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***Alabama CollegeCounts 529 Plan***

Supplemental Report

*November 2020*

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***Market Performance***  
***As of September 30, 2020***

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# U.S. Equity Markets (as of 9/30/2020)



| U.S. Equity                                      | MTD (%) | QTD (%) | YTD (%) | 1 Year (%) |
|--|---------|---------|---------|------------|
| Wilshire 5000 Total Market Index <sup>SM</sup>   | -3.75   | 9.14    | 5.54    | 15.12      |
| Standard & Poor's 500                            | -3.80   | 8.93    | 5.57    | 15.15      |
| Wilshire 4500 Completion Index <sup>SM</sup>     | -2.99   | 9.47    | 2.88    | 11.81      |
| U.S. Equity by Size/Style                        | MTD (%) | QTD (%) | YTD (%) | 1 Year (%) |
| Wilshire US Large-Cap Index <sup>SM</sup>        | -3.76   | 9.56    | 7.05    | 16.78      |
| Wilshire US Large-Cap Growth Index <sup>SM</sup> | -4.17   | 13.78   | 20.03   | 33.53      |
| Wilshire US Large-Cap Value Index <sup>SM</sup>  | -2.80   | 4.97    | -5.51   | 1.22       |
| Wilshire US Small-Cap Index <sup>SM</sup>        | -3.69   | 4.04    | -10.34  | -2.26      |
| Wilshire US Small-Cap Growth Index <sup>SM</sup> | -2.93   | 7.07    | -0.06   | 10.02      |
| Wilshire US Small-Cap Value Index <sup>SM</sup>  | -4.33   | 1.04    | -19.70  | 13.24      |
| Wilshire US Micro-Cap Index <sup>SM</sup>        | 0.24    | 3.59    | -11.61  | -4.11      |

## U.S. Equity Markets

- The U.S. stock market, represented by the Wilshire 5000 Index, was up 9.14% for the third quarter of 2020.
- U.S. equities are now up 5.54% for the year.
- Growth stocks significantly outperformed Value stocks again during the quarter.
- Large cap stocks outperformed small cap stocks.
- Most of the sectors performed well during the quarter. The best performing sector for the second straight quarter was Consumer Discretionary (+18.9%). The worst performing sector was Energy (-18.9%), which continue to suffer due to low oil prices.

# Non-U.S. Equity Markets (as of 9/30/2020)



| Non-U.S. Equity                     | USD (%) |       |       |        | Local Currency (%) |      |       |        |
|-------------------------------------|---------|-------|-------|--------|--------------------|------|-------|--------|
|                                     | MTD     | QTD   | YTD   | 1 Year | MTD                | QTD  | YTD   | 1 Year |
| MSCI AC World ex U.S.               | -2.46   | 6.26  | -5.44 | 3.00   | -1.29              | 3.52 | -5.84 | -0.02  |
| MSCI ACWI ex USA Minimum Volatility | -1.36   | 3.54  | -6.02 | -2.46  | -0.62              | 1.24 | -7.10 | -5.35  |
| MSCI EAFE                           | -2.60   | 4.80  | -7.09 | 0.49   | -0.99              | 1.22 | -9.44 | -4.74  |
| MSCI EM (Emerging Markets)          | -1.60   | 9.56  | -1.16 | -10.54 | -1.65              | 8.65 | 2.67  | 12.46  |
| MSCI ACWI ex U.S. Small Cap         | -1.26   | 10.50 | -3.64 | 6.97   | 0.12               | 7.46 | -4.00 | 3.79   |

## International Equity Markets

- Equity markets outside of the U.S. also posted positive returns; however, they underperformed U.S. equity markets.
- Developed non-U.S. markets as measured by the MSCI EAFE Index returned (4.80%) during the quarter, aided by a weaker U.S. dollar.
- The Index is still in negative territory (-7.09%) for the year-to-date period.
- Emerging markets (9.56%) outperformed developed markets (4.80%) for the second quarter in a row, led by the stronger performing Asian markets of China and Taiwan.
- Similar to the U.S., growth stocks have continued to outperformed value stocks over all of the trailing periods.

# Fixed Income Markets (as of 9/30/2020)



| U.S. Fixed Income                            | MTD (%) | QTD (%) | YTD (%) | 1 Year (%) |
|--|---------|---------|---------|------------|
| Bloomberg Barclays U.S. Aggregate            | -0.05   | 0.62    | 6.79    | 6.98       |
| Barclays Long Term Treasury                  | 0.38    | 0.12    | 21.35   | 16.34      |
| Barclays U.S. TIPS                           | -0.37   | 3.03    | 9.22    | 10.08      |
| Barclays U.S. Credit                         | -0.27   | 1.50    | 6.39    | 7.50       |
| Barclays U.S. Corporate High Yield           | -1.03   | 4.60    | 0.62    | 3.25       |
| Global Fixed Income                          | MTD (%) | QTD (%) | YTD (%) | 1 Year (%) |
| Bloomberg Barclays Global Aggregate          | -0.36   | 2.66    | 5.72    | 6.24       |
| Bloomberg Barclays Global Aggregate (Hedged) | 0.37    | 0.73    | 4.65    | 4.14       |
| Bloomberg Barclays EM LC Gov't Unvrsl        | -0.09   | 2.12    | 1.05    | 4.58       |
| Bloomberg Barclays EM LC Gov't Unvrsl (Hdg)  | -0.04   | -0.50   | 3.08    | 3.82       |

## Fixed Income Markets

- Fixed Income markets posted modestly positive returns during the quarter, with the Bloomberg Barclays U.S. Aggregate Index returning 0.62%.
- Rates were little changed during the quarter, with the 10-year Treasury yield up just three basis points from June.
- Credit spreads continued to tighten during the quarter, as evidenced by the stronger returns within the high yield market.
- On the international side, the unhedged indexes notably outperformed due to the weakening U.S. dollar.

## Other Markets (as of 9/30/2020)



| Real Estate / Commodity            | MTD (%) | QTD (%) | YTD (%) | 1 Year (%) |
|------------------------------------|---------|---------|---------|------------|
| Wilshire US RESI <sup>SM</sup>     | -3.36   | 1.25    | -16.86  | -17.75     |
| Wilshire Global RESI <sup>SM</sup> | -3.29   | 1.31    | -19.25  | -18.32     |
| Bloomberg Commodity Index          | -3.35   | 9.07    | -12.08  | -8.20      |
| S&P GSCI Commodity                 | -3.00   | 1.58    | -18.08  | -13.89     |
| Alerian MLP Index                  | -10.50  | -9.40   | -36.21  | -34.82     |

### Real Estate and Commodity Markets

- Real estate securities were up modestly during the third quarter in both the U.S. and abroad.
- Sector performance was mixed, with industrial properties performing well and retail holdings lagging.
- Commodity results were mostly positive for the quarter as crude oil was up 2.4% to \$40.22 per barrel. Natural gas prices were up 44.3%, ending the quarter at \$2.53 per million BTUs.
- Midstream Energy posted negative performance during quarter. Finally, gold prices were up 4.8%, the eighth straight positive quarter, and finished at approximately \$1,888 per troy ounce.

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***Updated Performance***  
***As of October 31, 2020***

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# Markets (as of 10/31/2020)



| U.S. Equity                                    | MTD (%) | YTD (%) |
|--|---------|---------|
| Wilshire 5000 Total Market Index <sup>SM</sup> | -2.20   | 3.22    |
| U.S. Equity by Size/Style                      | MTD (%) | YTD (%) |
| Russell 1000 Index                             | -2.41   | 3.83    |
| Russell 1000 Growth Index                      | -3.40   | 20.11   |
| Russell 1000 Value Index                       | -1.31   | -12.74  |
| Russell 2000 Index                             | 2.09    | -6.77   |
| Russell 2000 Growth Index                      | 0.76    | 4.67    |
| Russell 2000 Value Index                       | 3.58    | -18.74  |
| Non-U.S. Equity                                | MTD (%) | YTD (%) |
| MSCI EAFE Index                                | -3.99   | -10.80  |
| MSCI Emerging Markets Index                    | 2.06    | 0.87    |
| U.S. Fixed Income                              | MTD (%) | YTD (%) |
| Bloomberg Barclays U.S. Aggregate              | -0.45   | 6.32    |
| Barclays U.S. Corporate High Yield             | 0.51    | 1.13    |

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***Plan Performance Summary***  
***As of September 30<sup>th</sup>, 2020***

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# Direct Plan – Target Portfolios



## Target Portfolios

The corresponding Age-Based portfolios are shown below

| Report as of: September 30, 2020                 | Conservative | Moderate | Aggressive | Month        | QTD           | YTD          | 1 Year       | 3 Year       | 5 Year       | Since Inception |
|--|--------------|----------|------------|--------------|---------------|--------------|--------------|--------------|--------------|-----------------|
| CollegeCounts Target Fund Fixed Income Portfolio | 19+          |          |            | 0.02%        | 0.41%         | 2.76%        | 3.28%        | 2.82%        | 2.13%        | 1.74%           |
| Target Fund Fixed Income Blended Benchmark       |              |          |            | -0.03%       | 0.45%         | 2.74%        | 3.28%        | 2.75%        | 2.13%        | 1.77%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.05%</b> | <b>-0.04%</b> | <b>0.02%</b> | <b>0.01%</b> | <b>0.07%</b> | <b>0.00%</b> | <b>-0.03%</b>   |
| CollegeCounts Target Fund Fixed Income Composite |              |          |            | 0.00%        | 0.43%         | 2.73%        | 3.20%        | 2.80%        | 2.20%        | 1.81%           |
| CollegeCounts Fund 10 Portfolio                  | 17-18        | 19+      |            | -0.24%       | 1.30%         | 4.39%        | 5.62%        | 4.30%        | n/a          | 3.71%           |
| Fund 10 Blended Benchmark                        |              |          |            | -0.36%       | 1.34%         | 4.13%        | 5.39%        | 4.19%        | n/a          | 3.63%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.12%</b> | <b>-0.03%</b> | <b>0.26%</b> | <b>0.22%</b> | <b>0.11%</b> | <b>n/a</b>   | <b>0.08%</b>    |
| CollegeCounts Fund 10 Composite                  |              |          |            | -0.30%       | 1.31%         | 4.14%        | 5.32%        | 4.22%        | n/a          | 3.64%           |
| CollegeCounts Target Fund 20 Portfolio           | 15-16        | 17-18    | 19+        | -0.62%       | 1.98%         | 4.89%        | 6.76%        | 5.23%        | 4.90%        | 4.64%           |
| Target Fund 20 Blended Benchmark                 |              |          |            | -0.68%       | 2.03%         | 4.47%        | 6.41%        | 5.07%        | 4.90%        | 4.70%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.06%</b> | <b>-0.05%</b> | <b>0.42%</b> | <b>0.35%</b> | <b>0.17%</b> | <b>0.00%</b> | <b>-0.07%</b>   |
| CollegeCounts Target Fund 20 Composite           |              |          |            | -0.60%       | 2.00%         | 4.51%        | 6.36%        | 5.09%        | 4.88%        | 4.65%           |
| CollegeCounts Fund 30 Portfolio                  | 13-14        | 15-16    | 17-18      | -0.86%       | 2.82%         | 5.24%        | 7.97%        | 5.94%        | n/a          | 5.70%           |
| Fund 30 Blended Benchmark                        |              |          |            | -0.99%       | 2.88%         | 4.60%        | 7.44%        | 5.71%        | n/a          | 5.56%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.13%</b> | <b>-0.06%</b> | <b>0.64%</b> | <b>0.53%</b> | <b>0.23%</b> | <b>n/a</b>   | <b>0.13%</b>    |
| CollegeCounts Fund 30 Composite                  |              |          |            | -0.89%       | 2.84%         | 4.66%        | 7.41%        | 5.72%        | n/a          | 5.53%           |
| CollegeCounts Target Fund 40 Portfolio           | 11-12        | 13-14    | 15-16      | -1.20%       | 3.52%         | 5.24%        | 8.87%        | 6.50%        | 6.90%        | 6.55%           |
| Target Fund 40 Blended Benchmark                 |              |          |            | -1.28%       | 3.62%         | 4.42%        | 8.12%        | 6.20%        | 6.83%        | 6.63%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.09%</b> | <b>-0.10%</b> | <b>0.82%</b> | <b>0.75%</b> | <b>0.30%</b> | <b>0.07%</b> | <b>-0.09%</b>   |
| CollegeCounts Target Fund 40 Composite           |              |          |            | -1.18%       | 3.57%         | 4.51%        | 8.13%        | 6.23%        | 6.81%        | 6.53%           |
| CollegeCounts Fund 50 Portfolio                  | 9-10         | 11-12    | 13-14      | -1.41%       | 4.35%         | 4.98%        | 9.50%        | 6.94%        | n/a          | 7.35%           |
| Fund 50 Blended Benchmark                        |              |          |            | -1.59%       | 4.36%         | 4.22%        | 8.77%        | 6.73%        | n/a          | 7.23%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.18%</b> | <b>-0.01%</b> | <b>0.76%</b> | <b>0.74%</b> | <b>0.21%</b> | <b>n/a</b>   | <b>0.12%</b>    |
| CollegeCounts Fund 50 Composite                  |              |          |            | -1.48%       | 4.30%         | 4.33%        | 8.81%        | 6.75%        | n/a          | 7.21%           |
| CollegeCounts Target Fund 60 Portfolio           | 6-8          | 9-10     | 11-12      | -1.76%       | 4.86%         | 4.12%        | 9.40%        | 7.04%        | 8.23%        | 7.82%           |
| Target Fund 60 Blended Benchmark                 |              |          |            | -1.88%       | 4.96%         | 3.26%        | 8.51%        | 6.74%        | 8.14%        | 7.92%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.12%</b> | <b>-0.10%</b> | <b>0.86%</b> | <b>0.89%</b> | <b>0.30%</b> | <b>0.08%</b> | <b>-0.10%</b>   |
| CollegeCounts Target Fund 60 Composite           |              |          |            | -1.76%       | 4.90%         | 3.40%        | 8.60%        | 6.81%        | 8.15%        | 7.80%           |

# Direct Plan – Target Portfolios



## Target Portfolios

The corresponding Age-Based portfolios are shown below

| Report as of: September 30, 2020        | Conservative | Moderate | Aggressive | Month        | QTD           | YTD          | 1 Year       | 3 Year       | 5 Year       | Since Inception |
|---|--------------|----------|------------|--------------|---------------|--------------|--------------|--------------|--------------|-----------------|
| CollegeCounts Fund 70 Portfolio         | 3-5          | 6-8      | 9-10       | -2.01%       | 5.52%         | 3.15%        | 9.11%        | 7.05%        | n/a          | 8.23%           |
| Fund 70 Blended Benchmark               |              |          |            | -2.17%       | 5.56%         | 2.28%        | 8.20%        | 6.80%        | n/a          | 8.05%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.16%</b> | <b>-0.04%</b> | <b>0.87%</b> | <b>0.91%</b> | <b>0.25%</b> | <b>n/a</b>   | <b>0.18%</b>    |
| CollegeCounts Fund 70 Composite         |              |          |            | -2.07%       | 5.65%         | 2.72%        | 8.63%        | 6.99%        | n/a          | 8.12%           |
| CollegeCounts Target Fund 80 Portfolio  | 0-2          | 3-5      | 6-8        | -2.37%       | 6.47%         | 2.69%        | 9.67%        | 7.45%        | 9.60%        | 9.12%           |
| Target Fund 80 Blended Benchmark        |              |          |            | -2.49%       | 6.50%         | 2.16%        | 9.16%        | 7.28%        | 9.57%        | 9.32%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.12%</b> | <b>-0.03%</b> | <b>0.53%</b> | <b>0.50%</b> | <b>0.16%</b> | <b>0.03%</b> | <b>-0.20%</b>   |
| CollegeCounts Target Fund 80 Composite  |              |          |            | -2.39%       | 6.53%         | 2.51%        | 9.50%        | 7.42%        | 8.97%        | 9.10%           |
| CollegeCounts Fund 90 Portfolio         |              | 0-2      | 3-5        | -2.66%       | 7.07%         | 1.75%        | 9.42%        | 7.46%        | n/a          | 9.50%           |
| Fund 90 Blended Benchmark               |              |          |            | -2.79%       | 7.17%         | 1.30%        | 9.05%        | 7.35%        | n/a          | 9.44%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.13%</b> | <b>-0.09%</b> | <b>0.46%</b> | <b>0.37%</b> | <b>0.11%</b> | <b>n/a</b>   | <b>0.06%</b>    |
| CollegeCounts Fund 90 Composite         |              |          |            | -2.67%       | 7.13%         | 1.58%        | 9.33%        | 7.46%        | n/a          | 9.48%           |
| CollegeCounts Target Fund 100 Portfolio |              |          | 0-2        | -2.88%       | 7.61%         | 0.37%        | 8.79%        | 7.24%        | 10.46%       | 10.14%          |
| Target Fund 100 Blended Benchmark       |              |          |            | -3.04%       | 7.69%         | 0.01%        | 8.39%        | 7.05%        | 10.37%       | 10.36%          |
| <b>Excess Return</b>                    |              |          |            | <b>0.17%</b> | <b>-0.08%</b> | <b>0.36%</b> | <b>0.40%</b> | <b>0.19%</b> | <b>0.09%</b> | <b>-0.22%</b>   |
| CollegeCounts Target Fund 100 Composite |              |          |            | -2.90%       | 7.59%         | 0.25%        | 8.62%        | 7.19%        | 10.42%       | 10.17%          |

# Advisor Plan – Target Portfolios



## Target Portfolios

The corresponding Age-Based portfolios are shown below

| Report as of: September 30, 2020                 |              |          |            | Month        | QTD          | YTD          | 1 Year       | 3 Year       | 5 Year       | Since Inception |
|--|--------------|----------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
|  | Conservative | Moderate | Aggressive |              |              |              |              |              |              |                 |
| CollegeCounts Target Fund Fixed Income Portfolio | 19+          |          |            | 0.04%        | 0.64%        | 2.39%        | 2.86%        | 2.53%        | 2.05%        | 1.73%           |
| Target Fund Fixed Income Blended Benchmark       |              |          |            | -0.03%       | 0.41%        | 2.06%        | 2.58%        | 2.45%        | 1.76%        | 1.48%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.07%</b> | <b>0.23%</b> | <b>0.33%</b> | <b>0.28%</b> | <b>0.08%</b> | <b>0.28%</b> | <b>0.25%</b>    |
| CollegeCounts Target Fund Fixed Income Composite |              |          |            | 0.02%        | 0.63%        | 2.31%        | 2.81%        | 2.48%        | 2.06%        | 1.72%           |
| CollegeCounts Fund 10 Portfolio                  | 17-18        | 19+      |            | -0.31%       | 1.72%        | 3.40%        | 4.85%        | 3.78%        | n/a          | 3.74%           |
| Fund 10 Blended Benchmark                        |              |          |            | -0.42%       | 1.51%        | 3.07%        | 4.45%        | 3.76%        | n/a          | 3.40%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.11%</b> | <b>0.20%</b> | <b>0.33%</b> | <b>0.40%</b> | <b>0.02%</b> | <b>n/a</b>   | <b>0.35%</b>    |
| CollegeCounts Fund 10 Composite                  |              |          |            | -0.33%       | 1.65%        | 2.99%        | 4.40%        | 3.56%        | n/a          | 3.53%           |
| CollegeCounts Target Fund 20 Portfolio           | 15-16        | 17-18    | 19+        | -0.62%       | 2.53%        | 3.52%        | 5.71%        | 4.43%        | 4.86%        | 4.61%           |
| Target Fund 20 Blended Benchmark                 |              |          |            | -0.75%       | 2.05%        | 2.61%        | 4.66%        | 4.24%        | 4.36%        | 4.28%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.12%</b> | <b>0.48%</b> | <b>0.91%</b> | <b>1.04%</b> | <b>0.19%</b> | <b>0.50%</b> | <b>0.33%</b>    |
| CollegeCounts Target Fund 20 Composite           |              |          |            | -0.63%       | 2.31%        | 2.49%        | 4.66%        | 4.10%        | 4.64%        | 4.42%           |
| CollegeCounts Fund 30 Portfolio                  | 13-14        | 15-16    | 17-18      | -0.87%       | 3.33%        | 3.55%        | 6.65%        | 4.86%        | n/a          | 5.48%           |
| Fund 30 Blended Benchmark                        |              |          |            | -1.06%       | 2.98%        | 2.75%        | 5.69%        | 4.75%        | n/a          | 4.96%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.19%</b> | <b>0.35%</b> | <b>0.80%</b> | <b>0.96%</b> | <b>0.11%</b> | <b>n/a</b>   | <b>0.52%</b>    |
| CollegeCounts Fund 30 Composite                  |              |          |            | -0.91%       | 3.19%        | 2.46%        | 5.52%        | 4.53%        | n/a          | 5.21%           |
| CollegeCounts Target Fund 40 Portfolio           | 11-12        | 13-14    | 15-16      | -1.21%       | 4.00%        | 2.99%        | 6.91%        | 5.24%        | 6.45%        | 6.14%           |
| Target Fund 40 Blended Benchmark                 |              |          |            | -1.36%       | 3.19%        | 1.78%        | 5.34%        | 5.01%        | 6.00%        | 5.98%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.16%</b> | <b>0.81%</b> | <b>1.21%</b> | <b>1.57%</b> | <b>0.23%</b> | <b>0.44%</b> | <b>0.16%</b>    |
| CollegeCounts Target Fund 40 Composite           |              |          |            | -1.22%       | 3.62%        | 1.48%        | 5.29%        | 4.76%        | 6.14%        | 5.97%           |
| CollegeCounts Fund 50 Portfolio                  | 9-10         | 11-12    | 13-14      | -1.50%       | 4.50%        | 2.63%        | 7.36%        | 5.65%        | n/a          | 6.93%           |
| Fund 50 Blended Benchmark                        |              |          |            | -1.69%       | 4.27%        | 1.84%        | 6.28%        | 5.56%        | n/a          | 6.43%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.20%</b> | <b>0.24%</b> | <b>0.79%</b> | <b>1.07%</b> | <b>0.09%</b> | <b>n/a</b>   | <b>0.50%</b>    |
| CollegeCounts Fund 50 Composite                  |              |          |            | -1.50%       | 4.47%        | 1.53%        | 6.20%        | 5.26%        | n/a          | 6.65%           |
| CollegeCounts Target Fund 60 Portfolio           | 6-8          | 9-10     | 11-12      | -1.72%       | 5.24%        | 1.60%        | 7.11%        | 5.45%        | 7.48%        | 7.28%           |
| Target Fund 60 Blended Benchmark                 |              |          |            | -1.92%       | 4.21%        | 0.03%        | 5.16%        | 5.17%        | 7.14%        | 7.17%           |
| <b>Excess Return</b>                             |              |          |            | <b>0.20%</b> | <b>1.04%</b> | <b>1.57%</b> | <b>1.95%</b> | <b>0.28%</b> | <b>0.34%</b> | <b>0.11%</b>    |
| CollegeCounts Target Fund 60 Composite           |              |          |            | -1.75%       | 4.67%        | -0.31%       | 5.09%        | 4.84%        | 7.10%        | 7.08%           |

# Advisor Plan – Target Portfolios



## Target Portfolios

The corresponding Age-Based portfolios are shown below

| Report as of: September 30, 2020        | Conservative | Moderate | Aggressive | Month        | QTD          | YTD          | 1 Year       | 3 Year        | 5 Year       | Since Inception |
|---|--------------|----------|------------|--------------|--------------|--------------|--------------|---------------|--------------|-----------------|
| CollegeCounts Fund 70 Portfolio         | 3-5          | 6-8      | 9-10       | -1.99%       | 5.77%        | 0.69%        | 6.87%        | 5.44%         | n/a          | 7.42%           |
| Fund 70 Blended Benchmark               |              |          |            | -2.17%       | 5.26%        | 0.06%        | 5.86%        | 5.44%         | n/a          | 7.07%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.18%</b> | <b>0.51%</b> | <b>0.64%</b> | <b>1.01%</b> | <b>-0.01%</b> | <b>n/a</b>   | <b>0.35%</b>    |
| CollegeCounts Fund 70 Composite         |              |          |            | -2.00%       | 5.71%        | -0.34%       | 5.82%        | 5.07%         | n/a          | 7.14%           |
| CollegeCounts Target Fund 80 Portfolio  | 0-2          | 3-5      | 6-8        | -2.32%       | 6.54%        | 0.21%        | 7.33%        | 5.77%         | 8.65%        | 8.49%           |
| Target Fund 80 Blended Benchmark        |              |          |            | -2.51%       | 5.99%        | -0.39%       | 6.40%        | 5.81%         | 8.62%        | 8.51%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.20%</b> | <b>0.55%</b> | <b>0.60%</b> | <b>0.93%</b> | <b>-0.04%</b> | <b>0.03%</b> | <b>-0.02%</b>   |
| CollegeCounts Target Fund 80 Composite  |              |          |            | -2.31%       | 6.29%        | -0.80%       | 6.28%        | 5.42%         | 8.41%        | 8.34%           |
| CollegeCounts Fund 90 Portfolio         |              | 0-2      | 3-5        | -2.54%       | 6.99%        | -0.56%       | 7.34%        | 5.92%         | n/a          | 8.64%           |
| Fund 90 Blended Benchmark               |              |          |            | -2.76%       | 6.28%        | -0.97%       | 6.31%        | 5.96%         | n/a          | 8.29%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.23%</b> | <b>0.72%</b> | <b>0.41%</b> | <b>1.02%</b> | <b>-0.04%</b> | <b>n/a</b>   | <b>0.35%</b>    |
| CollegeCounts Fund 90 Composite         |              |          |            | -2.60%       | 6.94%        | -1.14%       | 6.56%        | 5.67%         | n/a          | 8.33%           |
| CollegeCounts Target Fund 100 Portfolio |              |          | 0-2        | -2.82%       | 7.55%        | -1.79%       | 6.81%        | 5.72%         | 9.41%        | 9.52%           |
| Target Fund 100 Blended Benchmark       |              |          |            | -3.04%       | 6.07%        | -3.46%       | 4.61%        | 5.19%         | 8.34%        | 8.41%           |
| <b>Excess Return</b>                    |              |          |            | <b>0.23%</b> | <b>1.49%</b> | <b>1.68%</b> | <b>2.20%</b> | <b>0.53%</b>  | <b>1.08%</b> | <b>1.11%</b>    |
| CollegeCounts Target Fund 100 Composite |              |          |            | -2.80%       | 6.91%        | -3.02%       | 5.46%        | 5.00%         | 8.17%        | 8.33%           |

- **Target portfolios for both Plans posted favorable absolute returns**
  - More aggressive (equity heavy) portfolios had stronger returns
  - Direct portfolios performed in-line with their benchmarks and the Advisor portfolios slightly outperformed
- **Traditional fixed income managers performed well**
  - PIMCO, Fidelity, and PGIM all outperformed their respective benchmarks
  - Templeton International Bond significantly underperformed
- **Active U.S. growth managers underperformed during the quarter**
  - The T. Rowe Price Large-Cap Growth, Vanguard Explorer, and T. Rowe Price QM Small Cap Growth strategies underperformed their respective benchmarks
- **Mixed results from active international equity managers**
  - Dodge & Cox International underperformed – weighed down by value bias
  - Neuberger Berman International outperformed – aided by more of a growth bias

### ■ Outperformers:

- **Neuberger Berman International (Outperformed by 4.35%)**
  - Strong stock selection in the UK and within the Industrials and Health Care sectors
  - Overweight allocation to the Industrials sector
- **Principal Global Real Estate Fund (Outperformed by 2.49%)**
  - Strong selection in the U.S. and Hong Kong, underweight traditional Office REITs
- **PGIM Total Return Bond Fund (Outperformed by 1.28%)**
  - Security selection and overweight to high yield and CMBS sectors

### ■ Underperformers:

- **Templeton International Bond (Underperformed by 5.09%)**
  - Currency positioning detracted – short positions in Euro, Sterling & long select EM
  - Allocation to negative yielding European bonds
- **Dodge & Cox International Stock (Underperformed by 4.28%)**
  - Overweight allocations to Financials and Energy
  - Weak stock selection within Financials (European banks)
- **Vanguard Explorer (Underperformed by 2.65%)**
  - Weak stock selection within Health Care and Industrials
  - Wellington & ArrowMark have been the underperforming managers