

Sacramento County 457(b): Plan Highlights & Key Observations

Date	<u>March 2025</u>
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DEFERRED COMPENSATION PLAN ASSETS

At quarter-end, assets in the Sacramento County 457(b) Plan totaled \$1,629.8 million, decreasing \$40.7 million (-2.44%) from \$1,670.6 million at the previous quarter-end.

Fidelity Contrafund held the highest percentage of non-target date assets (12.3%), followed by Vanguard Institutional Index (8.1%).

Assets in the Vanguard Target Retirement series totaled \$830.8 million (51.0%) at quarter end; this was a decrease of \$8.6 million from \$839.4 million at the prior quarter-end.

PERFORMANCE

The Plan's investments are generally meeting performance objectives; however, Parnassus Core Equity, JPMorgan Equity Income R6, and JPMorgan Small Cap Equity R6 remain on watch from previous quarters. Additionally, Fidelity Overseas K was added to the County's watchlist this quarter. All funds on watch are currently due to underperformance. A comment has also been provided on Fidelity Contrafund to briefly address the additional portfolio managers.

JPMorgan Equity Income is on the County's watchlist this quarter. This is because it performed below its benchmark for the 3- and 5-year time periods and 50% of the peer group for the 3- and 5-year time periods. Andrew Brandon (2019) and David Silberman (2019) are the managers of the strategy following the retirement of Clare Hart (2004) in September 2024. Brandon and Silberman have been groomed to take over the portfolio from Hart since they were promoted to PMs five years ago, and Hart's decision and timing has been clearly telegraphed for several years. The strategy seeks high quality companies with disciplined capital allocations and a consistent dividend yield above 2%. The strategy closed to new investors in 2021 but reopened in January 2024 after portfolio outflows inhibited the management team's ability to generate excess performance in a challenging market environment. The strategy ranks in the second quartile over the past 1- and 10- years and in the third quartile over the past 3- and 5- years. Dividend paying stocks have struggled against traditional value stocks over the past 2+ years as rising fixed income interest rates have become a more attractive place to generate yields. The strategy has also historically been underweight the technology sector because of its dividend mandate and currently only has small allocations to Microsoft and Apple of the Magnificent 7 stocks. NWCM voted to continue to monitor the strategy due to strong long-term performance. Near term underperformance can be attributed to the fund's style being out of favor and the difficulty of portfolio flows. We will monitor the recent change to the PM team closely.

Parnassus Core Equity is on the County's watchlist this quarter. It performed below 50% of the peer group for the 3- and 5-year time periods and below its benchmark for the 3-, 5-, and 10-year periods. Todd Ahlsten (2001), Benjamin Allen (2012), and Andrew Choi (2022) are the managers of the strategy. The team looks for exposure to US large cap equity markets through an ESG lens. The team will first exclude companies that derive significant revenue from alcohol, tobacco, weapons, fossil fuels, or gambling and then screen the universe based on traditional ESG, quality, and valuation metrics. Finally, they invest in firms that meet all their quantitative criteria and also offer durable competitive advantages, relevant products, strong management teams, and ethical business practices. The strategy ranks in the third quartile over the past 1-, 3-, and 5- years and in the second quartile over the past 10- years. Recent performance compared to both their Large Cap Blend peers as well as their benchmark index (S&P 500) has struggled slightly due to smaller allocations to mega-cap technology within the portfolio, although this has been a benefit to the strategy YTD in 2025, as the fund ranks in the top quartile of peers. NWCM voted to continue to monitor the strategy due to solid long-term outperformance and a differentiated approach which complements an index fund well for plan participants.

JPMorgan Small Cap Equity performed below its peers for the 3- and 5-year time periods and below its benchmark for the 5-year time period. Additionally, the fund scores a 2 Morningstar rating. Due to these triggers, it is on the County's watchlist this quarter. Don San Jose (2007) and Daniel Percella (2014) are the managers of the strategy. The team takes a quality and consistency-based approach that looks for companies operating in narrow market niches and can leverage their competitive positioning to grow their ROIC faster than the market. They also look for companies with strong and consistent earnings and free cash flows which leads to steadier businesses. The team aims for high active share (typically ~95%) and the portfolio pairs well with a passive index strategy as a result. The strategy ranks in the second quartile over the past 12 months, in the third quartile over the past 3- years, in the bottom quartile over the past 5- years, and in the top quartile over the past 10- years. The strategy's quality focus was a headwind to relative performance during low-quality market rallies in 2021 and 2023, where the fund trailed its peer average by 800 and 400 bps respectively. Performance YTD in 2025 has been in the second quartile as defensive holdings have benefitted the performance of the fund during periods of market turbulence. NWCM voted to continue to monitor the strategy due to strong long-term performance and a differentiated process that pairs well with a passive index fund.

Fidelity Overseas performed below its benchmark for the 3- and 5-year time periods. Vincent Montemaggiore (2012) is the sole manager of the strategy. The strategy employs a quality-focused growth process where quality means having a unique edge like high barriers to entry, a low-cost advantage, or high switching costs. Ideally, the company also has high recurring revenues and low debt levels. Montemaggiore wants to own stocks that are trading at discounts of 15% or more to his estimated intrinsic value. This allows him to be opportunistic in selloffs, as he can quickly buy previously unowned stocks on his short list that decline sharply in value since he already did the homework on their business quality. He is a patient researcher who will let ideas marinate for years before acting on them. This deliberate approach and a constrained portfolio construction framework that generally keeps single positions below 4% of assets help keep portfolio blowups in check and allow the fund to be generally buoyant in down markets. The strategy owns very little, if any, stocks domiciled in the emerging markets. The strategy ranks in the second quartile over the past 12 months and in the top quartile over the past 3-, 5-, and 10- years. Large weights and specific holdings in financials (London Stock Exchange, Tokio Marine Holdings, and UniCredit) and industrials (RELX & Safran) have buoyed relative performance YTD in 2025, and SAP, which is the largest holding in the portfolio, has also been a tailwind to relative performance. NWCM voted to continue to monitor the strategy due to long-term top quartile performance.

Fidelity Contrafund. On 4/11/2025, Fidelity Contrafund announced that Jason Weiner and Asher Anolic would join Will Danoff as co-portfolio managers. There are no current plans for Will Danoff to retire; however, the addition of these portfolio managers reduces key-person risk and provides a longer-term succession plan. We will continue to monitor the recent change to the PM team.

Sources: JPMorgan, Parnassus as of 3/31/2025.

Investment Menu Review – March 2025

Sacramento County 457(b) Plan

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Q1 2025 Market Summary



CARSON

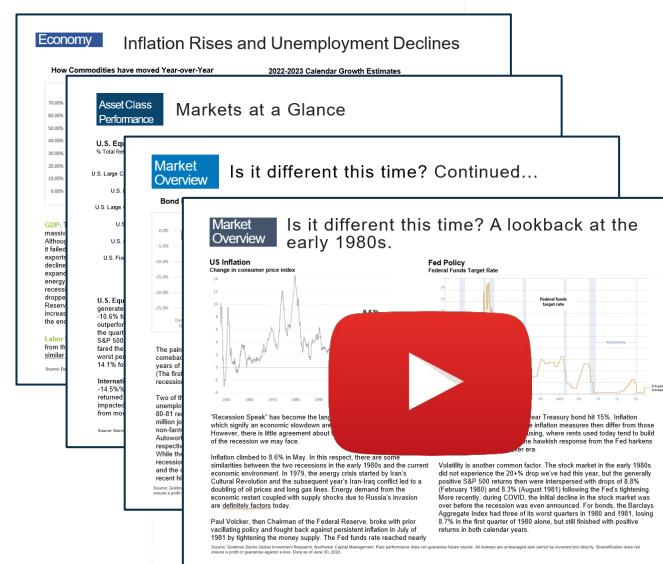
Market Summary Video

Our quarterly market summary is now pre-recorded and available to view prior to your scheduled committee meetings.

This video format has several advantages:

- Can be watched at your convenience
- More meeting time can be devoted to discussion of plan priorities
- Available for committee members who are unable to attend the meeting
- Archived for future viewing

▶ Click [here](#) to watch the market summary video now.



Tariff Uncertainty

Markets started the year strong on optimism about the new administration promoting a business-friendly agenda. Lower taxes, reduced regulation, and global leadership in technology and AI were all seen as catalysts to the bull market of 2023 and 2024 continuing.

Markets peaked on February 19th and since then have been steadily declining since that time in large part due to policy uncertainty and inconsistency, which has brought volatility to equity, fixed income, and currency markets globally.

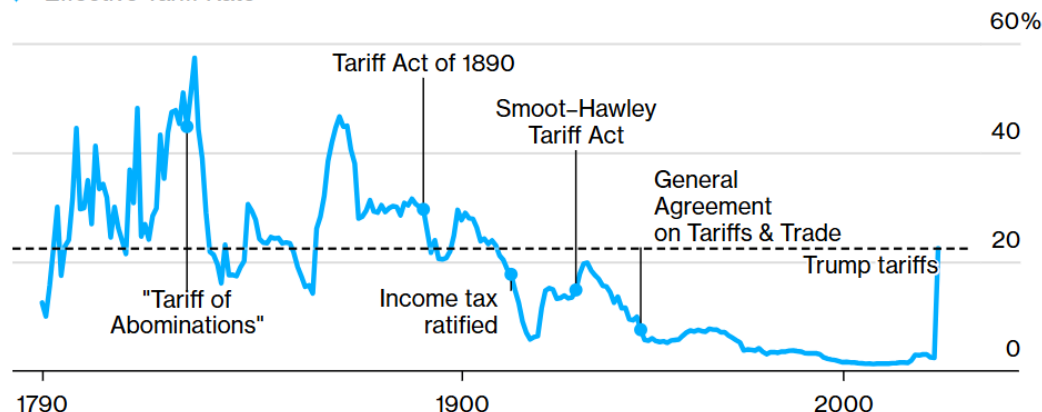
April 2nd was coined 'Liberation Day' and the President announced unprecedented and sweeping tariffs on almost all of the country's foreign trading partners. Markets reacted with sharp selloffs and historic spikes in volatility on fears that excessive tariffs would cause lower economic output and persistent inflation (as basic economic theory suggests) driving the US into a recession.

Markets continue to be in turmoil for multiple reasons; uncertainty surrounding the academic rigor in which the reciprocal tariffs were calculated, inconsistent application of policy on a day-by-day to hour-by-hour basis, and fundamental disagreements about what the objectives of the policy is. These debates span the political, economic, and financial spectrum and will likely remain in flux for the near future.

Trump Tariffs Highest Since 1909

Customs duty revenues as a percentage of goods imported

Effective Tariff Rate



Source: Budget Lab at Yale, US Census Bureau, US Treasury

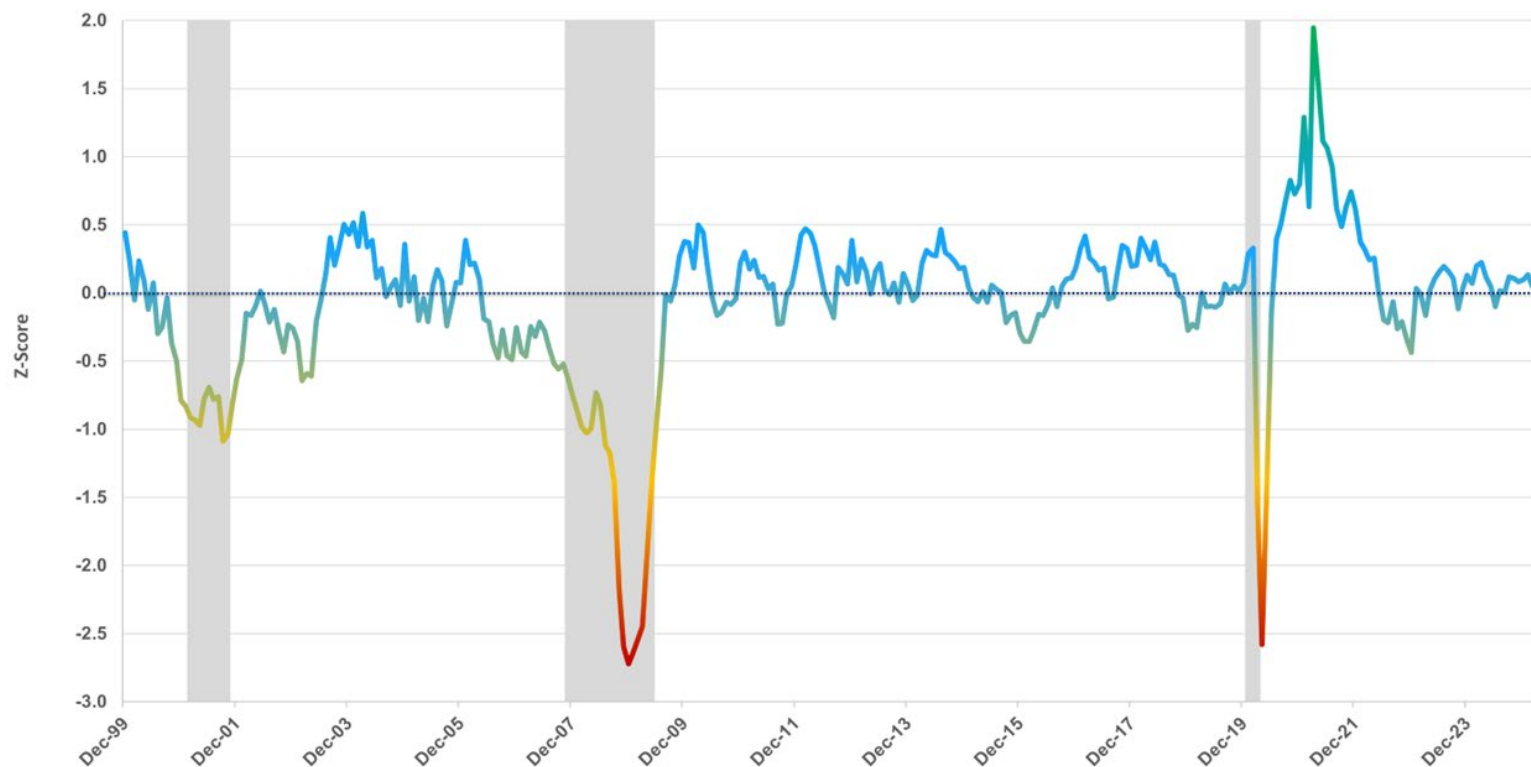
Note: As of April 2 announcement



Economic Outlook

US economy running close to trend prior to tariff hit

Proprietary Leading Economic Index - USA



Data source: Carson Investment Research 3/31/2025

Shaded areas indicate U.S. recessions

@sonusvarghese



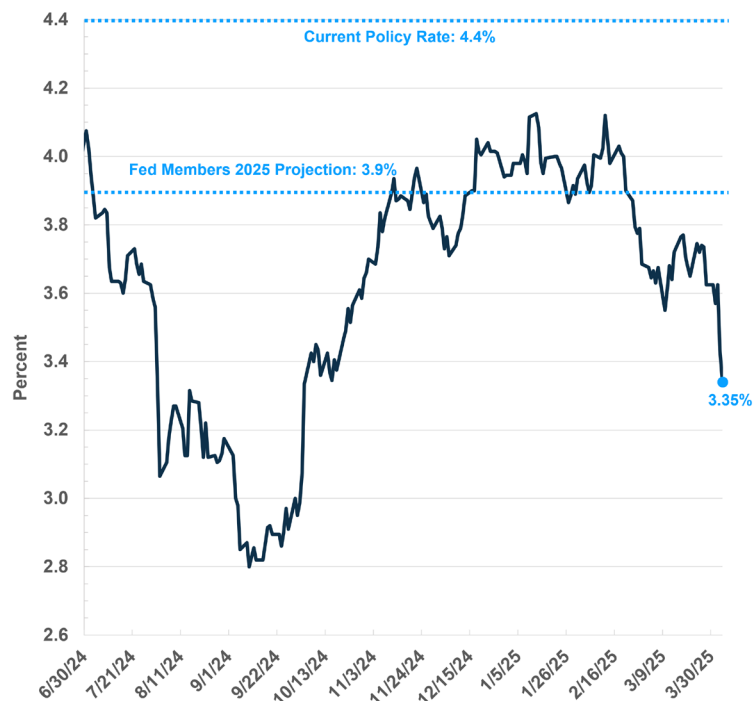
Profit margins, forward earnings expectations, and labor productivity all point to continued robust strength in the economy. Combined with low unemployment and healthy wage growth, the fundamentals of the US economy suggest a strong foundation, however, there exists massive uncertainty about the future impact of policy. Supply chain management, materials costs, labor costs, and eroding investor and consumer sentiment all have the potential to cut the legs out from underneath the economy's solid fundamentals.



Inflation and the Fed

Markets expect the Fed to slash rates by the end of 2025, but the Fed may not be ready to oblige

Implied Fed Policy Rate for December 2025



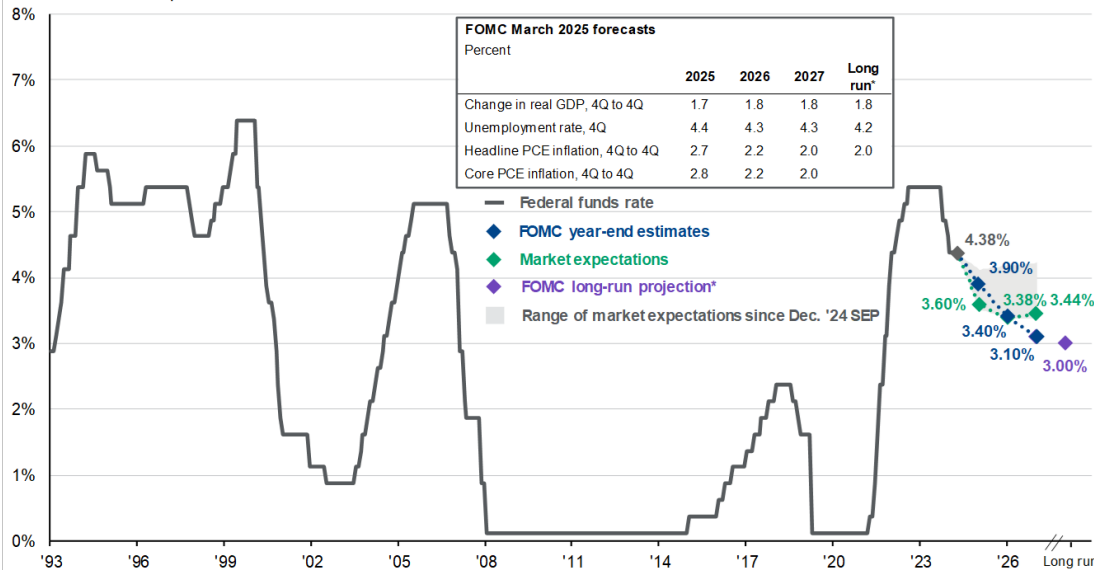
Data source: Carson Investment Research, Bloomberg 04/04/2025

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Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Guide to the Markets – U.S. Data as of March 31, 2025.

Inflation has circled back to the forefront of investor consciousness with the uncertainty surrounding tariff policy impacts to prices. The Fed will now have to balance buoyed inflation with risks of labor market weakness if the US does tip into a recession. Investors are pricing in more rate cuts since the tariff announcements due to both recessionary concerns and the intense market selloff.

The FOMC's long run projection is consistent at 3.00%, with the markets pricing in even higher rates than the FOMC projections well into the future.



Asset Class Returns

2010–2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Sm all Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Sm all Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Sm all Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	Comdty. 8.9%
Sm all Cap 10.3%	EM Equity 17.9%	Sm all Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Sm all Cap 11.5%	DM Equity 7.0%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Sm all Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	EM Equity 3.0%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Sm all Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Fixed Income 2.8%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	Cash 0.1%	Sm all Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	REITs 2.8%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	High Yield 1.8%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	Sm all Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Sm all Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	Cash 1.0%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Asset Alloc. 0.6%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Large Cap -4.3%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	Sm all Cap -9.5%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2024. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.

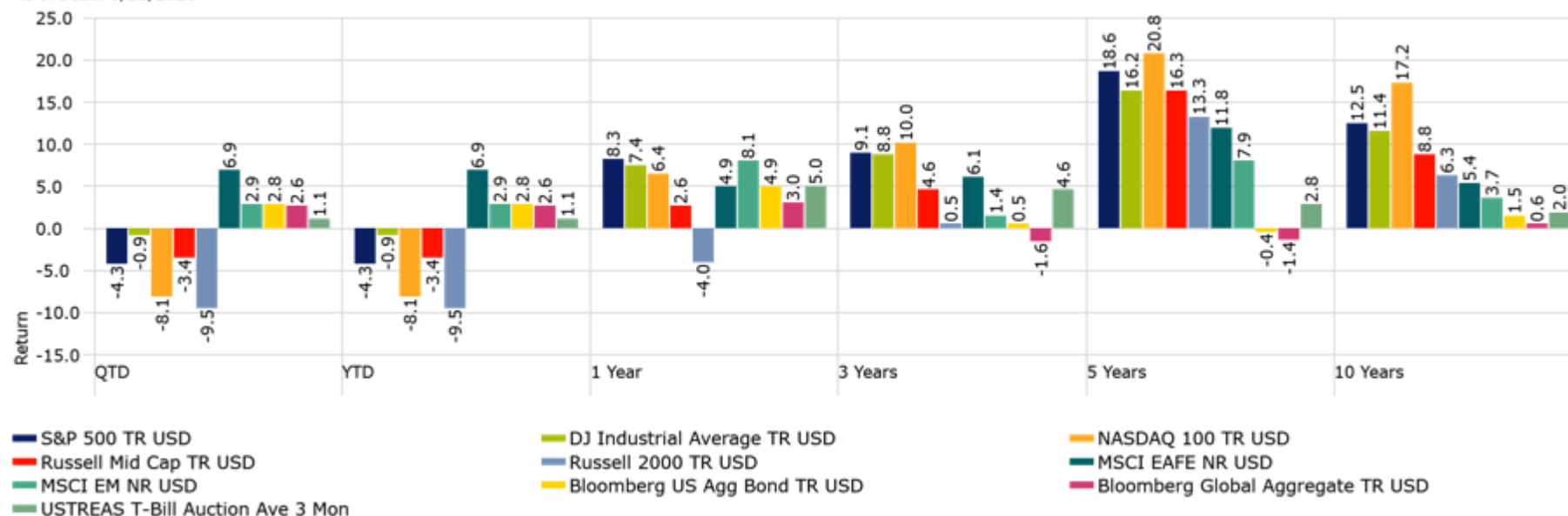
Guide to the Markets – U.S. Data are as of March 31, 2025.



Markets at a Glance

Returns

As of Date: 3/31/2025



As of Date: 3/31/2025 Data Point: Return

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 TR USD	-4.27	-4.27	8.25	9.06	18.59	12.50
DJ Industrial Average TR USD	-0.87	-0.87	7.40	8.75	16.20	11.43
NASDAQ 100 TR USD	-8.07	-8.07	6.44	10.04	20.76	17.24
Russell Mid Cap TR USD	-3.40	-3.40	2.59	4.62	16.28	8.82
Russell 2000 TR USD	-9.48	-9.48	-4.01	0.52	13.27	6.30
MSCI EAFE NR USD	6.86	6.86	4.88	6.05	11.77	5.40
MSCI EM NR USD	2.93	2.93	8.09	1.44	7.94	3.71
Bloomberg US Agg Bond TR USD	2.78	2.78	4.88	0.52	-0.40	1.46
Bloomberg Global Aggregate TR USD	2.64	2.64	3.05	-1.63	-1.38	0.61
USTREAS T-Bill Auction Ave 3 Mon	1.09	1.09	4.99	4.61	2.79	1.97

Source: Morningstar Direct March 31, 2025. Past performance does not guarantee future results. All indexes are unmanaged and cannot be invested into directly. Diversification does not ensure a profit or guarantee against a loss.



Markets at a Glance

U.S. Equities:

US markets started the quarter strong on the back of positive investor sentiment, peaking on February 19th. Markets reversed course over the following 6 weeks due to increased fears of tariffs and significant layoffs to government employees. Investors had to grapple with on-again-off-again tariff announcements, reciprocal tariffs by affected countries, and the negative economic impact those policies have historically had. At its most basic, a tariff is functionally a tax on consumers in order to protect the market share and pricing power of a domestic industry against lower cost foreign competitors. Higher prices lead to inflationary pressure and lower aggregate demand, which results in a deadweight loss to overall economic output. There are applications of tariffs that result in positive desired outcomes for an economy, however their inconsistent application has also led to a spike in market volatility.

International Equities:

Foreign markets have performed well, with both developed and emerging markets posting positive returns in Q1. A weakening dollar helped overshadow lingering geopolitical concerns from 2024. In April market volatility took a decided spike upwards due to the risk of a trade war from initial and reciprocal tariffs. While many trade partners have looked to negotiate with the administration, others like China and the EU have pushed back with reciprocal tariffs of their own. Uncertainty around global supply chains is affecting not only international companies, but US stalwarts like Boeing as well, who source many of their specialty prefabricated components from around the globe.

Fixed Income:

Bond markets started the year on a positive note, as a continued bull market run, stable inflation, and low unemployment made further Fed interest rate cuts likely. Rates have experienced significant volatility during the tariff saga as investors weighed recessionary fears, potential Fed policy, and international demand for debt against each other. Beyond the current market uncertainty, concern over the government's debt servicing obligations have ramped up in recent months. If interest rates remain elevated, the cost of rolling over maturing Treasury obligations will be a major concern for the administration.



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Due to volatility within the markets mentioned, opinions are subject to change without notice. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Past performance does not guarantee future results.

The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return July 2023

MSCI EAFE – Designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

MSCI Emerging Markets – Designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization.

Bloomberg U.S. Aggregate Bond – The Bloomberg US Agg Total Return Value Unhedged, also known as “Bloomberg U.S. Aggregate Bond Index” formerly known as the “Barclays Capital U.S. Aggregate Bond Index”, and prior to that, “Lehman Aggregate Bond Index,” is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Investors cannot invest directly in indices. The performance of any index is not indicative of the performance of any investment and does not consider the effects of inflation and the fees and expenses associated with investing. Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards.

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Summary of Assets

Asset Class	%	12/31/2024	Net Increases/Decreases	3/31/2025	%
US Large Cap	24.8%	\$414,772,198	(\$25,798,453)	\$388,973,745	23.9%
Parnassus Core Equity Institutional	1.7%	\$27,621,969	(\$1,762,249)	\$25,859,720	1.6%
Vanguard Institutional Index Instl PI	7.7%	\$128,698,216	\$2,801,892	\$131,500,108	8.1%
Fidelity Contrafund Commingled PI A	13.7%	\$228,592,606	(\$28,743,175)	\$199,849,431	12.3%
JPMorgan Equity Income R6	1.8%	\$29,859,407	\$1,905,079	\$31,764,486	1.9%
US Mid Cap	2.7%	\$44,979,865	(\$8,531,213)	\$36,448,651	2.2%
Vanguard Extended Market Index Instl	2.7%	\$44,979,865	(\$8,531,213)	\$36,448,651	2.2%
US Small Cap	1.0%	\$15,913,460	(\$1,512,324)	\$14,401,136	0.9%
JPMorgan Small Cap Equity R6	1.0%	\$15,913,460	(\$1,512,324)	\$14,401,136	0.9%
Foreign	3.1%	\$51,852,245	\$4,918,879	\$56,771,124	3.5%
Vanguard Total Intl Stock Index Instl	1.2%	\$19,936,834	\$15,221,612	\$35,158,447	2.2%
Fidelity Overseas K	1.9%	\$31,915,410.96	(\$10,302,734)	\$21,612,677	1.3%
Fixed Income	5.8%	\$97,341,382	\$2,976,351	\$100,317,733	6.2%
Vanguard Total Bond Market Index I	1.3%	\$21,119,182	\$367,022	\$21,486,204	1.3%
Baird Core Plus Bond Inst	2.2%	\$36,415,488	\$1,828,361	\$38,243,849	2.3%
Galliard Stable Value Fund E	2.4%	\$39,806,712	\$780,968	\$40,587,680	2.5%
Specialty Options	12.3%	\$206,273,969	(\$4,176,107)	\$202,097,862	12.4%
Fidelity Inv MM Fds Government Instl	3.7%	\$61,381,165	\$6,955,484	\$68,336,648	4.2%
Self Directed Account	8.7%	\$144,892,804	(\$11,131,591)	\$133,761,213.43	8.2%
Target Date Funds	50.2%	\$839,428,690	(\$8,618,221)	\$830,810,468	51.0%
Vanguard Target Retirement Income Trust Plus	4.2%	\$70,424,958	(\$583,557)	\$69,841,400	4.3%
Vanguard Target Retirement 2020 Trust Plus	4.5%	\$75,627,408	(\$1,399,227)	\$74,228,180	4.6%
Vanguard Target Retirement 2025 Trust Plus	6.6%	\$110,530,285	(\$5,216,818)	\$105,313,467	6.5%
Vanguard Target Retirement 2030 Trust Plus	7.6%	\$126,961,533	(\$2,485,788)	\$124,475,745	7.6%
Vanguard Target Retirement 2035 Trust Plus	8.3%	\$138,005,063	(\$4,099,456)	\$133,905,607	8.2%
Vanguard Target Retirement 2040 Trust Plus	6.9%	\$115,175,161	(\$726,074)	\$114,449,087	7.0%
Vanguard Target Retirement 2045 Trust Plus	4.8%	\$79,385,444	\$1,207,622	\$80,593,067	4.9%
Vanguard Target Retirement 2050 Trust Plus	3.2%	\$54,275,721	\$1,855,023	\$56,130,744	3.4%
Vanguard Target Retirement 2055 Trust Plus	2.3%	\$38,232,126	\$558,885	\$38,791,010	2.4%
Vanguard Target Retirement 2060 Trust Plus	1.3%	\$20,885,234	\$1,375,560	\$22,260,794	1.4%
Vanguard Target Retirement 2065 Trust Plus	0.5%	\$8,206,384	\$523,437	\$8,729,821	0.5%
Vanguard Target Retirement 2070 Trust Plus	0.1%	\$1,719,373	\$372,173	\$2,091,546	0.1%
Total	100%	\$1,670,561,809	-\$40,741,089	\$1,629,820,719	100%

-2.44%

Equity Performance

Watch List Criteria:

1. The fund performs below 50% of its peer group for a three-year period.
2. The fund performs below 50% of its peer group for a five-year period.
3. The fund performs below 50% of its peer group for a ten-year period.
4. Performance below the fund's prospectus benchmark for a three-year period.
5. Performance below the fund's prospectus benchmark for a five-year period.
6. Performance below the fund's prospectus benchmark for a ten-year period.
7. A Morningstar rating of 2 or below
8. A fund may also be placed on the watch List if there are extenuating circumstances.

To be placed on the watch List a fund must trip up at least two of the eight conditions.

To be taken off the watch List a fund must only reflect one watch List Criteria violation.

Removal Criteria:

1. The fund performs below 50% of its peer group for a five-year period.
2. The fund performs below 50% of its peer group for a ten-year period.
3. Performance below the fund's prospectus benchmark for a five-year period.
4. Performance below the fund's prospectus benchmark for a ten-year period.
5. A Morningstar rating of 2 or below

To be considered for replacement a fund must violate all five Removal Criteria.

The benchmark which causes the fund to trip less Investment Policy Criteria is used.

To be taken off the watch List a fund must only reflect one watch List Criteria violation.			Return					Action
	Prospectus Benchmark	MS Rating	QTR	1 Year	3 Years	5 Years	10 Years	
Equity								
Large Growth								
Fidelity Contrafund Commingled PI A	S&P 500 TR USD	5	-4.33	10.03	12.78	19.70	14.39	
+/- Benchmark			-0.06	1.78	3.71	1.11	1.88	
Peer Group Percentile			10	9	2	16	15	
Large Value								
JPMorgan Equity Income R6	Russell 1000 Value TR USD	4	2.82	7.98	6.13	15.50	9.67	W
+/- Benchmark			0.68	0.80	-0.51	-0.65	0.87	
Peer Group Percentile			27	33	70	69	28	
Large Blend								
Parnassus Core Equity Institutional	S&P 500 TR USD	4	-2.40	5.34	7.87	17.18	12.06	W
+/- Benchmark			1.88	-2.91	-1.20	-1.41	-0.44	
Peer Group Percentile			23	63	57	61	23	
Small Blend								
JPMorgan Small Cap Equity R6	Russell 2000 TR USD	2	-6.92	-2.70	1.50	13.21	7.55	W
+/- Benchmark			2.56	1.31	0.98	-0.06	1.25	
Peer Group Percentile			31	38	57	80	23	
Foreign Large Blend								
Fidelity Overseas K	MSCI EAFE (Net MA)	4	6.49	3.86	5.37	11.89	7.19	W
+/- Benchmark			-0.45	-1.28	-0.68	-0.12	1.58	
Peer Group Percentile			11	30	20	12	18	

Fixed Income Performance

Watch List Criteria:

1. The fund performs below 50% of its peer group for a three-year period.
2. The fund performs below 50% of its peer group for a five-year period.
3. The fund performs below 50% of its peer group for a ten-year period.
4. Performance below the fund's prospectus benchmark for a three-year period.
5. Performance below the fund's prospectus benchmark for a five-year period.
6. Performance below the fund's prospectus benchmark for a ten-year period.
7. A Morningstar rating of 2 or below
8. A fund may also be placed on the watch List if there are extenuating circumstances.

To be placed on the watch List a fund must trip up at least two of the eight conditions.

To be taken off the watch List a fund must only reflect one watch List Criteria violation.

Removal Criteria:

1. The fund performs below 50% of its peer group for a five-year period.
2. The fund performs below 50% of its peer group for a ten-year period.
3. Performance below the fund's prospectus benchmark for a five-year period.
4. Performance below the fund's prospectus benchmark for a ten-year period.
5. A Morningstar rating of 2 or below

To be considered for replacement a fund must violate all five Removal Criteria.

The benchmark which causes the fund to trip less Investment Policy Criteria is used.

violation.

			Return					
	Prospectus Benchmark	MS Rating	QTR	1 Year	3 Years	5 Years	10 Years	Action
Fixed Income								
Intermediate-Term Bond								
Baird Core Plus Bond Inst	Bloomberg US Universal TR USD	4	2.60	5.39	1.44	1.07	2.23	
+/- Benchmark			-0.06	0.14	0.43	0.75	0.40	
Peer Group Percentile			59	41	24	41	21	
Stable Value								
Galliard Stable Return Fund E	50% FTSE 3-Mo T-Bill + 50% ICE BofA 1-3Y Trsy	4	0.74	3.08	2.67	2.37	2.13	
+/- Benchmark			-0.60	-2.22	-0.96	0.45	0.43	
Peer Group Percentile								

Sources: JPMorgan, Parnassus, TCW, as of 3/31/2025.

Index Fund Performance

Index	Prospectus Benchmark	MS Rating	Return				
			QTR	1 Year	3 Years	5 Years	10 Years
Large Blend							
Vanguard Institutional Index Instl PI	S&P 500 TR USD	14	-4.28	8.23	9.04	18.57	12.49
+/- Benchmark			0.00	-0.02	-0.02	-0.02	-0.01
Peer Group Percentile			46	19	23	23	8
Mid Blend							
Vanguard Extended Market Index Instl	S&P Completion TR USD	2	-8.93	-0.46	2.69	15.19	7.89
+/- Benchmark			0.02	0.03	0.17	0.14	0.14
Peer Group Percentile			94	46	77	70	59
Foreign Large Blend							
Vanguard Total Intl Stock Index I	FTSE Global All Cap ex US (USA) NR USD	3	5.51	6.38	4.67	11.47	5.24
+/- Benchmark			0.96	0.65	0.46	0.17	0.02
Peer Group Percentile			72	41	69	55	53
Intermediate-Term Bond							
Vanguard Total Bond Market Index I	Bloomberg US Agg Float Adj TR USD	3	2.77	4.88	0.54	-0.40	1.45
+/- Benchmark			0.02	0.02	-0.02	-0.04	-0.04
Peer Group Percentile			35	59	45	69	43

Galliard Stable Value Performance

Investment Strategy

The Fund's underlying fixed income strategy is managed in a conservative style that utilizes a disciplined value investing process to build a high-quality portfolio with broad diversification and an emphasis on risk control. Our core investment philosophy is to build a portfolio of realizable yield through bottom-up, fundamental research, utilizing a team-based approach to portfolio management. Galliard's fixed income portfolios emphasize high quality spread sectors, diversification across sectors and issuers to reduce risk, neutral duration positioning, and a laddered portfolio structure for ample natural liquidity. The majority of the Fund's assets will be invested in fixed income portfolios that are wrapped by stable value contracts which allow fund participants to transact at book value. The Fund will hold cash in order to maintain sufficient liquidity and may also invest in traditional GICs. The Fund utilizes high credit quality stable value contract issuers, with an emphasis on diversification.

Fund Information

Fund Information	Fund
Fund Assets	\$16.84B
Avg Credit Quality (S&P)	AAA
# of Wrap Providers	9
Blended Yield (after fees)	3.01%
Effective Duration	3.02 Yrs
Market-to-Book	96.5%

Expenses

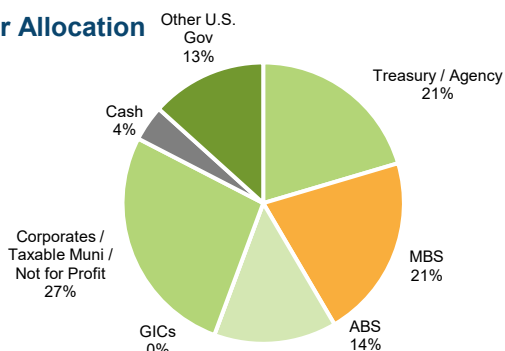
Total Fund Expenses*	0.32%
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*fees as of 3/31/2025

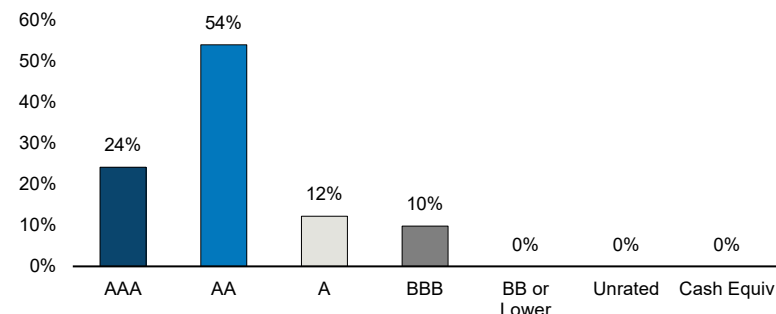
Annualized Performance	1Q25	YTD	1 Year	3 Year	5 Year	10 Year
Galliard Stable Value Fund E (after fees)	0.73%	0.73%	3.05%	2.67%	2.37%	2.13%
Benchmark**	1.35%	1.35%	4.77%	3.63%	1.92%	1.70%
FTSE 3-Month T-Bill	1.10%	1.10%	5.45%	4.42%	2.69%	1.90%

Calendar Year Performance	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Galliard Stable Value Fund E (after fees)	3.05%	2.70%	1.95%	1.80%	2.18%	2.34%	2.06%	1.74%	1.62%	1.50%
Benchmark**	4.77%	4.76%	-1.10%	-0.25%	1.84%	2.90%	1.72%	0.63%	0.58%	0.28%
FTSE 3-Month T-Bill	5.45%	5.26%	1.50%	0.05%	0.58%	2.25%	1.86%	0.84%	0.27%	0.03%
Consumer Price Index	2.89%	3.35%	6.45%	7.04%	1.36%	2.29%	1.67%	2.11%	2.07%	0.73%

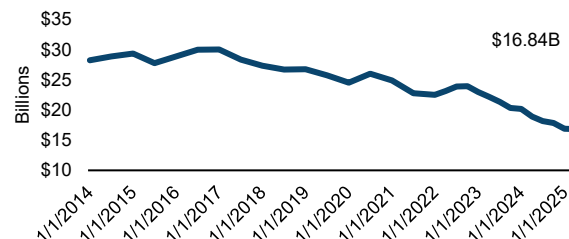
Sector Allocation



Credit Quality



Fund Assets



Issuer	% of Fund	S&P Rating
American General Life Ins. Co.	14.1%	A+
Prudential Ins. Co. of America	13.9%	AA-
Royal Bank of Canada	13.5%	AA-
Metropolitan Tower Life Ins. Co.	12.8%	AA-
Nationwide Life Ins. Co.	9.7%	A+
Pacific Life Ins. Co.	9.7%	AA-
TransAmerica Life Ins. Co.	9.1%	A+
Massachusetts Mutual Life Ins. Co.	8.6%	AA+
State Street Bank and Trust Co.	5.4%	AA-

Source: NWCM, Galliard, as of 3/31/2025

**Benchmark: 50% FTSE 3-Mo T-Bill + 50% ICE BofA 1-3 Yr Tsy Index

Target Date Performance

Portfolio/Benchmark	Q1 2025	YTD	1 year	3 years	5 years	10 years	Since inception	Inception date
Vanguard Target Retirement Income Trust Plus	1.34%	1.34%	5.83%	3.12%	5.17%	4.20%	4.80%	6/22/2007
Target Retirement Income Composite Index	1.21%	1.21%	5.73%	3.18%	5.31%	4.36%	—	—
excess return	0.13%	0.13%	0.10%	-0.06%	-0.14%	-0.16%		
Vanguard Target Retirement 2020 Trust Plus	1.13%	1.13%	6.00%	3.54%	7.45%	5.55%	6.91%	6/22/2007
Target Retirement 2020 Composite Index	0.96%	0.96%	5.89%	3.61%	7.61%	5.73%	—	—
excess return	0.17%	0.17%	0.11%	-0.07%	-0.16%	-0.18%		
Vanguard Target Retirement 2025 Trust Plus	0.68%	0.68%	6.14%	4.16%	8.86%	6.26%	7.65%	6/28/2007
Target Retirement 2025 Composite Index	0.44%	0.44%	6.00%	4.24%	9.04%	6.45%	—	—
excess return	0.24%	0.24%	0.14%	-0.08%	-0.18%	-0.19%		
Vanguard Target Retirement 2030 Trust Plus	0.25%	0.25%	6.11%	4.59%	10.02%	6.80%	8.27%	6/28/2007
Target Retirement 2030 Composite Index	-0.01%	-0.01%	5.97%	4.67%	10.20%	7.00%	—	—
excess return	0.26%	0.26%	0.14%	-0.08%	-0.19%	-0.20%		
Vanguard Target Retirement 2035 Trust Plus	0.05%	0.05%	6.29%	5.06%	11.23%	7.36%	8.90%	6/28/2007
Target Retirement 2035 Composite Index	-0.23%	-0.23%	6.14%	5.11%	11.40%	7.55%	—	—
excess return	0.29%	0.29%	0.15%	-0.06%	-0.17%	-0.19%		
Vanguard Target Retirement 2040 Trust Plus	-0.16%	-0.16%	6.46%	5.51%	12.43%	7.89%	9.42%	6/28/2007
Target Retirement 2040 Composite Index	-0.46%	-0.46%	6.29%	5.54%	12.59%	8.09%	—	—
excess return	0.31%	0.31%	0.18%	-0.03%	-0.17%	-0.20%		
Vanguard Target Retirement 2045 Trust Plus	-0.36%	-0.36%	6.60%	5.93%	13.61%	8.34%	9.76%	6/28/2007
Target Retirement 2045 Composite Index	-0.69%	-0.69%	6.44%	5.97%	13.79%	8.56%	—	—
excess return	0.32%	0.32%	0.15%	-0.03%	-0.18%	-0.21%		
Vanguard Target Retirement 2050 Trust Plus	-0.53%	-0.53%	6.73%	6.28%	13.92%	8.49%	9.87%	6/28/2007
Target Retirement 2050 Composite Index	-0.88%	-0.88%	6.55%	6.30%	14.09%	8.70%	—	—
excess return	0.35%	0.35%	0.18%	-0.02%	-0.18%	-0.22%		
Vanguard Target Retirement 2055 Trust Plus	-0.53%	-0.53%	6.71%	6.28%	13.91%	8.48%	10.01%	10/5/2010
Target Retirement 2055 Composite Index	-0.88%	-0.88%	6.55%	6.30%	14.09%	8.70%	—	—
excess return	0.35%	0.35%	0.16%	-0.02%	-0.19%	-0.23%		
Vanguard Target Retirement 2060 Trust Plus	-0.50%	-0.50%	6.74%	6.29%	13.93%	8.49%	9.43%	3/1/2012
Target Retirement 2060 Composite Index	-0.88%	-0.88%	6.55%	6.30%	14.09%	8.70%	—	—
excess return	0.38%	0.38%	0.19%	-0.01%	-0.17%	-0.21%		
Vanguard Target Retirement 2065 Trust Plus	-0.52%	-0.52%	6.72%	6.29%	13.92%	--	9.47%	7/21/2017
Target Retirement 2065 Composite	-0.88%	-0.88%	6.55%	6.30%	14.09%	8.71%	—	—
excess return	0.36%	0.36%	0.17%	-0.01%	-0.17%			
Vanguard Target Retirement 2070 Trust Plus	-0.49%	-0.49%	6.75%	--	--	--	6.82%	
Target Retirement 2070 Composite Index	-0.88%	-0.88%	6.55%	6.30%	14.09%	8.71%	—	—
excess return	0.39%	0.39%	0.20%					

Sources: Vanguard and Morningstar, as of March 31, 2025.