

INTERNATIONAL UNION OF
OPERATING ENGINEERS LOCAL 77
ANNUITY FUND

BOARD OF TRUSTEES MEETING

NOVEMBER 14, 2023



International Union of Operating Engineers

Local No. 77

Annuity Fund

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Sparks, MD 21152
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ANNUITY

AGENDA

November 14, 2023

- I. CALL TO ORDER**
- II. MINUTES**
 - Regular Meeting – August 8, 2023
- III. FINANCIAL REPORT**
 - 2022 – Year End Audit
 - PNC Bank – 9/30/2023
 - Transfers to Empower
- IV. EMPOWER’S REPORT**
- V. FUND ATTORNEY’S REPORT**
- VI. OTHER FUND BUSINESS**
- VII. NEXT MEETING DATE AND LOCATION**
 - February 13, 2024
- VIII. ADJOURNMENT**

MINUTES



International Union of Operating Engineers

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 77 INDIVIDUAL ACCOUNT (ANNUITY) FUND TUESDAY, AUGUST 8, 2023

The following Trustees were present:

UNION TRUSTEES

J. VanDyke – Chairman
R. Dennison
T. Johnson

EMPLOYER TRUSTEES

J. Knowles
B. Mazzella
R. Mazzella

ALSO PRESENT:

W. Chambers – Associated Administrators, LLC
C. Fuller – McChesney & Dale, P.C.
J. Mink – Investment Performance Services
N. Wharton – Empower Retirement (Via Teleconference)
A. Sims – Associated Administrators, LLC

I. CALL TO ORDER

The Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on May 9, 2023.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the minutes of the last regular meeting held on May 9, 2023 are approved as presented.

III. FINANCIAL REPORT

A. PNC Bank - Summary of Cash Activity Report – June 30, 2023

Ms. Sims presented the Summary of Cash Activity Report for the period January 1, 2023 to June 30, 2023, as provided by PNC. Such report indicated a beginning balance of \$107,585, receipts of \$1,959,078, disbursements of \$1,764,954, and investment earnings of \$4,761, resulting in a balance of \$306,471 as of June 30, 2023.

B. Investment Performance Services (IPS) – Investment Performance Report

Ms. Mink from IPS reviewed the Investment Performance Report for the period ended June 30, 2023, which indicated an ending balance of \$42,753,166 through June 30, 2023. She noted 76.6% of investments are in target date funds, 7.5% in domestic equity, 1.2% in international equity, 1.9% in fixed income, 12.8% in stable value, and 0.1% in Real Estate (“REIT”). Ms. Mink stated that there are 3,128 participants and an average record-keeper cost per participant of \$55. She reported that per Trustee directive at the last meeting, the two Vanguard funds: (1) Vanguard Target Retirement 2070 Fund and, (2) Vanguard Growth Index – VIGAX and Vanguard Value Index – VVIAX had been added to the investment selection for participants. Ms. Mink noted that the Empower record keeping fee has been reduced from 85 basis point to 55 basis points, effective August 1, 2023.

C. Empower – Executive Summary Report

The Trustees welcomed Ms. Nikki Wharton of Empower to the meeting. Ms. Wharton reviewed the plan performance insights report for the quarter ending June 30, 2023. She stated that as of June 30, 2023 the Fund had 2,945 active participants with a balance and 183 separated from service participants with a balance. Total participant assets as of June 30, 2023 were \$42,866,962. Ms. Wharton reviewed the average Plan balances by investment strategy and noting that the Vanguard Target Retirement 2025 investment is the largest investment vehicle at 15.57%. Ms. Wharton also reviewed account balances by age and investment vehicle.

The Trustees thanked Ms. Wharton for her report.

IV. FUND ATTORNEY’S REPORT

Mr. Fuller reported that there were no legal matters to consider at this time.

V. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected November 14, 2023, as their next meetings at the offices of Associated Administrators in Landover, Maryland following the Operating Engineers Local 77 Health & Welfare Fund meeting.

VI. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Joshua VanDyke – Co-Chairman

FINANCIAL REPORT

**IUOE LOCAL #77 ANNUITY FUND
SUMMARY OF ACTIVITY**

Balance 1/1/2023	\$	107,585
Receipts	\$	2,748,313
Disbursements	\$	(2,659,072)
Earnings	\$	7,361
Balance 9/30/2023	\$	204,187

Fund Invested in Federated Gov't Obligation Select MM
GRTXX - YTD 6/30/2023 **5.26%**

PNC BANK

OPERATING ENGINEERS - Annuity Data to Mass Mutual						
DATE		TOTAL FROM	TOTAL FROM	COMBINED	ANNUITY	ANNUITY
OF	TRANSACTION	MASS MUT	MASS MUT	TOTAL	RUNNING	PROOF
<u>TRANSFER</u>	<u>DATE</u>	<u>ANNUITY DATA</u>	<u>401K DATA</u>	<u>WIRE TRANSF</u>	<u>TOTAL</u>	<u>TOTAL</u>
11/1/2021	10/31/2021	130,560.77	51,926.79	182,487.56	42,629,516.39	42,629,269.31
11/17/2021	11/15/2021	115,582.58	64,643.30	180,225.88	42,809,742.27	42,809,495.19
12/1/2021	11/30/2021	131,168.57	25,833.36	157,001.93	42,966,744.20	42,966,497.12
12/16/2021	12/15/2021	65,599.94	35,537.45	101,137.39	43,067,881.59	43,067,634.51
1/4/2022	12/31/2021	182,014.64	36,543.88	218,558.52	43,286,440.11	43,286,193.03
1/18/2022	1/15/2022	47,214.48	44,958.95	92,173.43	43,378,613.54	43,378,366.46
2/2/2022	1/31/2022	155,710.83	42,425.78	198,136.61	43,576,750.15	43,576,503.07
2/16/2022	2/15/2022	188,909.33	60,174.97	249,084.30	43,825,834.45	43,825,587.37
3/1/2022	2/28/2022	63,062.47	9,971.50	73,033.97	43,898,868.42	43,898,621.34
3/16/2022	3/15/2022	190,958.43	70,531.26	261,489.69	44,160,358.11	44,160,111.03
4/1/2022	3/31/2022	46,768.09	14,430.25	61,198.34	44,221,556.45	44,221,309.37
4/20/2022	4/15/2022	144,713.45	54,459.11	199,172.56	44,420,729.01	44,420,481.93
5/2/2022	4/30/2022	90,422.34	46,389.05	136,811.39	44,557,540.40	44,557,293.32
5/17/2022	5/15/2022	134,537.35	39,752.91	174,290.26	44,731,830.66	44,731,583.58
6/1/2022	5/31/2022	144,733.24	53,264.95	197,998.19	44,929,828.85	44,929,581.77
6/16/2022	6/15/2022	45,810.57	7,834.75	53,645.32	44,983,474.17	44,983,227.09
7/1/2022	6/30/2022	117,039.34	57,203.12	174,242.46	45,157,716.63	45,157,469.55
7/19/2022	7/15/2022	135,310.00	54,990.26	190,300.26	45,348,016.89	45,347,769.81
8/1/2022	7/31/2022	119,188.41	35,963.25	155,151.66	45,503,168.55	45,502,921.47
8/16/2022	8/15/2022	118,791.12	33,523.89	152,315.01	45,655,483.56	45,655,236.48
9/1/2022	8/31/2022	162,178.31	44,293.69	206,472.00	45,861,955.56	45,861,708.48
9/16/2022	9/15/2022	86,743.77	40,219.24	126,963.01	45,988,918.57	45,988,671.49
10/3/2022	9/30/2022	192,697.74	56,169.53	248,867.27	46,237,785.84	46,237,538.76
10/17/2022	10/15/2022	111,052.47	26,092.88	137,145.35	46,374,931.19	46,374,684.11
11/1/2022	10/31/2022	158,591.34	76,618.09	235,209.43	46,610,140.62	46,609,893.54
11/16/2022	11/15/2022	182,032.43	55,687.75	237,720.18	46,847,860.80	46,847,613.72
12/1/2022	11/30/2022	128,016.64	13,477.75	141,494.39	46,989,355.19	46,988,992.61
12/16/2022	12/15/2022	111,678.57	41,398.58	153,077.15	47,142,432.34	47,142,069.76
12/29/2022	12/31/2022	80,658.61	32,036.66	112,695.27	47,255,127.61	47,254,765.03
1/17/2023	1/15/2023	114,405.81	15,161.26	129,567.07	47,384,694.68	47,384,332.10
2/1/2023	1/31/2023	212,673.08	103,300.15	315,973.23	47,700,667.91	47,700,305.33
2/16/2023	2/15/2023	102,080.82	24,687.43	126,768.25	47,827,436.16	47,827,073.58
3/1/2023	2/28/2023	99,153.47	63,520.45	162,673.92	47,990,110.08	47,989,747.50
3/16/2023	3/15/2023	149,837.44	63,824.32	213,661.76	48,203,771.84	48,203,409.26
4/3/2023	3/31/2023	100,713.07	22,060.85	122,773.92	48,326,545.76	48,326,183.18
4/17/2023	4/15/2023	67,542.84	53,522.52	121,065.36	48,447,611.12	48,447,248.54
5/1/2023	4/30/2023	103,638.76	39,816.23	143,454.99	48,591,066.11	48,590,703.53
5/16/2023	5/15/2023	88,092.36	45,796.33	133,888.69	48,724,954.80	48,724,592.22
6/1/2023	5/31/2023	129,557.22	47,188.69	176,745.91	48,901,700.71	48,901,338.13
6/16/2023	6/15/2023	67,146.85	35,191.41	102,338.26	49,004,038.97	49,003,676.30
7/3/2023	6/30/2023	140,831.41	47,482.69	188,314.10	49,192,353.07	49,191,990.49
7/18/2023	7/15/2023	70,235.03	57,237.23	127,472.26	49,319,825.33	49,319,462.75
8/1/2023	7/31/2023	113,008.26	33,136.12	146,144.38	49,465,969.71	49,465,606.63
8/16/2023	8/15/2023	67,754.36	49,943.46	117,697.82	49,583,667.53	49,583,274.08
9/1/2023	8/31/2023	106,301.66	42,152.01	148,453.67	49,732,121.20	49,731,727.81
9/18/2023	9/15/2023	94,495.37	71,412.61	165,907.98	49,898,029.18	49,897,635.79
10/3/2023	9/30/2023	97,046.23	29,014.81	126,061.04	50,024,090.22	50,023,696.83
10/16/2023	10/15/2023	61,294.46	10,128.23	71,422.69	50,095,512.91	50,095,119.52
11/1/2023	10/31/2023	119,464.68	63,759.03	183,223.71	50,278,736.62	50,278,343.23



PLAN PERFORMANCE INSIGHTS

As of 9/30/2023

780365-01

International Union of Operating Engineers Local 77 Annuity Fund

Executive summary



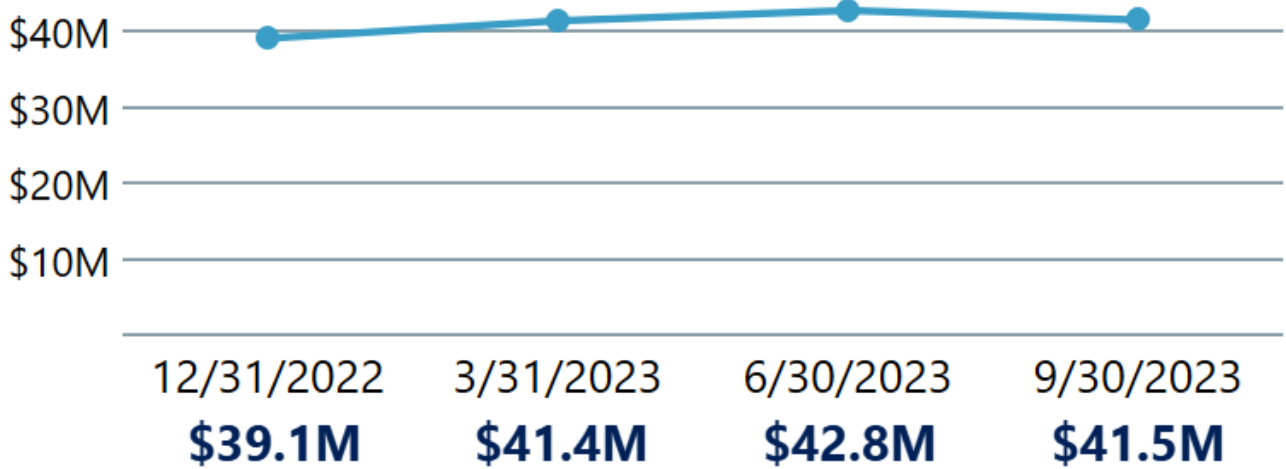
As of 9/30/2023

Participant assets



\$41,518,559

Trending



Plan assets **\$115,600**

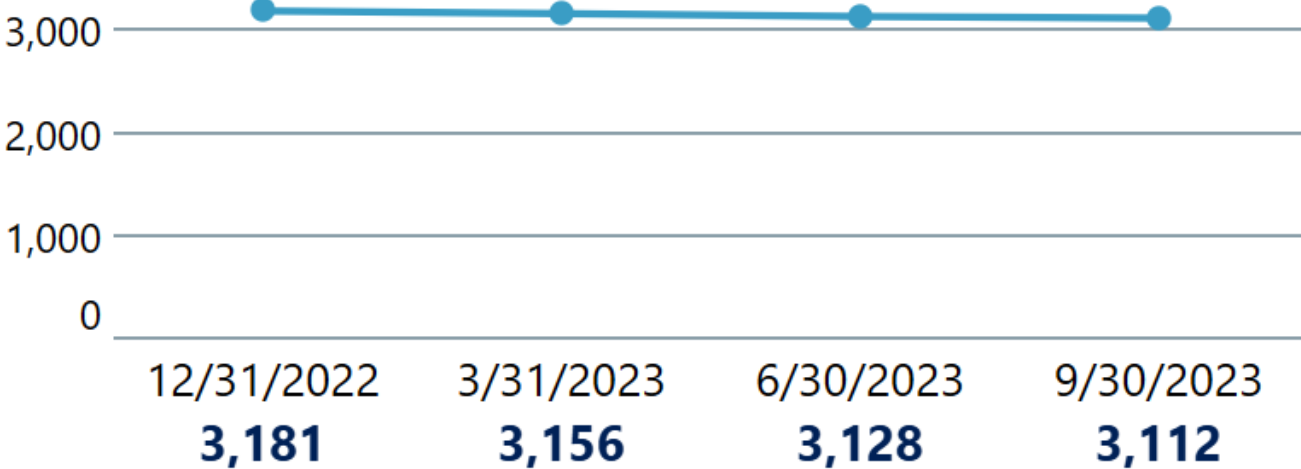
Total assets **\$41,634,159**

Participants with a balance



3,112

Trending



Active participants with a balance **2,929**

Separated from service participants with a balance **183**

Overview

The assets and participant counts presented are effective as of period end. The assets do not reflect any adjustments, dividends, corrections, or similar that are processed after period end.

Executive summary

As of 9/30/2023



Average balance

\$13,341

Benchmark
\$85,177

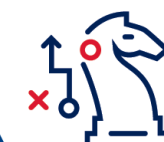
Top 10%
\$244,659

\$13,341 is the average account balance for all participants that have a balance as of month end. This is below the benchmark by **\$71,836** and is below the top 10% of peers by **\$231,318**.

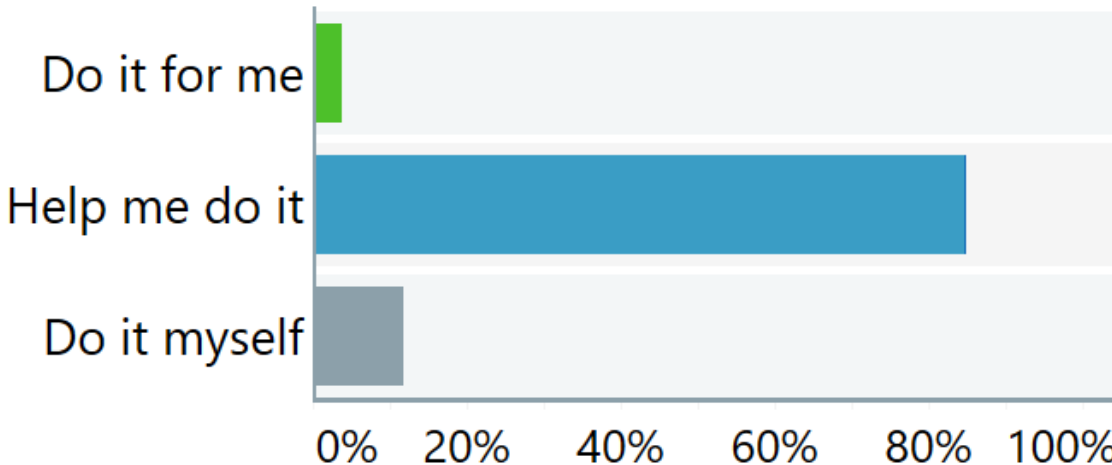
Trending



12/31/2022	3/31/2023	6/30/2023	9/30/2023
\$12,296	\$13,120	\$13,668	\$13,341



Investment strategy utilization

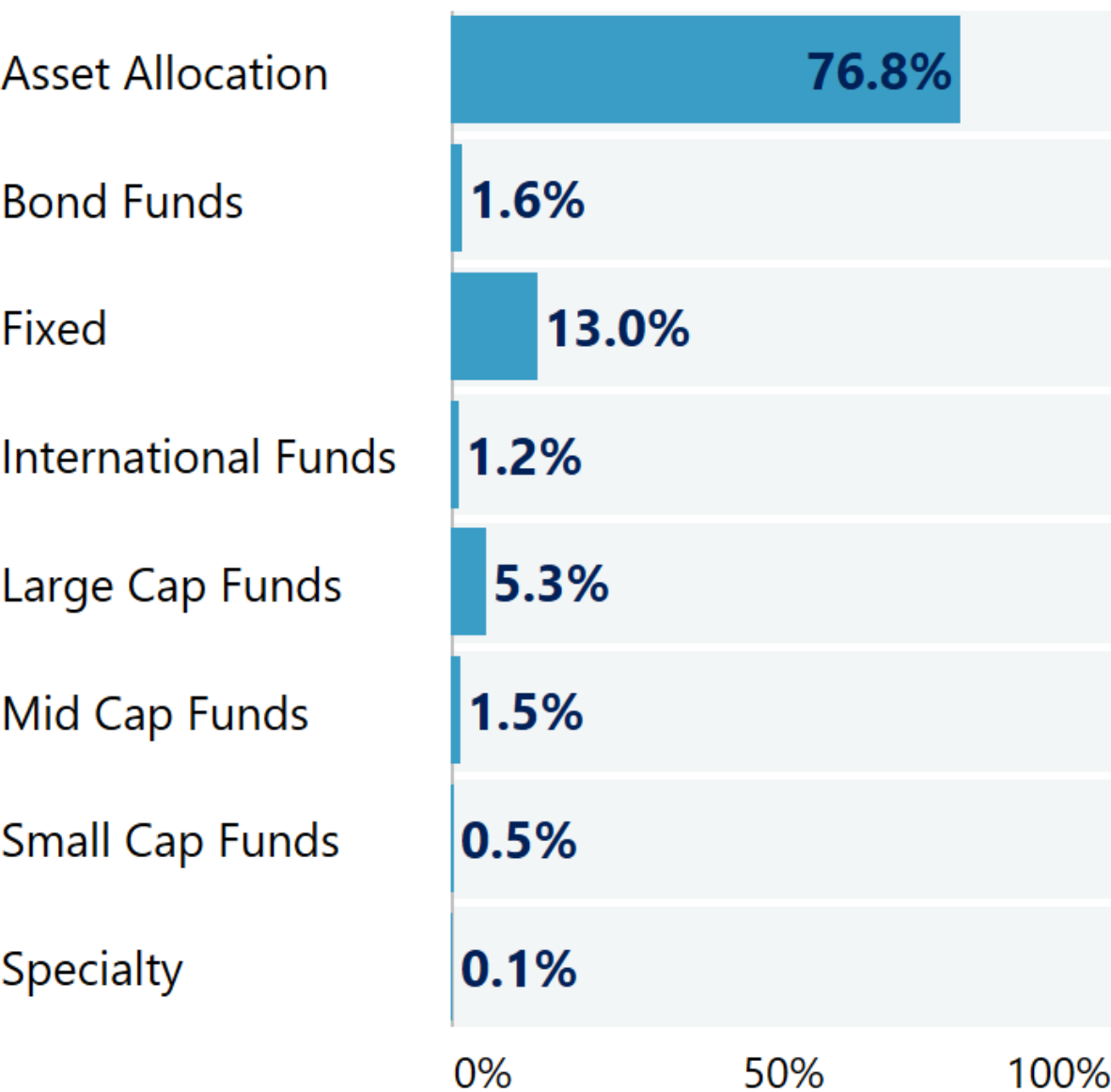


Target-date strategy is the investment strategy utilized by the most participants with **84.5%** of participants classified as using this strategy.

Investment strategy	% of Participants
My Total Retirement	3.7%
Online Advice	0.0%
Target-date strategy	84.5%
Do-it-yourself strategy	11.8%



Allocations by asset class



Cash flow

As of 9/30/2023

Year-to-date participant activity summary¹



Total contributions

\$2,642,902



Disbursements

-\$2,320,351



Net Activity

\$322,551

Overview

Cash flow illustrates the inflows and outflows of dollars from participant accounts along with the impact that those flows have on participant balances. All actively employed and separated from service participants are included.

Impact on balances

	10/1/2022 - 12/31/2022	1/1/2023 - 3/31/2023	4/1/2023 - 6/30/2023	7/1/2023 - 9/30/2023
Beginning balance	\$0	\$39,114,147	\$41,406,607	\$42,752,996
Contributions	\$880,196	\$948,644	\$800,267	\$893,990
Disbursements	-\$444,954	-\$578,825	-\$893,818	-\$847,708
Fees ²	-\$40,475	-\$102,184	-\$102,385	-\$101,351
Loans issued	\$0	\$0	\$0	\$0
Loan payments	\$0	\$0	\$0	\$0
Other ³	\$37,942,002	\$0	\$0	\$0
Change in value	\$777,378	\$2,024,825	\$1,542,326	-\$1,179,365
Ending Balance	\$39,114,147	\$41,406,607	\$42,752,996	\$41,518,559

¹The year-to-date period begins when the plan is loaded onto the recordkeeping system. Therefore, the year-to-date period may not include all months for plans that were recently added.

²Fees may include but are not limited to: transactional and plan administrative fees.

³Other includes 'Transfer In', 'Transfer Out', 'Adjustments'

Contribution activity

As of 9/30/2023

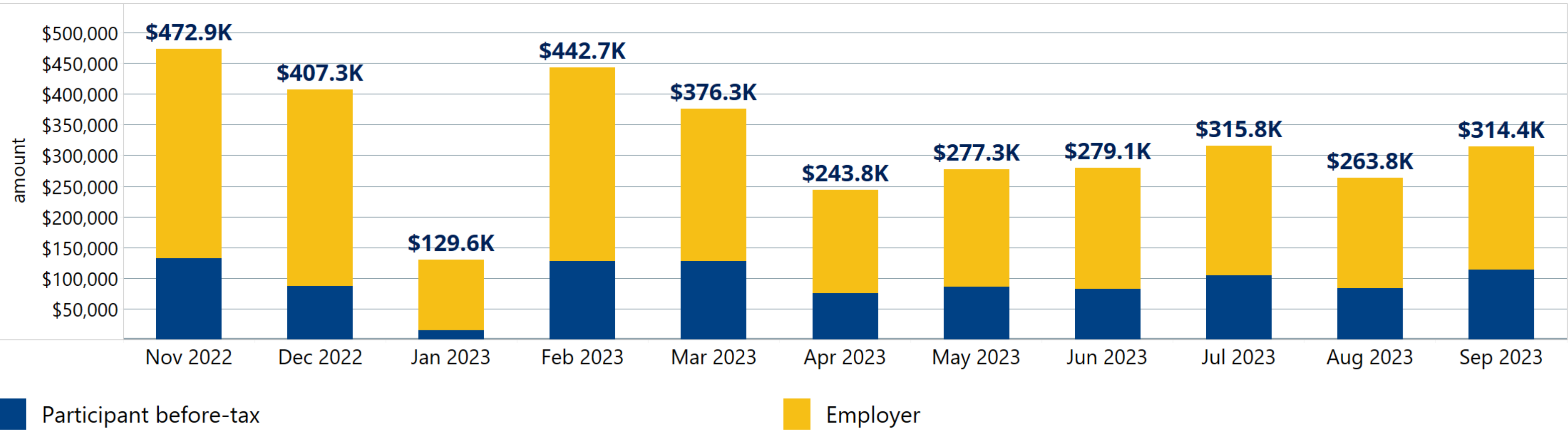
Total contributions at-a-glance¹

	Participant before-tax	Employer	Total
 Year to date total contributions	\$815,434	\$1,827,468	\$2,642,902
 Rolling 12 months total contributions	\$1,034,653	\$2,488,445	\$3,523,098

Overview

The contribution activity details show the total of all contributions into participant accounts, excluding loan payments. Participant payroll contributions are categorized by their money type. Any employer contributions and any non-payroll contributions are separated into their own categories. Non-payroll contributions include rollovers, transfers, and other miscellaneous contributions and are reflected as *Other contributions*.

Total contribution amounts by month



¹The year-to-date and rolling 12 month periods begin when the plan is loaded onto the recordkeeping system. Therefore, the periods may be less than indicated for plans that were recently added.

Distribution activity

As of 9/30/2023

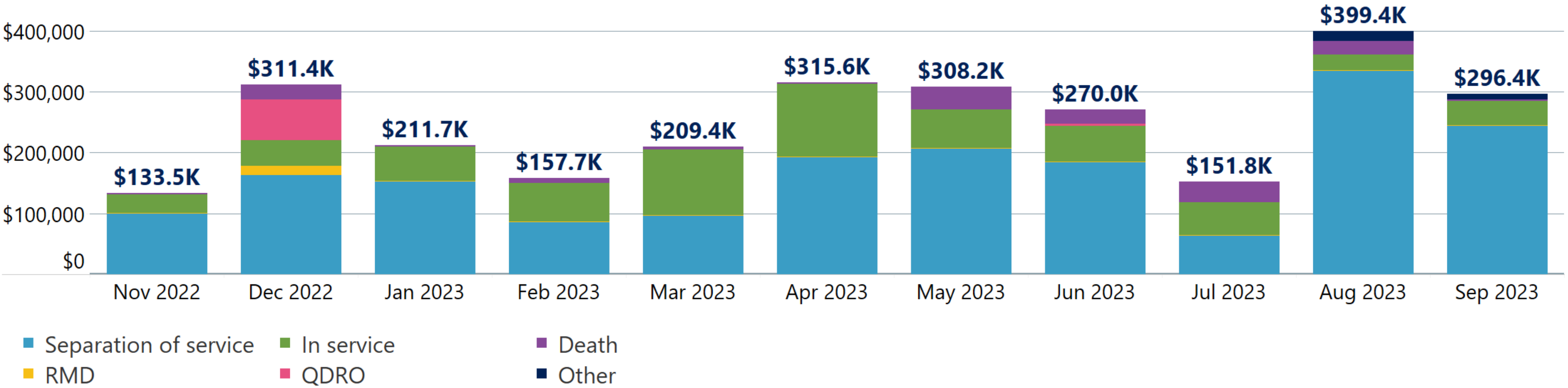
Distribution activity at-a-glance¹

		Separation of service	RMD	In service	QDRO	Death	Other	Total	
	Year to date	Amount	\$1.6M	\$339	\$585.0K	\$4.4K	\$137.1K	\$25.4K	\$2.3M
		Transactions	148	10	40	1	19	6	224
	Rolling 12 months	Amount	\$1.8M	\$15.9K	\$657.9K	\$70.2K	\$164.5K	\$25.4K	\$2.8M
		Transactions	182	39	49	3	24	6	303

Overview

The distribution activity details show the activity for all actively employed and separated from service participants.

Total distribution amounts by month



¹The year-to-date and rolling 12 month periods begin when the plan is loaded onto the recordkeeping system. Therefore, the periods may be less than indicated for plans that were recently added.

Participant balances

As of 9/30/2023

Account balances comparison



The average and median account balance for your plan is based on **3,112** participants

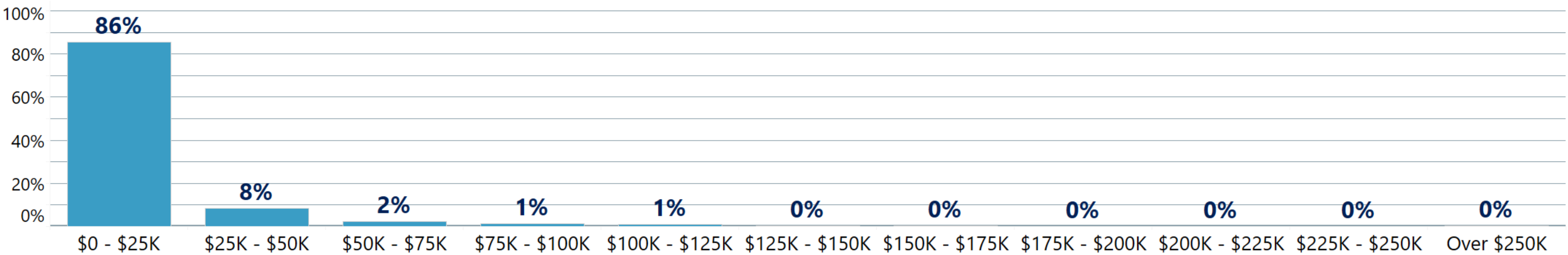
Account balances by employment status

 Active	Average balance	\$13,585
	Median balance	\$3,375
	# of participants	2,929
 Separated from service	Average balance	\$9,442
	Median balance	\$5,962
	# of participants	183

Overview

The account balance insights presented are based on all participants that have a balance greater than \$0. When applicable, any outstanding loan amounts are not included as part of a participant’s account balance.

Distribution of account balances



Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

As of 9/30/2023				
Asset class	Investment option	Total balance	% of total	Participants
Asset Allocation	Vanguard Target Retirement 2020 Inv	\$1,925,888	4.64%	95
	Vanguard Target Retirement 2025 Inv	\$6,453,738	15.54%	1,352
	Vanguard Target Retirement 2030 Inv	\$4,926,250	11.87%	234
	Vanguard Target Retirement 2035 Inv	\$4,315,683	10.39%	290
	Vanguard Target Retirement 2040 Inv	\$4,274,248	10.29%	239
	Vanguard Target Retirement 2045 Inv	\$3,662,330	8.82%	260
	Vanguard Target Retirement 2050 Inv	\$3,042,102	7.33%	217
	Vanguard Target Retirement 2055 Inv	\$1,830,124	4.41%	229
	Vanguard Target Retirement 2060 Inv	\$895,970	2.16%	134
	Vanguard Target Retirement 2065 Inv	\$155,253	0.37%	38
	Vanguard Target Retirement 2070 Inv	\$8,030	0.02%	2
	Vanguard Target Retirement Income Inv	\$397,764	0.96%	199
Bond Funds	Vanguard High-Yield Corporate Adm	\$34,996	0.08%	41
	Vanguard Total Bond Market Index Adm	\$622,094	1.50%	168
Fixed	SAGIC Diversified Bond I	\$5,378,714	12.95%	462
International Funds	Vanguard Developed Markets Index Admiral	\$459,634	1.11%	175
	Vanguard Emerging Mkts Stock Idx Adm	\$31,861	0.08%	126
	Vanguard FTSE All-Wld ex-US SmCp Idx Adm	\$26,399	0.06%	6
Large Cap Funds	Vanguard 500 Index Admiral	\$2,178,259	5.25%	204
	Vanguard Growth Index Adm	\$13,496	0.03%	117

Asset allocation by fund

The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

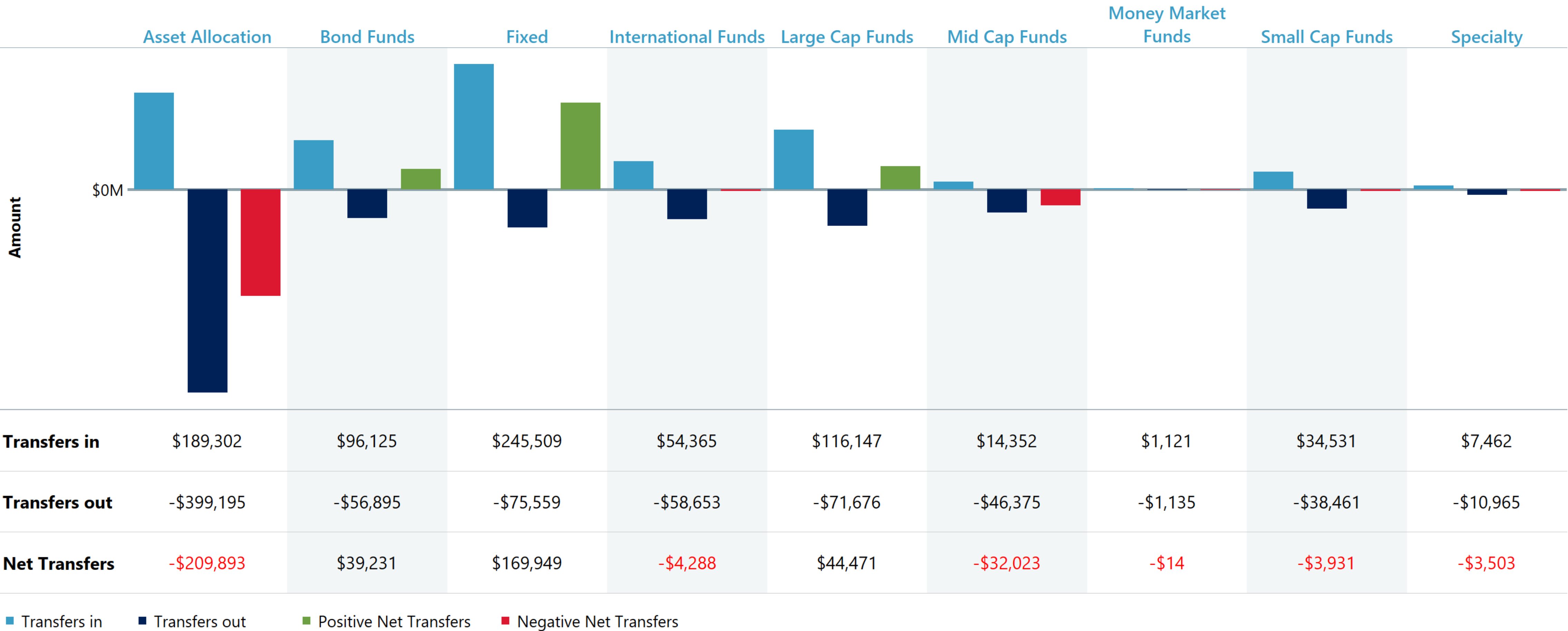
As of 9/30/2023				
Asset class	Investment option	Total balance	% of total	Participants
Large Cap Funds	Vanguard Value Index Adm	\$14,246	0.03%	116
Mid Cap Funds	Vanguard Mid Cap Index Admiral	\$626,368	1.51%	182
Small Cap Funds	Vanguard Small Cap Index Adm	\$220,683	0.53%	161
Specialty	Vanguard Real Estate Index Admiral	\$24,430	0.06%	130

Net transfer activity by asset class



As of 9/30/2023

The below shows the transfer activity in and out of each asset class for a rolling 12-month period.



Net interfund transfer activity

The below shows the transfer activity for a rolling 12-month period. The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

Rolling 12 months as of 9-30-2023

Asset class	Investment option	Assets transferred in	Participants transferred in	Assets transferred out	Participants transferred out	Net transfers	Ending assets	Net transfers as a % of fund's assets
Asset Allocation	Vanguard Target Retirement 2020 Inv	\$20,027	1	\$20,027	1	\$0	\$1,925,888	0.00%
	Vanguard Target Retirement 2025 Inv	\$39,514	5	\$182,402	11	-\$142,888	\$6,453,738	N/A
	Vanguard Target Retirement 2030 Inv	\$58,449	2	\$61,781	3	-\$3,332	\$4,926,250	N/A
	Vanguard Target Retirement 2035 Inv	\$0	0	\$1,031	4	-\$1,031	\$4,315,683	N/A
	Vanguard Target Retirement 2040 Inv	\$55,691	4	\$53,989	2	\$1,702	\$4,274,248	0.04%
	Vanguard Target Retirement 2045 Inv	\$0	0	\$22,399	4	-\$22,399	\$3,662,330	N/A
	Vanguard Target Retirement 2050 Inv	\$405	1	\$32,220	7	-\$31,815	\$3,042,102	N/A
	Vanguard Target Retirement 2055 Inv	\$8	1	\$2,838	7	-\$2,830	\$1,830,124	N/A
	Vanguard Target Retirement 2060 Inv	\$1,888	1	\$0	0	\$1,888	\$895,970	0.21%
	Vanguard Target Retirement 2065 Inv	\$4,052	2	\$21,468	54	-\$17,416	\$155,253	N/A
	Vanguard Target Retirement 2070 Inv	\$8,228	2	\$0	0	\$8,228	\$8,030	102.47%
	Vanguard Target Retirement Income Inv	\$1,040	2	\$1,040	2	\$0	\$397,764	0.00%
Bond Funds	Vanguard High-Yield Corporate Adm	\$10,686	33	\$8,836	20	\$1,851	\$34,996	5.29%
	Vanguard Total Bond Market Index Adm	\$85,439	128	\$48,059	108	\$37,380	\$622,094	6.01%
Fixed	SAGIC Diversified Bond I	\$245,509	133	\$75,559	37	\$169,949	\$5,378,714	3.16%
International Funds	Vanguard Developed Markets Index Admiral	\$40,694	133	\$33,716	66	\$6,979	\$459,634	1.52%
	Vanguard Emerging Mkts Stock Idx Adm	\$13,658	126	\$14,319	69	-\$661	\$31,861	N/A
	Vanguard FTSE All-Wld ex-US SmCp Idx Adm	\$13	1	\$10,618	6	-\$10,605	\$26,399	N/A
Large Cap Funds	Vanguard 500 Index Admiral	\$88,089	139	\$71,672	133	\$16,418	\$2,178,259	0.75%
	Vanguard Growth Index Adm	\$13,729	117	\$5	1	\$13,725	\$13,496	101.69%

Net interfund transfer activity

The below shows the transfer activity for a rolling 12-month period. The balances reflected are based on all actively employed and separated from service plan participants. The participant balances do not include any outstanding loan amounts.

Rolling 12 months as of 9-30-2023

Asset class	Investment option	Assets transferred in	Participants transferred in	Assets transferred out	Participants transferred out	Net transfers	Ending assets	Net transfers as a % of fund's assets
Large Cap Funds	Vanguard Value Index Adm	\$14,329	116	\$0	0	\$14,329	\$14,246	100.58%
Mid Cap Funds	Vanguard Mid Cap Index Admiral	\$14,352	135	\$46,375	97	-\$32,023	\$626,368	N/A
Money Market Funds	MassMutual US Govt Mny Mkt R5	\$1,121	1	\$1,135	1	-\$14	\$0	
Small Cap Funds	Vanguard Small Cap Index Adm	\$34,531	122	\$38,461	128	-\$3,931	\$220,683	N/A
Specialty	Vanguard Real Estate Index Admiral	\$7,462	127	\$10,965	33	-\$3,503	\$24,430	N/A

Glossary of terms

Subject	Description
Balances	Participant assets is the summation of all participant balances. (Excludes any loan balances). Plan assets is the summation of all plan balances such as forfeitures. Total assets is the summation of all participant and plan balances.
Benchmarks	The benchmarks are based on the recordkeeping system book of business and are updated monthly. The benchmarks reflect the median of individual plan results for a population of similar plans based on the combination of plan type and plan assets. The plan type categories are: 401(k), 403(b), 401(a), 457, and all other plan types combined. The plan assets ranges are: <\$5M, \$5M - \$10M, \$10M - \$25M, \$25 - \$50M, \$50M - \$500M, and >\$500M.
Cash flow	Cash flow illustrates the inflows and outflows of dollars from the plan by all actively employed and separated from service participants. The difference in the beginning balance and the ending balance is the result of adding and subtracting the following cash flow activity events: Contributions, disbursements, participant fees, loans issued, loan payments, transfers, adjustments, dividends, and gain/loss to reflect the ending balance.
Contribution activity	Contribution activity reflects all new participant account money such as: contributions via payroll, one-time contributions, employer contributions, and rollovers. Contributions are illustrated as participant and employer funded. Participant contributions are further broken down by before-tax, Roth, and after-tax contributions when applicable. The contribution activity will match the contribution totals illustrated on the Cash Flow slide.
Distribution activity	Distributions are based on actively employed and separated from service plan participants. The distribution categories are derived from the methods in which assets are removed from the plan. The possible categories are: Deminimis, Hardship, Death, Housing allowance, In-service, QDRO, Required minimum distributions (RMD), Separation of service, Service credits, CARES Act, SECURE Act and Other*. *"Other" is a combined category for infrequently used distributions such as but not limited to: contract exchanges, disability, 1035 exchanges, defined benefit payout, dividend payment, early distribution penalty, transfer to an IRA, Roth conversions, etc. The category also includes transaction reversals.
Loans	Overall loan insights reflect both general purpose loans and principal residence loans. Loans belonging to both actively employed and separated from service plan participants are included. Active loans in default are included. The total amount of outstanding loans includes any loans that were issued during the month of the reported month-end. The average loan balance is calculated by dividing the total of all active and outstanding loan balances by the total number of active and outstanding loans. The percent of participants with a loan is calculated by dividing the number of participants with at least one active and outstanding loan by all participants with a balance greater than \$0.

Glossary of terms

Subject	Description
Lifetime Income Score	The Lifetime Income Score is based on all actively employed and eligible participants that meet the following criteria: Date of birth on file, valid annual salary of at least \$10,000, and assets from outside sources that are less than \$5 million. The Lifetime Income Score assumes a retirement income replacement rate of 75% of current income for all participants or a different plan-chosen replacement rate when applicable. Assumptions used by the Lifetime Income Score change over time so the historical results provided may be based on assumptions that are different from the current period. For more information please see the Lifetime Income Score Important Information and Disclosure located on the Data Library dashboard in the Plan Service Center.
Participation rate	The participation rate represents the ratio of participants that are actively participating in the plan compared to the total population of actively employed participants that are eligible to contribute to the plan. Actively participating is defined as having a regular deferral election on the recordkeeping system that is greater than 0%/\$0. Before-tax, Roth, after-tax, and catch-up deferral elections are included.
Contribution rates	Contribution rates are based on all actively employed and eligible participants that have a regular deferral election on the recordkeeping system that is greater than 0%/\$0. Before-tax, Roth, after-tax, and catch-up deferral elections are included. The rates reflected always include percentage deferral elections. Flat dollar deferral elections are also included when a salary has been provided as a participant's salary is used to convert their flat dollar deferral election to a percentage election.
Money type utilization	Money types are the different kinds of regular contributions that can be made which differ from each other in how they are taxed. Money type utilization illustrates the different approaches that participants are using for managing the tax treatment of their future contributions. Each included participant is assigned to a single money type category and becomes part of the population of participants that their respective category's insights are based on. Refer to the contribution rates section above for details about how reporting on deferral elections is handled. The money type categories are: • Before-tax only: Population of participants where 100% of their deferral election is setup to make before-tax contributions. • Roth only: Population of participants where 100% of their deferral election is setup to make Roth contributions. • After-tax only: Population of participants where 100% of their deferral election is setup to make after-tax contributions. • Multiple types: Population of participants that have a deferral election setup to make contributions to two or more sources.

Glossary of terms

Subject	Description
Match behaviors	Match behaviors illustrates participants that are eligible for employer match and the different levels at which they are utilizing their available match benefits. It only includes match benefits where the employer chooses to make an established contribution that is based on the elective contributions that a participant makes. This excludes non-elective employer contributions that do not require the participant to make a contribution. Each participant is evaluated against the match rule that individually applies to them as a single plan can have multiple match rules that cover different populations of eligible participants. The evaluation is based on a participant’s deferral elections on file. Percentage deferral elections are always included and flat dollar deferral elections are also included when a salary has been provided as a participant’s salary is used to convert their flat dollar deferral election to a percentage election. Participants with flat dollar deferral elections but without a salary are excluded from the analysis. Included participants are assigned to one of the following match behaviors: • Not contributing: Is eligible to contribute and to receive employer matching contributions but does not have a deferral election greater than 0%/\$0 on file. • Missing out: Has a deferral election on file but it is below the amount required to receive the full amount of their available match benefit. • Meeting the match: Has a deferral election on file that is the same amount that is required to receive the full amount of their available match benefit. • Exceeding the match: Has a deferral election on file that is higher than the amount required to receive the full amount of their available match benefit.
Rate of return	Rate of return is calculated in 1 month intervals based on the opening balance, transaction activity, and closing balance for the month. The calculation is consistent with the procedures called by the participant website for displaying a participant’s rate of return for a 1 month period. Determining the 1, 3, and 5 year returns is achieved by using an aggregation of the individual monthly rates of return for that period. Only participants with a result across all of the months in the period are included.

Glossary of terms

Subject	Description
Investment strategy	Investment strategy includes all actively employed and separated from service plan participants with a balance. Each participant is assigned to a single investment strategy by evaluating the criteria for each investment strategy against the participant’s fund balances and their use of investment services and features. This evaluation is done in a particular order and the investment strategy that ends up being assigned is the first one that has its criteria met. The evaluation order and criteria for each possible investment strategy is as follows: • Managed accounts: Assigned to any participant enrolled in an available managed account service. • Online advice: Assigned to any participant utilizing an available online advice service. • Asset allocation model strategy: Assigned to any participant enrolled in a model portfolio. • Brokerage: Assigned to any participant utilizing an available self-directed brokerage account for any portion of their balance. • Target-date strategy: Assigned to any participant with greater than 95% of their balance invested in one or two target-date funds. 5% of their remaining balance may be invested in funds in other asset classes. • Risk-based strategy: Assigned to any participant with greater than 95% of their balance invested in one or two risk-based funds. 5% of their remaining balance may be invested in funds from other asset classes. • Do-it-yourself strategy: Assigned to any participant that is not classified under any of the above investment strategies. When applicable, the number of participants and their associated total balances that are assigned to the Target-date strategy or the Risk-based strategy will not match the assets and participant counts reported elsewhere for the funds within the Target-date or Risk-based asset classes. This is because all fund reporting is based on the holdings of all participants, regardless of a participant’s assigned investment strategy.
Equity exposure	A participant’s total equity exposure is the ratio of the total amount of their balance (across all investment options) that is exposed to equities, compared to their overall account balance. The amount that is exposed to equities for each individual investment option is calculated by multiplying the participant’s balance within the fund by the percentage of the fund’s underlying holdings that are in equity asset classes. The underlying asset allocation of each investment option is sourced from Morningstar LLC. In the event that an investment option’s asset allocation is unavailable, it is defaulted to having 50% allocated to equities.

Glossary of terms

Subject	Description
Concentrated investment extremes	The concentrated investment extremes insights presented are based on all actively employed and separated from service plan participants that have a balance greater than \$0 and that have been classified as using the Do-it-yourself investment strategy. Concentrated investment extremes are defined as: Equity risk: Participants that are age 50 or older and that have 75% or more of their total balance exposed to equities. • These participants may be inadvertently over-exposing themselves to too much equity (or market) risk, causing them to be vulnerable in market downturns or times of general volatility, a risk particularly harmful to those nearest retirement. Inflation risk: Participants of any age, that have 10% or less of their total balance exposed to equities. • These participants may be too removed from the market. While taking on too much risk, as illustrated with the equity extreme definition, can be detrimental to participant outcomes, the inverse can also be true. Participants underexposed to equities (or the market more broadly) can suffer from lack of investment returns which would otherwise bolster their performance and account balance growth.
Advisory services	Advisory services includes all active and terminated participants with a balance. It compares the participants enrolled in the managed account service or online advice service against the participants that are not enrolled as of the last day of the reporting period. Each participant is only included in one group.
Fund exposure by investment strategy	The calculation for an individual participant's exposure to an investment option is: Participant's balance in the investment option divided by the participant's overall account balance. Participants without a balance in a fund are excluded when calculating the average for each fund. Average fund exposures are provided for the population of participants within each investment strategy to provide insights into how participants of each investment strategy are utilizing the investment lineup.
Asset allocations	Illustrates the total of participant balances within the different investment options and their associated asset class. Plan level assets and outstanding loan balances are not included. The % of total assets represents the total of participant assets within the fund divided by the total of all participant balances. The participant counts include all actively employed and separated from service plan participants with a balance greater than \$0 in the fund.
Net interfund transfer activity	Participant transfer in counts are a distinct count of the participants that had transfer in financial activity during the timeframe. Participant transfer out counts are a distinct count of the participants that had transfer out financial activity during the timeframe. Net transfers are the net of the transfer in and transfer out financial activity. Net transfers as a % of a fund's assets is derived by dividing the net transfers amount by the total of participant balances within the investment option. Plan level assets and outstanding loan balances are not included.

Glossary of terms

Subject	Description of terms
Plan insights: Plan detail	• Median Lifetime Income Score: Refer to the Lifetime Income Score subject. • Contribution rates: Refer to the contribution rates subject. • Participation rate: Refer to the participation rate subject. • Participant assets: Total of all participant balances. It does not include plan level assets or outstanding loan balances. • Loan balance: Total amount of all active loans with an outstanding loan balance at month-end. • Plan level assets: Total amount of plan assets which may include forfeitures, unallocated plan assets, and a plan expense account.
Plan insights: Participant detail	• Eligible participants: Number of actively employed participants that are eligible to contribute to the plan. • Eligible individuals not participating: Number of actively employed and eligible participants that do not have a deferral election on file that is greater than 0%/\$0. • Participants contributing 10% or less: Number of actively employed and eligible participants that have a deferral election on file that is greater than 0% and less than 11%. Refer to the contribution rates subject for details about how flat dollar deferral elections are handled. • Participants with a balance: Number of all the participants that have a balance >\$0. • Average account balance: Average total balance of all the participants with a balance >\$0. • Participants with loans: Percent of all the participants with a balance >\$0 that have at least 1 active loan with an outstanding balance >\$0. • Participant email addresses captured: Percent of all the participants with a balance >\$0 and an email address on file. • Participants without an email address: Number of all the participants with a balance >\$0 and no email address on file. • Terminated participants with a balance <\$5,000: Number of separated from service participants that have an account balance that is less than \$5,000. • Terminated participants with a balance <\$1,000: Number of separated from service participants that have an account balance that is less than \$1,000.
Plan insights: Investment detail	• Investment options: Total number of investment options offered in the plan. • Average funds utilized: Average of the total number of funds that each participant has a balance in. It is based on all the participants with a balance \$>0. • Participants using advisory services: Percent of all the participants with a balance >\$0 that are using an available managed account service or online advice service. • Participants using Target-date strategy: Percent of all the participants with a balance >\$0 that have been classified as using the Target-date investment strategy. • Participants using Risk-based strategy: Percent of all the participants with a balance >\$0 that have been classified as using the Risk-based investment strategy. • Participants using asset allocation model strategy: Percent of all the participants with a balance >\$0 that have been classified as using the asset allocation model investment strategy. • Participants using Do-it-yourself strategy: Percent of all the participants with a balance >\$0 that have been classified as using the Do-it-yourself investment strategy.



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