percent.

- In 2024, the average expense ratio for **equity** mutual funds fell 3 basis points to 0.40%.
- The average expense ratio for **bond** mutual funds increased 1 basis point to 0.38%.
- This is further evidenced by Vanguard's announcement that in February, they're decreasing the expense ratios on 168 share classes across 87 mutual funds, which they estimate will save investors approximately $350 million in 2025[1].

→ 2024 MFS DC Plan Sponsor Survey[2].

How confident are you that your plan participants will be able to retire at the age they want to?



Factors contributing to plan sponsors' confidence (or lack thereof)

	Confident (%)	Not Confident (%)
Contributions	81	67
Engagement	52	49
Tools & Services	68	37
Economy	13	47

[1] Savings due to the reduction in expense ratios were calculated on a share class basis for each fund for which there is a Vanguard-initiated reduction. The calculations were based on AUM as of November 30, 2024.
[2] 166 Plan Sponsors across small (12%), mid (17%) and large (71%) plans representing over $125 billion and over 1.1 million participants.

First Quarter 2025 Defined Contribution Marketplace Update (continued)

Looking Ahead – Market Volatility

→ Markets have reacted dramatically, but not surprisingly to the April 2, 2025 "Liberation Day" tariffs. This may be an opportunity for plan sponsors to work with their recordkeepers to remind participants of the benefits of staying the course and avoiding hasty decisions with their retirement portfolios.

- Alight Solutions found that volatility in the stock market leading up to Liberation Day led to high trading activity in retirement plans in the first quarter of 2025, as 0.77% of balances were traded - the highest level since the third quarter of 2020 (plansponsor.com).
- Morningstar's annual "Mind the Gap" study shows that mutual fund investors earned a 6.3% per year dollar-weighted return ("investor return") over the 10 years ended December 31, 2023, while their fund holdings earned about 7.3% per year ("total return").
  - Broadly speaking, negative return gaps can arise in two scenarios: when investors add monies and returns proceed to deteriorate (or show no improvement) or when they withdraw assets and returns improve (or fail to erode). The opposite holds for positive return gaps.

	Investor Return (%)	Total Return (%)	Gap (%)
US Large Growth	12.2	13.1	-0.9
US Large Value	7.9	8.9	-0.9
Intermediate Core Bond	0.9	1.9	-0.9
Emerging Markets	2.0	2.9	-0.9
US Small Blend	6.9	7.6	-0.8
Short-term Bond	0.9	1.7	-0.8
Intermediate Core Plus Bond	1.4	2.1	-0.7
US Mid-Cap Blend	8.0	8.8	-0.7
US Large Blend	11.1	11.4	-0.3
Foreign Large Blend	4.2	4.2	0.0

Executive Summary

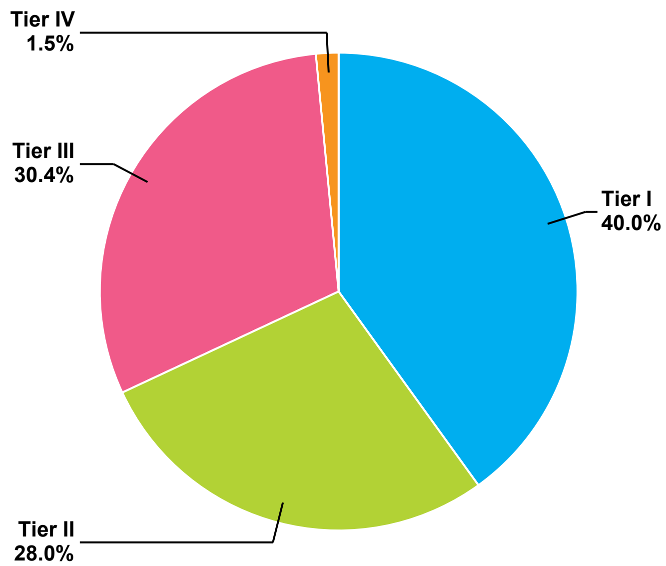
- The value of the 401(k) Plan decreased by $0.1 million during the first quarter of 2025, ending at $53.6 million as of March 31, 2025.

Quarter	Market Value ($mm)
2025Q1	53.6
2024Q4	53.7
2024Q3	53.0
2024Q2	50.1
2024Q1	49.2
2023Q4	46.3

- Managers produced mixed results in the first quarter, with US equities experiencing negative returns, and international equity and bond managers generating positive returns. Longer-dated Target Date Funds also accrued losses given their higher relative weights to equities. All managers produced positive results for the trailing year, except for the Vanguard Small Cap Index and 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 17.5% of the Plan’s assets as of March 31. As a group, the Target Date funds accounted for 40.0% of the Plan assets, an increase of 1% from the prior quarter.
- All investment options have net expense ratios lower than their respective peer group average.

Performance Update
as of March 31, 2025

Current Plan Allocation



Asset Allocation	03/31/2025 Market Value($)
Tier I	21,459,325
Tier II	15,003,999
Tier III	16,300,648
Tier IV	818,644
Total	53,582,616

Performance Summary (Trailing)

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund Aggregate		**53,582,616**	**100.0**					
Tier I		**21,459,325**	**40.0**					
Vanguard Target Retirement Income	VTINX	1,858,106	3.5	1.4	5.8	3.1	5.1	--
Vanguard Target Retirement Income Index				*1.2*	*5.7*	*3.2*	*5.3*	*--*
Target-Date Retirement Rank				*48*	*18*	*32*	*54*	--
Vanguard Target Retirement 2020	VTWNX	3,778,759	7.1	1.1	6.0	3.5	7.4	--
Vanguard Target Retirement 2020 Index				*1.0*	*5.9*	*3.6*	*7.6*	*--*
Target-Date 2020 Rank				*69*	*22*	*38*	*59*	--
Vanguard Target Retirement 2025	VTTVX	1,087,373	2.0	0.6	6.1	4.1	8.8	--
Vanguard Target Retirement 2025 Index				*0.4*	*6.0*	*4.2*	*9.0*	*--*
Target-Date 2025 Rank				*85*	*20*	*15*	*29*	--
Vanguard Target Retirement 2030	VTHRX	6,536,997	12.2	0.2	6.0	4.5	9.9	--
Vanguard Target Retirement 2030 Index				*0.0*	*6.0*	*4.7*	*10.2*	*--*
Target-Date 2030 Rank				*86*	*20*	*21*	*32*	--
Vanguard Target Retirement 2035	VTTHX	1,058,443	2.0	0.0	6.3	5.0	11.2	--
Vanguard Target Retirement 2035 Index				*-0.2*	*6.1*	*5.1*	*11.4*	*--*
Target-Date 2035 Rank				*71*	*17*	*29*	*61*	--
Vanguard Target Retirement 2040	VFORX	4,439,346	8.3	-0.2	6.4	5.5	12.4	--
Vanguard Target Retirement 2040 Index				*-0.5*	*6.3*	*5.5*	*12.6*	*--*
Target-Date 2040 Rank				*50*	*15*	*40*	*66*	--
Vanguard Target Retirement 2045	VTIVX	386,530	0.7	-0.4	6.6	5.9	13.6	--
Vanguard Target Retirement 2045 Index				*-0.7*	*6.4*	*5.9*	*13.8*	*--*
Target-Date 2045 Rank				*42*	*14*	*34*	*44*	--
Vanguard Target Retirement 2050	VFIFX	1,371,578	2.6	-0.6	6.7	6.2	13.8	--
Vanguard Target Retirement 2050 Index				*-0.9*	*6.6*	*6.3*	*14.1*	*--*
Target-Date 2050 Rank				*43*	*11*	*24*	*38*	--

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Vanguard Target Retirement 2055	VFFVX	238,993	0.4	-0.6	6.7	6.2	13.8	--
Vanguard Target Retirement 2055 Index				*-0.9*	*6.6*	*6.3*	*14.1*	*--*
Target-Date 2055 Rank				*40*	*13*	*26*	*46*	--
Vanguard Target Retirement 2060	VTTSX	536,340	1.0	-0.6	6.7	6.2	13.8	--
Vanguard Target Retirement 2060 Index				*-0.9*	*6.6*	*6.3*	*14.1*	*--*
Target-Date 2060 Rank				*40*	*12*	*27*	*52*	--
Vanguard Target Retirement 2065	VLXVX	166,860	0.3	-0.5	6.7	6.2	13.8	--
Vanguard Target Retirement 2065 Index				*-0.9*	*6.6*	*6.3*	*14.1*	*--*
Target-Date 2060 Rank				*39*	*11*	*26*	*52*	--

Asset Allocation & Performance | As of March 31, 2025

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier II		**15,003,999**	**28.0**					
Vanguard Inflation Protected Securities	VAIPX	85,542	0.2	4.1	6.2	-0.1	2.3	2.4
Blmbg. U.S. TIPS Index				*4.2*	*6.2*	*0.1*	*2.4*	*2.5*
Inflation-Protected Bond Rank				*41*	*40*	*48*	*53*	*31*
Vanguard Total Bond Market Index	VBTLX	96,970	0.2	2.8	4.9	0.5	-0.4	1.4
Blmbg. U.S. Aggregate Float Adjusted				*2.8*	*4.9*	*0.6*	*-0.4*	*1.5*
Intermediate Core Bond Rank				*37*	*53*	*41*	*73*	*48*
Vanguard 500 Index	VFIAX	11,850,325	22.1	-4.3	8.2	9.0	18.5	12.5
S&P 500 Index				*-4.3*	*8.3*	*9.1*	*18.6*	*12.5*
Large Cap Rank				*49*	*20*	*22*	*21*	*21*
Vanguard MidCap Index	VIMAX	1,188,976	2.2	-1.6	5.1	4.5	16.2	8.9
CRSP U.S. Mid Cap TR Index				*-1.6*	*5.2*	*4.5*	*16.2*	*8.9*
Mid Cap Rank				*16*	*10*	*32*	*38*	*25*
Vanguard Small Cap Index	VSMAX	1,625,418	3.0	-7.4	-1.6	3.0	15.6	7.8
CRSP U.S. Small Cap TR Index				*-7.4*	*-1.6*	*3.0*	*15.6*	*7.7*
Small Cap Rank				*34*	*26*	*26*	*37*	*25*
Vanguard Total International Stock Index	VTIAX	156,769	0.3	5.5	6.4	4.6	11.4	5.2
Spliced Total International Stock Index				*4.6*	*6.1*	*4.6*	*11.6*	*5.5*
Foreign Large Blend Rank				*78*	*39*	*71*	*56*	*49*

Asset Allocation & Performance | As of March 31, 2025

	Ticker	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tier III		**16,300,648**	**30.4**					
Guaranteed Income Fund		9,395,970	17.5	0.6	2.3	2.2	2.1	--
ICE BofA 3 Month U.S. T-Bill				*1.0*	*5.0*	*4.2*	*2.6*	*--*
Prime Money Market Rank				*97*	*97*	*97*	*89*	*--*
Baird Core Bond Plus	BCOIX	1,701,179	3.2	2.6	5.4	1.4	1.1	2.2
Blmbg. U.S. Universal Index				*2.7*	*5.2*	*1.0*	*0.3*	*1.8*
Intermediate Core-Plus Bond Rank				*61*	*41*	*16*	*38*	*18*
Vanguard Equity Income	VEIRX	637,060	1.2	2.8	9.8	8.0	16.5	10.4
Russell 1000 Value Index				*2.1*	*7.2*	*6.6*	*16.1*	*8.8*
Large Value Rank				*29*	*12*	*27*	*52*	*10*
Boston Trust SMID Cap Fund	BTSMX	2,729,401	5.1	-2.2	-0.4	4.4	15.2	9.2
Russell 2500 Index				*-7.5*	*-3.1*	*1.8*	*14.9*	*7.5*
SMID Blend Rank				*6*	*25*	*22*	*51*	*7*
Capital Research & Mgmt American Funds EuroPacific Growth	RERGX	347,397	0.6	2.6	0.3	3.3	9.9	5.3
MSCI AC World ex USA				*5.2*	*6.1*	*4.5*	*10.9*	*5.0*
Foreign Large Growth Rank				*43*	*56*	*45*	*35*	*51*
DFA International Small Cap Value	DISVX	1,489,641	2.8	10.4	13.0	9.0	17.3	--
MSCI AC World ex USA Small Cap				*0.6*	*1.9*	*1.0*	*11.8*	*--*
Foreign Small/Mid Value Rank				*13*	*18*	*17*	*29*	*--*
Tier IV		**818,644**	**1.5**					
Columbia High Yield Bond	CHYYX	818,644	1.5	1.0	7.1	4.3	6.6	4.5
ICE BofA US High Yield, Cash Pay Constrained Index				*1.0*	*7.5*	*4.8*	*7.2*	*4.9*
High Yield Bond Rank				*26*	*31*	*51*	*54*	*32*

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*	*--*	*--*	*--*	*--*

Asset Allocation & Performance | As of March 31, 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 TR 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 TR 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 March 31, 2025

	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	0.70
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	0.54
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	0.09	0.90
Guaranteed Income Fund	0.00	0.37
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	0.96
DFA International Small Cap Value	0.43	1.10
Columbia High Yield Bond	0.60	0.82

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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%.

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

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.