

Delray Beach - City of Delray Beach- Fire (Drop)								Open Architecture - All							
Flag	Asset	Asset	Total	Expense				Flag	Asset	Asset	Total	Expense			
	Fund Name	Value	Ticker	Class	Score	Exp	Cost		Fund Name	Value	Class	Score	Exp	Cost	
						Ratio							Ratio		
JPMorgan SmartRetirement Blend Target Date								BlackRock LifePath Index Target Date							
	JPMorgan SmartRetirement Blend 2020 R3	\$85,827.00	JSTK X	TDF	7	0.67	575.04		BlackRock LifePath Index Retirement Fund G	\$400,351.08	MC	9	0.04	160.14	
	JPMorgan SmartRetirement Blend 2025 R3	\$500,062.29	JBTU	MC	8	0.67	3,350.42		BlackRock LifePath Index 2030 Fund	\$400,351.08	MOD	8	0.04	160.14	
	JPMorgan SmartRetirement Blend 2030 R3	\$1,109,954.84	JUTP	MOD	7	0.67	7,436.70		BlackRock LifePath Index 2035 Fund	\$400,351.08	MA	8	0.04	160.14	
	JPMorgan SmartRetirement Blend 2035 R3	\$1,468,856.06	JP	MA	7	0.67	9,841.34		BlackRock LifePath Index 2040 Fund	\$400,351.08	MA	8	0.04	160.14	
	JPMorgan SmartRetirement Blend 2040 R3	\$474,855.11	JNTE	MA	8	0.67	3,181.53		BlackRock LifePath Index 2045 Fund	\$436,746.64	AGG	8	0.04	174.7	
									BlackRock LifePath Index 2050 Fund	\$400,351.08	AGG	9	0.04	160.14	
									BlackRock LifePath Index 2055 Fund	\$400,351.08	AGG	9	0.04	160.14	
									BlackRock LifePath Index 2060 Fund	\$400,351.08	AGG	9	0.05	200.18	
									BlackRock LifePath Index 2065 Fund	\$400,351.08	AGG	8	0.05	200.18	
	Fidelity Puritan	\$318,071.60	FPUR	MOD	10	0.5	1,590.36		Fidelity Puritan K6	\$318,071.60	MOD	10	0.32	1,017.83	
	Dodge & Cox Stock I	\$564,047.84	DOD	LCV	10	0.51	2,876.64		Large Cap Value I1 (Putnam LCV)	\$564,047.84	LCV	10*	0.29	1,635.74	
	iShares S&P 500 Index Investor A	\$2,035,124.13	BSPA	LCB-	10	0.35	7,122.93		Fidelity 500 Index	\$2,035,124.13	LCB-P	10	0.02	407.02	
	Fidelity Large Cap Growth Idx	\$1,014,938.24	FSPG	LCG-	10	0.04	405.98		Fidelity Large Cap Growth Idx	\$1,014,938.24	LCG-	10	0.04	405.98	
	Large Cap Growth III I1 (AB Large Cap Growth)	\$747,478.48	97184D766	LCG	8*	0.3	2,242.44		Large Cap Growth III I1 (AB Large Cap Growth)	\$747,478.48	LCG	8*	0.3	2,242.44	
	Allspring Special Mid Cap Value Inst	\$95,091.87	WFMI X	MCV	10	0.8	760.73		Mid Cap Value II I1 (AllSpring Special MCV)	\$95,091.87	MCV	10*	0.43	408.9	
	Victory Sycamore Established Value R	\$178,097.13	GETG	MCV	10	1.08	1,923.45		Victory Sycamore Established Value	\$178,097.13	MCV	10	0.54	961.72	
	iShares Russell Mid-Cap Index Inv A	\$591,511.75	BRMA	MCB-P	9	0.35	2,070.29		Fidelity Mid Cap Index	\$591,511.75	MCB-	9	0.03	177.45	
	Invesco Discovery Mid Cap Growth Y	\$16,098.91	OEGY	MCG	5	0.83	133.62		Mid Cap Growth II I1 (Janus)	\$16,098.91	MCG	9*	0.43	69.23	
	Carillon Eagle Mid Cap Growth I	\$207,813.20	HAGI	MCG	7	0.73	1,517.04		Carillon Eagle Mid Cap Growth R6	\$207,813.20	MCG	7	0.64	1,330.00	
	Small Cap Value II I1 (American Century SCV)	\$175,189.72	97182E444	SCV	10*	0.54	946.02		Small Cap Value II I1 (American Century)	\$175,189.72	SCV	10*	0.54	946.02	
	iShares Russell 2000 Small-Cap Idx Inv A	\$154,032.10	MDSK	SCB-	10	0.37	569.92		Fidelity Small Cap Index	\$154,032.10	SCB-	10	0.03	46.21	
	MFS Intl Diversification R3	\$406,580.14	MDIH	IE	5	1.09	4,431.72		Thornburg International Equity R6	\$406,580.14	IE	10	0.7	2,846.06	
	International Growth II I1 (MFS Intl LCG)	\$170,460.76	97183C7	ILCG	10*	0.48	818.21		International Growth II I1 (MFS Intl)	\$170,460.76	ILCG	10*	0.48	818.21	
	Victory RS Global R6	\$355,238.55	RGG	G	10	0.55	1,953.81		Victory RS Global R6	\$355,238.55	GE	10	0.55	1,953.81	
	American Funds Bond Fund of Amer R4	\$502,391.51	RBFE	CFI	10	0.58	2,913.87		American Funds Bond Fund of Amer	\$502,391.51	CFI	10	0.24	1,205.74	
	MassMutual High Yield Svc	\$108,890.95	DLHY	HY	10	0.74	805.79		MassMutual High Yield I	\$108,890.95	HY	10	0.54	588.01	
	PIMCO Income Adm	\$46,725.53	PII	MSB	10	1.04	485.95		PIMCO Income Instl	\$46,725.53	MSB	10	0.83	387.82	
	MissionSquare PLUS Fund Class R5	\$4,460,828.16	92208	SV	SPC	0.79	35,240.54		MissionSquare PLUS Fund Class R5	\$4,460,828.16	SV	SPC	0.77	34,348.38	
	Cohen & Steers Real Estate Securities I	\$100,731.52	CS	REI	10	0.84	846.14		Cohen & Steers Real Estate	\$100,731.52	REI	10	0.75	755.49	
	Vanguard Information Technology Idx Adm	\$1,010,340.03	VIT	TEC-	10	0.09	909.31		Vanguard Information Technology Idx	\$1,010,340.03	TEC-P	10	0.09	909.31	
	Weighted Investment Expense				0.60%	\$94,950.00							\$54,997.00		

#### Weighted Expense Total

	Delray Beach - City of Delray Beach-	Open Architecture - All
Exp Ratio	0.60%	0.33%
Exp Cost	\$94,950.00	\$54,997.00
Rev Cost/Wrap Fee	0.14%	0.14%
Total Plan Cost	0.46%	0.47%

#### Disclosure

\*Strategy Equivalent Score

Non-scoring funds will be assigned a letter.; The letter definitions are HIS= fund does not have enough performance history to Score; SPC= fund is in a

# Fiduciary Investment Review™



*Prepared for:*  
**Delray Beach**  
May 7, 2025

*Prepared by:*



*Presented by:*  
**Matt Dickey**  
Senior Plan Advisor

**NFP**  
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## Agenda

### Attendees

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#### **Delray Beach**

Alan Kirschenbaum  
Craig Mahoney  
Jack Warner  
Jay Gunsten  
Thomas Glanfield

#### **NFP**

Jamie Hayes, CPFA, C(k)P, AIF, Senior VP

### Meeting Details

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### Topics to Discuss

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- Opening Comments
- Administrative Update
  - Regulatory/administrative update
  - Review and approve prior meeting minutes
  - Zero revenue investment change update
  - Recordkeeper RFP update
- Fiduciary Investment Review
  - Market review
  - Scorecard review & recommendations
- Fiduciary Education & Best Practices
- Plan Fees Review
- Participant Demographics & Plan Statistics
- Next Steps & Action Items

### Disclosures

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### Advisor Disclosure

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**Q4 2024**

**Meeting Minutes**

**Delray Beach**

**City of Delray Beach- Fire (Drop)**

**Meeting Date: 01/30/2025**

#### Attendees

Committee Members	Alan Kirschenbaum	Craig Mahoney
	Jack Warner	Jay Gunsten
	Thomas Glanfield	

NFP	Jamie Hayes, CPFA, C(k)P, AIF
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#### Administrative Review

Reviewed Prior Meeting Notes ☒

Notes:

- The Committee reviewed the zero revenue presentation from NFP. This would be contingent upon moving from the JPMorgan SmartRetirement TDF to the now available lower cost CITs with State Street or BlackRock. NFP recommends this transition to provide more transparency to participants but also will deliver a significant cost reduction at both State Street and BlackRock TDF CITs are roughly 4.5bps compared to the JPMorgan TDFs which average 36bps per vintage. The Committee confirmed the State Street TDF CITs and the investment lineup change to zero revenue sharing as recommended by NFP.
- The Committee discussed an update on the recordkeeper RFP. NFP has issued the RFP and is in the process of collecting the responses. NFP will present their findings to the Deferred Compensation Committee during the Q1 2025 quarterly report meeting (scheduled for May).

#### Investment Due Diligence

##### Investment Analysis Summary

- NFP provided an economic and market commentary for Q4 2024.
- NFP reviewed the investment scoring methodology and criteria for monitoring, watchlisting and removing investments from the fund menu.
- NFP reviewed plan asset balances across all investment options.
  - Assets of the Plan as of 12/31/24 were \$18,178,055.50
  - 22.82% in Asset Allocation
  - 30.30% in Cash Alternatives
  - 3.98% in Fixed Income
  - 4.35% in International/Global Equity
  - 6.45% in Specialty
  - 32.10% in U.S. Equity
- NFP reviewed the Plan's investment scorecard covering available funds as well as their current scores and performance metrics, scoring history, asset class coverage, as well as other key metrics.
  - All funds were reviewed from a quantitative and qualitative perspective.
  - 21 funds are acceptable:
    - JPMorgan SmartRetirement Blend Target Date Series R3 (8)
    - Cohen & Steers Real Estate Securities I, CSDIX (10)
    - MassMutual High Yield Svc, DLHYX (10)
    - Dodge & Cox Stock I, DODGX (10)
    - Fidelity Puritan, FPURX (10)
    - Victory Sycamore Established Value R, GETGX (10)
    - Carillon Eagle Mid Cap Growth I, HAGIX (8)
    - MFS Intl Diversification R3, MDIHX (7)
    - iShares Russell 2000 Small-Cap Idx Inv A, MDSKX (10)
    - PIMCO Income Adm, PIINX (10)
    - American Funds Bond Fund of Amer R4, RBFEX (10)
    - Vanguard Information Technology Idx Adm, VITAX (10)
    - Allspring Special Mid Cap Value Inst, WFMIX (10)
    - iShares S&P 500 Index Investor A, BSPAX (10)
    - iShares Russell Mid-Cap Index Inv A, BRMAX (9)
    - Fidelity Large Cap Growth Idx, FSPGX (10)

## Q4 2024

### Meeting Minutes

- Victory RS Global R6, RGGRX (10)
- MissionSquare PLUS Fund Class R5, 92208J303
- Small Cap Value II I1 (American Century SCV), 97182E444
- International Growth II I1 (MFS Intl LCG), 97183C728
- Large Cap Growth III I1 (AB Large Cap Growth), 97184D766
- 1 fund is on watchlist:
  - Invesco Discovery Mid Cap Growth Y, OEGYX (6)
- Potential Replacements:

### Market Summary - Q4 2024

Equity markets were mixed over the quarter, with U.S. equities posting small positive returns amid large negative returns internationally. Fixed income markets were also negative over the quarter, as long-term rates rose. U.S. equities rose 2.6% (Russell 3000) over the quarter with consumer discretionary stocks leading the way. Large cap growth was the best performing style in 2024, outperforming large cap value by almost 2000 basis points (33.4% for Russell 1000 Growth vs. 14.4% for Russell 1000 Value). International equities and Emerging Markets equities struggled over the quarter, posting losses of -8.1% (MSCI EAFE) and -8.0% (MSCI Emerging Markets), respectively. The broad U.S. fixed income market returned -3.1% (Bloomberg Barclays Aggregate) over the quarter. The Fed cut rates by 25 basis points twice over the quarter; however, longer term rates such as the 10-year treasury rate, rose by almost 80 basis points over the period. The unemployment rate remained flat from last quarter at 4.1%.

### Fund Review

#### Mid Cap Growth

Invesco Discovery Mid Cap Growth Y (OEGYX) (Recent Scores: 6,8,8,10) is on the watchlist  
Asset Value: \$23,796.86

### Fiduciary Governance

#### Fiduciary Governance Summary

Reviewed Fiduciary Education Module/s ☒

Modules Reviewed:

### Legislative Update - Q4 2024

The IRS has issued several disaster relief notices to support taxpayers and plan sponsors impacted by recent catastrophic events. These notices typically grant extensions for filing tax returns, making tax payments, and completing required reporting, such as the IRS Form 5500 for employee benefit plans. For instance, News Release FL-2024-10 provides relief to individuals and businesses in areas of Florida affected by Hurricane Milton, extending filing and payment deadlines to May 1, 2025. A comprehensive list of these notices, including details on the specific relief measures, is available under "Tax Relief in Disaster Situations." <https://www.irs.gov/newsroom>

## Q4 2024 Meeting Minutes

Reviewed Plan Limits			
	2025	2024	2023
<b>401(k), 403(b), 457 Elective Deferral Limit</b> (calendar year)	\$23,500	\$23,000	\$22,500
<b>401(k), 403(b) &amp; 457 Catch-Up Contribution Limit</b> (calendar, plan or limitation year)	\$7,500	\$7,500	\$7,500
<b>401(k), 403(b) &amp; 457 Higher Catch-up Contribution Limit</b> (calendar, plan or limitation year for ages 60-63)	\$11,250	N/A	N/A
<b>Annual Compensation Limit</b> (Plan year BEGIN)	\$350,000	\$345,000	\$330,000
<b>Defined Contribution Limit</b> (limitation year END)	\$70,000	\$69,000	\$66,000
<b>Defined Benefit Limit at ages 62-65</b> (limitation year END)	\$280,000	\$275,000	\$265,000
<b>Definition of Highly Compensated Employee (HCE)</b> (plan year BEGIN)	\$160,000	\$155,000	\$150,000
<b>Key Employee Compensation Threshold</b> (plan year END)			
5% Owner	All	All	All
Officer	\$230,000	\$220,000	\$215,000
<b>IRA Contribution Limit</b>	\$7,000	\$7,000	\$6,500
<b>IRA Catch-Up Contributions</b>	\$1,000	\$1,000	\$1,000

## Disclosures

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Q2 2025

# Fiduciary Hot Topics

## A Review of Two Recent Rulings on Forfeitures in Retirement Plans

### 1. **McManus v. Clorox: Forfeitures and Fiduciary Duty Considerations**

#### **U.S. District Court for the Northern District of California (March 3, 2025)**

In *McManus v. Clorox*, the court ruled that Clorox, and its Employee Benefits Committee must face claims related to their handling of forfeited plan funds. The plaintiff, a participant in Clorox's 401(k) plan, alleged that plan fiduciaries breached their duties by using forfeitures to offset employer contributions rather than to defray administrative expenses for participants.

The court denied Clorox's motion to dismiss, allowing the case to proceed based on the argument that fiduciaries must prioritize participant interests when exercising discretion over forfeiture allocation. This ruling underscores the importance of conducting an impartial and well-documented decision-making process when handling forfeited assets.

#### **Key Takeaways for Plan Sponsors:**

- Ensure that the plan's forfeiture provisions are clearly defined and followed in accordance with ERISA's fiduciary standards.
- Document the rationale behind forfeiture allocations to demonstrate fiduciary prudence.
- Consider independent decision-makers or external advisors to mitigate potential conflicts of interest.

### 2. **Hutchins v. HP Inc.: Dismissal Highlights Importance of Plan Language**

#### **U.S. District Court for the Northern District of California (February 5, 2025)**

In contrast, the court in *Hutchins v. HP Inc.* dismissed a lawsuit challenging HP's use of plan forfeitures. The plaintiff claimed HP violated ERISA by applying forfeited amounts to reduce employer contributions instead of lowering participant administrative fees. However, the court ruled that HP acted within its rights, as the plan's governing documents explicitly permitted this allocation.

The court emphasized that ERISA does not mandate the use of forfeitures in any particular manner as long as fiduciaries operate within the plan's terms and established legal precedents. It also reinforced that ERISA fiduciaries are not obligated to maximize participant benefits beyond what the plan expressly provides.

#### **Key Takeaways for Plan Sponsors:**

- Ensure that plan documents explicitly outline the intended use of forfeitures and follow those provisions consistently.
- Clearly communicate plan forfeiture policies to participants to prevent misunderstandings.
- Recognize that courts may uphold forfeiture allocations if they align with plan terms, even if they do not directly benefit participants.

### What This Means for You

These rulings illustrate the ongoing legal scrutiny surrounding plan forfeitures and fiduciary decision-making. While *McManus* suggests heightened fiduciary obligations when discretion is exercised, *Hutchins* reinforces the importance of adhering to plan language.

To mitigate legal risks and uphold fiduciary standards, plan sponsors should:

- Review and update plan documents to ensure clarity on forfeiture usage.
- Implement a fiduciary decision-making framework that prioritizes transparency and participant interests.
- Seek legal or consulting guidance when making forfeiture-related determinations.

By staying informed and proactive, plan sponsors can ensure compliance while optimizing retirement plan administration for their participants.

If you have any questions regarding these legal developments or need assistance reviewing your plan's forfeiture provisions, please contact us.

## Enhancements to the DOL's Voluntary Fiduciary Correction Program

The Department of Labor (DOL) has released significant updates to its **Voluntary Fiduciary Correction Program (VFC Program)**. These changes are designed to make it easier for plan sponsors, fiduciaries, and service providers to correct certain fiduciary breaches voluntarily, without facing civil enforcement actions and penalties.

The revised VFC Program simplifies correction procedures, expands the scope of eligible transactions, and introduces new self-correction features. This is particularly relevant for plan sponsors who may have inadvertently failed to **timely remit participant contributions or loan repayments** to their plans. The updates also align with recent provisions under the **SECURE 2.0 Act**, helping sponsors and fiduciaries correct plan loan failures more efficiently.

### Key Changes to the VFC Program

#### 1. New Self-Correction Option for Delinquent Participant Contributions & Loan Repayments

- Plan sponsors can now self-correct late contributions and loan repayments under specific conditions, reducing the burden of formal applications.
- A streamlined online filing system is introduced to simplify reporting.
- Self-correction is available if the lost earnings on delinquent contributions are \$1,000 or less and if funds are remitted within 180 days from withholding.

#### 2. Expanded Self-Correction for Participant Loan Failures

To align with SECURE 2.0 Act provisions, the VFC Program now recognizes self-corrected loan failures under the IRS's EPCRS (Employee Plans Compliance Resolution System). This means:

- Plan sponsors can correct certain participant loan errors without a formal IRS filing through the Self-Correction Program (SCP) under EPCRS.
- This includes loans that exceeded statutory limits, were miscalculated, or defaulted on due to administrative errors.
- Key conditions for self-correction:
  - The error must have been inadvertent and not due to abuse or fraud.
  - The correction must restore participants to the financial position they would have been in had the error not occurred.
  - The plan sponsor must document the correction process and retain records in case of future IRS or DOL audits.

#### 3. Bulk Applications for Service Providers

- Third-party administrators (TPAs) and other service providers can now submit applications for multiple plans at once, making it easier to correct systemic issues.

#### 4. Simplified Procedures & Reduced Administrative Burdens

- The program now offers more flexible correction methods for plan transactions, including loans, sales, and purchases of plan assets.
- Enhanced protections for fiduciaries acting in good faith to correct errors.

### Next Steps for Plan Sponsors

- **Review your plan operations** to identify any uncorrected fiduciary violations that may qualify under the updated VFC Program.
- **Consider using the new self-correction options** for delinquent contributions or loan repayments.
- **Consult with your service provider or ERISA counsel** to ensure compliance with the new rules.

These changes reflect the DOL's continued efforts to encourage compliance while reducing the administrative burden on plan sponsors and fiduciaries.

#### Sources:

<https://public-inspection.federalregister.gov/2025-00327.pdf>

<https://www.irs.gov/retirement-plans/epcrs-overview>

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# Legal Briefing

## Litigation Update Regarding Use of Plan Forfeitures

**PAUL HUTCHINS v. HP INC., et al.**

**United States District Court, N.D. California February 5, 2025.**

**ORDER GRANTING MOTION TO DISMISS PLAINTIFF'S AMENDED CLASS ACTION COMPLAINT**

Participants allege that HP breached its fiduciary duties in violation of ERISA when it decided to use 401(k) Plan forfeitures to reduce Employer contributions rather than to pay administrative costs.

The Plan document provided that forfeited amounts may be used to "reduce employer contributions, to restore benefits previously forfeited, to pay Plan expenses, or for any other permitted use."

Court grants Employer's motion to dismiss the participants' lawsuit.

Source: United States District Court Northern District of California San Jose Division Case No. 5:23-cv-05875-BLF; ACR# 7798186 04/25 NFPR-2025-529

# Legal Briefing

## The difference between an Employer's “**settlor**” and “**fiduciary**” roles

When the employer acts as a **fiduciary**, its actions must comply with ERISA's fiduciary requirements and if they do not, the employer faces potential fiduciary liability under ERISA.

When the employer acts as the “**settlor**”, even though its actions affect the plan, those actions are not governed by ERISA's fiduciary rules.

Courts and the Department of Labor agree that some categories of action are not fiduciary and are considered “settlor” actions. They include:

- Establishing a plan including plan design, plan adoption, plan document drafting
- Amending a plan
- Terminating or merging a plan

In the matter at hand, the decision regarding to how to use forfeitures was restricted by the reservation in Plan §17(b).

- In that section of the Plan, the document states that “[t]he Company shall have complete and unfettered discretion whether an expense of the Plan or Trust shall be paid by the Participating Companies or out of the Trust Fund, and this Section shall not be construed to require the Participating Companies to pay any portion of the expense of the Plan.”
- This Plan term indicates that HP **acting as settlor** determines whether, in a given year, Plan expenses will be paid by HP or charged to Plan participants' accounts.
- See **Hughes Aircraft Co., 525 U.S. at 444** (explaining that decisions about “who is entitled to receive Plan benefits and in what amounts” are **settlor** functions).
- Thus, HP (as fiduciary) will only use those forfeitures to pay Plan expenses if HP (as settlor) decided that year that the Plan administrator should use at least some forfeitures to pay Plan expenses.

# Legal Briefing

## Other Key Holdings

### Key Holdings:

- Court agrees that Plaintiff's theory seems to ignore "decades of settled law."
- The Court found that Plaintiff's theory is implausible in light of the long history of using forfeitures to reduce employer contributions.
- Plaintiff is only entitled to the benefits provided under the Plan.

*Source: United States District Court Northern District of California San Jose Division Case No. 5:23-cv-05875-BLF; ACR# 7798186 04/25 NFPR-2025-529*

# Legal Briefing

## Sample Employer Resolutions

**The Employer has adopted the [Name of Plan] (the “Plan”), an “employee benefit plan” under section 3(2) of the Employee Retirement Income Security Act of 1974 (“ERISA”).**

- It is widely recognized that many actions regarding an employee benefit plan are not fiduciary actions but rather are business decisions made by the employer. These decisions are commonly known as "settlor" functions. The decisions to establish a plan, to include certain features in a plan and to amend a plan are business decisions not governed by ERISA. When making these decisions, an employer is acting on behalf of its business, not the plan, and, therefore, is not a fiduciary.
- Tax-qualified plans that have a vesting schedule for employer contributions will generate forfeitures as employees terminate employment before fully vesting and the IRS has ruled that that forfeitures may be used either to (i) fund employer contributions or (ii) pay plan expenses.
- The terms of the Plan provide that forfeitures **may** be used to offset Employer contributions or pay Plan-related expenses, and
- The Employer, acting in its capacity as the settlor of the Plan, intends to amend the Plan to provide that forfeitures, if any, shall be used to offset Employer contributions.

NOW, THEREFORE, BE IT RESOLVED that the Plan is hereby amended to provide that (1) forfeitures, if any, shall be used to offset Employer contributions and (2) any forfeitures not used to reduce the contributions of the Employer may be used to pay administrative expenses under the Plan.

The background of the slide features a repeating pattern of white scales of justice icons on an orange background. A semi-transparent white rectangular box is positioned on the left side, containing the main title.

# **Fiduciary Fitness Program**

Education Module #10:  
Prohibited Transactions



# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

**One mechanism ERISA employs to ensure fiduciaries act in the best interests of plans and plan participants is to specifically prohibit parties in interest from entering into specific transactions with plans. Many such transactions are prohibited outright, while others may be entered into if an exemption is available. This module introduces the concept of prohibited transactions.**

### Overview

- Prohibited transaction rules are designed to protect the plan and plan participants
- ERISA prohibits parties in interest from the following:
  - Dealing with plan assets in their own interest or for their own account;
  - Acting in an individual or any other capacity in any transaction involving the plan on behalf of a party whose interests are “adverse” to the interests of the plan or its participants or beneficiaries; or
  - Receiving any consideration for their personal account from any party dealing with the plan in connection with any transaction involving plan assets

### Definition of Party in Interest

- Any fiduciary, including officers, directors, 10 percent shareholders, counsel or employees of the plan
- A person providing services to the plan
- An employer, any of whose employees are covered by the plan and any direct or indirect owner of 50 percent or more of the employer
- A relative (i.e., spouse, ancestor, lineal descendant or spouse of a lineal descendant) of any of the individuals described above
- A corporation, partnership, trust or estate of which at least 50 percent is owned by any individual or entity described above except a relative

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

- An employee organization whose members are covered by the plan
- The Internal Revenue Code (Code) also contains prohibited transactions
  - The Code refers to “disqualified person”
  - Generally the same as “party in interest,” but slightly less broad
    - Party in interest includes all employees, disqualified person includes only highly compensated employees



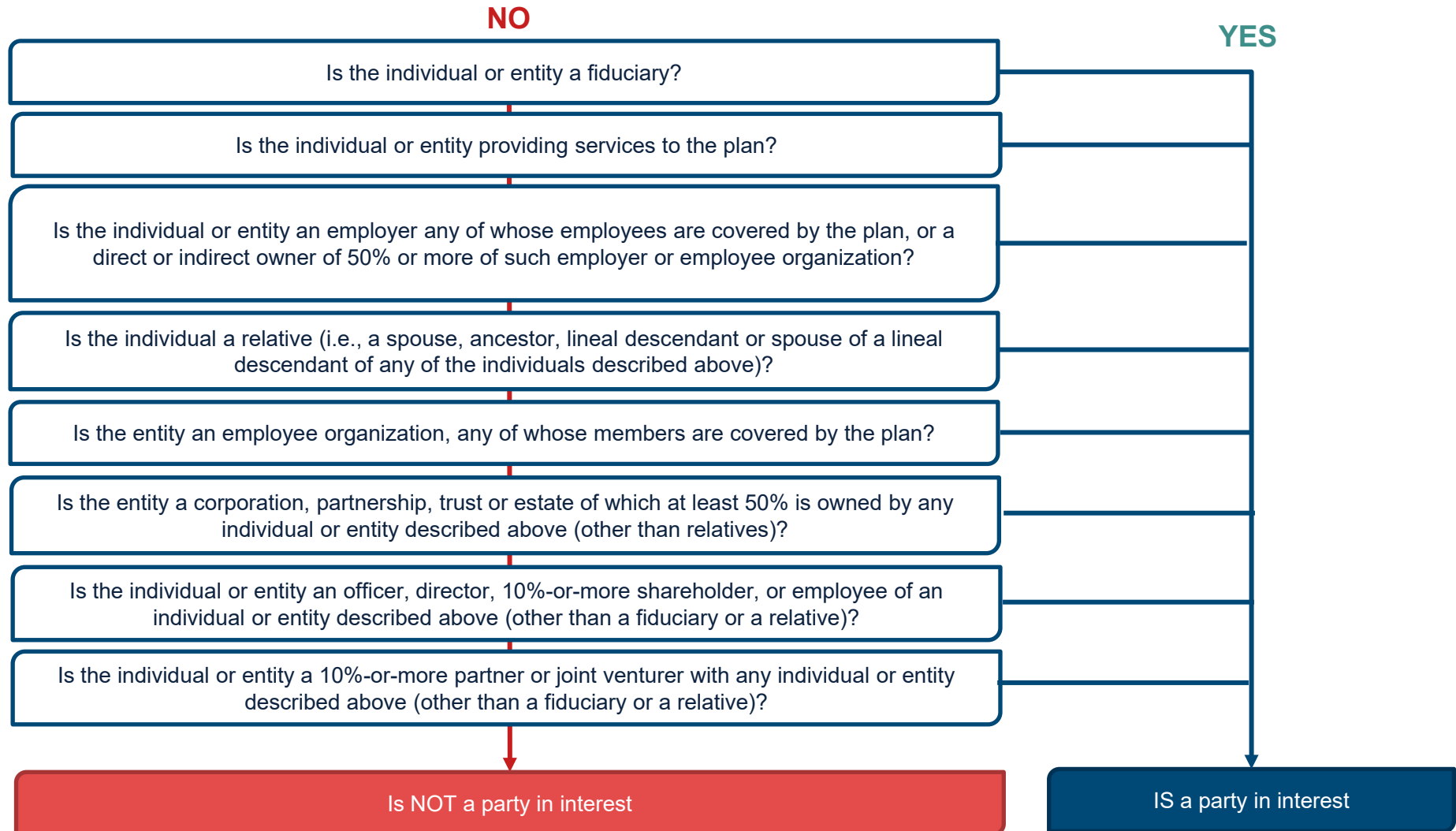
### **ACTION STEP**

**Complete the Identifying Parties in Interest documentation module.**

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

### Determining if an Individual is a Party in Interest



# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

### Party in Interest: Prohibited Transactions

- A prohibited transaction occurs if a fiduciary causes the plan to engage in a transaction, directly or indirectly, with a party in interest; this includes:
  - Any sale, exchange or lease of any property between the plan and a party in interest
  - Loans or any other extension of credit between the plan and a party in interest
  - Furnishing goods, services or facilities between the plan and a party in interest
  - Any transfer of plan assets or the use of plan assets by or for the benefit of a party in interest
  - The acquisition of employer securities or employer real property in excess of the limits set by law

### Prohibited Transaction Examples

- Failure to deposit employee deferral contributions in a timely manner
- Failure to adequately fund the plan
- Participant loans in default (refer to Code Section 72 (p))
- Transfer of plan assets to plan sponsor
- Distribution of plan assets to an employee without a distributable event
- Payment of unnecessary and/or unreasonable administrative expenses

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

### Prohibited Transaction

YES

NO

Did a plan fiduciary cause the plan to engage in a transaction, directly or indirectly, that is a sale or exchange, or leasing of any property between the plan and a party in interest?

Did a plan fiduciary cause the plan to engage in a transaction, directly or indirectly, that is a loan of money or other extension of credit between the plan and a party in interest?

Did a plan fiduciary cause the plan to engage in a transaction, directly or indirectly, that is a furnishing of goods, services or facilities between the plan and a party in interest?

Did a plan fiduciary cause the plan to engage in a transaction, directly or indirectly, that is a transfer to, or use by or for the benefit of a party in interest of any plan assets?

Did a plan fiduciary cause the plan to engage in a transaction, directly or indirectly, that is an acquisition on behalf of the plan, of any employer security or employer real property in excess of the limits set by law?

Did a plan fiduciary deal with plan assets in his own interest or for his own account?

Did a plan fiduciary, in his individual or in any other capacity, act in any transaction involving the plan on behalf of a party (or represent a party) whose interest are adverse to the interests of the plan or the interests of the plan participants or beneficiaries?

Did a plan fiduciary receive any consideration for his own personal account from any party dealing with the plan in connection with a transaction involving plan assets?

This IS a prohibited transaction

This is NOT a prohibited transaction

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

### Prohibited Transaction Statutory Exemptions

- ERISA, by statute, provides several exemptions from the prohibited transaction rules including the following:
  - Plan loans made to parties in interest who are participants or beneficiaries if the loans are at a reasonable rate of interest, adequately secured, made available on a reasonably equivalent basis that does not discriminate in favor of highly compensated employees, and made in accordance with specific plan provisions
  - Loans to employee stock ownership plans (ESOPs) if made primarily for the benefit of participants and their beneficiaries, and the interest rate is reasonable
  - Investment of all or part of the plan's assets in bank deposits that bear a reasonable rate of interest
  - Contracts for life or health insurance or annuities if the plan pays no more than adequate consideration
  - Reasonable compensation for ancillary services provided by a bank or other similar financial institution
  - Any benefit a fiduciary is entitled to receive in accordance with the terms of plan

### Request for an Individual Exemption

- The plan, a party in interest or disqualified person may request an exemption for a particular transaction directly from the Department of Labor (DOL)
- The DOL may only grant an exemption if it determines that the exemption:
  - Is administratively feasible
  - Is in the interests of the plan as well as of participants and beneficiaries
  - Protects the rights of plan participants and beneficiaries
- Filing would take place when a plan, party of interest or disqualified person is seeking relief from prohibited transaction restrictions

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions

### Paying an Excise Tax

- Any disqualified person who participates in a prohibited transaction must do the following:
  - File a Form 5330 with the IRS, and
  - Pay an excise tax for each tax year or part of a tax year in the “taxable period” applicable to prohibited transaction
- Interest and penalties may apply if the Form 5330 is not filed by the due date

### Correcting a Prohibited Transaction

- Fiduciaries may file an application with the DOL under the Voluntary Fiduciary Compliance Program (VFCP)
- Plan officials may avoid potential civil, **but not criminal**, actions under ERISA by voluntarily correcting certain prohibited transactions
- If the plan has engaged in a prohibited transaction, the plan sponsor should contact ERISA counsel for appropriate next steps

#### Only 19 breaches may be corrected using VFCP, examples are

Delinquent participant contributions and participant loan repayments to pension plans	Below market interest rate loans with parties in interest; nonparties in interest	Participant loans fail to comply with plan provisions for amount, duration or level amortization in default
Purchase of assets by plan from parties in interest	Sale and leaseback of property to sponsoring employers	Purchase of assets from nonparties in interest at more than fair market value
Holding of an illiquid asset previously purchased by the plan	Benefit payments based on improper valuation of plan assets	Improper payment of expenses by plan

# Fiduciary Fitness Program™

## Module 10: Prohibited Transactions



### ACTION STEP

- Develop a process to monitor all parties in interest and disqualified persons
- If a prohibited transaction occurs, seek legal counsel

Q2 2025

# Public Sector News & Views

## An Update on Disaster Relief Related to Retirement Plans

At NFP, our thoughts remain with those affected by the wildfires in Southern California. NFP continues to work with employees, clients and the greater Los Angeles community to support relief efforts where we can. From a retirement advisory perspective, below is a quick summary of steps employers can take to help employees impacted by the wildfires—or other natural disasters across the country.

There are generally two types of disaster relief. An employer can decide what, if any, of the relief provisions it wants to adopt and offer to its participants.

1. **Distribution relief**—expands distribution rights and related tax relief; and,
2. **Plan loan relief**—expands the loan limits for qualified plans and permits a one-year delay in loan repayments.

Any “qualified individual” is eligible for the relief. A qualified individual is broadly defined as an individual:

1. With a principal residence in the disaster area at any time during the Incident Period. The “Incident Period” means the period specified by FEMA as the period during which the disaster occurred; and,
2. Who sustained an economic loss by reason of the disaster (for example, loss/damage to real or personal property from fire, flooding, looting, vandalism, theft, wind, loss related to displacement from their home, loss of livelihood due to temporary or permanent layoffs).

### New Distributable Event

This relief permits in-service distribution of participant retirement savings accounts. In general, plans may be amended to provide for a “qualified disaster recovery distribution” of up to \$22,000. The distribution is eligible for the following special tax relief:

- It is not subject to the 10% early withdrawal penalty tax on pre-age 59½ distributions (penalty normally only applicable to plans other than governmental 457(b));
- It is eligible for repayment back to the plan; and,
- It is subject to taxation in equal amounts over a three-year period (the current year of distribution, and the next two).

## Plan Loan Relief

In addition, the relief includes the following loan provisions for qualified plans:

- The maximum loan amount available to qualified individuals for new loans following the disaster is increased from \$50,000 to \$100,000. Specifically, the maximum amount for plan loans that a plan can permit is the lesser of: (i) the greater of \$10,000 or 100 percent (rather than 50 percent) of the individual's vested benefit under the plan; or (2) \$100,000 (rather than \$50,000).

Loan repayments for plan loans can be suspended for up to a year. Specifically, loan repayments can be delayed under the plan for up to one year for any plan loan that was outstanding on or after the latest of: the first day of the Incident Period; or the date of the disaster declaration.

Any repayment that is due between the first day of the Incident Period and the date that is 180 days after the last day of the Incident Period can be suspended for up to one year. Any payments after the suspension period will be adjusted to reflect that delay and any interest accruing during the delay.

[IRS Fact Sheet 2024-19](#) contains frequently asked questions (FAQs) covering certain federally declared disaster-related distributions and plan loans to retirement plan participants under SECURE Act 2.0. In addition, information on the most recent tax relief provisions and disaster information can be found at this [link](#), which details disasters by state and year.

Again, we are here to help where we can as you and your employees navigate options. Please reach out to your NFP advisor if you have any questions.

## Secure 2.0 Mandatory Higher-Income Roth Catch-Up Clarified

Secure 2.0 included a new provision generally requiring that catch-up contributions made by a participant earning more than \$145,000 in prior-year FICA wages from the employer sponsoring the plan (“affected participants”) be made on a Roth basis. If a plan offers catch-up contributions and has affected participants subject to the new requirement, the plan must also offer all catch-up eligible participants – those who will be age 50 or older in a given year – the ability to make catch-up contributions on a Roth basis. For calendar years beginning after December 31, 2024, the Roth catch-up wage threshold is adjusted for changes in the cost of living. This new Roth catch-up requirement was originally scheduled to become effective for taxable years beginning after December 31, 2023. However, IRS announced a two-year “administrative transition period” until taxable years beginning after December 31, 2025.

### Determination of FICA Wages

There are a handful of important elements to consider in determining when a participant would be subject to the Roth catch-up contribution requirement:

- An individual who did not have any FICA wages from the employer sponsoring the plan for the preceding calendar year would not be subject to the mandatory Roth catch-up requirement under the plan in the current year.
- The FICA wage threshold would not be prorated for an individual's year of hire. This means that a participant who worked for the employer sponsoring the plan for only part of the preceding calendar year would be subject to the mandatory Roth catch-up requirement under the plan in the current year only if the participant had wages exceeding the full FICA wage threshold from the employer for the preceding calendar year.

### Plans That Do Not Include a Qualified Roth Contribution Program

- If a plan does not include a qualified Roth contribution program, then a participant who is subject to the mandatory Roth catch-up provision cannot make any catch-up contributions under the plan.
- Nonetheless, plans that do not offer Roth contributions will still need to track which participants meet or exceed the FICA wage threshold. This is because these employees will only be eligible for Roth catch-up; in a plan where Roth is not offered, such employees are ineligible to participate in catch-up at all. Tracking these employees will be necessary to ensure that they do not participate in the plan's pre-tax catch-up in a year they meet or exceed the FICA wage threshold.

## NAGDCA Governance Guide

To expand on the Governance Guide included in last quarter's News & Views, one particularly valuable takeaway in the "Administrative Policies and Procedures" Section was the table breaking down oversight within the plan and who may be responsible for those items, sometimes including both the recordkeeper and plan sponsor. Other areas may also include a third-party consultant or fiduciary. As we've seen over the last five years with more and more new legislation, translation to new administrative oversight, it's more important than ever to outline who is responsible for what and have someone in your corner to help facilitate that oversight. See the table below:

Service	Recordkeeper	Plan Sponsor	Either
Contribution processing	x	x	x
Monitor deferral limits	x	x	x
Monitor vesting, if applicable	x	x	x
Loan processing	x		
Approve incoming rollover contributions	x		
Distributions approval	x		
Required minimum distributions	x		
Unforeseeable Emergencies approval	x	x	x
Outgoing rollover distribution approval	x		
QDRO approval and processing	x	x	x
In-service distribution approval	x	x	x
Beneficiary recordkeeping		x	x
Statement production and delivery	x		
Investment lineup establishment		X*	
Access to fund prospectus	x		
Provide historical fund performance	x		
Provide general investment education	x		
Investment lineup change including participant communication	x		
Communication	x	x	x
Education	x	x	x
Financial wellness	x	x	
Managed accounts	x		

\*Typically, in conjunction with a third-party consultant or fiduciary service.

To view NAGDCA's full Governance Guide, click [here](#).

## Upcoming Educational Opportunities

### 119th GFOA Annual Conference

Join us at the 119th GFOA Annual Conference! We'll have an exhibitor booth during the conference and will be hosting a client appreciation event. The GFOA Annual Conference offers over 70 CPE-accredited sessions, keynote addresses, leadership workshops, and more. This conference is a great opportunity to expand your professional skills and deepen your understanding of government finance for your organization and community. It's also a great opportunity to network with peers around the country. The Conference will be June 29th – July 2nd, 2025, in Washington, D.C. Below is a link to more details about the conference.

### 119th GFOA Annual Conference

### NAGDCA Conference – September 28 – October 1 – Save the Date!

The National Association of Governmental Defined Contribution Administrators (NAGDCA) is the premier professional organization of public sector deferred compensation and defined contribution administrators. The annual conference brings together the brightest minds in the industry to discuss the most innovative solutions available for creating a secure retirement for public sector workers. This year's conference will be at the Hilton San Diego Bayfront, and registration will open this spring. NFP recommends early registration in order to secure a room at the conference hotel. NFP will also host a client appreciation event so please let your NFP adviser know if you will be attending.

### PSCA National Conference

The Plan Sponsor Council of America is hosting their national conference April 30th – May 2nd in Las Vegas, specifically designed for plan sponsors and sponsored by NFP and Transamerica. As part of this conference NFP has worked to offer a complimentary Certified Plan Sponsor Professional (CPSP®) Virtual Classroom Program starting May 20th. Attendees may earn 24 hours of HRCI and SHRM CE Credit. The CPSP® credential will help validate your knowledge and expertise, helping you confidently manage and communicate your retirement plan offerings.

### Enrollment Instructions, exclusively for Plan Sponsors:

- [Login or create an account](#)
- Enter enrollment code: **CLASS9MAY25**
- Registration closes May 19 at 11:59 p.m. ET (Note: Space is limited)

*This special offer is only available to plan sponsors like you. Don't miss out on this opportunity to attend the conference and enhance your expertise with the CPSP® credential. Join us at the PSCA National Conference to connect, learn, and be part of the future of retirement planning! That should've been a hyperlink. Fixed.*

This material was created to provide accurate and reliable information on the subjects covered but should not be regarded as a complete analysis of these subjects. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation.

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<https://www.kestrafinancial.com/disclosures>

# Strategic Planning



## Business Outlook

- Additional growth or acquisitions planned?
- Any organizational updates?
- Other business needs NFP can assist with? (Health & Welfare Benefits, Commercial Insurance Coverages)



## HR Outlook

- What feedback have employees provided?
- Any changes to goals or benefits philosophy?
- Any vendor management issues or concerns?



## Retirement Outlook

- Continued implementation of SECURE 2.0 Act provisions
- Pooled Employer Plans (PEPs)
- State auto-IRA programs & mandatory registration requirements



## Other Key Initiatives

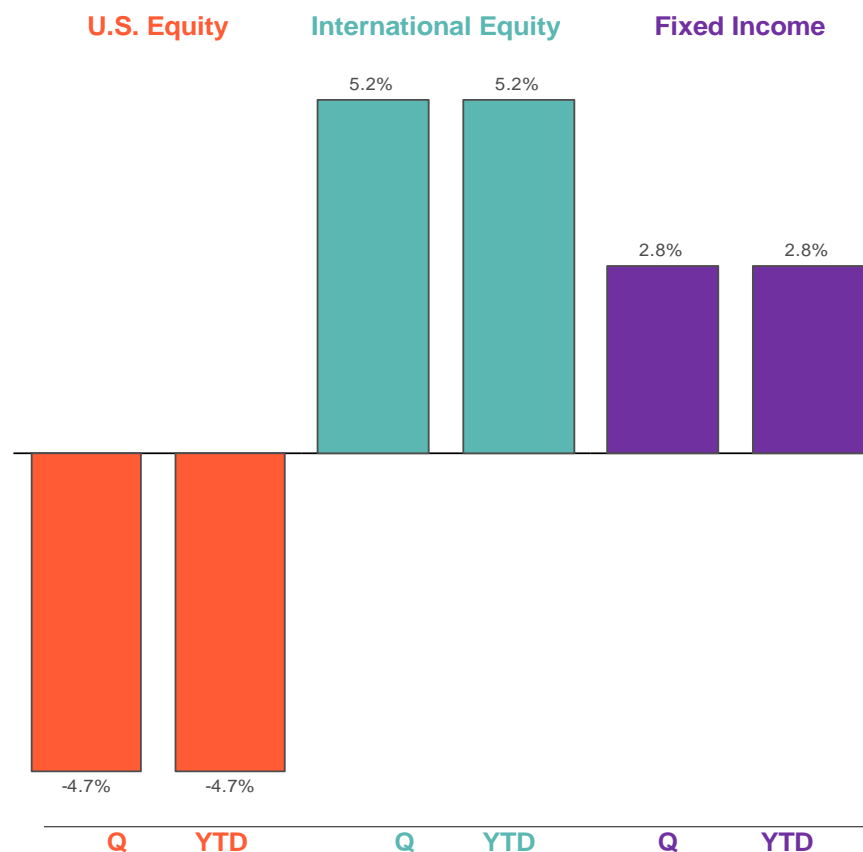
- Additional retirement benefit opportunities for senior leadership
- Additional tax- advantaged savings? Financial planning needs?
- Financial wellness resources

# Q1 2025 Market Review

## SUMMARY

- Global equity markets were mixed over the quarter, with international equities posting positive returns while U.S. equities were negative. Fixed income markets were positive over the quarter as rates declined across much of the yield curve.
- U.S. equities declined 4.7% (Russell 3000), with Energy as the best-performing sector and Consumer Discretionary and Information Technology as the worst-performing sectors. In a reversal from 2024, large-cap value outperformed large-cap growth by over 1,200 basis points (2.1% for Russell 1000 Value vs. -10.0% for Russell 1000 Growth).
- International equities and emerging markets equities performed well over the quarter, returning 7.0% (MSCI EAFE) and 2.9% (MSCI Emerging Markets), respectively.
- The broad U.S. fixed income market returned 2.8% (Bloomberg Barclays Aggregate) over the quarter. While the Fed held the federal funds rate steady during the quarter, longer-term rates fell, with the 10-year Treasury declining by over 30 basis points.
- The unemployment rate increased slightly to 4.2% this quarter, from 4.1% at the previous quarter-end.

## TRAILING RETURNS (3/31/2025)



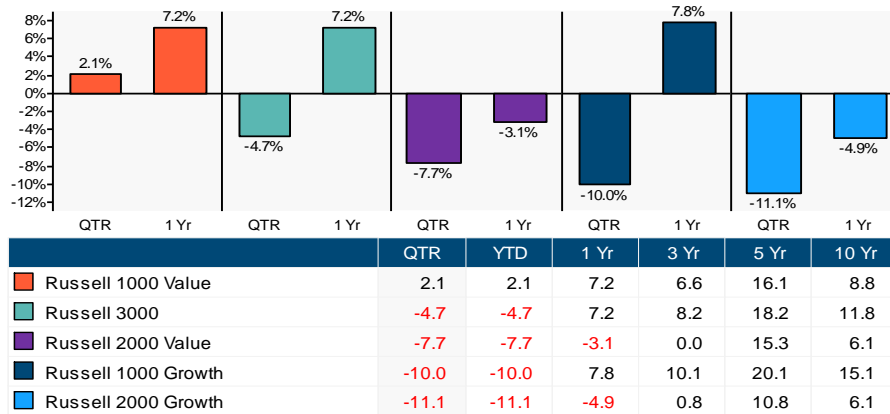
Quarterly and year-to-date returns of the following indices: U.S. Equity (Russell 3000 Index), Fixed Income (Bloomberg Barclays U.S. Aggregate Bond Index) and International Equity (MSCI ACWI ex U.S. Index)

# Q1 2025 Market Review – U.S. Equity

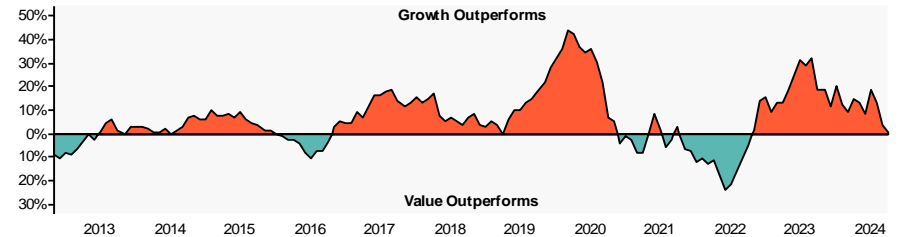
## U.S. EQUITY

- The broad U.S. equity market, as measured by the Russell 3000 Index, was down 4.7% for the quarter.
- The best performing U.S. equity index for the quarter was Russell 1000 Value, returning a positive 2.1%.
- The worst performing U.S. equity index for the quarter was Russell 2000 Growth, returning a negative 11.1%.

## INDEX PERFORMANCE (sorted by trailing quarterly performance)



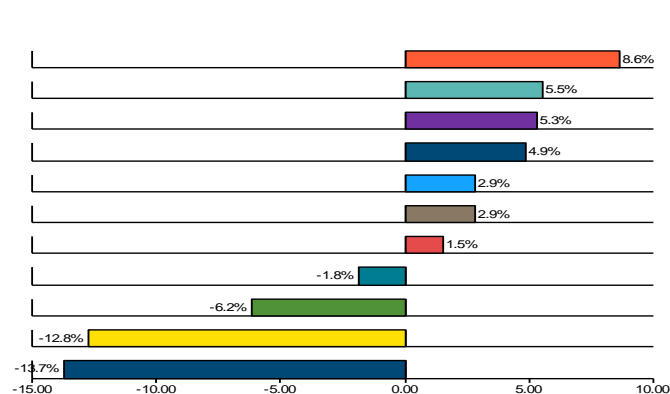
## GROWTH VS. VALUE



Over the last year, growth stocks outperformed value stocks by 0.60%.  
For the trailing quarter, value stocks outperformed growth stocks by 12.10%.

The graph above is plotted using a rolling one-year time period.  
Growth stock performance is represented by the Russell 1000 Growth Index.  
Value stock performance is represented by the Russell 1000 Value Index.

## SECTOR (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Energy	8.6	8.6	1.3	10.4	31.8	5.5
Health Care	5.5	5.5	-0.1	3.3	11.9	9.0
Utilities	5.3	5.3	24.0	5.3	10.7	9.5
Consumer Staples	4.9	4.9	11.8	7.0	12.9	8.8
Real Estate	2.9	2.9	9.4	-2.0	9.6	5.8
Financials	2.9	2.9	19.5	10.8	21.1	11.8
Materials	1.5	1.5	-6.4	1.1	16.5	8.0
Industrials	-1.8	-1.8	3.4	10.1	19.5	10.9
Telecommunication Svcs.	-6.2	-6.2	13.5	11.4	17.1	10.1
Information Technology	-12.8	-12.8	5.3	13.5	24.1	20.2
Consumer Discretionary	-13.7	-13.7	4.4	3.3	16.2	10.9

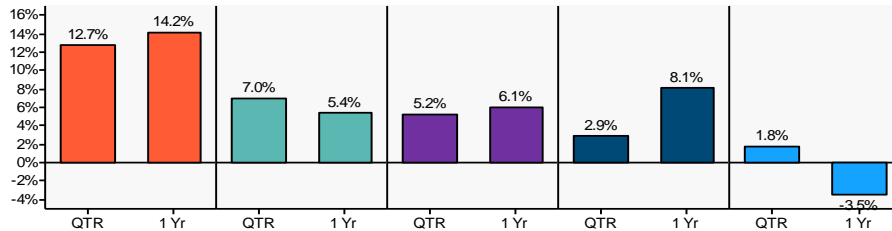
Source: S&P 1500 Sector Indices

# Q1 2025 Market Review – International Equity

## INTERNATIONAL EQUITY

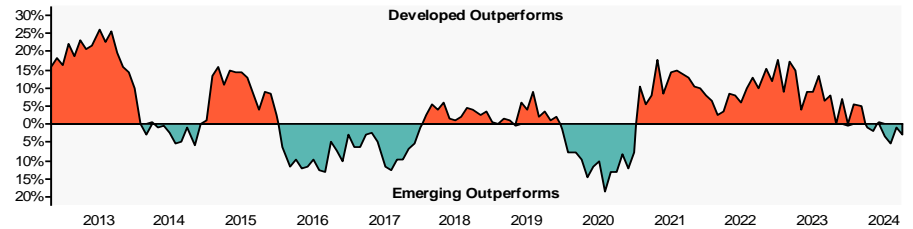
- Developed international equity returned a positive 7% in the last quarter (MSCI EAFE).
- Emerging market equity posted a positive 2.9% return (MSCI Emerging Markets Index).

## INDEX PERFORMANCE (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
MSCI EAFE Large Value	12.7	12.7	14.2	10.9	15.6	5.3
MSCI EAFE	7.0	7.0	5.4	6.6	12.3	5.9
MSCI ACWI ex US	5.2	5.2	6.1	4.5	10.9	5.0
MSCI Emg Markets	2.9	2.9	8.1	1.4	7.9	3.7
MSCI EAFE Large Growth	1.8	1.8	-3.5	2.7	8.7	5.8

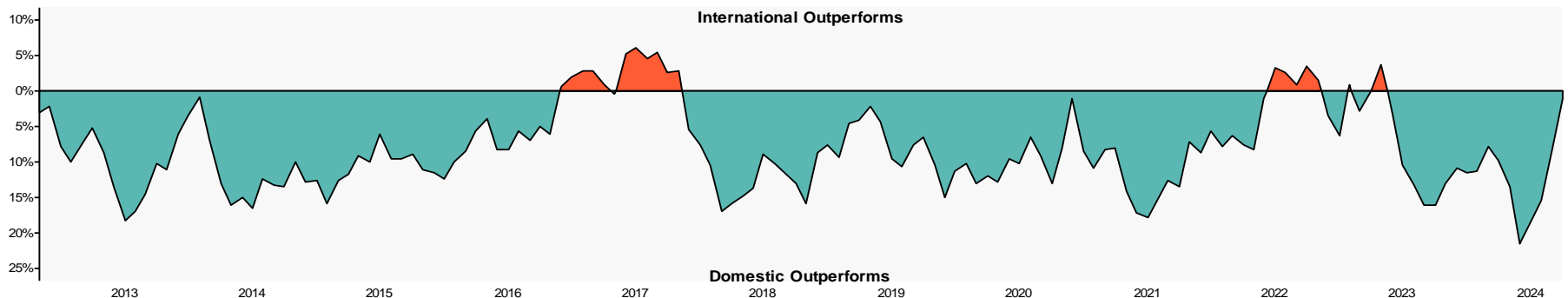
## DEVELOPED VS. EMERGING MARKETS



Over the last year, emerging market stocks outperformed developed international stocks by 2.70%. For the trailing quarter, developed international stocks outperformed emerging market stocks by 4.10%.

The graph above is plotted using a rolling one-year time period. Developed international stock performance is represented by the MSCI EAFE Index. Emerging market stock performance is represented by the MSCI Emerging Markets Index.

## INTERNATIONAL VS. DOMESTIC



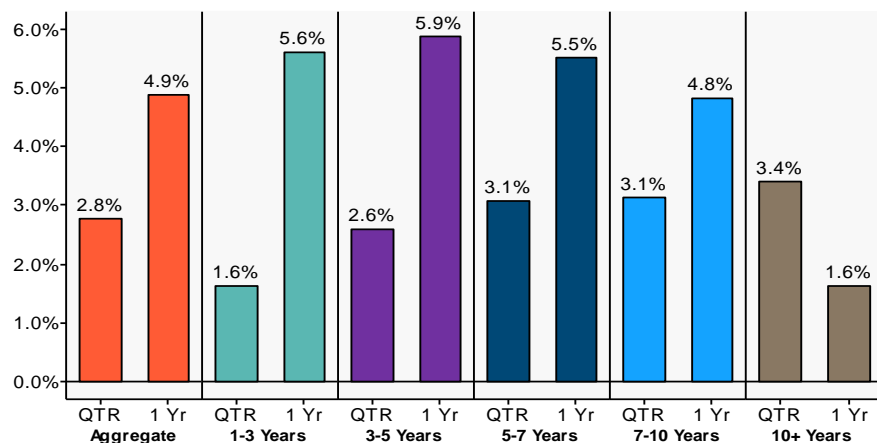
The graph above is plotted using a rolling one-year time period. International stock performance is represented by the MSCI ACWI ex U.S. Index. Domestic stock performance is represented by the Russell 3000 Index.

# Q1 2025 Market Review – Fixed Income

## FIXED INCOME

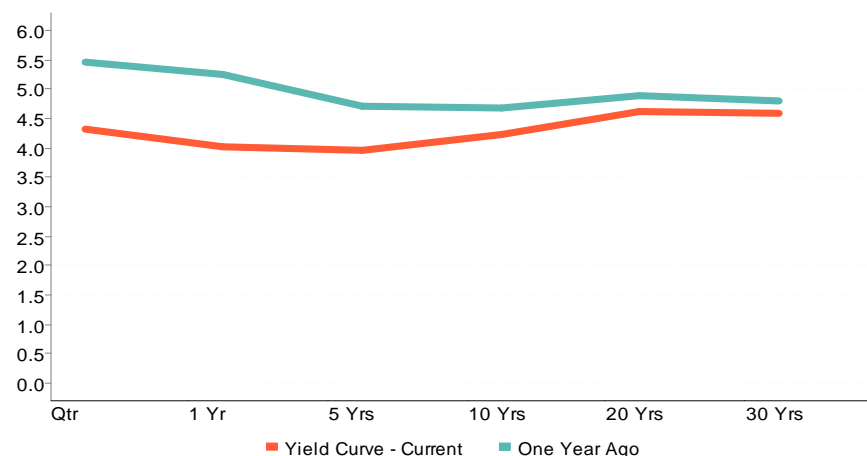
- The broad U.S. fixed income market returned a positive 2.8% (Bloomberg Barclays U.S. Aggregate) for the quarter.
- The best performing sector for the quarter was TIPS, returning a positive 4.2%.
- The worst performing sector for the quarter was High Yield Corporate Bond, returning a positive 1%.

## PERFORMANCE BY MATURITY



Source: Bloomberg Barclays U.S. Aggregate Indices

## YIELD CURVE



## SECTOR (sorted by trailing quarterly performance)

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
TIPS	4.2%	4.2%	6.2%	0.1%	2.4%	2.5%
Mortgage Backed Securities	3.1%	3.1%	5.4%	0.6%	-0.7%	1.1%
Government	2.9%	2.9%	4.5%	0.0%	-1.6%	1.0%
Aggregate Bond	2.8%	2.8%	4.9%	0.5%	-0.4%	1.5%
Corporate Investment Grade	2.3%	2.3%	4.9%	1.1%	1.5%	2.4%
Cash	1.0%	1.0%	5.0%	4.2%	2.6%	1.9%
High Yield Corporate Bond	1.0%	1.0%	7.7%	5.0%	7.3%	5.0%

Source: Bloomberg Barclays U.S. Indices

# Q1 2025 Market Kaleidoscope

## ASSET CLASS RETURNS

The following chart exhibits the volatility of asset class returns from year to year by ranking indices in order of performance, highlighting the importance of diversification.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Global REIT 22.81	Large Growth 5.67	Sm Value 31.74	Large Growth 30.21	Cash 1.87	Large Growth 36.39	Large Growth 38.49	Global REIT 32.50	Commodities 16.09	Large Growth 42.68	Large Growth 33.36	Commodities 8.88
Large Value 13.45	Global REIT 0.59	Large Value 17.34	International 27.19	Fixed Income 0.01	Sm Growth 28.48	Sm Growth 34.63	Sm Value 28.27	Cash 1.46	Sm Growth 18.66	Sm Growth 15.15	International 5.23
Large Growth 13.05	Fixed Income 0.55	Commodities 11.77	Sm Growth 22.17	Large Growth -1.51	Large Value 26.54	Balanced 14.24	Large Growth 27.60	Large Value -7.54	International 15.62	Large Value 14.37	Fixed Income 2.78
Balanced 6.58	Cash 0.05	Sm Growth 11.32	Balanced 14.95	Balanced -4.77	Global REIT 24.49	International 10.65	Commodities 27.11	Fixed Income -13.01	Balanced 15.52	Balanced 10.80	Large Value 2.14
Fixed Income 5.97	Balanced -0.49	Balanced 7.18	Large Value 13.66	Global REIT -4.77	Sm Value 22.39	Fixed Income 7.51	Large Value 25.16	Sm Value -14.48	Sm Value 14.65	Sm Value 8.05	Global REIT 1.66
Sm Growth 5.60	Sm Growth -1.38	Large Growth 7.08	Global REIT 8.63	Large Value -8.27	International 21.51	Sm Value 4.63	Balanced 10.75	Balanced -15.80	Global REIT 11.53	International 5.53	Cash 1.02
Sm Value 4.22	Large Value -3.83	Global REIT 6.90	Sm Value 7.84	Sm Growth -9.31	Balanced 20.11	Large Value 2.80	International 7.82	International -16.00	Large Value 11.46	Commodities 5.38	Balanced 0.25
Cash 0.03	International -5.66	International 4.50	Fixed Income 3.54	Commodities -11.25	Fixed Income 8.72	Cash 0.67	Sm Growth 2.83	Global REIT -23.60	Fixed Income 5.53	Cash 5.25	Sm Value -7.74
International -3.87	Sm Value -7.47	Fixed Income 2.65	Commodities 1.70	Sm Value -12.86	Commodities 7.69	Commodities -3.12	Cash 0.05	Sm Growth -26.36	Cash 5.01	Global REIT 3.92	Large Growth -9.97
Commodities -17.01	Commodities -24.66	Cash 0.33	Cash 0.86	International -14.20	Cash 2.28	Global REIT -8.11	Fixed Income -1.54	Large Growth -29.14	Commodities -7.91	Fixed Income 1.25	Sm Growth -11.12

Large Value (Russell 1000 Value)	Small Growth (Russell 2000 Growth)	Global REIT (S&P Global REIT)
Large Growth (Russell 1000 Growth)	International (MSCI ACWI ex-US)	Commodities (Bloomberg Commodities)
Small Value (Russell 2000 Value)	Fixed Income (Bloomberg Barclays Agg)	Cash (Merrill Lynch 3-Mo T-Bill)
Balanced (40% Russell 3000, 40% Bloomberg Barclay's U.S. Aggregate, 20% MSCI ACWI ex US)		

# Q1 2025 Market Review - Chart of the Quarter

## Drawdowns (are not uncommon) in the Stock Market

The first quarter of 2025 saw a decline of almost 5% for the U.S. equity market, as the threat of widespread tariffs began to dampen the growth outlook and create more uncertainty. This negative performance follows two consecutive calendar years of more than 20% gains. The quarter provided a good reminder that the U.S. equity market is not immune to drawdowns —and that they should be expected periodically. The chart below shows that a drawdown of 5% should be expected about twice a year, and a drawdown of 10% should be expected about once every 18 months. This underscores the importance of maintaining portfolio diversification, especially after periods of strong performance in a single market or asset class.

### S&P 500 Index (1954-2024)

Size of decline	-5% or more	-10% or more	-15% or more	-20% or more
Average frequency	About twice per year	About once every 18 months	About once every three years	About once every six years
Average length	46 days	135 days	256 days	402 days
Last occurrence	July 2024	July 2023	August 2022	January 2022

Source: Capital Group, RIMES, Standard & Poor's. As of December 31, 2024. Average frequency assumes 50% recovery of lost value. Average length measures market high to market low.

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# Q1 2025 Disclosures

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

**Citigroup Corporate Bond** is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

**Citigroup Mortgage Master** is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

**Citigroup WGBI Index** is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

**Credit Suisse High Yield Index** is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

**BC (Barclays Capital) U.S. Aggregate Bond Index** represents securities that are U.S., domestic, taxable, and dollar dominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**BC Credit Bond Index** includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**BC U.S. Corporate Investment Grade** represents investment grade corporate securities that are U.S., domestic, taxable, and dollar denominated.

**BC High Yield Corporate Bond** represents below investment grade corporate securities that are U.D., domestic, taxable, and dollar denominated.

**BC TIPS Index** includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

**BC Mortgage-Backed Securities** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**BC Muni Bond** covers the USD-denominated long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**BC Government Index** includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

**BarCap U.S. Aggregate 1-3 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 1-3 years.

**BarCap U.S. Aggregate 3-5 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3-5 years.

**BarCap U.S. Aggregate 5-7 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

**BarCap U.S. Aggregate 7-10 Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7-10 years.

**BarCap U.S. Aggregate 10+ Yr. TR USD Index** represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

**DJW 5000 (Full Cap)** Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the U.S.

**MSCI FI Emerging Markets** is a rules-based index which serves as a benchmark for emerging country fixed income performance.

**MSCI FI EAFE International** is a rules-based index which serves as a benchmark for developed international country fixed income performance.

**MSCI EAFE Index** is listed for foreign stock funds (EAFE refers to Europe, Australia and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

**MSCI EAFE Large Value** represents the large cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Large Growth** represents the large cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Value** represents the mid cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Mid Growth** represents the mid cap growth stocks within the MSCI EAFE Index.

**MSCI EAFE Small Value** represents the small cap value stocks within the MSCI EAFE Index.

**MSCI EAFE Small Growth** represents the small cap growth stocks within the MSCI EAFE Index.

**MSCI EM (Emerging Markets) Index** serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

**MSCI World Index** is a rules-based index that serves as a benchmark for the developed global equity markets.

**MSCI Europe ex UK Index** is a rules-based index that serves as a benchmark for Europe's equity markets, excluding the United Kingdom.

**MSCI Pacific ex Japan Index** is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

**MSCI United Kingdom Index** is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

**MSCI Japan** is a rules-based index that serves as a benchmark for Japan's equity markets.

**NAREIT All REIT Index** includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange the American Stock Exchange or the NASDAQ National Market List.

**3-Month T-Bills** (90 Day T-Bill Index) are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

**Russell 1000 Growth Index** is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

**Russell Top 200 Growth Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

**Russell Top 200 Value Index** is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

**Russell 2000 Index** consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

**Russell 2000 Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratio and lower forecasted growth values.

# Q1 2025 Disclosures

**Russell MidCap Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratio and higher forecasted growth values.

**Russell MidCap Index** includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

**Russell MidCap Value Index** is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having lower price-to-book ratio and lower forecasted growth values.

**Russell Top 200 Index** consists of the 200 largest securities in the Russell 3000 Index. Russell 3000 Index is a market capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

**Salomon 1-10 Yr. Governments** is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

**S&P 500 Index** measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the U.S.

**S&P 1500 Energy Index** measures the performance of the energy sector in the S&P 1500 Index.

**S&P 1500 Industrials** measures the performance of the industrial sector in the S&P 1500 Index.

**S&P 1500 Financials** measures the performance of the financials sector in the S&P 1500 Index.

**S&P 1500 Utilities** measures the performance of the utilities sector in the S&P 1500 Index.

**S&P 1500 Consumer Discretionary Index** measures the performance of the consumer discretionary sector in the S&P 1500 Index.

**S&P 1500 Consumer Staples Index** measures the performance of the consumer staples sector in the S&P 1500 Index.

**S&P 1500 Information Technology** measures the performance of the information technology sector in the S&P 1500 Index.

**S&P 1500 Materials** measures the performance of the materials sector in the S&P 1500 Index.

**S&P 1500 Health Care** measures the performance of the health care sector in the S&P 1500 Index.

**S&P 1500 Telecommunications Services Index** measures the performance of the telecommunications services sector in the S&P 1500 Index.

## General Disclosure

Any reproduction of this information, in whole or in part, is prohibited. The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any trading strategy. All data presented herein is unaudited, subject to revision by your advisor and is provided solely as a guide to current expectations. This document is only made available to persons of a kind to who may lawfully be promoted.

Market indexes are included in this report only as context reflecting general market results during the period. Your advisor may provide research on funds that are not represented by such market indexes. Accordingly, no representations are made that the performance or volatility of any fund where your advisor provides research will track or reflect any particular index. Market index performance calculations are gross of management fees.

## Research/Outlook Disclosure

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# Scorecard System Methodology

The Scorecard System Methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure active, passive and asset allocation investing strategies. Active and asset allocation strategies are evaluated over a five-year time period, and passive strategies are evaluated over a three-year time period. The scorecard system establishes the procedural process fiduciaries can follow.

## Scorecard Point System

**Acceptable: 7-10 Points**

**Watchlist<sup>1</sup>: 5-6 Points**

**Review<sup>2</sup>: 0-4 Points**

Eighty percent of the fund's score is quantitative (consisting of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other 20 percent of the score is qualitative, taking into account manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class, and the fund's strength of statistics (statistical significance).

Combined, these factors measure relative performance, characteristics, behavior and overall appropriateness of a fund for a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table above. The Scorecard Point System is integrated into the Investment Policy Statement to help establish procedural prudence in fund selection and monitoring. Non-scored funds are evaluated using qualitative criteria, detailed in the Investment Policy Statement.

<sup>1</sup> Funds that receive a watchlist score four consecutive quarters or five of the last eight quarters should be placed under review status.

<sup>2</sup> Review status necessitates documenting why the fund/strategy remains appropriate or documenting the course of action for removal as an investment option.

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# Scorecard System Methodology

## Target Date Fund Strategies

Target Date Fund strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached. For this type of investment strategy, the Scorecard System is focused on how well these managers can add value from asset allocation. Asset allocation is measured using our Asset allocation strategies methodology and manager selection is measured using either our Active and/or Passive strategies methodologies, depending on the underlying fund options utilized within the Target Date Fund strategy.

Risk-based strategies follow the same evaluation criteria and are evaluated on both their asset allocation and security selection.

Weightings	Target Date Fund Strategies	Maximum Points
Asset Allocation Score (Average) 50%	<p>The individual funds in this Score average require five years of time history to be included. See Asset Allocation strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.</p> <p>The Funds included in this average are from the Conservative, Moderate Conservative, Moderate, Moderate Aggressive and Aggressive categories, where Funds (also referred to as “vintages”) are individually Scored according to their standard deviation or risk bucket.</p>	5
Selection Score (Average) 50%	<b>Active strategies:</b> The individual active funds in this Score average require five years of time history to be Scored. See Active strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.	5
	<b>Passive strategies:</b> The individual passive funds in this Score average require three years of time history to be Scored. See Passive strategies methodology for a detailed breakdown of the Scoring criteria. Funds without the required time history are not included in the Score average.	
Total		10

# Scorecard System Methodology

## Asset Allocation Strategies

Asset allocation strategies are investment strategies that invest in a broad array of asset classes that may include U.S. equity, international equity, emerging markets, real estate, fixed income, high yield bonds and cash (to name a few asset classes). These strategies are typically structured in either a risk-based format (the strategies are managed to a level of risk, e.g., conservative or aggressive) or, in an age-based format (these strategies are managed to a retirement date or life expectancy date, typically growing more conservative as that date is approached). For this type of investment strategy, the Scorecard System is focused on how well these managers can add value, with asset allocation being the primary driver of investment returns and the resulting Score. Multisector Bond (MSB) asset class follows the same evaluation criteria with some slightly different tolerance levels where noted. These managers are also evaluated on both their asset allocation and security selection.

Weightings	Asset Allocation Strategies	Maximum Points
Style Factors 30%	<b>Risk Level:</b> The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.	1
	<b>Style Diversity:</b> Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category. <i>MSB</i> funds pass if reflect some level of diversity among fixed income asset classes (Cash, U.S. Fixed Income, Non-U.S. Fixed Income and High Yield/Emerging Markets).	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 90 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
Total		10

# Scorecard System Methodology

## Active Strategies

Active strategies are investment strategies where the fund manager is trying to add value and outperform the market averages (for that style of investing). Typically, these investment strategies have higher associated fees due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the Scorecard System is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Weightings	Active Strategies	Maximum Points
Style Factors 30%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 80 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	<b>Risk/Return:</b> Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	<b>Up/Down Capture Analysis:</b> Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	<b>Information Ratio:</b> Measures a fund's relative risk and return. Fund passes if ratio is greater than 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings 20%	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile.	1
	<b>Information Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 50 <sup>th</sup> percentile. This ranking ranks risk-adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2

**Total 10**

# Scorecard System Methodology

## Passive Strategies

Passive strategies are investment strategies where the fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager is trying to track/replicate the entire U.S. equity market like the S&P 500) or may be more specific to a particular area of the market (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower fees than active investment strategies due to their passive nature of investing and are commonly referred to as index funds. For this type of investment strategy, the Scorecard System is focused on how well these managers track and/or replicate a particular area of the market with an emphasis on how they compare against their peers.

Weightings	Passive Strategies	Maximum Points
Style & Tracking Factors 40%	<b>Style Analysis:</b> Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the Plan.	1
	<b>Style Drift:</b> Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	<b>R-Squared:</b> Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 95 percent. This statistic measures whether the benchmark used in the analysis is appropriate.	1
	<b>Tracking Error:</b> Measures the percentage of a fund's excess return volatility relative to the benchmark. Fund passes with a tracking error less than 4. This statistic measures how well the fund tracks the benchmark.	1
Peer Group Rankings 40%	<b>Tracking Error Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Expense Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Returns Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
	<b>Sharpe Ratio Peer Group Ranking:</b> Fund passes if its median rank is above the 75 <sup>th</sup> percentile.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account nonquantitative factors, which may impact future performance.	2
Total		10

# Qualitative Factors: an in-depth look

The letters T, E, and S in the qualitative section of the Scorecard are indicating why a fund was docked qualitative points.

- T = manager tenure
- E = expenses
- S = strength of statistics

**Active & Allocation Strategies:** All investments start with 2 points, with potential deductions if the following criteria are not met:

- Manager tenure

Tenure	Years	Deduct
Less than	1.5	2 points
Less than	3.5	1 point

- Fund expense: if greater than RPAG Peer Group Average (for that style), deduct 0.5 point.
- Strength of statistics

Condition	Average Style	R-Squared	Deduct
If	Fails	<75%	1 point
If	Fails	<60%	2 points
If	Passes	<50%	1 point
Condition	IR	Sig. Level	Deduct
If	Positive	<65%	0.5 point

The total qualitative score is rounded to the nearest whole number. For example, a score of 1.5 will be rounded to 2.

**Passive Strategies:** All funds start with 2 points, with potential deductions if the following criteria are not met:

- Fund expense: if expenses rank in the 90% or below, 1 point impact.
- Strength of statistics: if the tracking error is greater than 6, 1 point impact. If tracking error is greater than 7, 2-point impact.

Unique events or conditions that warrant modifying this framework to capture the same intent are rare, but are noted when they occur.

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# Manager Research Methodology

## Qualitative Factors Beyond the Scorecard

The Scorecard System establishes a process and methodology that is both comprehensive and independent. It strives to create successful outcomes for plan sponsors and participants. It also helps direct the additional qualitative research conducted on managers throughout the year. Going beyond the Scorecard incorporates the following three important categories below.

### PEOPLE

- Fund manager and team experience
- Deep institutional expertise
- Organizational structure
- Ability to drive the process and performance

### PROCESS

- Clearly defined
- Consistent application
- Sound and established
- Clearly communicated
- Successfully executed process

### PHILOSOPHY

- Research and ideas must be coherent and persuasive
  - Strong rationale
  - Logical and compelling
  - Focus on identifying skillful managers
-

# Scorecard Disclosures

Investment objectives and strategies vary among funds and may not be similar for funds included in the same asset class.

All definitions are typical category representations. The specific share classes or accounts identified above may not be available or chosen by the Plan. Share class and account availability is unique to the client's specific circumstances. There may be multiple share classes or accounts available to the client from which to choose. All recommendations are subject to vendor/provider approval before implementation into the Plan.

The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice.

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Markov Processes International, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.

Every reasonable effort has been made to ensure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by your advisor in preparing this report.

The enclosed Investment Due Diligence report, including the Scorecard System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.

The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the Plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.

Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.

Neither past performance nor statistics calculated using past performance are guarantees of a fund's future performance. Likewise, a fund's score using the Scorecard System does not guarantee the future performance or style consistency of a fund.

This report was prepared with the belief that this information is relevant to the Plan sponsor as the Plan sponsor makes investment selections.

Fund selection is at the discretion of the investment fiduciaries, which are either the Plan sponsor or the Committee appointed to perform that function.

Cash Equivalents (e.g., money market fund) and some specialty funds are not scored by the Scorecard System.

The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For the most current month-end performance, please contact your advisor.

The Strategy Review notes section is for informational purposes only. The views expressed here are those of your advisor and do not constitute an offer to sell an investment. An offer to sell may be made only after the client has received and read the appropriate prospectus.

For funds that do not have a score, one of the following will be shown: HIS, SPC, or OTH.

HIS- fund does not have enough performance history to Score.

SPC- fund is in a specialty category that does not Score.

OTH- fund may no longer be active, not in database or available to Score

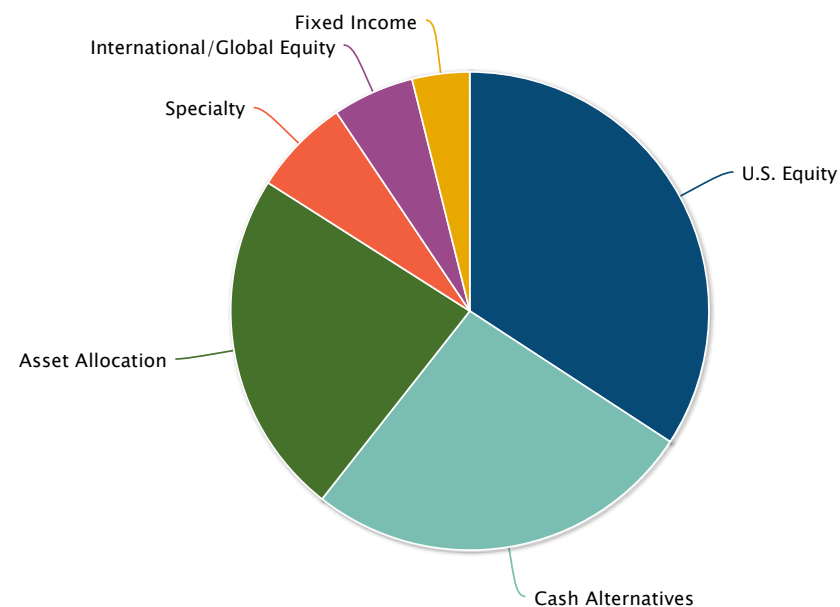
Qualitative legend: T= Manager tenure; E= Expenses; S= Strength of statistics

**Carefully consider the investment objectives, risk factors and charges and expenses of the investment company before investing. This and other information can be found in the fund's prospectus, which may be obtained by contacting your Investment Advisor/Consultant or Vendor/Provider. Read the prospectus carefully before investing.**

**For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant or Vendor/Provider.**

ACR# 6338459 02/24

# Plan Allocation by Investment Type



Investment Type	Assets	Percentage
U.S. Equity	\$5,779,423.37	34.2%
Cash Alternatives	\$4,460,828.16	26.4%
Asset Allocation	\$3,957,626.90	23.4%
Specialty	\$1,111,071.55	6.6%
International/Global Equity	\$932,279.45	5.5%
Fixed Income	\$658,007.99	3.9%
Total	\$16,899,237.42	100%
as of 3/31/2025		

# Plan Allocation by Investment Type

Investment Name	Asset Class	Amount	Percentage	Score
U.S. Equity		\$5,779,423	34.2%	
Dodge & Cox Stock I	LCV	\$564,048	3.3%	10
Large Cap Growth III I1 (AB Large Cap Growth)	LCG	\$747,478	4.4%	8*
Victory Sycamore Established Value R	MCV	\$178,097	1.1%	10
Allspring Special Mid Cap Value Inst	MCV	\$95,092	0.6%	10
Carillon Eagle Mid Cap Growth I	MCG	\$207,813	1.2%	7
Invesco Discovery Mid Cap Growth Y	MCG	\$16,099	0.1%	5
Small Cap Value II I1 (American Century SCV)	SCV	\$175,190	1.0%	10*
iShares S&P 500 Index Investor A	LCB-P	\$2,035,124	12.0%	10
Fidelity Large Cap Growth Idx	LCG-P	\$1,014,938	6.0%	10
iShares Russell Mid-Cap Index Inv A	MCB-P	\$591,512	3.5%	9
iShares Russell 2000 Small-Cap Idx Inv A	SCB-P	\$154,032	0.9%	10
Cash Alternatives		\$4,460,828	26.4%	
MissionSquare PLUS Fund Class R5	SV	\$4,460,828	26.4%	SPC
Asset Allocation		\$3,957,627	23.4%	
JPMorgan SmartRetirement Blend 2020 R3	MC	\$85,827	0.5%	7
JPMorgan SmartRetirement Blend 2025 R3	MC	\$500,062	3.0%	8
JPMorgan SmartRetirement Blend 2030 R3	MOD	\$1,109,955	6.6%	7
Fidelity Puritan	MOD	\$318,072	1.9%	10
JPMorgan SmartRetirement Blend 2035 R3	MA	\$1,468,856	8.7%	7
JPMorgan SmartRetirement Blend 2040 R3	MA	\$474,855	2.8%	8
Specialty		\$1,111,072	6.6%	
Cohen & Steers Real Estate Securities I	REI	\$100,732	0.6%	10

# Plan Allocation by Investment Type

Investment Name	Asset Class	Amount	Percentage	Score
Vanguard Information Technology Idx Adm	TEC-P	\$1,010,340	6.0%	10
International/Global Equity		\$932,279	5.5%	
MFS Intl Diversification R3	IE	\$406,580	2.4%	5
International Growth II I1 (MFS Intl LCG)	ILCG	\$170,461	1.0%	10*
Victory RS Global R6	GE	\$355,239	2.1%	10
Fixed Income		\$658,008	3.9%	
PIMCO Income Adm	MSB	\$46,726	0.3%	10
American Funds Bond Fund of Amer R4	CFI	\$502,392	3.0%	10
MassMutual High Yield Svc	HY	\$108,891	0.6%	10
Total		\$16,899,237	100.0%	

## Disclosure

### \*Strategy Equivalent Score

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# Style Box

Asset Allocation - Conservative	Asset Allocation - Moderate Fidelity Puritan (10) JPMorgan SmartRetirement Blend Target Date Series R3 (8)	Asset Allocation - Aggressive
Large Cap Value Dodge & Cox Stock I (10)	Large Cap Blend iShares S&P 500 Index Investor A (10)	Large Cap Growth Large Cap Growth III I1 (AB Large Cap Growth) (8*) Fidelity Large Cap Growth Idx (10)
Mid/Smid Cap Value Allspring Special Mid Cap Value Inst (10) Victory Sycamore Established Value R (10)	Mid/Smid Cap Blend iShares Russell Mid-Cap Index Inv A (9)	Mid/Smid Cap Growth Carillon Eagle Mid Cap Growth I (7) Invesco Discovery Mid Cap Growth Y (5) 🚩
Small Cap Value Small Cap Value II I1 (American Century SCV) (10*)	Small Cap Blend iShares Russell 2000 Small-Cap Idx Inv A (10)	Small Cap Growth
International Equity MFS Intl Diversification R3 (5) 🚩 International Growth II I1 (MFS Intl LCG) (10*)	Global Equity Victory RS Global R6 (10)	Cash Alternatives MissionSquare PLUS Fund Class R5 (SPC)
Fixed Income American Funds Bond Fund of Amer R4 (10) MassMutual High Yield Svc (10) PIMCO Income Adm (10)	Specialty/Alternatives Cohen & Steers Real Estate Securities I (10) Vanguard Information Technology Idx Adm (10)	Notes 1. Target Date Fund series show the series name, glidepath risk posture and the average score. 2. Risk based funds are grouped into either conservative, moderate or aggressive style boxes. 3. Only the top 5 scoring funds in each asset class are shown due to spacing concerns.

Considerations:  Add  Delete  Watchlist

## Disclosure

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# Scorecard™

Total Plan Assets: \$16,899,237.42 as of 3/31/2025

## Target Date Series

Asset Allocation	Assets	Asset Class	Risk Index	Allocation Score (Series Funds)		Selection Score (Underlying Funds)		Blended Score			
				# of Funds	Avg Score	# of Funds	Avg Score	Q1 2025	Q4 2024	Q3 2024	Q2 2024
JPMorgan SmartRetirement Blend Target Date Series R3	\$3,639,555.30	MOD	68	11	6.7	16	8.9	8	8	7	8



## Core Lineup

Asset Allocation	Assets	Asset Class	Ticker/ ID	Style			Risk/Return			Peer Group		Qual	Score			
				Risk Level	Style Diversity	R <sup>2</sup>	Risk/Return	Up/Down	Info Ratio	Return Rank	SR Rank	2pt Max/Expense	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Fidelity Puritan	\$318,071.60	MOD	FPURX	1	1	1	1	1	1	1	1	2	10	10	10	10
				12.8	67.2/ 32.8	97.21	12.8/ 12.9	104.9/ 103.9	0.28	3	4	- 0.48	MOD	MOD	MOD	MOD
PIMCO Income Adm	\$46,725.53	MSB	PIINX	1	1	1	1	1	1	1	1	2	10	10	9	9
				5.7	49.0/ 51.0	92.28	5.7/ 5.0	110.7/ 91.6	0.92	15	12	- 1.08	MSB	MSB	MSB	MSB

Active	Assets	Asset Class	Ticker/ ID	Style			Risk/Return			Peer Group		Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Risk/Return	Up/Down	Info Ratio	Return Rank	Info Ratio Rank	2pt Max/Expense	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Dodge & Cox Stock I	\$564,047.84	LCV	DODGX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-96.0/ 80.3	6.5	94.02	18.2/ 20.8	109.4/ 92.1	1.01	12	13	- 0.51	LCV	LCV	LCV	LCV

# Scorecard™

continued

Active	Assets	Asset Class	Ticker/ ID	Style			Risk/Return			Peer Group		Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank		2pt Max/ Expense	Q1 2025	Q4 2024	Q3 2024
Large Cap Growth III I1 (AB Large Cap Growth)	\$747,478.48	LCG	97184D766										HIS	HIS	HIS	HIS
												-	-	-	-	
											0.30					
Strategy Equivalent	\$0.00	LCG	APGZX	1	1	1	1	0	0	1	1	2	8	8	8	8
AB Large Cap Growth Z				79.9/ 97.2	2.7	95.12	19.2/ 16.7	90.6/ 98.9	-0.75	26	25	-	LCG	LCG	LCG	LCG
												0.51				
Victory Sycamore Established Value R	\$178,097.13	MCV	GETGX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-95.1/ 19.8	6.1	97.33	17.9/ 17.9	95.9/ 89.7	0.37	19	16	-	MCV	MCV	MCV	MCV
												1.11				
Allspring Special Mid Cap Value Inst	\$95,091.87	MCV	WFMIX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-91.3/ 19.0	7.3	96.49	17.1/ 17.4	92.3/ 86.6	0.19	25	24	-	MCV	MCV	MCV	MCV
												0.80				
Carillon Eagle Mid Cap Growth I	\$207,813.20	MCG	HAGIX	1	1	1	0	0	0	1	1	2	7	8	8	8
				85.0/ 5.9	14.8	97.40	21.8/ 12.5	95.5/ 102.6	-0.67	38	44	-	MCG	MCG	MCG	MCG
												0.73				
Invesco Discovery Mid Cap Growth Y 	\$16,098.91	MCG	OEGYX	1	1	1	0	0	0	0	0	2	5	6	8	8
				91.9/ 3.5	7.2	93.39	21.8/ 11.4	94.6/ 105.5	-0.62	53	51	-	MCG	MCG	MCG	MCG
												0.80				
Small Cap Value II I1 (American Century SCV)	\$175,189.72	SCV	97182E444	1	1	1	1	1	1	1	1	2	10	HIS	HIS	HIS
				-97.3/ -82.7	4.2	95.99	23.0/ 18.4	103.2/ 94.5	0.66	41	35	-	SCV	-	-	-
												0.54				
Strategy Equivalent	\$0.00	SCV	ASVDX	1	1	1	1	1	1	1	1	2	10	10	10	10
American Century Small Cap Value R6				-97.0/ -84.0	4.3	95.98	23.1/ 18.2	103.5/ 95.2	0.63	46	40	-	SCV	SCV	SCV	SCV
												0.74				
MFS Intl Diversification R3 	\$406,580.14	IE	MDIHX	1	1	1	1	0	0	0	0	1	5	7	7	7
				25.3/ 58.5	8.8	95.93	15.4/ 10.3	100.2/ 103.6	-0.21	57	60	T	IE	IE	IE	IE
												1.08				

# Scorecard™

continued

Active	Assets	Asset Class	Ticker/ ID	Style			Risk/Return			Peer Group		Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Risk/ Return	Up/ Down	Info Ratio	Return Rank	Info Ratio Rank		Q1 2025	Q4 2024	Q3 2024	Q2 2024
International Growth II I1 (MFS Intl LCG)	\$170,460.76	ILCG	97183C728										HIS	HIS	HIS	HIS
												-	-	-	-	-
												0.48				
Strategy Equivalent	\$0.00	ILCG	MGRDX	1	1	1	1	1	1	1	1	2	10	10	10	9
MFS International Growth R6				66.7/ 78.0	12.5	92.78	15.8/ 11.7	97.6/ 85.0	0.63	6	4	-	ILCG	ILCG	ILCG	ILCG
												0.72				
Victory RS Global R6	\$355,238.55	GE	RGGRX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-0.3/ 80.6	9.7	98.04	16.1/ 16.0	104.4/ 102.7	0.34	14	0	-	GE	GE	GE	GE
												0.55				
American Funds Bond Fund of Amer R4	\$502,391.51	CFI	RBFEX	1	1	1	1	1	1	1	1	2	10	10	10	10
				1.5/ 35.1	6.0	99.05	6.4/ 0.1	103.9/ 98.0	0.79	37	33	-	CFI	CFI	CFI	CFI
												0.58				
MassMutual High Yield Svc	\$108,890.95	HY	DLHYX	1	1	1	1	1	1	1	1	2	10	10	9	9
				98.6/ -98.6	0.9	95.66	7.5/ 7.3	97.2/ 94.0	0.03	17	15	-	HY	HY	HY	HY
												0.74				
MissionSquare PLUS Fund Class R5	\$4,460,828.16	SV	92208J303										SPC	SPC	SPC	SPC
												-	-	-	-	-
												0.77				
Cohen & Steers Real Estate Securities I	\$100,731.52	REI	CSDIX	1	1	1	1	1	1	1	1	2	10	10	10	10
				-91.9/ 93.7	4.1	96.58	19.3/ 11.1	101.3/ 97.7	0.31	18	17	-	REI	REI	REI	REI
												0.84				

# Scorecard™

Passive	Assets	Asset Class	Ticker/ ID	Style				Peer Group				Qual	Score			
				Style	Style Drift	R <sup>2</sup>	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	2pt Max/ Expense	Q1 2025	Q4 2024	Q3 2024	Q2 2024
iShares S&P 500 Index Investor A	\$2,035,124.13	LCB-P	BSPAX	1	1	1	1	1	1	1	1	2	10	10	10	10
				11.4/ 96.5	3.0	99.76	0.9	42.0	43.0	32	33	- 0.35	LCB- P	LCB- P	LCB- P	LCB- P
				1	1	1	1	1	1	1	1	2	10	10	10	10
Fidelity Large Cap Growth Idx	\$1,014,938.24	LCG-P	FSPGX	100.0/ 100.0	0.1	100.00	0.1	28.0	6.0	12	12	- 0.04	LCG- P	LCG- P	LCG- P	LCG- P
				0	1	1	1	1	1	1	1	2	9	9	9	9
				-40.6/ -0.4	4.3	100.00	0.1	13.0	36.0	30	30	- 0.36	MCB- P	MCB- P	MCB- P	MCB- P
iShares Russell 2000 Small-Cap Idx Inv A	\$154,032.10	SCB-P	MDSKX	1	1	1	1	1	1	1	1	2	10	10	10	10
				0.1/ -99.3	0.5	100.00	0.1	19.0	37.0	51	51	- 0.37	SCB- P	SCB- P	SCB- P	SCB- P
				1	1	1	1	1	1	1	1	2	10	10	10	10
Vanguard Information Technology Idx Adm	\$1,010,340.03	TEC-P	VITAX	-74.2/ 80.9	7.5	98.34	3.1	7.0	2.0	24	30	- 0.09	TEC- P	TEC- P	TEC- P	TEC- P

Disclosure

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ACR#5821538 07/23

# Score History

## Target Date Series

Asset Allocation	Asset Class	Risk Index	Allocation Score (Series Funds)		Selection Score (Underlying Funds)		Blended Score							
			# of Funds	Avg Score	# of Funds	Avg Score	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
JPMorgan SmartRetirement Blend Target Date Series R3	MOD	68	11	6.7	16	8.9	8	8	7	8	7	7	7	7

## Allocation (Series Funds)

Asset Allocation	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
JPMorgan SmartRetirement Blend 2020 R3	MC	JSTKX	7	7	7	8	8	8	7	7
			MC	MC	MC	MC	MC	MC	MC	MC
JPMorgan SmartRetirement Blend 2025 R3	MC	JBTUX	8	7	7	8	8	8	7	7
			MC	MOD	MOD	MOD	MOD	MOD	MOD	MOD
JPMorgan SmartRetirement Blend 2030 R3	MOD	JUTPX	7	8	7	8	8	8	7	7
			MOD	MOD	MOD	MOD	MOD	MOD	MOD	MOD
JPMorgan SmartRetirement Blend 2035 R3	MA	JPTLX	7	7	7	7	8	8	7	7
			MA	MA	MA	MA	MA	MA	MA	MA
JPMorgan SmartRetirement Blend 2040 R3	MA	JNTEX	8	8	8	8	8	7	7	7
			MA	MA	MA	MA	MA	MA	MA	AGG

# Score History



## Core Lineup

Asset Allocation	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Fidelity Puritan	MOD	FPURX	10	10	10	10	9	9	9	9
			MOD	MOD	MOD	MOD	MOD	MOD	MOD	MA
PIMCO Income Adm	MSB	PIINX	10	10	9	9	9	9	9	9
			MSB	MSB	MSB	MSB	MSB	MSB	MSB	MSB

Active	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Dodge & Cox Stock I	LCV	DODGX	10	10	10	10	10	10	10	10
			LCV	LCV	LCV	LCV	LCV	LCV	LCV	LCV
Large Cap Growth III I1 (AB Large Cap Growth)	LCG	97184D766	HIS	HIS	HIS	HIS	HIS	HIS	HIS	HIS
			-	-	-	-	-	-	-	-
Strategy Equivalent	LCG	APGZX	8	8	8	8	8	8	8	8
AB Large Cap Growth Z			LCG	LCG	LCG	LCG	LCG	LCG	LCG	LCG
Victory Sycamore Established Value R	MCV	GETGX	10	10	10	10	10	10	10	10
			MCV	MCV	MCV	MCV	MCV	MCV	MCV	MCV
Allspring Special Mid Cap Value Inst	MCV	WFMIX	10	10	10	10	10	10	10	10
			MCV	MCV	MCV	MCV	MCV	MCV	MCV	MCV

# Score History

continued

Active	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Carillon Eagle Mid Cap Growth I	MCG	HAGIX	7	8	8	8	10	7	7	7
			MCG	MCG	MCG	MCG	MCG	MCG	MCG	MCG
Invesco Discovery Mid Cap Growth Y 	MCG	OEGYX	5	6	8	8	10	8	8	8
			MCG	MCG	MCG	MCG	MCG	MCG	MCG	MCG
Small Cap Value II I1 (American Century SCV)	SCV	97182E444	10	HIS	HIS	HIS	HIS	HIS	HIS	HIS
			SCV	-	-	-	-	-	-	-
Strategy Equivalent	SCV	ASVDX	10	10	10	10	10	10	10	10
American Century Small Cap Value R6			SCV	SCV	SCV	SCV	SCV	SCV	SCV	SCV
MFS Intl Diversification R3 	IE	MDIHX	5	7	7	7	8	8	8	10
			IE	IE	IE	IE	IE	IE	IE	IE
International Growth II I1 (MFS Intl LCG)	ILCG	97183C728	HIS	HIS	HIS	HIS	HIS	HIS	HIS	HIS
			-	-	-	-	-	-	-	-
Strategy Equivalent	ILCG	MGRDX	10	10	10	9	8	9	10	10
MFS International Growth R6			ILCG	ILCG	ILCG	ILCG	ILCG	ILCG	ILCG	ILCG
Victory RS Global R6	GE	RGGRX	10	10	10	10	10	10	10	10
			GE	GE	GE	GE	GE	GE	GE	GE
American Funds Bond Fund of Amer R4	CFI	RBFEX	10	10	10	10	10	10	10	10
			CFI	CFI	CFI	CFI	CFI	CFI	CFI	CFI

## Score History

*continued*

Active	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
MassMutual High Yield Svc	HY	DLHYX	10	10	9	9	8	8	8	8
			HY	HY	HY	HY	HY	HY	HY	HY
MissionSquare PLUS Fund Class R5	SV	92208J303	SPC	SPC	SPC	SPC	SPC	SPC	SPC	SPC
			-	-	-	-	-	-	-	-
Cohen & Steers Real Estate Securities I	REI	CSDIX	10	10	10	10	10	10	10	10
			REI	REI	REI	REI	REI	REI	REI	REI

[illegible]

# Score History

continued

Passive	Asset Class	Ticker/ ID	Score							
			Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Vanguard Information Technology Idx Adm	TEC-P	VITAX	10	10	10	10	10	10	10	10
			TEC-P	TEC-P	TEC-P	TEC-P	TEC-P	TEC-P	TEC-P	TEC-P

Disclosure

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# Returns Analysis

## Allocation (Series Funds)

Performance as of 3/31/2025

Asset Allocation	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
JPMorgan SmartRetirement Blend 2020 R3	JSTKX	1.12	1.12	5.89	3.35	6.13	4.44	4.47	5/31/2017	7/2/2012	0.93	0.67
StyleBenchmark		1.05	1.05	5.89	3.98	7.03	5.12					
JPMorgan SmartRetirement Blend 2025 R3	JBTUX	0.99	0.99	5.91	3.51	7.60	5.14	5.21	5/31/2017	7/2/2012	0.91	0.67
StyleBenchmark		0.72	0.72	6.12	4.48	8.66	5.97					
JPMorgan SmartRetirement Blend 2030 R3	JUTPX	0.57	0.57	5.97	4.10	9.16	5.89	6.04	5/31/2017	7/2/2012	0.86	0.67
StyleBenchmark		0.35	0.35	6.32	4.99	10.22	6.78					
JPMorgan SmartRetirement Blend 2035 R3	JPTLX	0.14	0.14	6.01	4.72	10.87	6.62	6.86	5/31/2017	7/2/2012	0.88	0.67
StyleBenchmark		-0.06	-0.06	6.52	5.51	11.74	7.55					
JPMorgan SmartRetirement Blend 2040 R3	JNTEX	-0.22	-0.22	6.03	5.19	12.11	7.17	7.48	5/31/2017	7/2/2012	0.88	0.67
StyleBenchmark		-0.38	-0.38	6.67	5.98	12.99	8.13					

## Core Lineup

Asset Allocation	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
Asset Allocation												
Moderate												
Fidelity Puritan	FPURX	-3.86	-3.86	4.53	6.28	12.93	8.88	10.84	4/16/1947	4/16/1947	0.48	0.48
StyleBenchmark		-2.34	-2.34	6.60	6.29	12.34	8.56					
Fixed Income												
Multisector Bond												
PIMCO Income Adm	PIINX	3.23	3.23	7.14	4.37	4.97	4.15	6.55	3/30/2007	3/30/2007	1.08	1.08
StyleBenchmark		1.64	1.64	6.40	3.74	3.51	3.02					
Active	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
U.S. Equity												
Large Cap Value												
Dodge & Cox Stock I	DODGX	3.54	3.54	9.27	8.56	20.82	11.37	11.21	1/4/1965	1/4/1965	0.51	0.51
Russell 1000 Value Index		2.14	2.14	7.18	6.64	16.15	8.79					
Large Cap Growth												
Large Cap Growth III I1 (AB Large Cap Growth)	97184D766	-8.26	-8.26	1.56				12.76	4/26/2022	4/21/2022	0.30	0.30
SE: AB Large Cap Growth Z	APGZX	-8.34	-8.34	1.43	8.22	16.71	14.13	14.34	6/30/2015	9/28/1992	0.51	0.51
Russell 1000 Growth Index		-9.97	-9.97	7.76	10.10	20.09	15.12					

# Returns Analysis

Active	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio	
				1 Year	3 Year	5 Year	10 Year				Gross	Net
Mid Cap Value												
Allspring Special Mid Cap Value Inst	WFMIX	-1.97	-1.97	0.57	5.48	17.42	8.56	9.46	4/8/2005	4/8/2005	0.80	0.80
Victory Sycamore Established Value R	GETGX	-2.37	-2.37	-1.90	4.30	17.90	9.42	11.41	8/16/1983	8/16/1983	1.11	1.11
Russell Mid-Cap Value Index		-2.11	-2.11	2.27	3.78	16.70	7.62					
Mid Cap Growth												
Invesco Discovery Mid Cap Growth Y 🇵🇷	OEGYX	-12.34	-12.34	-6.05	0.91	11.36	9.18	7.97	11/1/2000	11/1/2000	0.80	0.80
Carillon Eagle Mid Cap Growth I	HAGIX	-9.27	-9.27	-6.30	0.75	12.52	9.20	10.52	6/21/2006	8/20/1998	0.73	0.73
Russell Mid-Cap Growth Index		-7.12	-7.12	3.57	6.16	14.86	10.14					
Small Cap Value												
Small Cap Value II I1 (American Century SCV)	97182E444	-6.14	-6.14	-3.70	2.13	18.35		11.24	3/2/2020	3/2/2020	0.54	0.54
SE: American Century Small Cap Value R6	ASV DX	-6.18	-6.18	-3.88	1.88	18.24	8.34	8.78	7/26/2013	7/31/1998	0.74	0.74
Russell 2000 Value Index		-7.74	-7.74	-3.12	0.05	15.31	6.07					
International/Global Equity												
International Equity												
MFS Intl Diversification R3 🇵🇷	MDIH X	5.77	5.77	7.81	5.18	10.27	6.31	6.49	4/1/2005	9/30/2004	1.09	1.08
MSCI ACWI ex USA NR		5.23	5.23	6.09	4.48	10.92	4.98					
International Large Cap Growth												
International Growth II I1 (MFS Intl LCG)	97183C728	4.34	4.34	8.94	6.60			7.43	8/3/2020	8/3/2020	0.48	0.48
SE: MFS International Growth R6	MGRDX	4.28	4.28	8.65	6.60	11.68	7.88	6.25	5/1/2006	10/24/1995	0.73	0.72
MSCI EAFE Large Growth ND USD		1.78	1.78	-3.52	2.68	8.73	5.81					
Global Equity												
Victory RS Global R6	RGGRX	-4.66	-4.66	5.37	8.20	15.95	10.84	11.64	5/2/2019	5/16/2011	0.72	0.55
MSCI ACWI NR		-1.32	-1.32	7.15	6.91	15.18	8.84					
Fixed Income												
Core Fixed Income												
American Funds Bond Fund of Amer R4	RBFEX	2.77	2.77	4.82	0.20	0.10	1.65	3.26	5/20/2002	5/28/1974	0.59	0.58
BB Aggregate Bond		2.78	2.78	4.88	0.52	-0.40	1.46					
High Yield												
MassMutual High Yield Svc	DLHYX	0.79	0.79	8.28	4.65	7.32	4.96	6.73	9/5/2000	9/5/2000	0.80	0.74
BB US HY 2% Issuer Cap		1.00	1.00	7.69	4.98	7.28	5.01					
Cash Alternatives												
Stable Value												
MissionSquare PLUS Fund Class R5	92208J303	0.68	0.68	2.77	2.44	2.15	2.04	3.23	4/1/1999	1/2/1991	0.77	0.77
BofA US 3-Month Treasury Bill Index		1.02	1.02	4.97	4.23	2.56	1.87					

# Returns Analysis

Active	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio		
				1 Year	3 Year	5 Year	10 Year				Gross	Net	
Specialty													
REIT													
Cohen & Steers Real Estate Securities I	CSDIX	3.43	3.43	10.91	-0.66	11.14	6.75	9.09	7/15/1998	9/2/1997	0.84	0.84	
MSCI US REIT		0.76	0.76	8.98	-1.77	10.04	4.01						
Passive	Ticker/ I D	QTR	YTD	Annualized Returns				Since Incept.	Share Class Inception	Strategy Inception	Expense Ratio		
				1 Year	3 Year	5 Year	10 Year				Gross	Net	
U.S. Equity													
Large Cap Blend													
iShares S&P 500 Index Investor A	BSPAX	-4.36	-4.36	7.85	8.67	18.16	12.11	12.78	4/10/2013	7/30/1993	0.35	0.35	
Russell 1000 Index		-4.49	-4.49	7.82	8.65	18.47	12.18						
Large Cap Growth													
Fidelity Large Cap Growth Idx	FSPGX	-9.96	-9.96	7.73	10.08	20.05		16.73	6/7/2016	6/7/2016	0.04	0.04	
Russell 1000 Growth Index		-9.97	-9.97	7.76	10.10	20.09	15.12						
Mid Cap Blend													
iShares Russell Mid-Cap Index Inv A	BRMAX	-3.52	-3.52	2.22	4.31	15.89		9.57	11/30/2015	5/13/2015	0.36	0.36	
Russell Mid-Cap Index		-3.40	-3.40	2.59	4.62	16.28	8.82						
Small Cap Blend													
iShares Russell 2000 Small-Cap Idx Inv A	MDSKX	-9.54	-9.54	-4.33	0.23	12.93	6.00	7.43	4/9/1997	4/9/1997	0.42	0.37	
Russell 2000 Index		-9.48	-9.48	-4.01	0.52	13.27	6.30						
Specialty													
Technology													
Vanguard Information Technology Idx Adm	VITAX	-12.69	-12.69	3.92	10.03	21.56	18.94	13.48	3/25/2004	3/25/2004	0.09	0.09	
S&P 1500 Information Technology		-12.75	-12.75	5.31	13.45	24.05	20.15						

# Returns Analysis

Disclosure

\* Strategy Equivalent Score

SE = Strategy Equivalent

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Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

The performance data quoted may not reflect the deduction of additional fees, if applicable. Additional fees would reduce the performance quoted.

Performance data is subject to change without prior notice. Expenses shown reflect the fund's prospectus Net and Gross expense ratios.

Some funds, accounts, or share classes may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the manager's historical performance record. Expenses for mutual funds reflect the fund's prospectus Net and Gross expense ratios. In the case of Collective Investment Trust Funds, expenses generally reflect the CIT fund fact sheet and/ or Trust agreement Fund Inception Date - the date on which a fund commenced operations.

Share Class Inception Date - the date on which a fund's share class was introduced.

The CIT exclusively available to NFP utilizes the same manager and strategy as the Scored fund equivalent, which is highlighted and shown below the CIT option. The Scored fund equivalent generally has a higher fee and is shown for CIT investment due diligence purposes only. The average score includes Strategy Equivalent scores where utilized. For Group Series funds, if Strategy Equivalents are included, the specific Strategy Equivalent(s) within each given series will be indicated in the Allocation (Series Funds) and/or Selection (Underlying Funds) section(s) within the detailed report. ACR#5821538 07/23

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



# Summary of Considerations

Watchlist	Asset Class	Fund	Score
🚩	MCG	Invesco Discovery Mid Cap Growth Y	5
🚩	IE	MFS Intl Diversification R3	5

Considerations:  Add  Delete  Watchlist

\* Strategy Equivalent Score. Non-scoring funds will be assigned a letter. The letter definitions are HIS= fund does not have enough performance history to Score; SPC= fund is in a specialty category that does not Score; OTH= fund may no longer be active, not in database or available to Score.



This Plan is discussing a move to a zero-revenue fee model. The Plan currently utilizes investment options that incorporate expenses above the fund's management fees in order to pay for the Plan's administrative costs. These higher expenses negatively impact scoring and performance.

As a part of this process, the share classes of the current offerings can undergo changes, and the fund offerings in the line-up will also be subject to review and possible changes.

NFP will continue to monitor the current offerings while the zero-revenue discussion is ongoing, and has recommended these funds to be put on the watchlist:

Invesco Discovery Mid Cap Growth Y  
MFS Intl Diversification R3

# Fiduciary Hot Topics | Q2 2025

## A Review of Two Recent Rulings on Forfeitures in Retirement Plans

### 1. **McManus v. Clorox: Forfeitures and Fiduciary Duty Considerations**

U.S. District Court for the Northern District of California (March 3, 2025)

In *McManus v. Clorox*, the court ruled that Clorox, and its Employee Benefits Committee must face claims related to their handling of forfeited plan funds. The plaintiff, a participant in Clorox's 401(k) plan, alleged that plan fiduciaries breached their duties by using forfeitures to offset employer contributions rather than to defray administrative expenses for participants.

The court denied Clorox's motion to dismiss, allowing the case to proceed based on the argument that fiduciaries must prioritize participant interests when exercising discretion over forfeiture allocation. This ruling underscores the importance of conducting an impartial and well-documented decision-making process when handling forfeited assets.

#### **Key Takeaways for Plan Sponsors:**

- Ensure that the plan's forfeiture provisions are clearly defined and followed in accordance with ERISA's fiduciary standards.
- Document the rationale behind forfeiture allocations to demonstrate fiduciary prudence.
- Consider independent decision-makers or external advisors to mitigate potential conflicts of interest.

### 2. **Hutchins v. HP Inc.: Dismissal Highlights Importance of Plan Language**

U.S. District Court for the Northern District of California (February 5, 2025)

In contrast, the court in *Hutchins v. HP Inc.* dismissed a lawsuit challenging HP's use of plan forfeitures. The plaintiff claimed HP violated ERISA by applying forfeited amounts to reduce employer contributions instead of lowering participant administrative fees. However, the court ruled that HP acted within its rights, as the plan's governing documents explicitly permitted this allocation.

The court emphasized that ERISA does not mandate the use of forfeitures in any particular manner as long as fiduciaries operate within the plan's terms and established legal precedents. It also reinforced that ERISA fiduciaries are not obligated to maximize participant benefits beyond what the plan expressly provides.

#### **Key Takeaways for Plan Sponsors:**

- Ensure that plan documents explicitly outline the intended use of forfeitures and follow those provisions consistently.
- Clearly communicate plan forfeiture policies to participants to prevent misunderstandings.
- Recognize that courts may uphold forfeiture allocations if they align with plan terms, even if they do not directly benefit participants.

# Fiduciary Hot Topics | Q2 2025

## A Review of Two Recent Rulings on Forfeitures in Retirement Plans

### What This Means for You

These rulings illustrate the ongoing legal scrutiny surrounding plan forfeitures and fiduciary decision-making. While McManus suggests heightened fiduciary obligations when discretion is exercised, Hutchins reinforces the importance of adhering to plan language.

To mitigate legal risks and uphold fiduciary standards, plan sponsors should:

- Review and update plan documents to ensure clarity on forfeiture usage.
- Implement a fiduciary decision-making framework that prioritizes transparency and participant interests.
- Seek legal or consulting guidance when making forfeiture-related determinations.

By staying informed and proactive, plan sponsors can ensure compliance while optimizing retirement plan administration for their participants.

If you have any questions regarding these legal developments or need assistance reviewing your plan's forfeiture provisions, please contact us.

*This material was created to provide accurate and reliable information on the subjects covered but should not be regarded as a complete analysis of these subjects. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation.*

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# Fiduciary Hot Topics | Q2 2025

## Enhancements to the DOL's Voluntary Fiduciary Correction Program

The Department of Labor (DOL) has released significant updates to its **Voluntary Fiduciary Correction Program (VFC Program)**. These changes are designed to make it easier for plan sponsors, fiduciaries, and service providers to correct certain fiduciary breaches voluntarily, without facing civil enforcement actions and penalties.

The revised VFC Program simplifies correction procedures, expands the scope of eligible transactions, and introduces new self-correction features. This is particularly relevant for plan sponsors who may have inadvertently failed to **timely remit participant contributions or loan repayments** to their plans. The updates also align with recent provisions under the **SECURE 2.0 Act**, helping sponsors and fiduciaries correct plan loan failures more efficiently.

### Key Changes to the VFC Program

#### 1. New Self-Correction Option for Delinquent Participant Contributions & Loan Repayments

- Plan sponsors can now self-correct late contributions and loan repayments under specific conditions, reducing the burden of formal applications.
- A streamlined online filing system is introduced to simplify reporting.
- Self-correction is available if the lost earnings on delinquent contributions are \$1,000 or less and if funds are remitted within 180 days from withholding.

#### 2. Expanded Self-Correction for Participant Loan Failures

To align with SECURE 2.0 Act provisions, the VFC Program now recognizes self-corrected loan failures under the IRS's EPCRS (Employee Plans Compliance Resolution System). This means:

- Plan sponsors can correct certain participant loan errors without a formal IRS filing through the Self-Correction Program (SCP) under EPCRS.
- This includes loans that exceeded statutory limits, were miscalculated, or defaulted on due to administrative errors.
- Key conditions for self-correction:
  - The error must have been inadvertent and not due to abuse or fraud.
  - The correction must restore participants to the financial position they would have been in had the error not occurred.
  - The plan sponsor must document the correction process and retain records in case of future IRS or DOL audits.

# Fiduciary Hot Topics | Q2 2025

## Enhancements to the DOL's Voluntary Fiduciary Correction Program

### 3. Bulk Applications for Service Providers

- Third-party administrators (TPAs) and other service providers can now submit applications for multiple plans at once, making it easier to correct systemic issues.

### 4. Simplified Procedures & Reduced Administrative Burdens

- The program now offers more flexible correction methods for plan transactions, including loans, sales, and purchases of plan assets.
- Enhanced protections for fiduciaries acting in good faith to correct errors.

### Next Steps for Plan Sponsors

- Review your plan operations to identify any uncorrected fiduciary violations that may qualify under the updated VFC Program.
- Consider using the new self-correction options for delinquent contributions or loan repayments.
- Consult with your service provider or ERISA counsel to ensure compliance with the new rules.

These changes reflect the DOL's continued efforts to encourage compliance while reducing the administrative burden on plan sponsors and fiduciaries.

#### Sources:

<https://public-inspection.federalregister.gov/2025-00327.pdf>

<https://www.irs.gov/retirement-plans/epcrs-overview>

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