

February 17, 2021



**CollegeCounts, Alabama 529  
Savings Program  
Executive Summary  
Fourth Quarter 2020**

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# Market Environment

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## Fourth Quarter Market Environment

### *Global Economy*

#### **U.S.**

- 2Q GDP -31.4%, largest decline on record; 3Q gain of 33%, solid growth of 3% estimated for 4Q
- Retail sales, durable goods, and personal spending rebounded in 2Q and 3Q, but growth slowed in August and September as stimulus waned.
- Unemployment dropped to 6.7% in November from 14.7% April peak.
  - Jobless claims decelerated to less than 1 million per week but are still elevated relative to prior recession peaks.
- Housing benefiting from relatively low mortgage rates
- Fed left rates close to 0% and expects to be on hold until at least 2023.

#### **Global**

- Euro zone 1Q GDP contracted 3.7% (-14% annualized), followed by 11.7% drop (-39.2% annualized) in 2Q, largest Q drop on record; 12.5% jump (60% annualized!) in 3Q
- U.K. GDP sank 18.8% in 2Q (-57% annualized)—most ever, rebounded 16% (81% annualized) in 3Q
- Japan's economy shrank 8.3% (-29% annualized) in 2Q; third straight quarterly drop, dating back to 2019; 5.3% growth (22.9% annualized) in 3Q
- China's GDP fell 10% (-34% annualized) in 1Q, but rebounded 11.7% (56% annualized) in 2Q and is up 2.7% (11.3% annualized) in 3Q; only country expected to grow in 2020

### *Fixed Income*

- US Treasury yields rose modestly
  - Ten-year UST yield closed quarter at 0.93%
  - Spreads continued to tighten; corporates outperformed
  - TIPS outperformed Treasuries for the quarter and the year
  - Mortgage rates hit all-time lows at 2.7%; housing a bright spot
- Real yields range from paltry to negative
  - Aggregate yield to worst: 1.1%; Corporate yield to worst: 1.7%; Municipal yield to worst: 1.1%
  - Core CPI: 1.7%
  - Absolute yield for high yield corporates at all-time low: 4.2%
- Stimulus continued
  - Fed balance sheet increased by more than \$3 T in 2020; approaching \$8 T
  - Asset purchases continue at \$120 billion / month
  - Fiscal package expected in 2021
- Munis
  - Strong 4Q performance; underperformed UST for 2020

- States did better than expected; tax revenues down modestly
- Demand robust; tax-exempt muni supply muted
- Outlook for higher taxes

— Corporates

- Record supply for investment grade
- High yield defaults ticked up to 6.2% but expected to level off

### Global Fixed Income

Rates were mixed during the quarter, but the U.S. dollar weakened

- Depreciated 4% vs a basket of developed market currencies
- Down roughly 7% for the year
- Vs euro: -4% for the quarter; -9% for the year
- Vs yen: -2% for the quarter; -5% for the year
- Vs pound: -6% for the quarter, -3% for the year
- EM currencies rallied broadly during the quarter; mixed for year

Emerging market debt posted strong returns in the risk-on environment

### U.S. Equity

S&P 500 Index hit a record high going into year-end

- Since market low in March, the S&P 500 is up over 70%, with all sectors posting increases greater than 40%
- 4Q winner, Energy, remains down 34% for the year
- Technology was the top 2020 sector with a 44% gain
- Apple, Microsoft, Amazon, Facebook, Alphabet made up 22% of the S&P 500 Index at year-end, and for 2020, accounted for 12.1% of the 18.4% Index return
- Laggards for the quarter and the year were Utilities and Real Estate

Value outperformed growth across cap spectrum in Q4 but trails by a significant margin for the full year

- Small cap value (RU2V: +33.4%) was the best-performing style group for the quarter; up only 4.6% for year
- Small cap outperformed large for the quarter but about even for year

### Global Equity

Prospects of global economic recovery fueled double-digit returns broadly across developed and emerging markets

- Reflation trade helped Energy (+22%), Materials (+20%) and Financials (+25%)
- But Tech was also up sharply (+25%)
- Value outperformed Growth in EM and Developed
- Double-digit returns were broad-based across developed market countries

Emerging markets outperformed developed markets

- Latin America posted the strongest gain (+35%) but is down 14% for the year
- China (+11%) was the laggard among the BRICs
  - Brazil: +37%; Russia: +22%; India +21%

U.S. dollar depreciated

- Down 4% vs a basket of developed market currencies

***Liquid Real Assets***

Real assets posted strong returns in 4Q though most indices remain in the red for the full year.

- Oil prices continued to recover from the spring plunge; Brent Crude closed the year at over \$50, a sharp increase from the \$20 level hit in April.
- The Bloomberg Commodity Index gained 10.2% and the more energy-heavy S&P GSCI Index rose 14.5%.
- REITs also did well during the quarter but fell over the year (FTSE Nareit: +11.6%; -8.0%).
- TIPS (Bloomberg Barclays TIPS: +1.6%; +11.0%) outperformed nominal Treasuries for the quarter and the year.

# Capital Markets Preview

**U.S. EQUITY**

**Record highs in 2020**

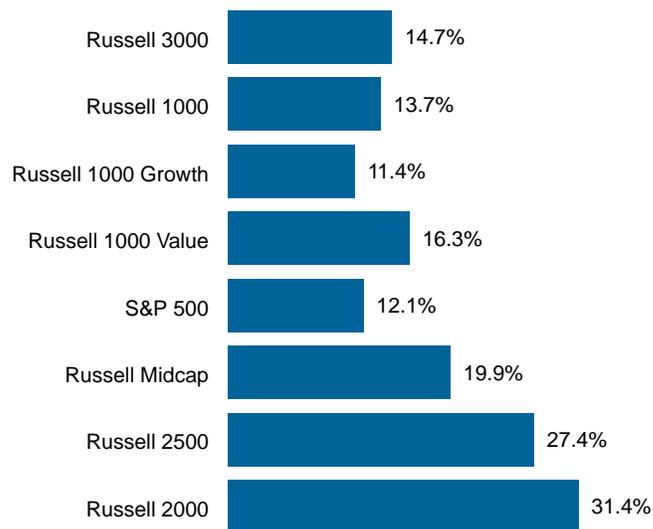
The S&P 500 Index hit a record high in 4Q20. The Index was up 12.1% for the quarter, bringing the 2020 gain to 18.4%.

- Since its March low, the S&P is up over 70%, with all sectors posting increases greater than 40%.
- 4Q winner: Energy (+28%), but down 34% for the year
- Top 2020 sector: Technology with 44% gain (+12% in 4Q)
- Pandemic has cast a pall over certain sectors while rewarding others: online retail soared 69% in 2020, while hotels/cruise lines, airlines, and retail REITs dropped ~30%.
- Apple, Microsoft, Amazon, Facebook, and Alphabet made up 22% of S&P 500 market cap at year-end, and for 2020, accounted for 12.1% of 18.4% Index return.

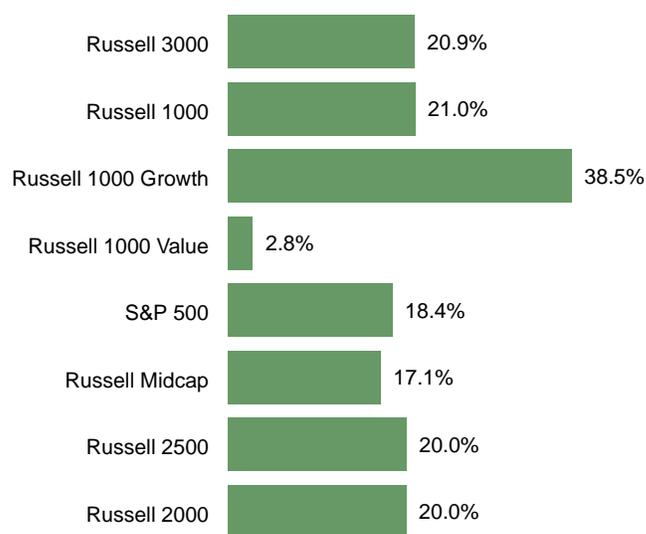
**Anti-momentum rally**

- In 4Q, value outperformed growth across the cap spectrum driven by vaccine progress, political clarity, and further stimulus. For the year, however, value trails growth by a significant margin due to Tech's outperformance.
- Fueled by the prospect of an economic recovery, small cap outperformed large in 4Q but was even on the year. Small value was the best performer for the quarter, but 2020 gain is a mere 4.6%.
- 4Q experienced a shift in YTD 2020 trends, attributed to expectations of broader economic recovery from the vaccine roll-out and the presidential election outcome.
- Cyclical sectors such as Energy, Financials, Industrials, and Materials outperformed during the quarter.
- Although stocks with the highest P/E's significantly outperformed for the year, the trend shifted after the vaccine announcement and stocks with zero earnings estimates or P/E's less than 10 shot up.

**U.S. Equity: Quarterly Returns**

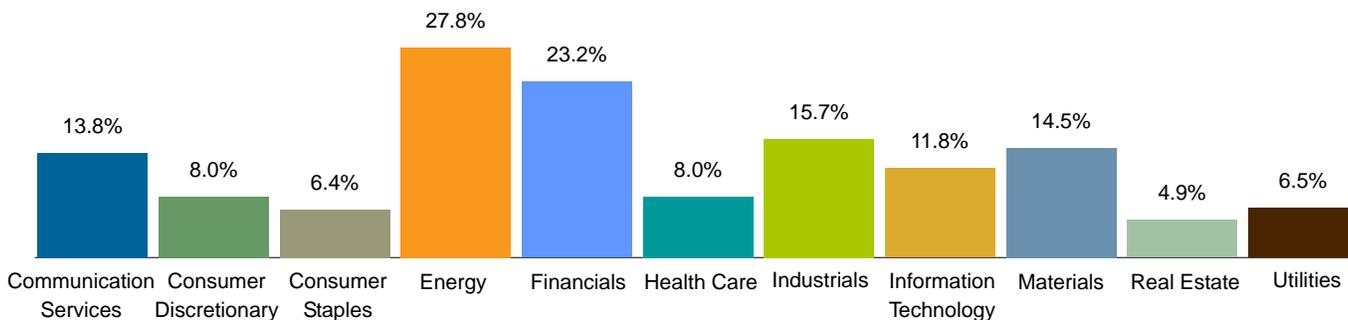


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, S&P Dow Jones Indices

**S&P Sector Returns, Quarter Ended December 31, 2020**



Source: S&P Dow Jones Indices

**GLOBAL/GLOBAL EX-U.S. EQUITY**

**Vaccine rollouts extend and expand risk-on rally**

- Prospects of global economic recovery propelled by COVID-19 vaccination fueled double-digit returns broadly across developed and emerging markets.
- Expectations of reverting back to normal economic activity by late 2021 enabled risk assets to thrive.
- Emerging markets outperformed developed markets, led by Latam—specifically Brazil.
- Small cap outperformed large as business confidence improved with news of vaccination.

**Market rotates to cyclicals**

- Positive outlook on reflation trade stoked Energy, Materials, and Financials to drive the market.
- Beta and volatility led factor performance due to market rotation.

**U.S. dollar vs. other currencies**

- U.S. dollar continued to lose ground as appetite for risk increased with the expectation that a path to global economic recovery is on the horizon.

**Growth vs. value**

- Value topped growth as sentiment shifted to cyclical sectors.

**4Q20 belonged to value; does it have staying power?**

- COVID-19 benefited value as the quarter brought news of successful vaccines.
- Financials, Travel, and Energy rebounded
- MSCI World Growth (+12.4%) trailed MSCI World Value (+15.2%) over the three-month period.
- Even with this divergence of style in 4Q20, growth still outpaced value globally by over 35% for the full year.

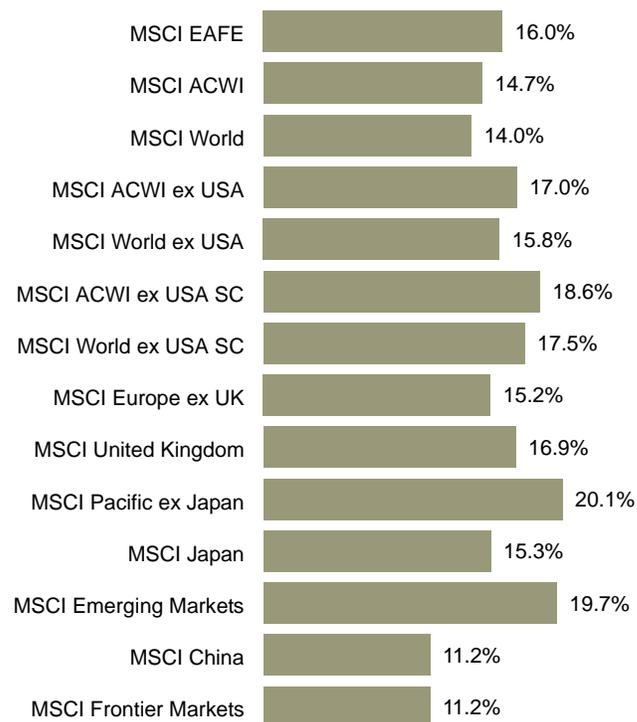
**Potential tailwinds for value**

- Higher interest rates on the heels of potentially higher inflation with government stimulus and businesses reopening
- Continued rebound of discretionary spending in areas neglected in 2020 as markets reopen: lodging, travel

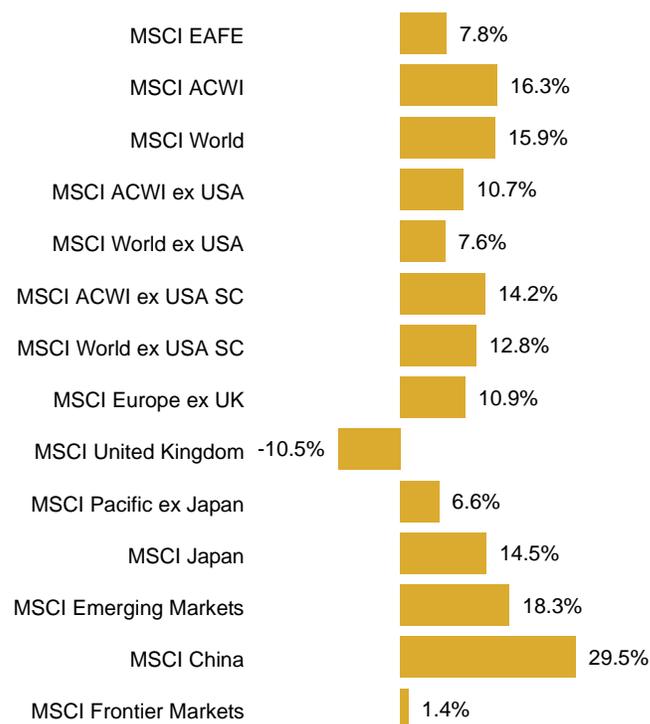
**The good news**

- Recent dollar weakness supports emerging markets.
- Could continue in 2021—wider U.S. fiscal deficit plus stronger emerging market currencies on the heels of higher growth

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

**Treasury yields rose**

- The 10-year U.S. Treasury yield closed 4Q20 at 0.93%, up 24 bps from 3Q20 but off from the year-end level of 1.92%.
- TIPS outperformed nominal U.S. Treasuries as 10-year breakeven spreads widened from 163 bps to 199 bps.
- No rate hikes are expected until at least 2023.

**Bloomberg Barclays Aggregate gained slightly**

- Corporate credit outperformed treasuries as investors continued to hunt for yield.
- Corporate credit ended the year up 9.9% despite record issuance in 2020.

**High yield bonds gained on the quarter as rally extended**

- High yield bonds outperformed IG in 4Q, returning 6.5%, but trailed IG for the year.
- Leveraged loans gained 3.8% as demand remained strong to finish the year.

**Munis boosted by favorable supply/demand dynamics**

- Municipals outperformed Treasuries for the quarter, but remained down for the year.
- Tax-exempt issuance was muted amid strong demand.
- Lower quality outperformed for the quarter; however, higher quality outperformed for the year.

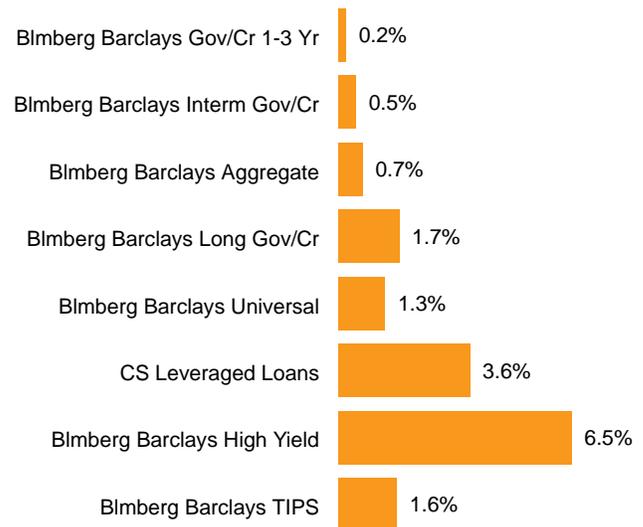
**U.S. credit attractive to non-U.S. investors**

- Central banks globally are adopting a “lower for longer” mindset toward rates.
- 89% of positive yields globally are in the U.S., spurring demand for U.S. corporate credit.
- Lower LIBOR rates have decreased currency hedging costs; combined with a steep Treasury curve, that makes U.S. credit attractive to non-U.S. investors.

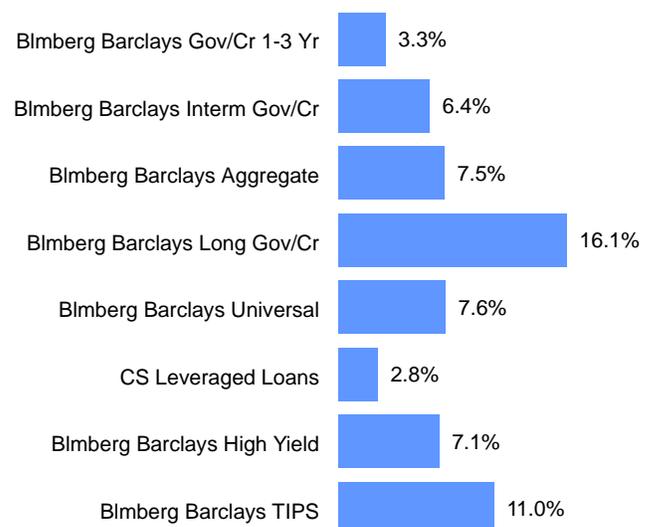
**Implications of U.S. rates rising in 4Q**

- U.S. Treasury rates rose in 4Q, most notably in the intermediate and long portions of the yield curve.
- As Democrats won both seats in the Georgia run-off, greater fiscal stimulus is likely. This may lead to further steepening of the yield curve and increased inflation expectations.
- A rising rate environment opens opportunities for floating-rate securities like leveraged loans, and makes securities with shorter durations such as securitized credit more attractive.

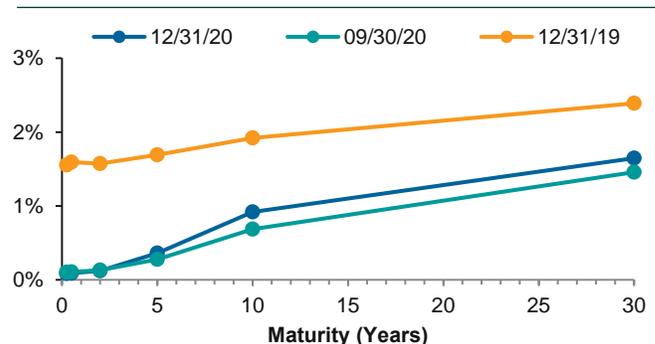
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

**GLOBAL FIXED INCOME**

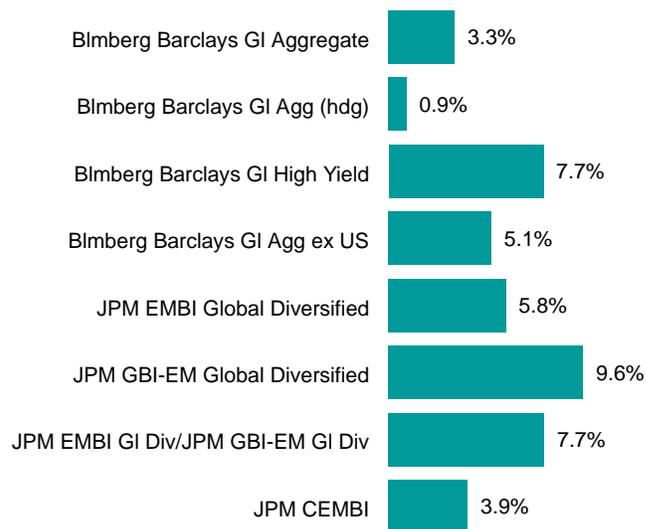
**Global fixed income rose amid monetary backdrop**

- Low rates and asset purchase programs continued to prop up the global bond market.
- Broad-based U.S. dollar weakness resulting from continued confidence in risk assets dampened hedged returns as the USD lost 4.27% versus the euro, 5.43% versus the British pound, and 2.02% versus the yen.

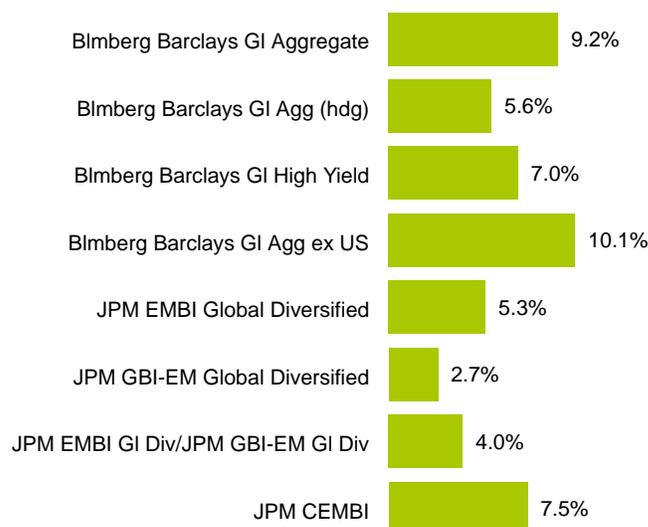
**Emerging market debt ended the year positive**

- Emerging market debt indices gained in 4Q20, finishing the year in positive territory amid a global search for yield and renewed growth expectations.
- U.S. dollar-denominated index (EMBI Global Diversified) underperformed local currency emerging market debt as U.S. rates rose; returns were mixed across the 70+ constituents.
- Local currency index (GBI-EM Global Diversified) was up significantly, with broad-based gains across constituents.

**Global Fixed Income: Quarterly Returns**



**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**3Q20 to 4Q20**



Sources: Bloomberg, Bloomberg Barclays, JP Morgan

## **Range of Mutual Fund Returns**

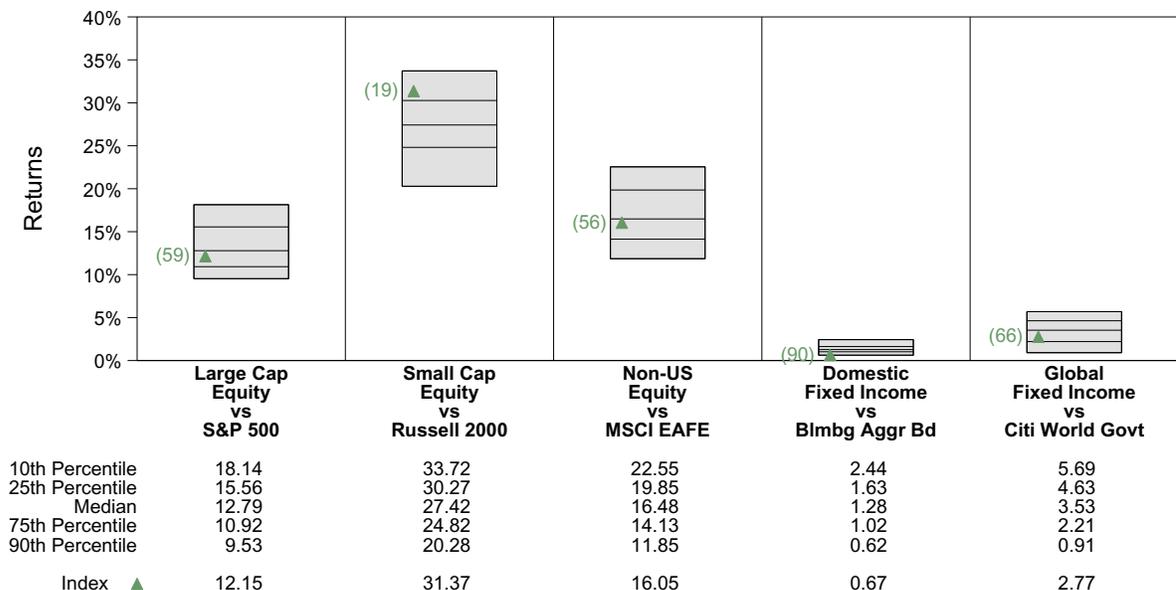
## Market Overview

### Active Management vs Index Returns

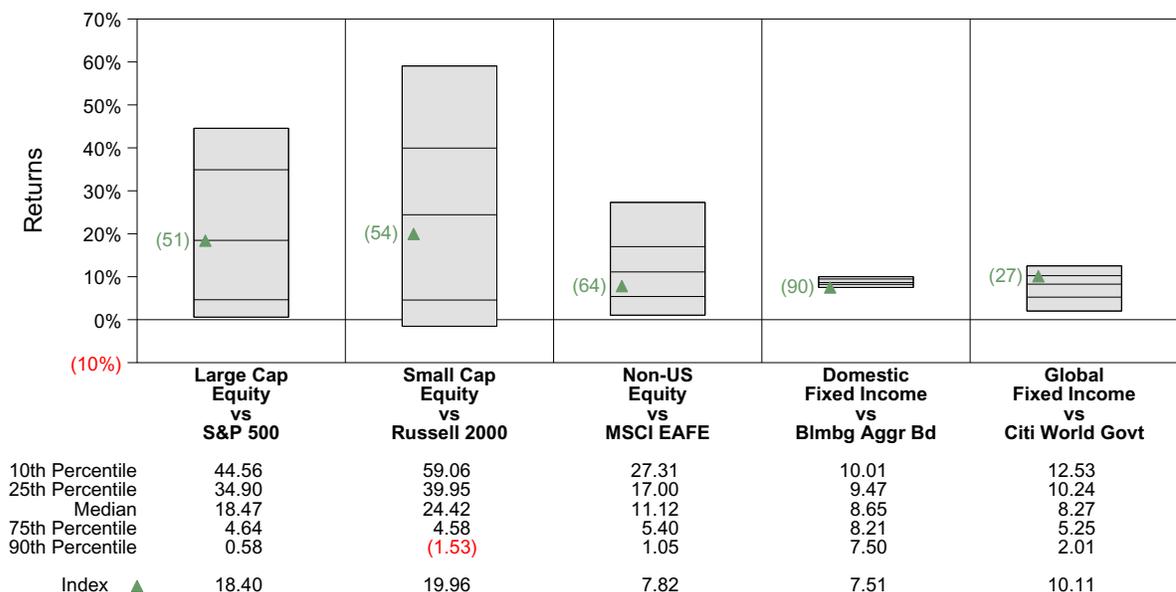
#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the Large Cap Equity manager database.

#### Range of Mutual Fund Returns by Asset Class One Quarter Ended December 31, 2020



#### Range of Mutual Fund Returns by Asset Class One Year Ended December 31, 2020

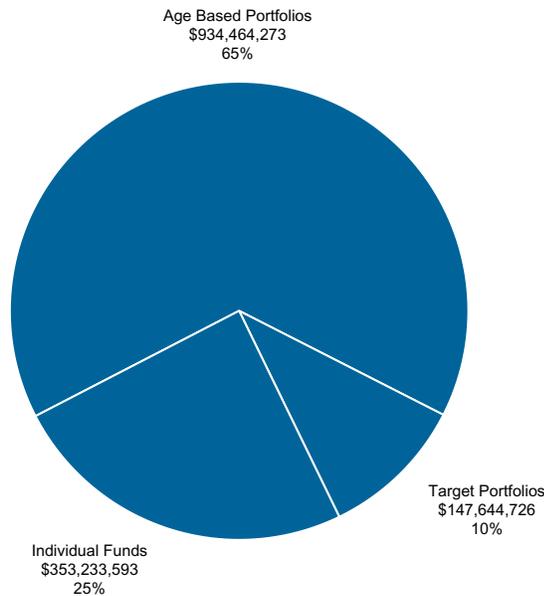


## **Advisor Plan Performance**

## Changes in Investment Fund Balances Period Ended December 31, 2020

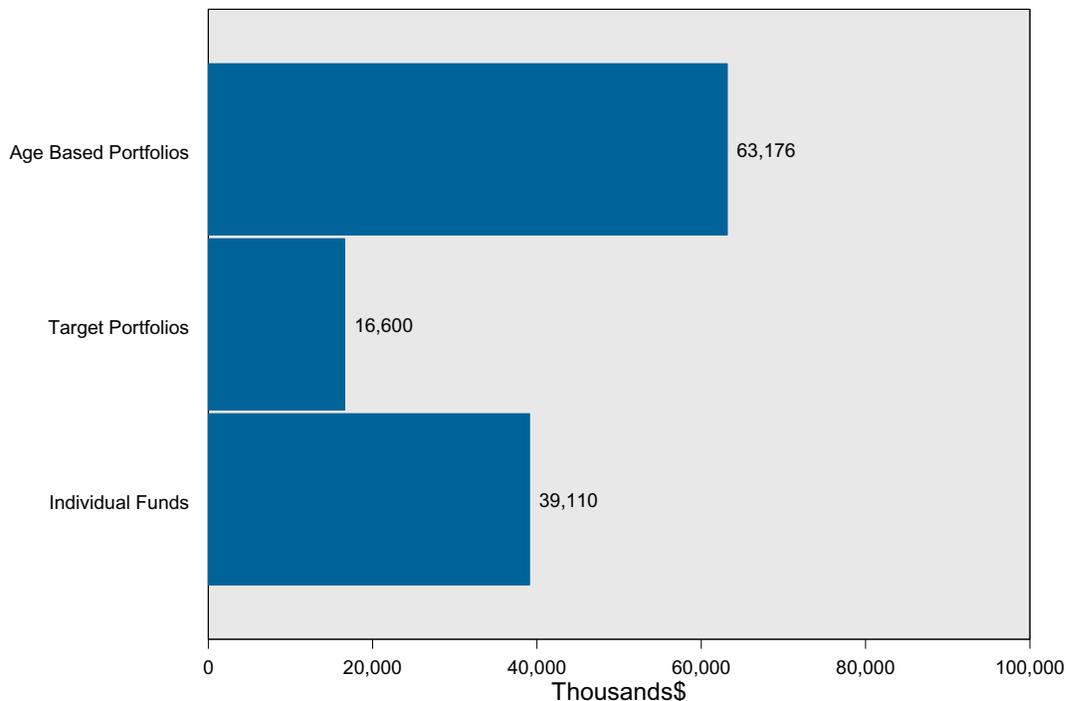
### Allocation Across Investment Options

The chart below illustrates the allocation of the aggregate fund assets across the various investment options for the quarter ended December 31, 2020.



### Changes in Fund Values

The chart below shows the net change in fund values across the various investment options for the quarter ended December 31, 2020. The change in value for each fund is the result of a combination of 3 factors: 1) market movements; 2) contributions or disbursements into or out of the funds by the participants (and any matching done by the company); and 3) transfers between funds by the participants.



## Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2020 with that of September 30, 2020. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Funds

	December 31, 2020			September 30, 2020		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Age Based Portfolios</b>	<b>\$934,464,273</b>	<b>65.10%</b>	<b>\$1,990,037</b>	<b>\$61,186,336</b>	<b>\$871,287,900</b>	<b>66.18%</b>
<b>Aggressive</b>	<b>\$498,586,819</b>	<b>34.74%</b>	<b>\$846,102</b>	<b>\$37,199,749</b>	<b>\$460,540,968</b>	<b>34.98%</b>
0-2 years (Fund 100)	10,367,663	0.72%	(164,027)	1,418,793	9,112,897	0.69%
3-5 years (Fund 90)	28,378,777	1.98%	(131,433)	3,584,037	24,926,173	1.89%
6-8 years (Fund 80)	47,271,665	3.29%	1,638,758	5,467,157	40,165,750	3.05%
9-10 years (Fund 70)	35,277,607	2.46%	(454,993)	3,671,800	32,060,800	2.44%
11-12 years (Fund 60)	46,239,646	3.22%	(1,281,211)	4,274,239	43,246,618	3.29%
13-14 years (Fund 50)	68,015,597	4.74%	(1,357,302)	5,415,012	63,957,887	4.86%
15-16 years (Fund 40)	89,143,766	6.21%	(2,929,847)	5,793,782	86,279,831	6.55%
17-18 years (Fund 30)	92,444,310	6.44%	2,425,559	4,719,146	85,299,605	6.48%
19+ years (Fund 20)	81,447,788	5.67%	3,100,598	2,855,783	75,491,407	5.73%
<b>Moderate</b>	<b>\$397,381,357</b>	<b>27.69%</b>	<b>\$897,380</b>	<b>\$22,880,606</b>	<b>\$373,603,371</b>	<b>28.38%</b>
0-2 years (Fund 90)	6,096,194	0.42%	(107,819)	773,371	5,430,642	0.41%
3-5 years (Fund 80)	16,081,047	1.12%	(174,757)	1,900,056	14,355,748	1.09%
6-8 years (Fund 70)	32,363,052	2.25%	474,698	3,309,136	28,579,218	2.17%
9-10 years (Fund 60)	29,869,812	2.08%	(593,837)	2,785,922	27,677,727	2.10%
11-12 years (Fund 50)	38,302,126	2.67%	(528,888)	3,080,960	35,750,054	2.72%
13-14 years (Fund 40)	48,185,301	3.36%	187,045	3,097,448	44,900,808	3.41%
15-16 years (Fund 30)	64,992,611	4.53%	(5,012,491)	3,477,763	66,527,339	5.05%
17-18 years (Fund 20)	78,387,929	5.46%	4,639,445	2,666,967	71,081,517	5.40%
19+ years (Fund 10)	83,103,285	5.79%	2,013,984	1,788,983	79,300,318	6.02%
<b>Conservative</b>	<b>\$38,496,097</b>	<b>2.68%</b>	<b>\$246,555</b>	<b>\$1,105,981</b>	<b>\$37,143,561</b>	<b>2.82%</b>
0-2 years (Fund 80)	222,346	0.02%	(1,434)	26,298	197,482	0.02%
3-5 years (Fund 70)	799,745	0.06%	(10,198)	82,976	726,967	0.06%
6-8 years (Fund 60)	968,937	0.07%	(255,544)	101,328	1,123,153	0.09%
9-10 years (Fund 50)	1,936,384	0.13%	395,456	150,172	1,390,756	0.11%
11-12 years (Fund 40)	1,743,017	0.12%	(29,527)	111,615	1,660,929	0.13%
13-14 years (Fund 30)	3,017,898	0.21%	(426,234)	162,845	3,281,287	0.25%
15-16 years (Fund 20)	4,981,434	0.35%	(633,186)	187,640	5,426,980	0.41%
17-18 years (Fund 10)	10,192,693	0.71%	791,709	220,534	9,180,450	0.70%
19+ years (F.I.)	14,633,643	1.02%	415,513	62,573	14,155,557	1.08%
<b>Target Portfolios</b>	<b>\$147,644,726</b>	<b>10.29%</b>	<b>\$(350,309)</b>	<b>\$16,950,143</b>	<b>\$131,044,892</b>	<b>9.95%</b>
Target Fund 100 Portfolio	67,272,562	4.69%	(740,321)	9,411,651	58,601,232	4.45%
Target Fund 80 Portfolio	40,070,222	2.79%	1,007,939	4,622,139	34,440,144	2.62%
Target Fund 60 Portfolio	22,620,636	1.58%	(365,881)	2,112,878	20,873,639	1.59%
Target Fund 40 Portfolio	9,738,211	0.68%	(226,541)	693,279	9,271,473	0.70%
Target Fund 20 Portfolio	4,152,277	0.29%	(123,616)	94,089	4,181,804	0.32%
Target Fund Fixed Income Portfolio	3,790,818	0.26%	98,111	16,107	3,676,600	0.28%

Market values provided by Union Bank & Trust.

## Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2020 with that of September 30, 2020. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Funds

Individual Funds	December 31, 2020			September 30, 2020		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Individual Funds</b>	<b>\$353,233,593</b>	<b>24.61%</b>	<b>\$1,393,191</b>	<b>\$37,716,457</b>	<b>\$314,123,945</b>	<b>23.86%</b>
<b>Money Market</b>	<b>\$27,787,216</b>	<b>1.94%</b>	<b>\$1,083,368</b>	<b>\$42</b>	<b>\$26,703,806</b>	<b>2.03%</b>
State Street US Govt MM	27,787,216	1.94%	1,083,368	42	26,703,806	2.03%
<b>Fixed Income</b>	<b>\$45,788,426</b>	<b>3.19%</b>	<b>\$318,572</b>	<b>\$471,525</b>	<b>\$44,998,329</b>	<b>3.42%</b>
PIMCO Short-Term	13,265,315	0.92%	(291,789)	29,452	13,527,653	1.03%
Amer Cent Short Dur Infl Prot Bond	3,629,400	0.25%	106,286	47,464	3,475,650	0.26%
Fidelity Investment Grade Bond	5,194,158	0.36%	173,604	57,351	4,963,203	0.38%
Northern Funds Bond Index	14,716,736	1.03%	(224,540)	71,822	14,869,454	1.13%
Touchstone High Yield	2,775,206	0.19%	740	160,680	2,613,786	0.20%
Templeton International Bond	1,239,678	0.09%	41,283	108	1,198,287	0.09%
PGIM Total Return Bond	4,967,933	0.35%	512,988	104,648	4,350,297	0.33%
<b>Balanced</b>	<b>\$55,209,732</b>	<b>3.85%</b>	<b>\$(660,449)</b>	<b>\$4,929,529</b>	<b>\$50,940,652</b>	<b>3.87%</b>
T. Rowe Price Balanced	55,209,732	3.85%	(660,449)	4,929,529	50,940,652	3.87%
<b>Domestic Equity</b>	<b>\$182,716,646</b>	<b>12.73%</b>	<b>\$464,830</b>	<b>\$26,787,794</b>	<b>\$155,464,022</b>	<b>11.81%</b>
T. Rowe Large Cap Growth	52,562,835	3.66%	999,942	5,959,592	45,603,301	3.46%
Northern Stock Index	42,597,984	2.97%	(121,027)	4,572,438	38,146,574	2.90%
DFA US Large Cap Value	32,412,210	2.26%	(189,046)	5,041,964	27,559,292	2.09%
Northern Mid-Cap Index	28,087,429	1.96%	(26,444)	5,449,695	22,664,179	1.72%
T. Rowe Price QM Small Cap Growth	8,707,764	0.61%	(11,347)	1,588,099	7,131,012	0.54%
Northern Small Cap Index	8,850,342	0.62%	(5,985)	2,096,600	6,759,727	0.51%
William Blair Small Cap Value	9,498,081	0.66%	(181,263)	2,079,406	7,599,938	0.58%
<b>International Equity</b>	<b>\$35,994,516</b>	<b>2.51%</b>	<b>\$(78,279)</b>	<b>\$5,139,055</b>	<b>\$30,933,740</b>	<b>2.35%</b>
Northern Int'l Equity Index	11,031,547	0.77%	(52,618)	1,517,489	9,566,675	0.73%
Neuberger Berman Int'l Lrg Cp	12,490,625	0.87%	102,287	1,380,840	11,007,497	0.84%
DFA Int'l Small Company	3,233,987	0.23%	10,482	485,194	2,738,311	0.21%
Vanguard Emerging Markets Select Stock	9,238,358	0.64%	(138,430)	1,755,531	7,621,257	0.58%
<b>Real Estate</b>	<b>\$4,014,128</b>	<b>0.28%</b>	<b>\$(101,911)</b>	<b>\$326,446</b>	<b>\$3,789,593</b>	<b>0.29%</b>
Principal Global Real Estate	643,951	0.04%	59,688	61,691	522,572	0.04%
DFA Real Estate	3,370,177	0.23%	(161,599)	264,755	3,267,021	0.25%
<b>Commodities</b>	<b>\$778,948</b>	<b>0.05%</b>	<b>\$50,386</b>	<b>\$62,065</b>	<b>\$666,497</b>	<b>0.05%</b>
Credit Suisse Commodities	778,948	0.05%	50,386	62,065	666,497	0.05%
<b>Bank Savings</b>	<b>\$943,980</b>	<b>0.07%</b>	<b>\$316,674</b>	<b>\$(0)</b>	<b>\$627,306</b>	<b>0.05%</b>
Bank Savings 529 Portfolio	943,980	0.07%	316,674	(0)	627,306	0.05%
<b>Total Plan</b>	<b>\$1,435,342,592</b>	<b>100.0%</b>	<b>\$3,032,919</b>	<b>\$115,852,936</b>	<b>\$1,316,456,737</b>	<b>100.0%</b>

Market values provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Target Portfolios</b>										
<b>Target Fund 100</b>										
Target Fund 100 Portfolio	16.16%	5	13.72%	51	8.71%	50	11.25%	22	8.40%	38
Target Fund 100 Blended Benchmark	16.20%	5	14.16%	46	9.56%	30	11.93%	13	9.04%	15
MS 529 Static Alloc 70-85	12.67%		13.73%		8.74%		10.52%		8.06%	
Aggressive Age Based 0-2 yrs (Fd 100)	16.16%	6	13.72%	55	8.71%	57	-		-	
Target Fund 100 Blended Benchmark	16.20%	6	14.16%	47	9.56%	30	11.93%	16	9.04%	17
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 90</b>										
Aggressive Age Based 3-5 yrs (Fd 90)	14.64%	5	13.64%	61	8.62%	50	-		-	
Target Fund 90 Blended Benchmark	15.02%	4	13.77%	58	9.16%	29	11.24%	14	8.55%	23
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	
Moderate Age Based 0-2 yrs (Fd 90)	14.64%	28	13.64%	56	8.62%	61	-		-	
Target Fund 90 Blended Benchmark	15.02%	21	13.77%	53	9.16%	43	11.24%	28	8.55%	37
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 80</b>										
Target Fund 80 Portfolio	13.40%	36	13.28%	57	8.25%	60	10.17%	62	7.54%	69
Target Fund 80 Blended Benchmark	13.25%	39	13.38%	56	8.88%	47	10.58%	48	8.01%	54
MS 529 Static Alloc 70-85	12.67%		13.73%		8.74%		10.52%		8.06%	
Aggressive Age Based 6-8 yrs (Fd 80)	13.40%	13	13.28%	42	8.25%	47	-		-	
Target Fund 80 Blended Benchmark	13.25%	17	13.38%	38	8.88%	29	10.58%	21	8.01%	23
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
Moderate Age Based 3-5 yrs (Fd 80)	13.40%	20	13.28%	65	8.25%	65	-		-	
Target Fund 80 Blended Benchmark	13.25%	21	13.38%	64	8.88%	41	10.58%	26	8.01%	39
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	
Conserv. Age Based 0-2 yrs (Fd 80)	13.40%	49	13.28%	69	8.25%	75	-		-	
Target Fund 80 Blended Benchmark	13.25%	52	13.38%	64	8.88%	50	10.58%	52	8.01%	54
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 70</b>										
Aggressive Age Based 9-10 yrs (Fd 70)	11.64%	15	12.06%	50	7.58%	55	-		-	
Target Fund 70 Blended Benchmark	12.16%	6	12.12%	48	8.29%	32	9.73%	12	7.56%	20
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
Moderate Age Based 6-8 yrs (Fd 70)	11.64%	43	12.06%	67	7.58%	74	-		-	
Target Fund 70 Blended Benchmark	12.16%	30	12.12%	66	8.29%	46	9.73%	47	7.56%	42
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
Conserv. Age Based 3-5 yrs (Fd 70)	11.64%	54	12.06%	84	7.58%	88	-		-	
Target Fund 70 Blended Benchmark	12.16%	42	12.12%	82	8.29%	64	9.73%	52	7.56%	55
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps).  
Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Target Fund 60</b>										
Target Fund 60 Portfolio	10.23%	41	11.64%	65	7.31%	65	8.59%	66	6.40%	71
Target Fund 60 Blended Benchmark	10.14%	42	12.24%	56	8.05%	53	9.04%	54	6.90%	58
MS 529 Static Alloc 50-70	9.80%		12.85%		8.15%		9.17%		7.07%	
Aggressive Age Based 11-12 yrs (Fd 60)	10.23%	8	11.64%	36	7.31%	47	-	-	-	-
Target Fund 60 Blended Benchmark	10.14%	10	12.24%	28	8.05%	27	9.04%	23	6.90%	25
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
Moderate Age Based 9-10 yrs (Fd 60)	10.23%	35	11.64%	57	7.31%	63	-	-	-	-
Target Fund 60 Blended Benchmark	10.14%	37	12.24%	46	8.05%	40	9.04%	37	6.90%	41
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
Conserv. Age Based 6-8 yrs (Fd 60)	10.23%	65	11.64%	76	7.31%	80	-	-	-	-
Target Fund 60 Blended Benchmark	10.14%	66	12.24%	64	8.05%	54	9.04%	66	6.90%	74
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
<b>Target Fund 50</b>										
Aggressive Age Based 13-14 yrs (Fd 50)	8.64%	17	11.15%	32	7.13%	34	-	-	-	-
Target Fund 50 Blended Benchmark	9.01%	12	11.51%	26	7.76%	22	8.54%	14	6.65%	14
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	
Moderate Age Based 11-12 yrs (Fd 50)	8.64%	37	11.15%	48	7.13%	51	-	-	-	-
Target Fund 50 Blended Benchmark	9.01%	28	11.51%	38	7.76%	32	8.54%	31	6.65%	37
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
Conserv. Age Based 9-10 yrs (Fd 50)	8.64%	64	11.15%	68	7.13%	68	-	-	-	-
Target Fund 50 Blended Benchmark	9.01%	58	11.51%	59	7.76%	47	8.54%	52	6.65%	50
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
<b>Target Fund 40</b>										
Target Fund 40 Portfolio	6.94%	55	9.79%	62	6.38%	63	7.11%	58	5.40%	63
Target Fund 40 Blended Benchmark	7.00%	51	10.61%	48	7.15%	38	7.45%	50	5.82%	52
MS 529 Static Alloc 30-50	7.03%		10.32%		6.74%		7.48%		5.85%	
Aggressive Age Based 15-16 yrs (Fd 40)	6.94%	9	9.79%	28	6.38%	30	-	-	-	-
Target Fund 40 Blended Benchmark	7.00%	8	10.61%	14	7.15%	14	7.45%	8	5.82%	9
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
Moderate Age Based 13-14 yrs (Fd 40)	6.94%	41	9.79%	52	6.38%	60	-	-	-	-
Target Fund 40 Blended Benchmark	7.00%	39	10.61%	41	7.15%	34	7.45%	41	5.82%	35
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	
Conserv. Age Based 11-12 yrs (Fd 40)	6.94%	70	9.79%	77	6.38%	73	-	-	-	-
Target Fund 40 Blended Benchmark	7.00%	67	10.61%	60	7.15%	49	7.45%	67	5.82%	66
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
<b>Target Fund 30</b>										
Aggressive Age Based 17-18 yrs (Fd 30)	5.43%	10	8.84%	20	5.69%	26	-	-	-	-
Target Fund 30 Blended Benchmark	5.73%	7	8.94%	18	6.20%	19	6.37%	7	4.96%	10
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
Moderate Age Based 15-16 yrs (Fd 30)	5.43%	33	8.84%	40	5.69%	48	-	-	-	-
Target Fund 30 Blended Benchmark	5.73%	27	8.94%	39	6.20%	33	6.37%	29	4.96%	31
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
Conserv. Age Based 13-14 yrs (Fd 30)	5.43%	68	8.84%	68	5.69%	72	-	-	-	-
Target Fund 30 Blended Benchmark	5.73%	63	8.94%	66	6.20%	63	6.37%	69	4.96%	64
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Target Fund 20</b>										
Target Fund 20 Portfolio	3.76%	53	7.07%	80	4.84%	74	5.01%	77	3.89%	69
Target Fund 20 Blended Benchmark	3.72%	54	7.30%	75	5.36%	67	5.20%	72	4.12%	63
MS 529 Static Alloc 15-30	3.85%		8.07%		5.76%		5.82%		4.47%	
Aggressive Age Based 19+ yrs (Fd 20)	3.76%	8	7.07%	18	4.84%	16	-		-	
Target Fund 20 Blended Benchmark	3.72%	9	7.30%	15	5.36%	11	5.20%	4	4.12%	8
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	
Moderate Age Based 17-18 yrs (Fd 20)	3.76%	35	7.07%	42	4.84%	45	-		-	
Target Fund 20 Blended Benchmark	3.72%	37	7.30%	40	5.36%	37	5.20%	29	4.12%	28
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
Conserv. Age Based 15-16 yrs (Fd 20)	3.76%	62	7.07%	68	4.84%	65	-		-	
Target Fund 20 Blended Benchmark	3.72%	63	7.30%	65	5.36%	57	5.20%	52	4.12%	54
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
<b>Target Fund 10</b>										
Moderate Age Based 19+ yrs (Fd 10)	2.29%	34	5.44%	38	3.90%	39	-		-	
Target Fund 10 Blended Benchmark	2.18%	41	5.51%	38	4.26%	32	3.92%	32	3.10%	28
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	
Conserv. Age Based 17-18 yrs (Fd 10)	2.29%	59	5.44%	64	3.90%	73	-		-	
Target Fund 10 Blended Benchmark	2.18%	65	5.51%	63	4.26%	61	3.92%	71	3.10%	67
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
<b>Target Fund Fixed Income</b>										
Target Fund Fixed Income Portfolio	0.44%	72	2.51%	72	2.19%	72	1.71%	79	1.24%	77
Target Fund F.I. Blended Benchmark	0.23%	84	1.70%	83	2.12%	76	1.64%	82	1.23%	77
MS 529 Static Short-Term	0.66%		3.80%		3.04%		2.45%		1.81%	
Conserv. Age Based 19+ yrs (F.I.)	0.44%	84	2.51%	81	2.19%	83	-		-	
Target Fund F.I. Blended Benchmark	0.23%	94	1.70%	93	2.12%	88	1.64%	86	1.23%	82
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	

Performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Individual Funds Portfolios</b>										
<b>Money Market Funds</b>										
State Street US Govt MM (net all)*	0.00%	91	0.29%	75	1.20%	78	-	-	-	-
State Street US Govt MM (net mgr)	0.01%	40	0.39%	45	1.42%	39	1.06%	35	0.76%	36
3 Month Treasury Bill	0.03%	27	0.67%	24	1.60%	25	1.20%	27	0.87%	25
Callan Money Market Funds	0.00%		0.36%		1.34%		0.97%		0.69%	
<b>Fixed Income Funds</b>										
PIMCO Short-Term (net all)*	0.35%	81	2.48%	91	1.94%	96	2.01%	84	1.65%	80
PIMCO Short-Term (net mgr)	0.35%	81	2.74%	90	2.32%	90	2.39%	67	2.04%	61
3 Month T-Bills	0.02%	93	0.58%	97	1.56%	97	1.16%	97	0.84%	99
Blmbg Aggregate 1-3 Index	0.22%	86	3.08%	86	2.90%	70	2.17%	80	1.76%	79
Callan Short Term FI MFs	0.80%		3.77%		3.19%		2.62%		2.13%	
Amer Cent Short Dur Infl Prot (net all)*	1.55%	87	5.52%	88	3.34%	92	2.69%	93	1.53%	92
Amer Cent Short Dur Infl Prot (net mgr)	1.60%	78	5.23%	92	3.49%	87	2.96%	87	1.84%	90
Blmbg US TIPS 0-5 Index	1.31%	95	5.07%	95	3.48%	87	2.82%	91	1.84%	90
Callan TIPS MFs	1.87%		10.29%		5.56%		4.88%		3.54%	
Fidelity Inv Grade Bond (net all)*	1.16%	58	9.43%	26	5.83%	49	5.17%	22	4.14%	66
Fidelity Inv Grade Bond (net mgr)**	1.25%	55	9.91%	13	6.26%	14	5.58%	13	4.55%	23
Blmbg Aggregate Index	0.67%	90	7.51%	90	5.34%	80	4.44%	83	4.09%	72
Callan Core Bond MFs	1.28%		8.65%		5.83%		4.86%		4.26%	
Northern Funds Bond Index (net all)*	0.51%	94	6.89%	98	4.74%	99	3.82%	100	3.52%	98
Northern Funds Bond Index (net mgr)	0.78%	88	7.47%	90	5.23%	88	4.29%	98	3.97%	91
Blmbg Aggregate Index	0.67%	90	7.51%	90	5.34%	80	4.44%	83	4.09%	72
Callan Core Bond MFs	1.28%		8.65%		5.83%		4.86%		4.26%	
Touchstone High Yield (net all)*	6.23%	48	3.97%	86	4.70%	85	6.41%	93	3.99%	96
Touchstone High Yield (net mgr)	6.30%	46	4.34%	84	5.13%	71	6.84%	85	4.42%	84
High Yield II Index	6.48%	38	6.17%	39	5.89%	30	8.43%	6	5.61%	16
Callan High Yield MFs	6.16%		5.69%		5.51%		7.41%		4.94%	
Templeton International Bond (net all)*	0.10%	97	(6.16%)	99	(0.86%)	100	1.19%	99	(0.45%)	99
Templeton International Bond (net mgr)	0.14%	97	(5.70%)	98	(0.47%)	93	1.62%	95	(0.03%)	97
FTSE WGBI Non-US Index	4.82%	49	10.78%	15	4.63%	45	5.17%	39	2.43%	54
Intl Income MFs	4.80%		8.01%		3.97%		4.73%		2.69%	
PGIM Total Return Bond (net all)*	2.27%	33	-	-	-	-	-	-	-	-
PGIM Total Return Bond (net mgr)***	2.38%	25	8.05%	66	5.98%	39	5.88%	20	5.18%	17
Blmbg Aggregate Index	0.67%	100	7.51%	82	5.34%	79	4.44%	95	4.09%	88
Callan Core Plus MFs	2.00%		8.94%		5.89%		5.31%		4.59%	
<b>Balanced Funds</b>										
T. Rowe Price Balanced (net all)	9.77%	47	14.33%	45	9.30%	46	10.16%	51	8.02%	51
T. Rowe Price Balanced (net mgr)	9.84%	46	14.57%	43	9.56%	44	10.45%	39	8.35%	47
Balanced Fund Blended Benchmark	8.64%	67	14.51%	43	10.37%	40	10.76%	34	8.98%	37
Callan Dom Balanced MFs	9.53%		12.23%		8.92%		10.20%		8.08%	
<b>Domestic Equity Funds</b>										
T. Rowe Large Cap Growth (net all)*	12.97%	20	39.04%	40	22.73%	49	21.07%	20	17.48%	20
T. Rowe Large Cap Growth (net mgr)	13.05%	19	39.56%	37	23.22%	44	21.54%	17	17.94%	18
Russell 1000 Growth Index	11.39%	50	38.49%	41	22.99%	46	21.00%	21	17.53%	20
Callan Large Cap Grwth MF	11.41%		37.35%		22.59%		19.66%		16.39%	
Northern Stock Index (net all)*	12.05%	57	17.90%	38	13.62%	31	14.65%	30	12.36%	33
Northern Stock Index (net mgr)	12.10%	56	18.26%	35	14.05%	27	15.10%	23	12.80%	19
S&P 500	12.15%	55	18.40%	35	14.18%	27	15.22%	22	12.92%	17
Callan Large Cap Core MFs	12.67%		14.87%		11.69%		13.58%		11.42%	

(net all) indicates performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). (net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

\* Indicates fund is held in the Age Based and Target Fund Portfolios.

\*\* Share class change from FGBPX to FIKQX on 7/21/20.

\*\*\* Share class change from PDBZX to PTRQX on 7/21/20.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
DFA US Large Cap Value (net all)*	18.50%	19	(1.00%)	82	-		-		-	
DFA US Large Cap Value (net mgr)	18.52%	19	(0.61%)	81	3.28%	84	9.28%	64	7.46%	66
Russell 1000 Value Index	16.25%	39	2.80%	46	6.07%	48	9.74%	47	8.20%	40
Callan Lg Cap Value MF	15.57%		2.65%		5.97%		9.51%		8.00%	
Northern Mid Cap Index (net all)*	24.22%	12	13.16%	60	7.87%	62	11.74%	57	9.17%	58
Northern Mid Cap Index (net mgr)	24.28%	12	13.55%	60	8.28%	60	12.18%	55	9.61%	57
S&P Mid Cap 400 Index	24.37%	11	13.66%	60	8.45%	60	12.35%	55	9.78%	57
Callan Mid Cap MFs	20.22%		21.59%		15.34%		15.43%		11.71%	
T Rowe Price QM Sm Cap Growth (net all)*	22.36%	86	23.47%	52	14.92%	46	-		-	
T Rowe Price QM Sm Cap Growth (net mgr)	22.43%	86	24.00%	52	15.42%	45	-		-	
Russell 2000 Growth Index	29.61%	32	34.63%	34	16.20%	42	16.36%	43	12.08%	40
Callan Small Cap MFs	27.42%		24.42%		12.33%		13.99%		10.43%	
Northern Small Cap Index (net all)	31.27%	19	19.31%	55	9.60%	55	12.65%	55	8.75%	57
Northern Small Cap Index (net mgr)	31.33%	19	19.54%	55	9.98%	54	13.05%	53	9.15%	56
Russell 2000 Index	31.37%	19	19.96%	54	10.25%	54	13.26%	53	9.34%	54
Callan Small Cap MFs	27.42%		24.42%		12.33%		13.99%		10.43%	
William Blair Small Cap Value (net all)	27.59%	54	(5.93%)	94	(1.80%)	95	5.08%	94	3.33%	93
William Blair Small Cap Value (net mgr)	27.60%	54	(5.57%)	90	(1.41%)	89	5.50%	91	3.75%	92
Russell 2000 Value Index	33.36%	23	4.63%	45	3.72%	41	9.65%	41	6.25%	54
Callan Sm Cap Value MF	28.37%		3.90%		2.79%		8.65%		6.36%	
<b>International Equity</b>										
Northern Int'l Equity Index (net all)*	15.94%	58	7.57%	65	3.93%	61	7.11%	62	3.89%	66
Northern Int'l Equity Index (net mgr)	16.01%	56	7.90%	63	4.32%	56	7.53%	55	4.29%	59
MSCI EAFE Index	16.05%	56	7.82%	64	4.28%	57	7.45%	56	4.39%	58
Callan Non US Equity MFs	16.48%		11.12%		4.48%		7.75%		4.86%	
Neuberger Berman Int'l Lrg Cp (net all)*	12.55%	87	14.97%	35	7.14%	39	9.02%	40	5.83%	37
Neuberger Berman Int'l Lrg Cp (net mgr)	12.63%	87	15.41%	29	7.55%	36	9.44%	39	6.26%	34
MSCI EAFE Index	16.05%	56	7.82%	64	4.28%	57	7.45%	56	4.39%	58
Callan Non US Equity MFs	16.48%		11.12%		4.48%		7.75%		4.86%	
DFA Int'l Small Company (net all)*	17.90%	42	8.44%	74	2.48%	69	8.02%	66	5.41%	72
DFA Int'l Small Company (net mgr)	17.97%	40	9.26%	69	3.03%	63	8.55%	61	5.92%	68
MSCI World Small Cap ex US	17.55%	46	12.78%	58	5.04%	53	9.63%	53	6.76%	48
Callan Intl Small Cap MFs	17.37%		14.57%		5.50%		9.97%		6.61%	
Vanguard EM Select Stock (net all)*	23.28%	12	15.40%	61	-		-		-	
Vanguard EM Select Stock (net mgr)	23.39%	12	15.80%	59	-		-		-	
FTSE Emerging Index	17.63%	74	15.49%	61	6.59%	46	12.75%	47	6.64%	50
Callan Emerging Equity MF	19.43%		18.66%		5.33%		12.23%		6.67%	
<b>Real Estate</b>										
Principal Global Real Estate (net all)*	11.12%	58	(4.33%)	47	-		-		-	
Principal Global Real Estate (net mgr)	11.07%	59	(3.86%)	40	-		-		-	
FTSE EPRA/NAREIT Dev REIT	13.26%	25	(9.04%)	80	1.52%	76	3.74%	84	4.61%	70
Callan Gbl Real Estate MF	11.61%		(4.54%)		4.07%		5.30%		5.52%	
DFA Real Estate (net all)	8.38%	73	(5.24%)	63	-		-		-	
DFA Real Estate (net mgr)	8.36%	74	(5.04%)	61	-		-		-	
Dow Jones U.S. Select REIT Index	12.92%	14	(11.20%)	96	1.54%	95	3.00%	95	6.93%	83
Callan Real Estate MFs	9.38%		(4.03%)		4.83%		5.60%		8.15%	
<b>Commodities</b>										
Credit Suisse Commodities (net all)*	9.20%	91	(1.62%)	61	(2.67%)	72	0.94%	73	(6.03%)	84
Credit Suisse Commodities (net mgr)	9.31%	90	(1.12%)	48	(2.23%)	62	1.34%	64	(5.62%)	74
Bloomberg Commodity Total Return	10.19%	76	(3.12%)	73	(2.53%)	69	1.03%	70	(5.80%)	76
Callan Cmtdties Genl MF	11.08%		(1.14%)		(1.91%)		1.74%		(4.56%)	
<b>Bank Savings</b>										
Bank Savings 529 (net all)	0.07%	46	-	46	-		-		-	
3-month Treasury Bill	0.03%	46	0.67%	46	1.60%	35	1.20%	36	0.87%	43
MS 529 Static Money Marke	0.01%		0.46%		1.30%		0.93%		0.73%	

(net all) indicates performance is net of all fees, including 529 program management fees (32 bps) and state administration fees (10 bps). (net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

\* Indicates fund is held in the Age Based and Target Fund Portfolios.

**Alabama CollegeCounts Advisor Plan, Executive Summary**  
**Investment Manager Performance Monitoring Summary Report**  
**December 31, 2020**

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>Money Market Funds</b>									
<b>State Street US Govt MM</b> Callan Money Market Funds	0.0 40	0.4 45	1.4 39	1.1 35	0.8 36			-1.2 39	-0.3 35
3 Month Treasury Bill	0.0 27	0.7 24	1.6 25	1.2 27	0.9 25				0.0 25
<b>Fixed Income Funds</b>									
<b>PIMCO Short-Term</b> Callan Defensive FI MFs	0.4 81	2.7 90	2.3 90	2.4 67	2.0 61			0.6 68	0.6 61
3 Month T-Bills	0.0 93	0.6 97	1.6 97	1.2 97	0.8 99				-0.1 99
<b>Amer Cent Short Dur Infl Prot Bond</b> Callan TIPS MFs	1.6 78	5.2 92	3.5 87	3.0 87	1.8 90			0.0 90	0.4 87
Blmbg US TIPS 0-5 Index	1.3 95	5.1 95	3.5 87	2.8 91	1.8 90				0.5 78
<b>Fidelity Investment Grade Bond</b> Callan Core Bond MFs	1.2 55	9.9 13	6.3 14	5.6 13	4.5 23			0.3 26	1.1 49
Blmbg Aggregate Index	0.7 90	7.5 90	5.3 80	4.4 83	4.1 72				1.1 50
<b>Northern Funds Bond Index (i)</b> Callan Core Bond MFs	0.8 88	7.5 90	5.2 88	4.3 98	4.0 91			-0.8 99	1.0 74
Blmbg Aggregate Index	0.7 90	7.5 90	5.3 80	4.4 83	4.1 72				1.1 50
<b>Touchstone High Yield</b> Callan High Yield MFs	6.3 46	4.3 84	5.1 71	6.8 85	4.4 84			-1.1 95	0.4 82
High Yield II Index	6.5 38	6.2 39	5.9 30	8.4 6	5.6 16				0.5 36
<b>Templeton International Bond</b> Intl Income MFs	0.1 97	-5.7 98	-0.5 93	1.6 95	-0.0 97			-0.3 82	-0.2 97
FTSE WGBI Non-US Index	4.8 49	10.8 15	4.6 45	5.2 39	2.4 54				0.2 54
<b>PGIM Total Return Bond</b> Callan Core Plus MFs	2.4 25	8.0 66	6.0 39	5.9 20	5.2 17			0.4 20	1.0 67
Blmbg Aggregate Index	0.7 100	7.5 82	5.3 79	4.4 95	4.1 88				1.1 46
<b>Balanced Funds</b>									

Returns:  
■ above median  
■ third quartile  
■ fourth quartile



Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

**Alabama CollegeCounts Advisor Plan, Executive Summary**  
**Investment Manager Performance Monitoring Summary Report**  
**December 31, 2020**

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>T. Rowe Price Balanced</b> Callan Dom Balanced MFs Balanced Fund Blended Benchmark	9.8 46	14.6 43	9.6 44	10.5 39	8.4 47			-0.3 50	0.7 45
<b>Domestic Equity Funds</b>									
<b>T. Rowe Large Cap Growth</b> Callan Large Cap Grwth MF Russell 1000 Growth Index	13.0 19	39.6 37	23.2 44	21.5 17	17.9 18			0.1 18	1.0 11
<b>Northern Stock Index (i)</b> Callan Large Cap Core MFs S&P 500	12.1 56	18.3 35	14.0 27	15.1 23	12.8 19			-3.6 100	0.8 21
<b>DFA US Large Cap Value</b> Callan Lg Cap Value MF Russell 1000 Value Index	18.5 19	-0.6 81	3.3 84	9.3 64	7.5 66			-0.2 71	0.4 73
<b>Northern Funds Mid Cap Index (i)</b> Callan Mid Cap MFs S&P Mid Cap 400 Index	24.3 12	13.5 60	8.3 60	12.2 55	9.6 57			-2.7 100	0.4 62
<b>T Rowe Price QM Small Cap Growth</b> Callan Small Cap MFs Russell 2000 Growth Index	22.4 86	24.0 52	15.4 45						0.5 45
<b>Northern Small Cap Index (i)</b> Callan Small Cap MFs Russell 2000 Index	31.3 19	19.5 55	10.0 54	13.1 53	9.1 56			-2.6 100	0.4 55
<b>William Blair Small Cap Value</b> Callan Sm Cap Value MF Russell 2000 Value Index	27.6 54	-5.6 90	-1.4 89	5.5 91	3.8 92			-0.6 94	0.1 88
<b>International Equity Funds</b>									
<b>Northern Int'l Equity Index</b> Callan Non US Equity MFs MSCI EAFE Index	16.0 56	7.9 63	4.3 56	7.5 55	4.3 59			-0.1 65	0.2 56

Returns:  
■ above median  
■ third quartile  
■ fourth quartile



Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

**Alabama CollegeCounts Advisor Plan, Executive Summary**  
**Investment Manager Performance Monitoring Summary Report**  
**December 31, 2020**

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>Neuberger Berman Int'l Lrg Cp</b> Callan Non US Equity MFs	12.6 87	15.4 29	7.5 36	9.4 39	6.3 34			0.5 31	0.3 33
MSCI EAFE Index	16.0 56	7.8 64	4.3 57	7.4 56	4.4 58				0.2 51
<b>DFA Int'l Small Company</b> Callan Intl Small Cap MFs	18.0 40	9.3 69	3.0 63	8.5 61	5.9 68			-0.6 79	0.3 66
MSCI World Small Cap ex US	17.5 46	12.8 58	5.0 53	9.6 53	6.8 48				0.3 49
<b>Vanguard EM Select Stock</b> Callan Emerging Equity MF	23.4 12	15.8 59	7.1 46	13.7 45	6.0 56			-0.2 56	0.2 57
FTSE Emerging Index	17.6 74	15.5 61	6.6 46	12.7 47	6.6 50				0.3 44
<b>Real Estate Funds</b>									
<b>Principal Global Real Estate</b> Callan Gbl Real Estate MF	11.1 59	-3.9 40	5.1 32	5.9 35					
FTSE EPRA/NAREIT Dev REIT	13.3 25	-9.0 80	1.5 76	3.7 84	4.6 70				0.2 71
<b>DFA Real Estate</b> Callan Real Estate MFs	8.4 74	-5.0 61	5.7 33	6.2 35	9.0 30			0.6 24	0.5 28
Dow Jones U.S. Select REIT Index	12.9 14	-11.2 96	1.5 95	3.0 95	6.9 83				0.3 89
<b>Commodity Funds</b>									
<b>Credit Suisse Commodites</b> Callan Cmnties Genl MF	9.3 90	-1.1 48	-2.2 62	1.3 64	-5.6 74			0.2 66	-0.4 78
Bloomberg Commodity Total Return	10.2 76	-3.1 73	-2.5 69	1.0 70	-5.8 76				-0.4 78
<b>Underlying Funds</b>									
<b>Northern Small Cap Value</b> Callan Sm Cap Value MF	27.4 57	-2.3 81	1.0 71	7.0 78	5.3 63			-0.3 75	0.2 62
Russell 2000 Value Index	33.4 23	4.6 45	3.7 41	9.7 41	6.3 54				0.2 51
<b>Bank Savings</b>									
<b>Bank Savings 529</b> MS 529 Static Money Market	0.1 46								
3-month Treasury Bill	0.0 46	0.7 46	1.6 35	1.2 36	0.9 43				0.0 43

Returns:  
■ above median  
■ third quartile  
■ fourth quartile

Risk Quadrant:  
  
Return  
Risk

Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

## Morningstar Ratings and Rankings

Plan 1 - Advisor - Fund Name	Morningstar Category	Ticker	Morningstar Rating	Market Value*
American Century Short Duration Inflation Protection Bond	Inflation-Protected Bond	APISX	3	\$86,392,078
Bank Savings 529 Portfolio	N/A	N/A	N/A	\$3,772,769
Credit Suisse Commodity Return Strategy	Commodities Broad Basket	CRSOX	3	\$16,465,569
DFA International Small Company	Foreign Small/Mid Blend	DFISX	3	\$15,987,253
DFA U.S. Large Cap Value	Large Value	DFLVX	3	\$103,700,156
DFA Real Estate	Real Estate	DFREX	4	\$3,352,595
Fidelity Advisor Investment Grade Bond	Intermediate-Term Bond	FIKQX	5	\$6,081,018
Neuberger Berman Int'l Large Cap	Foreign Large Blend	NILIX	2	\$83,551,528
Northern Funds Bond Index	Intermediate-Term Bond	NOBOX	3	\$110,640,078
Northern International Equity Index	Foreign Large Blend	NOINX	3	\$64,357,699
Northern Mid-Cap Index	Mid-Cap Blend	NOMIX	4	\$76,537,235
Northern Small Cap Index	Small Blend	NSIDX	4	\$8,811,403
Northern Small Cap Value (underlying fund)	Small Value	NOSGX	4	\$14,454,151
Northern Stock Index	Large Blend	NOSIX	4	\$139,002,456
PIMCO Short-Term	Ultrashort Bond	PTSHX	5	\$166,502,058
PGIM Total Return Bond	Total Return Bond	PTRQX	5	\$112,051,942
Principal Global Real Estate	Real Estate	PGRSX	4	\$23,417,281
State Street US Govt. Money Market	Money Market	GVMXX	N/A	\$73,465,353
T. Rowe Price Balanced	Moderate Allocation	RPBAX	4	\$62,641,685
T. Rowe Price Large Cap Growth	Large Growth	TRLGX	5	\$135,536,332
T. Rowe Price QM Small Cap Growth	Small Cap Growth	TQAIX	3	\$23,047,578
Templeton Global Bond	World Bond	FIBZX	2	\$46,405,220
Touchstone High Yield	High Yield Bond	THIYX	3	\$48,201,089
Vanguard Emerging Markets Select	Emerging Markets	VMMSX	4	\$29,587,694
William Blair Small Cap Value	Small Blend	BVDIX	1	\$9,504,422

\*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

## Summary of Fund Performance Status

Plan 1 - Advisor - Fund Name	Prior Quarter Status	Current Quarter Status	Market Value*
American Century Short Duration Inflation Protection Bond	Watch	Recommend Removing from Watch	\$86,392,078
Credit Suisse Commodity Return Strategy	Positive	Positive	\$16,465,569
DFA International Small Company	Positive	Positive	\$15,987,253
DFA U.S. Large Cap Value	Watch	Watch	\$103,700,156
DFA Real Estate	Positive	Positive	\$3,352,595
Fidelity Advisor Investment Grade Bond	Positive	Positive	\$6,081,018
Neuberger Berman Int'l Large Cap	Positive	Positive	\$83,551,528
Northern Funds Bond Index	Positive	Positive	\$110,640,078
Northern International Equity Index	Positive	Positive	\$64,357,699
Northern Mid-Cap Index	Positive	Positive	\$76,537,235
Northern Small Cap Index	Positive	Positive	\$8,811,403
Northern Small Cap Value (underlying fund)	Positive	Positive	\$14,454,151
Northern Stock Index	Positive	Positive	\$139,002,456
PIMCO Short-Term	Positive	Positive	\$166,502,058
PGIM Total Return Bond	Positive	Positive	\$112,051,942
Principal Global Real Estate	Positive	Positive	\$23,417,281
State Street US Govt. Money Market	Positive	Positive	\$73,465,353
T. Rowe Price Balanced	Positive	Positive	\$62,641,685
T. Rowe Price Large Cap Growth	Positive	Positive	\$135,536,332
T. Rowe QM Small Cap Growth	Positive	Positive	\$23,047,578
Templeton Global Bond	Watch	Watch	\$46,405,220
Touchstone High Yield	Watch	Watch	\$48,201,089
Vanguard Emerging Markets Select	Positive	Positive	\$29,587,694
William Blair Small Cap Value	Watch	Watch	\$9,504,422

\*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

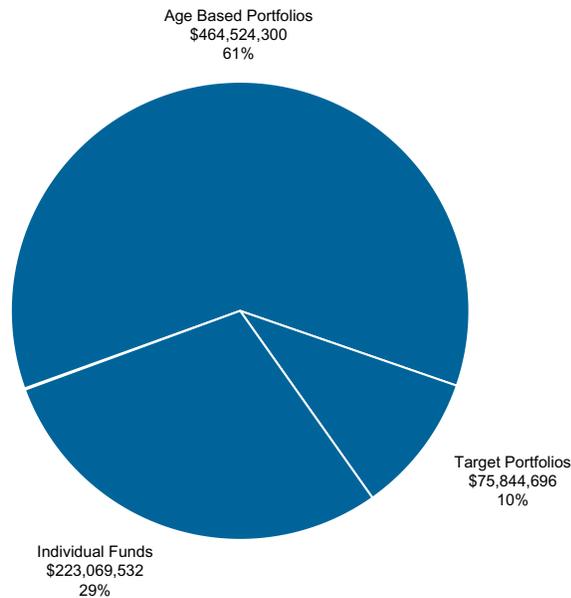
- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the CollegeCounts Board.
- Watch list status based on Watch List guidelines defined in the Investment Policy Statement.

## **Direct Plan Performance**

## Changes in Investment Fund Balances Period Ended December 31, 2020

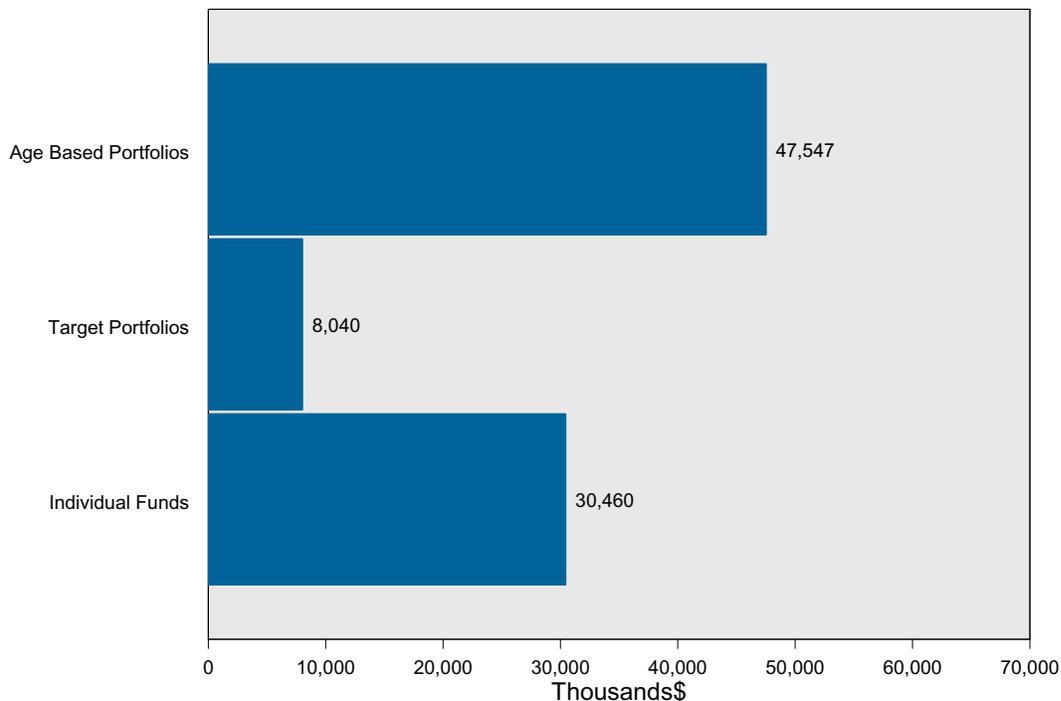
### Allocation Across Investment Options

The chart below illustrates the allocation of the aggregate fund assets across the various investment options for the quarter ended December 31, 2020.



### Changes in Fund Values

The chart below shows the net change in fund values across the various investment options for the quarter ended December 31, 2020. The change in value for each fund is the result of a combination of 3 factors: 1) market movements; 2) contributions or disbursements into or out of the funds by the participants (and any matching done by the company); and 3) transfers between funds by the participants.



## Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2020 with that of September 30, 2020. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Funds

	December 31, 2020				September 30, 2020	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Age Based Portfolios</b>	<b>\$464,524,300</b>	<b>60.85%</b>	<b>\$14,643,915</b>	<b>\$32,903,221</b>	<b>\$416,977,164</b>	<b>61.56%</b>
<b>Aggressive</b>	<b>\$254,649,301</b>	<b>33.36%</b>	<b>\$7,844,790</b>	<b>\$20,600,688</b>	<b>\$226,203,823</b>	<b>33.39%</b>
0-2 years (Fund 100)	11,151,861	1.46%	430,074	1,397,706	9,324,081	1.38%
3-5 years (Fund 90)	29,086,160	3.81%	799,847	3,405,089	24,881,224	3.67%
6-8 years (Fund 80)	41,535,159	5.44%	336,713	4,407,161	36,791,285	5.43%
9-10 years (Fund 70)	34,486,686	4.52%	1,542,631	3,181,108	29,762,947	4.39%
11-12 years (Fund 60)	32,371,702	4.24%	1,183,269	2,612,773	28,575,660	4.22%
13-14 years (Fund 50)	31,840,641	4.17%	590,660	2,214,425	29,035,556	4.29%
15-16 years (Fund 40)	27,648,927	3.62%	326,901	1,631,603	25,690,423	3.79%
17-18 years (Fund 30)	25,139,555	3.29%	1,590,960	1,079,669	22,468,926	3.32%
19+ years (Fund 20)	21,388,610	2.80%	1,043,735	671,154	19,673,721	2.90%
<b>Moderate</b>	<b>\$185,189,941</b>	<b>24.26%</b>	<b>\$5,862,734</b>	<b>\$11,483,389</b>	<b>\$167,843,818</b>	<b>24.78%</b>
0-2 years (Fund 90)	5,787,983	0.76%	157,141	664,446	4,966,396	0.73%
3-5 years (Fund 80)	15,923,252	2.09%	622,218	1,651,637	13,649,397	2.01%
6-8 years (Fund 70)	25,965,693	3.40%	(277,405)	2,451,442	23,791,656	3.51%
9-10 years (Fund 60)	20,035,416	2.62%	2,022,421	1,586,805	16,426,190	2.42%
11-12 years (Fund 50)	20,878,814	2.73%	2,137	1,493,459	19,383,218	2.86%
13-14 years (Fund 40)	23,424,776	3.07%	1,069,081	1,351,085	21,004,610	3.10%
15-16 years (Fund 30)	25,292,632	3.31%	985,305	1,103,555	23,203,772	3.43%
17-18 years (Fund 20)	23,468,635	3.07%	822,798	736,095	21,909,742	3.23%
19+ years (Fund 10)	24,412,740	3.20%	459,038	444,865	23,508,837	3.47%
<b>Conservative</b>	<b>\$24,685,058</b>	<b>3.23%</b>	<b>\$936,391</b>	<b>\$819,144</b>	<b>\$22,929,523</b>	<b>3.38%</b>
0-2 years (Fund 80)	439,108	0.06%	67,825	41,185	330,098	0.05%
3-5 years (Fund 70)	934,263	0.12%	71,358	85,693	777,212	0.11%
6-8 years (Fund 60)	1,851,523	0.24%	107,316	147,734	1,596,473	0.24%
9-10 years (Fund 50)	1,000,194	0.13%	(366,416)	89,014	1,277,596	0.19%
11-12 years (Fund 40)	2,255,184	0.30%	252,290	113,823	1,889,071	0.28%
13-14 years (Fund 30)	2,855,238	0.37%	259,421	125,933	2,469,884	0.36%
15-16 years (Fund 20)	2,322,316	0.30%	(586,607)	81,291	2,827,632	0.42%
17-18 years (Fund 10)	6,115,386	0.80%	755,324	110,974	5,249,088	0.77%
19+ years (F.I.)	6,911,846	0.91%	375,880	23,497	6,512,469	0.96%
<b>Target Portfolios</b>	<b>\$75,844,696</b>	<b>9.93%</b>	<b>\$93,332</b>	<b>\$7,946,301</b>	<b>\$67,805,063</b>	<b>10.01%</b>
Target Fund 100 Portfolio	34,415,974	4.51%	(1,033,883)	4,611,995	30,837,862	4.55%
Target Fund 80 Portfolio	18,693,211	2.45%	134,977	1,995,003	16,563,231	2.45%
Target Fund 60 Portfolio	12,036,136	1.58%	357,434	974,632	10,704,070	1.58%
Target Fund 40 Portfolio	4,742,508	0.62%	553,956	264,031	3,924,521	0.58%
Target Fund 20 Portfolio	3,018,398	0.40%	134,082	90,308	2,794,008	0.41%
Target Fund Fixed Income Portfolio	2,938,469	0.38%	(53,234)	10,332	2,981,371	0.44%

Market values provided by Union Bank & Trust.

## Investment Fund Balances

The table below compares the fund's investment fund balances as of December 31, 2020 with that of September 30, 2020. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Funds

Individual Funds	December 31, 2020		Net New Inv.	Inv. Return	September 30, 2020	
	Market Value	Weight			Market Value	Weight
<b>Individual Funds</b>	<b>\$223,069,532</b>	<b>29.22%</b>	<b>\$7,131,428</b>	<b>\$23,328,134</b>	<b>\$192,609,970</b>	<b>28.43%</b>
<b>Money Market</b>	<b>\$17,004,488</b>	<b>2.23%</b>	<b>\$(439,190)</b>	<b>\$0</b>	<b>\$17,443,678</b>	<b>2.58%</b>
Vanguard Prime Money Market	17,004,488	2.23%	(439,190)	0	17,443,678	2.58%
<b>Fixed Income</b>	<b>\$24,821,563</b>	<b>3.25%</b>	<b>\$691,520</b>	<b>\$174,721</b>	<b>\$23,955,323</b>	<b>3.54%</b>
PIMCO Short-Term	1,776,286	0.23%	(41,345)	6,132	1,811,499	0.27%
Vanguard Short Infl Protected	1,016,499	0.13%	199,924	10,496	806,079	0.12%
Vanguard Short Term Bond	3,341,155	0.44%	(134,950)	5,641	3,470,464	0.51%
Vanguard Infl Prot Securities	2,673,193	0.35%	121,616	40,760	2,510,817	0.37%
Fidelity Investment Grade Bond	890,878	0.12%	(14,362)	10,784	894,456	0.13%
Vanguard Total Bond Index	14,751,504	1.93%	479,279	93,073	14,179,152	2.09%
PGIM Total Return Bond	372,048	0.05%	81,358	7,834	282,856	0.04%
<b>Balanced</b>	<b>\$7,417,256</b>	<b>0.97%</b>	<b>\$86,717</b>	<b>\$654,892</b>	<b>\$6,675,647</b>	<b>0.99%</b>
T. Rowe Price Balanced	7,417,256	0.97%	86,717	654,892	6,675,647	0.99%
<b>Domestic Equity</b>	<b>\$150,453,275</b>	<b>19.71%</b>	<b>\$5,183,917</b>	<b>\$19,713,423</b>	<b>\$125,555,935</b>	<b>18.54%</b>
T. Rowe Large Cap Growth	13,291,904	1.74%	918,983	1,441,182	10,931,739	1.61%
Vanguard Growth Index	24,952,990	3.27%	925,937	2,500,919	21,526,134	3.18%
Vanguard Total Stock Index	25,537,489	3.35%	1,044,649	3,196,641	21,296,199	3.14%
Vanguard 500 Index	40,095,197	5.25%	1,475,655	4,237,621	34,381,921	5.08%
DFA US Large Cap Value	2,085,530	0.27%	89,835	362,393	1,633,302	0.24%
Vanguard Value Index	5,951,377	0.78%	(206,716)	756,193	5,401,900	0.80%
Vanguard Extended Market Index	2,874,136	0.38%	81,775	600,770	2,191,591	0.32%
Vanguard Mid Cap Index	11,541,874	1.51%	(27,506)	1,764,161	9,805,219	1.45%
Vanguard Explorer	2,957,102	0.39%	327,814	558,571	2,070,717	0.31%
Vanguard Small Cap Growth Index	10,727,308	1.41%	213,953	2,090,004	8,423,351	1.24%
Vanguard Small Cap Index	5,432,280	0.71%	164,796	1,123,648	4,143,836	0.61%
DFA US Small Cap Value	1,189,847	0.16%	146,653	219,804	823,390	0.12%
Vanguard Small Cap Value Index	3,816,241	0.50%	28,089	861,516	2,926,636	0.43%
<b>International Equity</b>	<b>\$16,010,314</b>	<b>2.10%</b>	<b>\$240,975</b>	<b>\$2,409,189</b>	<b>\$13,360,150</b>	<b>1.97%</b>
Dodge & Cox Int'l Stock	2,397,514	0.31%	14,597	471,073	1,911,844	0.28%
Vanguard Int'l Stock Index	13,612,800	1.78%	226,378	1,938,116	11,448,306	1.69%
<b>Real Estate</b>	<b>\$4,540,554</b>	<b>0.59%</b>	<b>\$164,226</b>	<b>\$375,909</b>	<b>\$4,000,419</b>	<b>0.59%</b>
Vanguard REIT Index	4,540,554	0.59%	164,226	375,909	4,000,419	0.59%
<b>Bank Savings</b>	<b>\$2,822,082</b>	<b>0.37%</b>	<b>\$1,203,264</b>	<b>\$0</b>	<b>\$1,618,818</b>	<b>0.24%</b>
Bank Savings 529 Portfolio	2,822,082	0.37%	1,203,264	0	1,618,818	0.24%
<b>Total Direct Plan</b>	<b>\$763,438,528</b>	<b>100.0%</b>	<b>\$21,868,675</b>	<b>\$64,177,656</b>	<b>\$677,392,197</b>	<b>100.0%</b>

Market values provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Target Portfolios</b>										
<b>Target Fund 100</b>										
Target Fund 100 Portfolio	15.02%	13	15.24%	27	10.17%	17	12.20%	12	9.50%	8
Target Fund 100 Blended Benchmark	15.35%	11	15.40%	25	10.42%	12	12.51%	10	9.79%	5
MS 529 Static Alloc 70-85	12.67%		13.73%		8.74%		10.52%		8.06%	
Aggressive Age Based 0-2 yrs (Fd 100)	15.02%	21	15.24%	29	10.17%	17	-		-	
Target Fund 100 Blended Benchmark	15.35%	20	15.40%	25	10.42%	11	12.51%	6	9.79%	3
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 90</b>										
Aggressive Age Based 3-5 yrs (Fd 90)	13.54%	16	15.31%	23	10.07%	11	-		-	
Target Fund 90 Blended Benchmark	13.87%	8	15.34%	23	10.24%	10	11.89%	8	9.37%	10
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	
Moderate Age Based 0-2 yrs (Fd 90)	13.54%	46	15.31%	27	10.07%	18	-		-	
Target Fund 90 Blended Benchmark	13.87%	40	15.34%	27	10.24%	14	11.89%	16	9.37%	10
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 80</b>										
Target Fund 80 Portfolio	12.05%	68	14.85%	32	9.72%	26	11.00%	32	8.60%	32
Target Fund 80 Blended Benchmark	12.47%	56	14.97%	31	9.83%	23	11.14%	25	8.78%	21
MS 529 Static Alloc 70-85	12.67%		13.73%		8.74%		10.52%		8.06%	
Aggressive Age Based 6-8 yrs (Fd 80)	12.05%	31	14.85%	17	9.72%	13	-		-	
Target Fund 80 Blended Benchmark	12.47%	27	14.97%	16	9.83%	12	11.14%	12	8.78%	8
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
Moderate Age Based 3-5 yrs (Fd 80)	12.05%	43	14.85%	34	9.72%	18	-		-	
Target Fund 80 Blended Benchmark	12.47%	40	14.97%	29	9.83%	17	11.14%	15	8.78%	18
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	
Conserv. Age Based 0-2 yrs (Fd 80)	12.05%	75	14.85%	36	9.72%	26	-		-	
Target Fund 80 Blended Benchmark	12.47%	71	14.97%	34	9.83%	22	11.14%	32	8.78%	22
MS 529 Age 0-4 Grp	13.38%		13.96%		8.87%		10.63%		8.05%	
<b>Target Fund 70</b>										
Aggressive Age Based 9-10 yrs (Fd 70)	10.43%	32	13.69%	23	9.05%	12	-		-	
Target Fund 70 Blended Benchmark	10.86%	25	13.72%	22	9.23%	11	10.14%	5	8.17%	2
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
Moderate Age Based 6-8 yrs (Fd 70)	10.43%	63	13.69%	31	9.05%	24	-		-	
Target Fund 70 Blended Benchmark	10.86%	55	13.72%	31	9.23%	18	10.14%	32	8.17%	18
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
Conserv. Age Based 3-5 yrs (Fd 70)	10.43%	73	13.69%	60	9.05%	34	-		-	
Target Fund 70 Blended Benchmark	10.86%	71	13.72%	59	9.23%	29	10.14%	34	8.17%	30
MS 529 Age 5-6 Grp	11.70%		14.14%		8.59%		9.79%		7.66%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years					
<b>Target Fund 60</b>										
Target Fund 60 Portfolio	9.06%	77	13.35%	39	8.74%	37	9.26%	47	7.31%	45
Target Fund 60 Blended Benchmark	9.55%	59	13.88%	31	8.98%	26	9.59%	39	7.63%	38
MS 529 Static Alloc 50-70	9.80%		12.85%		8.15%		9.17%		7.07%	
Aggressive Age Based 11-12 yrs (Fd 60)	9.06%	27	13.35%	12	8.74%	11	-	-	-	-
Target Fund 60 Blended Benchmark	9.55%	21	13.88%	7	8.98%	8	9.59%	11	7.63%	9
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
Moderate Age Based 9-10 yrs (Fd 60)	9.06%	57	13.35%	28	8.74%	21	-	-	-	-
Target Fund 60 Blended Benchmark	9.55%	46	13.88%	21	8.98%	14	9.59%	23	7.63%	18
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
Conserv. Age Based 6-8 yrs (Fd 60)	9.06%	84	13.35%	39	8.74%	34	-	-	-	-
Target Fund 60 Blended Benchmark	9.55%	80	13.88%	30	8.98%	26	9.59%	51	7.63%	40
MS 529 Age 7-8 Grp	11.22%		12.89%		8.23%		9.62%		7.35%	
<b>Target Fund 50</b>										
Aggressive Age Based 13-14 yrs (Fd 50)	7.64%	31	12.78%	9	8.29%	8	-	-	-	-
Target Fund 50 Blended Benchmark	7.97%	25	13.15%	6	8.63%	5	8.85%	3	7.19%	2
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	
Moderate Age Based 11-12 yrs (Fd 50)	7.64%	58	12.78%	21	8.29%	19	-	-	-	-
Target Fund 50 Blended Benchmark	7.97%	52	13.15%	17	8.63%	14	8.85%	24	7.19%	19
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
Conserv. Age Based 9-10 yrs (Fd 50)	7.64%	77	12.78%	33	8.29%	32	-	-	-	-
Target Fund 50 Blended Benchmark	7.97%	74	13.15%	29	8.63%	25	8.85%	41	7.19%	34
MS 529 Age 9-10 Grp	9.41%		12.07%		7.68%		8.55%		6.65%	
<b>Target Fund 40</b>										
Target Fund 40 Portfolio	6.25%	71	11.60%	29	7.60%	27	7.57%	48	6.15%	39
Target Fund 40 Blended Benchmark	6.53%	65	12.37%	13	8.12%	12	8.04%	30	6.58%	26
MS 529 Static Alloc 30-50	7.03%		10.32%		6.74%		7.48%		5.85%	
Aggressive Age Based 15-16 yrs (Fd 40)	6.25%	17	11.60%	4	7.60%	8	-	-	-	-
Target Fund 40 Blended Benchmark	6.53%	13	12.37%	2	8.12%	4	8.04%	2	6.58%	1
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
Moderate Age Based 13-14 yrs (Fd 40)	6.25%	57	11.60%	24	7.60%	24	-	-	-	-
Target Fund 40 Blended Benchmark	6.53%	54	12.37%	13	8.12%	11	8.04%	22	6.58%	16
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	
Conserv. Age Based 11-12 yrs (Fd 40)	6.25%	76	11.60%	37	7.60%	39	-	-	-	-
Target Fund 40 Blended Benchmark	6.53%	74	12.37%	25	8.12%	25	8.04%	49	6.58%	38
MS 529 Age 11-12 Grp	8.06%		11.09%		7.14%		8.00%		6.24%	
<b>Target Fund 30</b>										
Aggressive Age Based 17-18 yrs (Fd 30)	4.70%	20	9.98%	5	6.70%	10	-	-	-	-
Target Fund 30 Blended Benchmark	5.01%	17	10.28%	3	6.99%	7	6.68%	1	5.52%	1
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
Moderate Age Based 15-16 yrs (Fd 30)	4.70%	50	9.98%	25	6.70%	23	-	-	-	-
Target Fund 30 Blended Benchmark	5.01%	45	10.28%	18	6.99%	18	6.68%	22	5.52%	15
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
Conserv. Age Based 13-14 yrs (Fd 30)	4.70%	74	9.98%	48	6.70%	47	-	-	-	-
Target Fund 30 Blended Benchmark	5.01%	73	10.28%	44	6.99%	38	6.68%	62	5.52%	40
MS 529 Age 13-14 Grp	6.67%		9.90%		6.57%		7.06%		5.29%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Target Fund 20</b>										
Target Fund 20 Portfolio	3.23%	80	8.08%	49	5.70%	53	5.17%	74	4.27%	59
Target Fund 20 Blended Benchmark	3.50%	65	9.09%	24	6.23%	29	5.70%	54	4.71%	44
MS 529 Static Alloc 15-30	3.85%		8.07%		5.76%		5.82%		4.47%	
Aggressive Age Based 19+ yrs (Fd 20)	3.23%	19	8.08%	6	5.70%	6	-		-	
Target Fund 20 Blended Benchmark	3.50%	15	9.09%	2	6.23%	4	5.70%	2	4.71%	2
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	
Moderate Age Based 17-18 yrs (Fd 20)	3.23%	52	8.08%	30	5.70%	26	-		-	
Target Fund 20 Blended Benchmark	3.50%	46	9.09%	14	6.23%	19	5.70%	22	4.71%	14
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
Conserv. Age Based 15-16 yrs (Fd 20)	3.23%	72	8.08%	52	5.70%	47	-		-	
Target Fund 20 Blended Benchmark	3.50%	69	9.09%	37	6.23%	33	5.70%	46	4.71%	36
MS 529 Age 15-16 Grp	4.69%		8.17%		5.67%		5.45%		4.27%	
<b>Target Fund 10</b>										
Moderate Age Based 19+ yrs (Fd 10)	1.84%	53	6.11%	28	4.44%	27	-		-	
Target Fund 10 Blended Benchmark	1.97%	50	6.39%	26	4.73%	19	4.12%	25	3.42%	21
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	
Conserv. Age Based 17-18 yrs (Fd 10)	1.84%	73	6.11%	56	4.44%	57	-		-	
Target Fund 10 Blended Benchmark	1.97%	70	6.39%	54	4.73%	48	4.12%	68	3.42%	61
MS 529 Age 17-18 Grp	3.38%		6.72%		4.68%		4.69%		3.71%	
<b>Target Fund Fixed Income</b>										
Target Fund Fixed Income Portfolio	0.35%	75	2.92%	68	2.65%	63	2.00%	66	1.51%	65
Target Fund F.I. Blended Benchmark	0.33%	77	2.94%	67	2.75%	59	2.13%	61	1.68%	57
MS 529 Static Short-Term	0.66%		3.80%		3.04%		2.45%		1.81%	
Conserv. Age Based 19+ yrs (F.I.)	0.35%	89	2.92%	76	2.65%	74	-		-	
Target Fund F.I. Blended Benchmark	0.33%	90	2.94%	76	2.75%	71	2.13%	74	1.68%	70
MS 529 Age 19+ Grp	1.99%		4.95%		3.58%		2.97%		2.23%	

Performance is net of all fees, including 529 program management fees (25 bps). Performance figures provided by Union Bank & Trust.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Individual Funds Portfolios</b>										
<b>Money Market Funds</b>										
Vanguard Prime Money Market (net all)*	0.00%	91	0.46%	37	1.42%	39	1.09%	33	0.79%	31
Vanguard Prime Money Market (net mgr)	0.01%	37	0.58%	27	1.62%	25	1.30%	23	0.95%	21
3-Month Treasury Bill	0.03%	27	0.67%	24	1.60%	25	1.20%	27	0.87%	25
Callan Money Market Funds	0.00%		0.36%		1.34%		0.97%		0.69%	
<b>Fixed Income Funds</b>										
PIMCO Short-Term (net all)	0.33%	82	2.50%	91	2.09%	95	2.16%	80	1.82%	78
PIMCO Short-Term (net mgr)	0.35%	81	2.74%	90	2.32%	90	2.39%	67	2.04%	61
3 Month T-Bills	0.02%	93	0.58%	97	1.56%	97	1.16%	97	0.84%	99
Blmbg Aggregate 1-3 Index	0.22%	86	3.08%	86	2.90%	70	2.17%	80	1.76%	79
Callan Short Term FI MFs	0.80%		3.77%		3.19%		2.62%		2.13%	
Vanguard Short Infl Protected (net all)*	1.19%	99	4.73%	96	3.21%	95	2.53%	95	1.53%	92
Vanguard Short Infl Protected (net mgr)	1.29%	97	4.99%	96	3.44%	90	2.78%	92	1.79%	90
Blmbg US TIPS 0-5 Index	1.31%	95	5.07%	95	3.48%	87	2.82%	91	1.84%	90
Callan TIPS MFs	1.87%		10.29%		5.56%		4.88%		3.54%	
Vanguard Short Term Bond (net all)*	0.25%	91	4.44%	30	3.37%	43	2.47%	76	2.00%	75
Vanguard Short Term Bond (net mgr)	0.29%	89	4.71%	25	3.64%	26	2.72%	52	2.26%	49
Blmbg Govt/Credit 1-5 Float	0.33%	88	4.71%	25	3.69%	25	2.77%	46	2.32%	47
Callan Short Inv Grade MF	0.89%		3.91%		3.26%		2.74%		2.24%	
Vanguard Infl Prot Securities (net all)	1.56%	87	10.76%	41	5.52%	51	4.69%	60	3.61%	48
Vanguard Infl Prot Securities (net mgr)	1.62%	75	10.96%	36	5.77%	42	4.96%	45	3.85%	33
Blmbg US TIPS Index	1.62%	74	10.99%	36	5.92%	30	5.08%	37	3.92%	27
Callan TIPS MFs	1.87%		10.29%		5.56%		4.88%		3.54%	
Fidelity Inv Grade Bond (net all)	1.22%	56	9.77%	14	6.04%	25	5.32%	16	4.31%	47
Fidelity Inv Grade Bond (net mgr)**	1.25%	55	9.92%	13	6.26%	14	5.58%	13	4.55%	23
Blmbg Aggregate Index	0.67%	90	7.51%	90	5.34%	80	4.44%	83	4.09%	72
Callan Core Bond MFs	1.28%		8.65%		5.83%		4.86%		4.26%	
Vanguard Total Bond Index (net all)*	0.63%	90	7.49%	90	5.16%	89	4.21%	99	3.83%	94
Vanguard Total Bond Index (net mgr)	0.67%	89	7.74%	89	5.41%	76	4.47%	80	4.09%	72
Blmbg Aggregate Index	0.67%	90	7.51%	90	5.34%	80	4.44%	83	4.09%	72
Callan Core Bond MFs	1.28%		8.65%		5.83%		4.86%		4.26%	
PGIM Total Return Bond (net all)*	2.27%	33	-	-	-	-	-	-	-	-
PGIM Total Return Bond (net mgr)***	2.38%	25	8.05%	66	5.99%	39	5.88%	20	5.18%	17
Blmbg Aggregate Index	0.67%	100	7.51%	82	5.34%	79	4.44%	95	4.09%	88
Callan Core Plus MFs	2.00%		8.94%		5.89%		5.31%		4.59%	
<b>Balanced Funds</b>										
T. Rowe Price Balanced (net all)	9.81%	47	14.26%	45	9.35%	46	10.28%	44	8.14%	49
T. Rowe Price Balanced (net mgr)	9.84%	46	14.57%	43	9.56%	44	10.45%	39	8.35%	47
Balanced Fund Blended Benchmark	8.64%	67	14.51%	43	10.37%	40	10.76%	34	8.98%	37
Callan Dom Balanced MFs	9.53%		12.23%		8.92%		10.20%		8.08%	
<b>Domestic Equity Funds</b>										
T. Rowe Large Cap Growth (net all)	13.01%	20	39.40%	39	22.90%	48	21.20%	20	-	-
T. Rowe Large Cap Growth (net mgr)	13.05%	19	39.56%	37	23.22%	44	21.54%	17	17.94%	18
Russell 1000 Growth Index	11.39%	50	38.49%	41	22.99%	46	21.00%	21	17.53%	20
Callan Large Cap Grwth MF	11.41%		37.35%		22.59%		19.66%		16.39%	
Vanguard Growth Index (net all)	11.43%	49	39.84%	35	22.69%	50	20.03%	34	16.49%	44
Vanguard Growth Index (net mgr)	11.44%	48	40.19%	35	22.97%	46	20.32%	29	16.77%	39
U.S. Large Cap Growth Benchmark	11.46%	47	40.27%	35	23.02%	45	20.37%	29	16.83%	38
Russell 1000 Growth Index	11.39%	50	38.49%	41	22.99%	46	21.00%	21	17.53%	20
Callan Large Cap Grwth MF	11.41%		37.35%		22.59%		19.66%		16.39%	
Vanguard Total Stock Index (net all)*	14.65%	22	20.85%	28	14.28%	26	15.18%	23	12.50%	33
Vanguard Total Stock Index (net mgr)	14.69%	22	21.00%	28	14.50%	25	15.43%	20	12.75%	20
U.S. Total Market Benchmark	14.70%	22	21.00%	28	14.50%	25	15.44%	20	12.76%	20
Russell 3000 Index	14.68%	22	20.89%	28	14.49%	25	15.43%	20	12.76%	20
Callan Large Cap Core MFs	12.67%		14.87%		11.69%		13.58%		11.42%	

(net all) indicates performance is net of all fees, including 529 program management fees (25 bps).

(net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

\* Indicates fund is held in the Age Based and Target Fund Portfolios.

\*\* Share class change from FGBPX to FIKQX on 7/21/20.

\*\*\* Share class change from PDBZX to PTRQX on 7/21/20.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Vanguard 500 Index (net all)	12.10%	56	18.21%	36	13.90%	28	14.91%	25	12.61%	26
Vanguard 500 Index (net mgr)	12.15%	55	18.39%	35	14.15%	27	15.19%	23	12.89%	17
S&P 500 Index	12.15%	55	18.40%	35	14.18%	27	15.22%	22	12.92%	17
Callan Large Cap Core MFs	12.67%		14.87%		11.69%		13.58%		11.42%	
DFA US Large Cap Value (net all)	18.39%	20	(0.46%)	80	3.16%	85	9.08%	68	-	
DFA US Large Cap Value (net mgr)	18.52%	19	(0.61%)	81	3.28%	84	9.28%	64	7.46%	66
Russell 1000 Value Index	16.25%	39	2.80%	46	6.07%	48	9.74%	47	8.20%	40
Callan Lg Cap Value MF	15.57%		2.65%		5.97%		9.51%		8.00%	
Vanguard Value Index (net all)	14.45%	66	2.02%	58	6.52%	38	10.49%	31	9.09%	23
Vanguard Value Index (net mgr)	14.51%	66	2.29%	55	6.77%	35	10.75%	24	9.35%	20
U.S. Large Cap Value Benchmark	14.53%	66	2.26%	55	6.78%	35	10.77%	22	9.38%	20
Russell 1000 Value Index	16.25%	39	2.80%	46	6.07%	48	9.74%	47	8.20%	40
Callan Lg Cap Value MF	15.57%		2.65%		5.97%		9.51%		8.00%	
Vanguard Extended Market Index (net all)	27.35%	7	32.03%	39	15.12%	50	15.81%	47	11.62%	50
Vanguard Extended Market Index (net mgr)	27.43%	6	32.21%	39	15.34%	50	16.05%	45	11.85%	49
S&P Completion Index	27.40%	6	32.17%	39	15.21%	50	15.93%	46	11.75%	50
Callan Mid Cap MFs	20.22%		21.59%		15.34%		15.43%		11.71%	
Vanguard Mid Cap Index (net all)	17.97%	74	18.04%	58	11.78%	56	13.01%	54	10.86%	52
Vanguard Mid Cap Index (net mgr)	18.02%	74	18.24%	58	12.04%	56	13.28%	54	11.13%	52
U.S. Mid Cap Benchmark	18.03%	74	18.24%	58	12.06%	56	13.30%	54	11.17%	51
Russell MidCap Index	19.91%	54	17.10%	58	11.61%	56	13.40%	54	10.96%	52
Callan Mid Cap MFs	20.22%		21.59%		15.34%		15.43%		11.71%	
Vanguard Explorer (net all)	26.52%	52	30.97%	78	18.63%	69	18.22%	62	-	
Vanguard Explorer (net mgr)	26.65%	52	31.48%	77	19.03%	66	18.48%	61	12.83%	76
Russell 2500 Growth Index	25.89%	57	40.47%	52	19.91%	60	18.68%	60	14.09%	47
Callan Sm Cap Growth MF	26.83%		41.63%		21.52%		19.48%		13.95%	
Vanguard Small Cap Growth (net all)	24.56%	69	35.08%	66	18.98%	67	17.74%	69	12.53%	77
Vanguard Small Cap Growth (net mgr)	24.65%	69	35.28%	66	19.21%	64	17.99%	67	12.77%	76
U.S. Small Cap Growth Benchmark	24.66%	69	35.35%	66	19.22%	64	17.97%	67	12.74%	77
Russell 2000 Growth Index	29.61%	19	34.63%	67	16.20%	84	16.36%	84	12.08%	78
Callan Sm Cap Growth MF	26.83%		41.63%		21.52%		19.48%		13.95%	
Vanguard Small Cap Index (net all)	27.03%	55	18.70%	55	10.92%	53	13.31%	53	9.79%	53
Vanguard Small Cap Index (net mgr)	27.10%	55	19.11%	55	11.22%	53	13.60%	52	10.09%	52
U.S. Small Cap Benchmark	27.10%	55	19.07%	55	11.20%	53	13.58%	52	10.07%	52
Russell 2000 Index	31.37%	19	19.96%	54	10.25%	54	13.26%	53	9.34%	54
Callan Small Cap MFs	27.42%		24.42%		12.33%		13.99%		10.43%	
DFA US Small Cap Value (net all)	32.73%	25	2.08%	65	0.56%	81	6.72%	81	-	
DFA US Small Cap Value (net mgr)	32.66%	26	2.23%	65	0.82%	75	7.10%	77	4.32%	80
Russell 2000 Value Index	33.36%	23	4.63%	45	3.72%	41	9.65%	41	6.25%	54
Callan Sm Cap Value MF	28.37%		3.90%		2.79%		8.65%		6.36%	
Vanguard Small Cap Value Index (net all)	29.27%	48	5.25%	43	4.12%	40	9.37%	41	7.34%	33
Vanguard Small Cap Value Index (net mgr)	29.33%	48	5.85%	40	4.48%	39	9.73%	40	7.67%	26
U.S. Small Cap Value Benchmark	29.31%	48	5.75%	41	4.43%	39	9.72%	40	7.67%	26
Russell 2000 Value Index	33.36%	23	4.63%	45	3.72%	41	9.65%	41	6.25%	54
Callan Sm Cap Value MF	28.37%		3.90%		2.79%		8.65%		6.36%	
<b>International Equity</b>										
Dodge & Cox Int'l Stock (net all)	24.64%	5	1.84%	87	0.64%	81	6.36%	71	-	
Dodge & Cox Int'l Stock (net mgr)	24.69%	5	2.10%	86	0.93%	79	6.65%	66	2.93%	81
MSCI EAFE Index	16.05%	56	7.82%	64	4.28%	57	7.45%	56	4.39%	58
MSCI ACWI ex US	17.01%	45	10.65%	53	4.88%	48	8.93%	40	4.82%	53
Callan Non US Equity MFs	16.48%		11.12%		4.48%		7.75%		4.86%	
Vanguard Int'l Stock Index (net all)*	16.88%	45	11.07%	51	4.72%	48	8.78%	40	4.83%	53
Vanguard Int'l Stock Index (net mgr)	16.89%	45	11.28%	48	5.01%	46	9.11%	39	5.13%	43
Total Int'l Stock Benchmark	17.21%	42	11.24%	48	4.98%	47	9.07%	39	5.21%	41
Callan Non US Equity MFs	16.48%		11.12%		4.48%		7.75%		4.86%	
<b>Real Estate</b>										
Vanguard REIT Index (net all)*	9.21%	53	(4.73%)	57	4.76%	52	5.44%	54	8.12%	51
Vanguard REIT Index (net mgr)	9.24%	53	(4.67%)	56	4.98%	46	5.67%	48	8.40%	45
MSCI US IMI Real Estate 25/50	9.28%	53	(4.55%)	56	5.05%	46	5.76%	46	8.48%	44
NAREIT All Equity Index	8.15%	78	(5.12%)	62	5.41%	39	6.70%	23	8.93%	32
Callan Real Estate MFs	9.38%		(4.03%)		4.83%		5.60%		8.15%	

(net all) indicates performance is net of all fees, including 529 program management fees (25 bps).

(net mgr) performance figures provided by Union Bank & Trust.

(net mgr) indicates performance is net of manager fees.

\* Indicates fund is held in the Age Based and Target Fund Portfolios.

## Investment Fund Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment funds over various time periods ended December 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

### Returns and Rankings for Periods Ended December 31, 2020

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
<b>Bank Savings (net all)</b>										
Bank Savings 529	0.09%	44	-	-	-	-	-	-	-	-
3-month Treasury Bill	0.03%	46	0.67%	46	1.60%	35	1.20%	36	0.87%	43
MS 529 Static Money Marke	0.01%		0.46%		1.30%		0.93%		0.73%	

(net all) indicates performance is net of all fees, including 529 program management fees (25 bps).  
 (net all) performance figures provided by Union Bank & Trust.

**Alabama CollegeCounts Direct Plan, Executive Summary**  
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>Money Market Funds</b>									
<b>Vanguard Prime Money Market</b> Callan Money Market Funds	0.0 37	0.6 27	1.6 25	1.3 23	1.0 21			0.8 2	0.2 21
3-Month Treasury Bill	0.0 27	0.7 24	1.6 25	1.2 27	0.9 25				0.0 25
<b>Fixed Income Funds</b>									
<b>PIMCO Short-Term</b> Callan Defensive FI MFs	0.4 81	2.7 90	2.3 90	2.4 67	2.0 61			0.6 68	0.6 61
3 Month T-Bills	0.0 93	0.6 97	1.6 97	1.2 97	0.8 99				-0.1 99
<b>Vanguard Short Infl-Protected (i)</b> Callan TIPS MFs	1.3 97	5.0 96	3.4 90	2.8 92	1.8 90			-0.5 95	0.5 80
Blmbg US TIPS 0-5 Idx	1.3 95	5.1 95	3.5 87	2.8 91	1.8 90				0.5 78
<b>Vanguard Short Term Bond (i)</b> Callan Short Inv Grade MF	0.3 89	4.7 25	3.6 26	2.7 52	2.3 49			-0.6 91	0.9 26
Blmbg Govt/Cred 1-5 Float Adj	0.3 88	4.7 25	3.7 25	2.8 46	2.3 47				0.9 19
<b>Vanguard Infl Prot Securities</b> Callan TIPS MFs	1.6 75	11.0 36	5.8 42	5.0 45	3.8 33			-0.3 44	0.8 19
Blmbg US TIPS Index	1.6 74	11.0 36	5.9 30	5.1 37	3.9 27				0.8 7
<b>Fidelity Investment Grade Bond</b> Callan Core Bond MFs	1.2 55	9.9 13	6.3 14	5.6 13	4.5 23			0.3 26	1.1 49
Blmbg Aggregate Index	0.7 90	7.5 90	5.3 80	4.4 83	4.1 72				1.1 50
<b>Vanguard Total Bond Market Index (i)</b> Callan Core Bond MFs	0.7 89	7.7 89	5.4 76	4.5 80	4.1 72			-0.0 72	1.0 70
Blmbg Aggregate Index	0.7 90	7.5 90	5.3 80	4.4 83	4.1 72				1.1 50
<b>PGIM Total Return Bond</b> Callan Core Plus MFs	2.4 25	8.0 66	6.0 39	5.9 20	5.2 17			0.4 20	1.0 67
Blmbg Aggregate Index	0.7 100	7.5 82	5.3 79	4.4 95	4.1 88				1.1 46
<b>Balanced Funds</b>									

Returns:  
■ above median  
■ third quartile  
■ fourth quartile



Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

**Alabama CollegeCounts Direct Plan, Executive Summary**  
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>T. Rowe Price Balanced</b> Callan Dom Balanced MFs Balanced Fund Blended Benchmark	9.8 46	14.6 43	9.6 44	10.5 39	8.4 47			-0.3 50	0.7 45
<b>Domestic Equity</b>									
<b>T. Rowe Large Cap Growth</b> Callan Large Cap Grwth MF Russell 1000 Growth Index	13.0 19	39.6 37	23.2 44	21.5 17	17.9 18			0.1 18	1.0 11
<b>Vanguard Growth Index (i)</b> Callan Large Cap Grwth MF U.S. Large Cap Growth Benchmark	11.4 48	40.2 35	23.0 46	20.3 29	16.8 39			-2.3 99	0.9 46
<b>Vanguard Total Stock Index (i)</b> Callan Large Cap Core MFs U.S. Total Market Benchmark	14.7 22	21.0 28	14.5 25	15.4 20	12.8 20			-0.2 35	0.7 36
<b>Vanguard 500 Index (i)</b> Callan Large Cap Core MFs S&P 500 Index	12.1 55	18.4 35	14.2 27	15.2 23	12.9 17			-2.6 99	0.8 20
<b>DFA US Large Cap Value</b> Callan Lg Cap Value MF Russell 1000 Value Index	18.5 19	-0.6 81	3.3 84	9.3 64	7.5 66			-0.2 71	0.4 73
<b>Vanguard Value Index (i)</b> Callan Lg Cap Value MF U.S. Large Cap Value Benchmark	14.5 66	2.3 55	6.8 35	10.7 24	9.3 20			-0.9 90	0.6 15
<b>Vanguard Extended Market Index (i)</b> Callan Mid Cap MFs S&P Completion Index	27.4 6	32.2 39	15.3 50	16.0 45	11.8 49			1.6 1	0.5 56
<b>Vanguard Mid Cap Index (i)</b> Callan Mid Cap MFs U.S. Mid Cap Benchmark	18.0 74	18.2 58	12.0 56	13.3 54	11.1 52			-1.5 99	0.6 49

Returns:  
■ above median  
■ third quartile  
■ fourth quartile



Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

**Alabama CollegeCounts Direct Plan, Executive Summary**  
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Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>Vanguard Explorer</b> Callan Sm Cap Growth MF Russell 2500 Growth Index	26.6 52	31.5 77	19.0 66	18.5 61	12.8 76			-0.5 81	0.5 67
<b>Vanguard Small Cap Growth Index (i)</b> Callan Sm Cap Growth MF U.S. Small Cap Growth Benchmark	24.6 69	35.3 66	19.2 64	18.0 67	12.8 76			0.9 3	0.5 60
<b>Vanguard Small Cap Index (i)</b> Callan Small Cap MFs U.S. Small Cap Benchmark	27.1 55	19.1 55	11.2 53	13.6 52	10.1 52			0.5 20	0.4 52
<b>DFA US Small Cap Value</b> Callan Sm Cap Value MF Russell 2000 Value Index	32.7 26	2.2 65	0.8 75	7.1 77	4.3 80			-0.6 96	0.1 84
<b>Vanguard Small Cap Value Index (i)</b> Callan Sm Cap Value MF U.S. Small Cap Value Benchmark	29.3 48	5.8 40	4.5 39	9.7 40	7.7 26			-0.1 31	0.3 25
<b>International Equity</b>									
<b>Dodge &amp; Cox Int'l Stock</b> Callan Non US Equity MFs MSCI EAFE Index	24.7 5	2.1 86	0.9 79	6.6 66	2.9 81			-0.2 74	0.1 81
<b>Vanguard Int'l Stock Index (i)</b> Callan Non US Equity MFs Total Int'l Stock Benchmark	16.9 45	11.3 48	5.0 46	9.1 39	5.1 43			-0.1 52	0.2 48
<b>Real Estate Funds</b>									
<b>Vanguard REIT Index (i)</b> Callan Real Estate MFs MSCI US IMI Real Estate 25/50	9.2 53	-4.7 56	5.0 46	5.7 48	8.4 45			-1.3 100	0.5 61
<b>Bank Savings</b>									

Returns:  
■ above median  
■ third quartile  
■ fourth quartile



Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

(i) - Indexed scoring method used. Green: manager & index ranking differ by <= +/- 10%tile. Yellow: manager & index ranking differ by <= +/- 20%tile. Red: manager & index ranking differ by > +/- 20%tile.

**Alabama CollegeCounts Direct Plan, Executive Summary**  
**Investment Manager Performance Monitoring Summary Report**  
**December 31, 2020**

Investment Manager	Last Quarter Return	Last Year Return	3 Year Return	5 Year Return	7 Year Return	7 Year Risk Quadrant	7 Year Return Consistency	7 Year Excess Rtn Ratio	7 Year Sharpe Ratio
<b>Bank Savings 529</b>	0.1 44								
MS 529 Static Money Market									
3-month Treasury Bill	0.0 46	0.7 46	1.6 35	1.2 36	0.9 43				0.0 43

Returns:  
■ above median  
■ third quartile  
■ fourth quartile

Risk Quadrant:  


Return Consistency:  
■ above median  
■ third quartile  
■ fourth quartile

Excess Return Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

Sharpe Ratio:  
■ above median  
■ third quartile  
■ fourth quartile

## Morningstar Ratings and Rankings

Plan 2 - Direct - Fund Name	Morningstar Category	Ticker	Morningstar Rating	Market Value*
Bank Savings 529 Portfolio	N/A	N/A	N/A	\$3,772,769
DFA U.S. Large Cap Value	Large Value	DFLVX	3	\$103,700,156
DFA U.S. Small Cap Value	Small Value	DFSVX	3	\$1,179,827
Dodge & Cox International Stock	Foreign Blend	DODFX	3	\$2,391,440
Fidelity Advisor Investment Grade Bond	Intermediate-Term Bond	FIKQX	5	\$6,081,018
PIMCO Short-Term	Ultrashort Bond	PTSHX	5	\$166,502,058
PGIM Total Return Bond	Total Return Bond	PTRQX	5	\$112,051,943
T. Rowe Price Balanced	Moderate Allocation	RPBAX	4	\$62,641,685
T. Rowe Price Large-Cap Growth	Large Growth	TRLGX	5	\$135,536,332
Vanguard 500 Index	Large Blend	VINIX	5	\$40,059,871
Vanguard Explorer	Small Growth	VEXRX	3	\$2,954,201
Vanguard Extended Market Index	Mid-Cap Blend	VEXAX	5	\$2,861,739
Vanguard Growth Index	Large Growth	VIGAX	4	\$24,805,607
Vanguard Inflation-Protected Securities	Inflation-Protected Bond	VAIPX	4	\$2,662,792
Vanguard Mid-Cap Index	Mid-Cap Blend	VIMAX	5	\$11,529,031
Vanguard Prime Money Market	Taxable Money Market	VMRXX	N/A	\$33,432,406
Vanguard Real Estate Index (REIT Index)	Real Estate	VGSNX	3	\$28,369,831
Vanguard Short Term Bond	Short-Term Bond	VBITX	3	\$63,273,371
Vanguard Short-Term Infl-Protected	Inflation-Protected Bond	VTSPX	2	\$34,349,062
Vanguard Small-Cap Growth Index	Small Growth	VSGAX	3	\$10,731,218
Vanguard Small-Cap Index	Small Blend	VSMAX	5	\$5,420,511
Vanguard Small-Cap Value Index	Small Value	VSIAX	4	\$3,815,099
Vanguard Total Bond Market Index	Intermediate-Term Bond	VBTIX	3	\$143,577,223
Vanguard Total International Stock Index	Foreign Large Blend	VTSNX	3	\$109,161,382
Vanguard Total Stock Market Index	Large Blend	VITSX	4	\$205,651,250
Vanguard Value Index	Large Value	VVIAX	4	\$5,946,537

\*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

## Summary of Fund Performance Status

Plan 2 - Direct - Fund Name	Prior Quarter Status	Current Quarter Status	Market Value*
DFA U.S. Large Cap Value	Watch	Watch	\$103,700,156
DFA U.S. Small Cap Value	Watch	Watch	\$1,179,827
Dodge & Cox International Stock	Watch	Watch	\$2,391,440
Fidelity Advisor Investment Grade Bond	Positive	Positive	\$6,081,018
Mainstay Total Return Bond	Positive	Positive	\$166,502,058
PIMCO Short-Term	Positive	Positive	\$112,051,943
PGIM Total Return Bond	Positive	Positive	\$62,641,685
T. Rowe Price Balanced	Positive	Positive	\$135,536,332
T. Rowe Price Large-Cap Growth	Positive	Positive	\$40,059,871
Vanguard 500 Index	Positive	Positive	\$2,954,201
Vanguard Explorer	Positive	Positive	\$2,861,739
Vanguard Extended Market Index	Positive	Positive	\$24,805,607
Vanguard Growth Index	Positive	Positive	\$2,662,792
Vanguard Inflation-Protected Securities	Positive	Positive	\$11,529,031
Vanguard Mid-Cap Index	Positive	Positive	\$33,432,406
Vanguard Prime Money Market (change pending)	Positive	Positive	\$28,369,831
Vanguard Real Estate Index (REIT Index)	Positive	Positive	\$63,273,371
Vanguard Short Term Bond	Positive	Positive	\$34,349,062
Vanguard Short-Term Infl-Protected	Positive	Positive	\$10,731,218
Vanguard Small-Cap Growth Index	Positive	Positive	\$5,420,511
Vanguard Small-Cap Index	Positive	Positive	\$3,815,099
Vanguard Small-Cap Value Index	Positive	Positive	\$143,577,223
Vanguard Total Bond Market Index	Positive	Positive	\$109,161,382
Vanguard Total International Stock Index	Positive	Positive	\$205,651,250
Vanguard Total Stock Market Index	Positive	Positive	\$5,946,537
Vanguard Value Index	Positive	Positive	\$103,700,156

\*Asset totals include age based, target portfolio assets, advisor and direct plans where applicable.

- Funds identified as “Currently on Watch” are those whose Watch status has been approved by the CollegeCounts Board.
- Watch list status based on Watch List guidelines defined in the Investment Policy Statement.

## **Manager/Product Updates**

## Manager/Product Updates

None at this time.

## Watch List

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## Watch List

*The following Funds are recommended to be added to the Watch List:*

None at this time.

*The following Fund is recommended to be removed from the Watch List:*

### **American Century Short Duration Inflation Protection Bond (Advisor)**

<b>Availability:</b>	This fund is an individual option.
<b>Issue:</b>	American Century Short Duration Inflation Protection Bond was recommended to be added to Watch List due to performance issues.
<b>Analysis:</b>	Over the trailing three-year period the fund outperformed the Bloomberg US TIPS 0-5 index by 0.01%. The fund outperformed over the trailing five-year period by 0.06%. The one year period lags the Bloomberg US TIPS 0-5 index by 0.14%. The fund posted a fourth quarter return of 1.60% beating the benchmark return of 1.31%.
<b>Recommendation:</b>	Recommendation to remove as short and long-term performance is now in-line or ahead of the benchmark.
<b>Date on Watch:</b>	May 2020
<b>Plan Assets:</b>	\$86,392,078.

None at this time.

*The following Funds are recommended to remain on the Watch List:*

### **DFA Large Cap Value (Advisor and Direct)**

<b>Availability:</b>	This fund is an individual option.
<b>Issue:</b>	DFA U.S. Large Cap Value is on Watch List due to performance issues.
<b>Analysis:</b>	Over the trailing three and five-year period the fund ranks in the 84 <sup>th</sup> and 64 <sup>th</sup> percentile of peers and underperformed the Russell 1000 Value index by 2.79% and 0.46% respectively. The one year period lags the Russell 1000 Value index by 3.41%. The fund posted a fourth quarter return of 18.52% beating the benchmark return of 16.25%.
<b>Recommendation:</b>	Watch list
<b>Date on Watch:</b>	May 2020
<b>Plan Assets:</b>	\$103,700,156

### DFA U.S. Small Cap Value (Direct Plan)

**Availability:** This fund is an individual option.  
**Issue:** DFA U.S. Small Cap Value was added to the Watch List due to performance issues.  
**Analysis:** Over the trailing three-year period the fund ranks in the 75<sup>th</sup> percentile of peers and underperformed the Russell 2000 Value index by 2.90%. The one year period lags the Russell 2000 Value index by 2.40%. The fund posted a fourth quarter return of 32.66% lagging the benchmark return of 33.36%.  
**Recommendation:** Watch list  
**Date on Watch:** December 2018  
**Plan Assets:** \$1,179,826

### Dodge & Cox International Stock Fund (Direct Plan)

**Availability:** This fund is an individual option.  
**Issue:** The Dodge & Cox International Stock Fund was added to the Watch List due to performance issues.  
**Analysis:** Over the trailing three-year period the fund ranks in the 79<sup>th</sup> percentile of peers and lagged the MSCI EAFE index by 3.35%. The one year lagged the MSCI EAFE index by 5.72% and ranks in the 86<sup>th</sup> percentile of peers. This quarter, the fund posted a return of 24.69% outperforming the 16.05% return of the benchmark.  
**Recommendation:** Watch list  
**Date on Watch:** August 2018  
**Plan Assets:** \$2,391,440

### Touchstone High Yield Fund (Advisor Plan)

**Availability:** This fund is offered as an individual option and an underlying fund.  
**Issue:** Underperformance  
**Analysis:** Over the five year period the fund underperformed the benchmark and ranks in the 85<sup>th</sup> percentile among peers. The Fund lagged the benchmark by 0.76% for the last 3 years and ranks in the 71<sup>st</sup> percentile among peers. This quarter, the Fund underperformed the High Yield II Index by 0.18% and ranked in the 46<sup>th</sup> percentile of Callan High Yield Mutual Fund peer group.  
**Recommendation:** Replacement: Blackrock (BHYIX) was selected to replace Touchstone High Yield Fund.  
**Date on Watch:** August 10, 2016  
**Plan Assets:** \$48,201,089

### William Blair Small Cap Value (Advisor Plan)

<b>Availability:</b>	This fund is offered as an individual option
<b>Original Issue:</b>	Underperformance
<b>Analysis:</b>	During the fourth quarter the Fund had a return of 27.60% which underperformed the benchmark by 5.76% and ranked in the 54 <sup>th</sup> percentile of Callan's Small Cap Value Mutual Fund peer group. For the three year period, the Fund lags the benchmark by 5.52% and ranks in the 89 <sup>th</sup> percentile of peers. The 5-year return trails the benchmark by 4.15% and ranks in the 91 <sup>st</sup> percentile of peers.
<b>Recommendation:</b>	Watch list
<b>Date on Watch:</b>	May 16, 2018
<b>Plan Assets:</b>	\$9,504,422

### Templeton Global Bond Fund (Advisor Plan)

<b>Availability:</b>	This fund is an individual option and an underlying fund.
<b>Issue:</b>	Performance and senior analyst departure
<b>Analysis:</b>	The fund's performance trails the benchmark by 5.10% for the three-year period and ranks in the 93 <sup>rd</sup> percentile of the peer group. This quarter the fund returned 0.14% trailing the benchmark by 4.68% and ranking in the 97 <sup>th</sup> percentile of peers.
<b>Recommendation:</b>	Terminate/Replace
<b>Date on Watch:</b>	February 2020
<b>Plan Assets:</b>	\$46,405,220

## **Watch List Criteria**

## Watch List Criteria

### Performance Objectives

The Board shall evaluate investment performance on a quarterly basis relative to an assigned benchmark and peer group. Each individual fund portfolio will have an assigned benchmark and peer group and the multi-fund portfolios will have a blended benchmark.

#### Passive Options:

The objective of an index fund is to match the performance of its benchmark with minimal tracking error. As a result, the evaluation of index funds will focus on their ability to match the return of the benchmark on a gross-of-fee basis and to do so with minimal tracking error.

#### Active Options:

The objective of an actively managed fund is to outperform its benchmark over longer periods on a net-of-fee basis. Longer periods will be defined as 3 to 5 years or a full market cycle for measuring purposes. The specific objectives are as follows:

- Outperform its benchmark and rank in the top half of its peer group over the trailing 3 to 5 years or a full market cycle.
- Demonstrate percentile risk-adjusted performance above the 75<sup>th</sup> percentile as measured against its peer group over the trailing 3 to 5 years or a full market cycle.

#### Multi-Fund Options:

Since it is not feasible to replace the entire suit of multi-fund offerings, performance evaluation will focus on the underlying funds that are causing the under- or outperformance of the overall portfolio.

### Watch List Standards

A number of factors may contribute to a portfolio's over- or under-performance at any given time, including market dynamics, investment skill, chance or a combination thereof. Because a portfolio's performance might be attributable to factors that do not reflect deficiencies in skills, strategy or investment philosophy/process, it may be unwise to recommend termination solely because a portfolio performs below expectations for a certain period of time. A "Watch List" will be utilized to identify those portfolios whose performance or other factors are cause for further assessment, possible termination, or other action by the Board.

A portfolio may be placed on Watch and an appropriate review and analysis of the investment manager may be conducted, when one or more of the following events occur:

- The portfolio fails to meet the performance objectives outlined in this Statement;
- There is a change in the investment manager's organization, investment philosophy and/or personnel;
- There is a significant change in the investment manager's assets under management in the product or firm-wide;
- There is an indication that the investment manager is deviating from his/her stated style and/or strategy;

- There is a significant increase in the portfolio's fees or expenses;
- There are legal, SEC and/or other regulatory agency proceedings affecting the manager; and/or
- Any issue or event deemed relevant by the Board.

The Board may decide to take no action or it may vote to place the individual fund portfolio on Watch. In making this decision, the Board may use quantitative or qualitative information or a combination of both. Once on Watch, the individual fund portfolio will be monitored closely. Specifically, the Program Manager will provide a quarterly report explaining causes of underperformance or improvement. Additionally, the Investment Consultant will monitor the individual fund portfolio carefully and provide additional reports as necessary. This increased level of monitoring continues quarter-by-quarter until the Board releases the individual fund portfolio from Watch or takes other corrective actions.