

# Proposal Report

Prepared by: Jim Smith, AIF®



**FIDUCIARY FOCUS**  
ADVISORY GROUP

Prepared for:  
**ABC Inc.**  
Prepared on: 08/17/2023



**FIDUCIARY FOCUS**  
ADVISORY GROUP

# About Us



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# Proposal Report

Inv. Data as of 06/30/23.

ABC Inc.

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Investment and Insurance Products: NOT FDIC Insured / NO Bank Guarantee / MAY Lose Value

### U.S. EQUITY : LARGE GROWTH

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
T. Rowe Price All-Cap Opportunities Fund <span style="color: red;">NEW</span>	MF	PRWAX	16	4	2	2	13	20.97 (69)	12.97 (16)	14.99 (8)	16.23 (6)	0.81 (45)
Allspring Premier Large Co Gr R6 <span style="color: blue;">OLD</span>	MF	EKJFX	75	69	43	33	40	20.07 (75)	6.09 (82)	9.70 (78)	12.25 (74)	0.65 (24)
# OF MF/ETF/CIT PEERS			1,151	1,119	1,051	976	740	1,225	1,151	1,101	1,012	1,243
MEDIAN MF/ETF/CIT								23.34	9.82	11.68	13.34	0.87
RUSSELL 1000 GROWTH TR USD								27.10	13.73	15.13	15.74	-

### U.S. EQUITY : LARGE VALUE

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
Vanguard Equity-Income Adm <span style="color: red;">NEW</span>	MF	VEIRX	13	16	10	6	7	8.85 (67)	14.68 (49)	9.37 (24)	10.31 (16)	0.19 (6)
American Century Disclnd Cor Val A <span style="color: blue;">OLD</span>	MF	AMADX	95	66	39	29	24	4.20 (95)	9.22 (98)	6.61 (82)	8.85 (58)	0.90 (57)
# OF MF/ETF/CIT PEERS			1,173	1,148	1,091	1,001	738	1,228	1,173	1,148	1,014	1,264
MEDIAN MF/ETF/CIT								10.75	14.61	8.12	9.09	0.81
RUSSELL 1000 VALUE TR USD								11.53	14.30	8.10	9.21	-

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## INVESTMENT SNAPSHOT

### U.S. EQUITY : MID-CAP BLEND

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGVA ZRNA-Empower S&P Mid Cap 400@ Index Instl <span style="color:red">NEW</span>	GRPA	-	22	-	-	-	-	17.30 (11)	15.17 (15)	7.58 (32)	9.92 (21)	0.19 (7)
Federated Hermes Mid-Cap Index Svc <span style="color:blue">OLD</span>	MF	FMDCX	41	40	42	34	22	17.13 (23)	14.98 (25)	7.28 (54)	9.71 (38)	0.57 (25)
# OF GRPA PEERS			2,504	2,311	2,299	1,738	554	2,548	2,498	2,467	2,298	2,566
# OF MF/ETF/CIT PEERS			390	378	356	304	213	417	390	367	291	434
MEDIAN GRPA								13.48	12.51	6.86	8.67	1.21
MEDIAN MF/ETF/CIT								14.57	13.29	7.47	9.35	0.89
RUSSELL MID CAP TR USD								14.92	12.49	8.45	10.32	-

### U.S. EQUITY : MID-CAP VALUE

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
MM GVA ZRO-Columbia Select Mid Cap Value Instl 3 <span style="color:red">NEW</span>	GRPA	-	14	-	15	-	-	13.27 (32)	19.13 (11)	9.31 (14)	9.75 (17)	0.73 (14)
American Beacon Mid-Cap Value Inv <span style="color:blue">OLD</span>	MF	AMPAX	-	-	-	-	-	-	-	-	-	-
# OF GRPA PEERS			2,753	2,544	2,566	1,918	589	2,816	2,753	2,732	2,643	2,820
MEDIAN GRPA								11.90	16.26	6.85	8.57	1.25
RUSSELL MID CAP VALUE TR USD								10.50	15.03	6.83	9.03	-

### U.S. EQUITY : SMALL VALUE

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGFA ZRO-MFS New Discovery Value R6 <span style="color:red">NEW</span>	GRPA	-	21	-	7	-	-	7.75 (74)	17.04 (52)	8.06 (7)	10.22 (4)	0.84 (19)
DFA US Targeted Value R1 <span style="color:blue">OLD</span>	MF	DFTVX	-	-	-	-	-	-	-	-	-	-
# OF GRPA PEERS			2,808	2,501	2,575	1,820	602	2,874	2,807	2,769	2,703	2,888
MEDIAN GRPA								11.06	17.19	4.89	7.71	1.31
RUSSELL 2000 VALUE TR USD								6.00	15.42	3.53	7.29	-

### INTERNATIONAL EQUITY : DIVERSIFIED EMERGING MKTS

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
Invesco Developing Markets Y <span style="color:blue">OLD</span>	MF	ODVYX	50	64	46	27	21	11.58 (15)	-0.15 (74)	0.12 (72)	2.95 (50)	0.99 (35)
Baillie Gifford Emerging Markets Eqs 4 <span style="color:red">NEW</span>	MF	BGEPX	-	-	-	-	-	-	-	-	-	-
# OF MF/ETF/CIT PEERS			746	710	636	568	271	821	746	687	491	863
MEDIAN MF/ETF/CIT								4.79	2.11	1.10	2.95	1.11
MSCI EM NR USD								1.74	2.31	0.93	2.95	-

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## INVESTMENT SNAPSHOT

### INTERNATIONAL EQUITY : FOREIGN LARGE BLEND

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
Russell Inv International Fund <span>NEW</span>	CIT	OWOTD	0	-	-	-	-	17.20 (39)	11.63 (7)	5.04 (20)	6.38 (9)	0.00 (1)
Delaware Ivy International Core Eq R <span>OLD</span>	MF	IYTX	67	77	86	85	58	15.11 (60)	8.50 (42)	2.53 (87)	4.86 (65)	1.29 (81)
# OF MF/ETF/CIT PEERS			695	671	618	543	378	737	695	654	521	762
MEDIAN MF/ETF/CIT								16.17	8.03	3.94	5.12	0.89
MSCI ACWI EX USA NR USD								12.71	7.22	3.51	4.74	-

### INTERNATIONAL EQUITY : FOREIGN LARGE GROWTH

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGVA ZR0-MFS International Growth R6 <span>NEW</span>	GRPA	-	0	-	19	-	-	18.55 (24)	8.43 (2)	6.86 (5)	7.56 (9)	0.70 (11)
American Funds Europacific Growth A <span>OLD</span>	MF	AEPGX	24	40	43	40	29	15.38 (57)	5.10 (45)	3.92 (57)	5.92 (51)	0.84 (31)
# OF GRPA PEERS			2,430	2,267	2,253	1,747	789	2,536	2,429	2,385	2,273	2,537
# OF MF/ETF/CIT PEERS			418	406	374	311	215	448	417	394	330	449
MEDIAN GRPA								16.65	4.73	3.84	5.25	1.37
MEDIAN MF/ETF/CIT								16.07	4.63	4.21	5.94	0.97
MSCI ACWI EX USA GROWTH NR USD								13.26	3.95	4.05	5.60	-

### SECTOR EQUITY : EQUITY PRECIOUS METALS

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
Allspring Precious Metals Inst <span>OLD</span>	MF	EKWYX	0	18	40	30	23	15.35 (4)	-4.58 (35)	7.62 (35)	3.79 (44)	0.79 (33)
MM GVA A5-Invesco Gold & Special Minerals A <span>NEW</span>	GRPA	-	0	-	1	2	-	14.15 (18)	-2.51 (10)	9.23 (8)	5.15 (8)	1.10 (23)
# OF MF/ETF/CIT PEERS			68	68	68	61	50	70	68	68	63	70
# OF GRPA PEERS			522	490	483	414	177	524	522	521	513	524
MEDIAN MF/ETF/CIT								8.64	-5.63	6.92	3.25	1.09
MEDIAN GRPA								12.82	-4.67	7.44	3.63	1.61
MSCI WORLD/METALS & MINING NR USD								16.54	16.58	10.16	7.13	-

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## INVESTMENT SNAPSHOT

### SECTOR EQUITY : GLOBAL REAL ESTATE

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGFA ZRNA-DFA Global Real Estate Securities Port <b>NEW</b>	GRPA	-	20	-	7	-	-	-4.81 (69)	4.29 (25)	2.48 (16)	4.92 (12)	0.22 (3)
DFA Global Real Estate Securities Port <b>OLD</b>	MF	DFGEX	23	4	9	8	9	-4.81 (65)	4.29 (29)	2.48 (23)	4.92 (17)	0.22 (6)
# OF GRPA PEERS			729	685	660	518	161	777	729	726	672	779
# OF MF/ETF/CIT PEERS			184	184	178	162	100	196	184	184	151	198
MEDIAN GRPA								-3.79	3.24	0.55	3.19	1.34
MEDIAN MF/ETF/CIT								-4.04	3.61	1.20	3.56	1.07
S&P GLOBAL REIT TR USD								-1.92	6.37	2.40	4.90	-

### SECTOR EQUITY : HEALTH

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGFA ZRNA-BlackRock Health Sciences Opps K <b>NEW</b>	GRPA	-	0	-	1	-	-	8.55 (30)	7.54 (27)	10.58 (9)	13.63 (7)	0.74 (19)
Vanguard Health Care Inv <b>OLD</b>	MF	VGHX	0	3	42	43	35	12.05 (29)	8.48 (28)	10.26 (24)	11.92 (42)	0.34 (5)
# OF GRPA PEERS			712	654	632	498	187	729	712	689	676	737
# OF MF/ETF/CIT PEERS			155	140	134	125	100	172	155	137	125	180
MEDIAN GRPA								7.67	6.58	9.15	11.88	1.32
MEDIAN MF/ETF/CIT								8.14	6.78	8.22	11.43	0.85
S&P 1500 HEALTH CARE TR								5.19	11.19	11.27	12.81	-

### ALLOCATION : MODERATE ALLOCATION

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGVA ZRNA-American Funds American Balanced R6 <b>NEW</b>	GRPA	-	0	-	7	-	-	8.90 (46)	7.13 (26)	7.06 (21)	8.35 (10)	0.25 (3)
American Funds American Balanced A <b>OLD</b>	MF	ABALX	24	10	12	8	4	8.60 (55)	6.81 (34)	6.74 (24)	8.03 (15)	0.57 (14)
# OF GRPA PEERS			3,538	3,276	3,277	2,368	1,103	3,665	3,536	3,499	3,260	3,678
# OF MF/ETF/CIT PEERS			709	684	639	587	420	748	707	690	600	760
MEDIAN GRPA								8.65	6.25	5.74	6.60	1.08
MEDIAN MF/ETF/CIT								8.79	6.22	5.50	6.49	0.94
MORNINGSTAR MOD TGT RISK TR USD								8.39	5.07	5.19	6.05	-

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## INVESTMENT SNAPSHOT

### TAXABLE BOND : EMERGING MARKETS BOND

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
Wellington CIF II Opportunistic EM DbtS1 <b>NEW</b>	CIT	119C7	25	-	-	-	-	7.85 (47)	-2.90 (74)	0.79 (49)	2.77 (12)	0.57 (14)
Fidelity® New Markets Income <b>OLD</b>	MF	FNMIX	56	52	62	56	29	7.32 (57)	-2.03 (55)	-0.33 (79)	2.17 (31)	0.82 (40)
# OF MF/ETF/CIT PEERS			241	237	220	182	76	258	241	235	143	261
MEDIAN MF/ETF/CIT								7.63	-1.87	0.74	1.68	0.88
BLOOMBERG EM USD AGGREGATE TR USD								5.63	-2.70	1.02	2.72	-

### TAXABLE BOND : INTERMEDIATE CORE-PLUS BOND

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
MM GVA ZRO-Lord Abbett Total Return R6 <b>NEW</b>	GRPA	-	23	-	18	-	-	-0.32 (33)	-2.65 (12)	0.94 (26)	1.82 (23)	0.35 (8)
Loomis Sayles CPFD CIT <b>NEW</b>	CIT	09JWY	24	-	-	-	-	0.83 (15)	-1.57 (7)	2.08 (7)	2.89 (3)	0.00 (1)
Metropolitan West Total Return Bd Plan <b>OLD</b>	MF	MWTSX	39	34	18	18	14	-1.36 (74)	-4.01 (82)	0.89 (48)	1.71 (48)	0.36 (9)
PIMCO Total Return Instl <b>OLD</b>	MF	PTTRX	52	44	38	34	42	-0.94 (66)	-3.69 (70)	0.82 (53)	1.65 (53)	0.46 (28)
# OF GRPA PEERS			3,623	3,150	3,176	2,387	593	3,687	3,623	3,579	3,295	3,700
# OF MF/ETF/CIT PEERS			567	558	518	464	342	626	567	549	469	638
MEDIAN GRPA								-0.93	-3.76	0.46	1.37	1.00
MEDIAN MF/ETF/CIT								-0.39	-3.29	0.86	1.69	0.64
BLOOMBERG US UNIVERSAL TR USD								-0.04	-3.42	0.98	1.80	-

### TAXABLE BOND : SHORT-TERM BOND

INVESTMENT NAME	TYPE	TICKER	Fi360 SCORE	Fi360 SCORE ROLLING AVERAGES				TOTAL RETURN (% RANK)				NET EXP. RATIO (% RANK)
				1 YR	3 YR	5 YR	10 YR	1 YR	3 YR	5 YR	10 YR	
LegGFA ZRO-PGIM Short-Term Corporate Bond R6 <b>NEW</b>	GRPA	-	0	-	10	-	-	2.06 (23)	-0.67 (49)	1.72 (15)	1.82 (14)	0.38 (24)
Vanguard Short-Term Investment-Grade Adm <b>OLD</b>	MF	VFSUX	23	26	13	20	11	1.58 (42)	-0.87 (62)	1.52 (27)	1.68 (18)	0.10 (6)
# OF GRPA PEERS			1,320	1,201	1,195	826	426	1,348	1,318	1,277	1,141	1,354
# OF MF/ETF/CIT PEERS			558	541	484	444	304	585	556	524	448	591
MEDIAN GRPA								1.27	-0.69	1.10	1.14	0.64
MEDIAN MF/ETF/CIT								1.36	-0.60	1.19	1.19	0.57
BLOOMBERG US GOVT/CREDIT 1-5 YR TR USD								0.19	-1.57	1.15	1.14	-

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### FI360 FIDUCIARY SCORE®

**Fi360 Fiduciary Score®.** The Score is a peer percentile ranking of an investment against a set of quantitative due diligence criteria selected to reflect prudent fiduciary management. The Rolling Averages are a one-, three-, five- or ten-year equal-weighted average of an investment's Fi360 Fiduciary Scores during that corresponding time period. The Historical Fi360 Fiduciary Scores at Quarter End trend chart (if included) displays the Fi360 Fiduciary Score for each calendar quarter-end during that year.

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Short Fall Points - If an investment does not meet an individual due diligence criterion, short fall points are tallied. Investments that satisfy all of the due diligence criteria receive an Fi360 Fiduciary Score of 0. Every other investment is given a Score of 1-100 based on their short fall point total, and representing their percentile ranking within their peer group. The Fi360 Fiduciary Score represents a suggested course of action and is not intended, nor should it be used, as the sole source of information for reaching an investment decision. Visit [www.fi360.com/fi360-Fiduciary-Score](http://www.fi360.com/fi360-Fiduciary-Score) for the complete methodology document.

**Criteria.** The following criteria are included as part of the Score calculation.

- 1. Inception Date.** The investment must have at least a 3 year track history
- 2. Manager Tenure.** The investment manager must have at least a 2 year track history. (Most senior manager's tenure)
- 3. Net Assets.** The investment must have at least 75 million under management (Total across all share classes for funds/ETFs)
- 4. Composition.** The investments allocation to its primary asset class should be greater than or equal to 80%. (Not applied to all peer groups)
- 5. Style Drift.** The investment's current style box must match the peer group. (Not applied to all peer groups. Further details on each style can be found in the Investment Strategy & Style section below.)
- 6. Prospectus Net Exp Ratio.** The investment must place in the top 75% of its peer group
- 7. Alpha (3yr) - Primary Benchmark.** The investment must place in the top 50% of its peer group
- 8. Sharpe (3yr).** The investment must place in the top 50% of its peer group
- 9. Return (1yr).** The investment must place in the top 50% of its peer group
- 10. Return (3yr).** The investment must place in the top 50% of its peer group
- 11. Return (5yr).** The investment must place in the top 50% of its peer group

## PERFORMANCE

**Total Return (No Load).** Expressed in percentage terms, an investment's total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital gains distributions during that month, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly. Total Return (No Load) is not adjusted for sales charges (such as front-end loads, deferred loads and redemption fees), but do reflect management, administrative, 12b-1 fees and other costs taken out of fund assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns).

**Percentile Rank.** The relative ranking of an investment within its peer group on a scale of 1-100 (1 being the best) for the data point and time period being measured. Rankings are calculated against the corresponding Peer Group and Number of Peers as explained in the following paragraph. Performance ranks do not account for an investment's sales charge (if applicable). Ranks will not be provided for periods less than one year.

**Number of Peers.** The number of investments in the same peer group which were used to calculate any percentile rank or Fi360 Fiduciary Score. Only investments which had the given data point being ranked are included in this number, so the number of peers can change for the same investment by data point being ranked. For Mutual funds (MF) and Exchange Traded Funds (ETF), we combine both sets of investments together to form one peer group for ranking purposes. For Collective Investment Trusts (CIT), since many do not report timely, we utilize the pre-defined MF/ETF peer group and calculate the ranks as an overlay on that peer group. There is no existing MF/ETF peer group for Stable Value, Leveraged Net Long and Money Market Non-40 Act. We use the following MF/ETF peer group as a proxy instead (Stable Value uses Short-Term Bond, Leveraged Net Long uses Large Blend and Money Market Non-40 Act uses Money Market Taxable) so we can calculate the ranks. For Group Retirement Plan Annuities (GRPA), we combine this universe with all mutual funds and ETFs to form one peer group for ranking purposes. For Separately managed accounts (SMA) and Variable annuity sub accounts (VA), we use their respective universe of investments only.

**Benchmarks.** A benchmark gives an investor a point of reference for evaluating a fund's performance by comparing benchmark returns to the fund's returns. This report may utilize one or many of these benchmarks:

**Broad Index.** The index used in the calculation of metrics such as Alpha, Beta, and R-Squared. The Broad Index provides a common comparison point for funds with similar investing styles across different peer groups.

**Peer Group Index.** The index assigned to the fund's peer group, which is a group of funds with similar investment style. Each peer group has its own index which can be used as a common comparison point between funds.

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**Best-fit Index.** The market index that shows the highest correlation with a fund over the most-recent 36 months, as measured by the highest R-Squared. In addition, the Best-fit Index can be used to compare the betas and alphas of similar funds that show the same Best-fit Index. The Best-fit Index may not be the fund's benchmark, nor does it necessarily contain the types of securities that may be held by the fund.

Indices are unmanaged and cannot be invested in directly. Please reference the Index Descriptions section for more specific detail on each index that is included in this report.

## EXPENSES

**Prospectus Net Expense Ratio.** This value is from the investment's most recent prospectus. The percentage of investment assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's Net Asset Value. Sales charges are not included in the expense ratio. The expense ratio for fund of funds is the aggregate expense ratio defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees. A higher expense ratio will "drag" on the overall performance of a fund compared to peers with a lower expense ratio.

**Net Expense Ratio (Rank).** The percentile rank for the Net Expense Ratio within the investment's peer group. 1 being the best and 100 the worst.

## INVESTMENT STRATEGY & STYLE

**Peer Group.** Fi360 utilizes the Morningstar Category for peer group assignment. In an effort to distinguish funds by what they own, as well as by their prospectus objectives and styles, Morningstar developed the Morningstar Categories. While the prospectus objective identifies a fund's investment goals based on the wording in the fund prospectus, the Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio and other statistics over the past three years). Peer groups are for comparison only, and do not represent any investable products. Please reference the Peer Group Descriptions section for more specific detail on each peer group that is included in this report.

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## STATEMENT OF ADDITIONAL DISCLOSURES: EXTENDED PERFORMANCE

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to an investment share class's actual inception.

Morningstar created extended performance statistics to "fill in the gap" between the inception date of a new share class or distribution channel and the inception date of the original portfolio. Extended performance lengthens the performance data that is available for the younger investment. This helps investors see how the portfolio as a whole has performed over time. For example, if a mutual fund started 15 years ago with an Investor share class and just added an Institutional share class one year ago, Morningstar will lengthen the performance history of the Institutional share class to 15 years. Often, some of the shareholders in the new share class were actually shareholders in the oldest share class.

Morningstar will adjust the performance history of the original portfolio to reflect differences in fees between the original share class and the younger share class. This adjustment will only occur where the new share class has higher fees than the oldest share class, so the extended performance for the younger share class will be lower than, or equal to, the returns of the oldest share class. Where the oldest share class has higher fees than the younger share class no adjustment is made. In this case, if the expenses of the newer share class were used rather than the expenses of the old share class (due to lower expenses of the new share class), it would have resulted in better performance.

NEWER SHARE CLASS		OLDEST SHARE CLASS	
NAME	INCEPTION DATE	NAME	INCEPTION DATE
LegGFA ZRNA-BlackRock Health Sciences Opps K	06/08/2016	BlackRock Health Sciences Opps Inv A	12/21/1999
LegGVA ZRNA-Empower S&P Mid Cap 400® Index Instl	05/01/2015	Great-West S&P Mid Cap 400 Index Init	01/20/2011
MM GVA ZRO-Lord Abbett Total Return R6	06/30/2015	Lord Abbett Total Return I	12/14/1998

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## STATEMENT OF ADDITIONAL DISCLOSURES: INDEX DESCRIPTIONS

### Barclays.

This following indices are part of this family:

- BBgBarc EM USD Aggregate TR USD.** The index measures the performance of hard currency Emerging Markets debt, including fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers. Country eligibility and classification as Emerging Markets is rules-based and reviewed annually using World Bank income group and International Monetary Fund (IMF) country classifications.
- BBgBarc US Govt/Credit 1-5 Yr TR USD.** The index measures the performance of the non-securitized component of the U.S. Aggregate Index including treasuries, government-related issues and corporates with maturities of one to five years. It is a subset of the U.S. Aggregate Index.
- BBgBarc US Universal TR USD.** The index measures the performance of USD-denominated, taxable bonds that are rated either investment grade or high-yield. It represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index.

**LSE Group.** London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", is/are a trademark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

This following indices are part of this family:

- Russell 1000 Growth TR USD.** The index measures the performance of the large-cap growth segment of the US equity securities. It includes the Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- Russell 1000 Value TR USD.** The index measures the performance of the large-cap value segment of the US equity securities. It includes the Russell 1000 index companies with lower price-to-book ratios and lower expected growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- Russell 2000 Value TR USD.** The index measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.
- Russell Mid Cap TR USD.** The index measures the performance of the mid-cap segment of the US equity universe. It is a subset of Russell 1000 index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The index represents approximately 31% of the total market capitalization of the Russell 1000 companies.
- Russell Mid Cap Value TR USD.** The index measures the performance of the mid-cap value segment of the US equity universe. It includes Russell midcap index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.

### Morningstar.

This following indices are part of this family:

- Morningstar Mod Tgt Risk TR USD.** The Morningstar Target Risk Index family is designed to meet the needs of investors who would like to maintain a target level of equity exposure through a portfolio diversified across equities, bonds and inflation-hedged instruments. The Morningstar Moderate Target Risk Index seeks approximately 60% exposure to global equity markets.

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## STATEMENT OF ADDITIONAL DISCLOSURES: INDEX DESCRIPTIONS

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This following indices are part of this family:

- **MSCI ACWI Ex USA Growth NR USD.** The index measures the performance of the growth large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.
- **MSCI ACWI Ex USA NR USD.** The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.
- **MSCI EM NR USD.** The index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.
- **MSCI World/Metals & Mining NR USD.** The index measures the performance of the large and mid cap metals and mining (industry) segments of world equity securities. It is constructed using GICS-Global Industry Classification Standard. The index is free float-adjusted market-capitalization weighted.

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This following indices are part of this family:

- **S&P 1500 Health Care TR.** The index measures the performance of health care(sector) segment of US equity securities. It comprises those companies included in the S&P Composite 1500 that are classified as members of the Global Industry Classification Standard(GICS) Health Care (sector).
- **S&P Global REIT TR USD.** The index measures the performance of publicly traded equity REITs listed in both developed and emerging markets. It is a member of the S&P Global Property Index Series.

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## STATEMENT OF ADDITIONAL DISCLOSURES: PEER GROUP DESCRIPTIONS

- Diversified Emerging Mkts (EM).** Diversified emerging-markets portfolios tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America rather than on those of the Middle East, Africa, or Europe. These portfolios invest predominantly in emerging market equities, but some funds also invest in both equities and fixed income investments from emerging markets.
- Emerging Markets Bond (EB).** Emerging-markets bond portfolios invest more than 65% of their assets in foreign bonds from developing countries. The largest portion of the emerging-markets bond market comes from Latin America, followed by Eastern Europe. Africa, the Middle East, and Asia make up the rest.
- Equity Precious Metals (SP).** Precious-metals portfolios focus on mining stocks, though some do own small amounts of gold bullion. Most portfolios concentrate on gold-mining stocks, but some have significant exposure to silver-, platinum-, and base-metal-mining stocks as well. Precious-metals companies are typically based in North America, Australia, or South Africa.
- Foreign Large Blend (FB).** Foreign large-blend portfolios invest in a variety of big international stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios typically will have less than 20% of assets invested in U.S. stocks.
- Foreign Large Growth (FG).** Foreign large-growth portfolios focus on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in U.S. stocks.
- Global Real Estate (GR).** Global real estate portfolios invest primarily in non-U.S. real estate securities but may also invest in U.S. real estate securities. Securities that these portfolios purchase include: debt securities, equity securities, convertible securities, and securities issued by real estate investment trusts and REIT-like entities. Portfolios in this category also invest in real estate operating companies.
- Health (SH).** Health portfolios focus on the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device makers to HMOs, hospitals, and nursing homes. A few portfolios concentrate on just one industry segment, such as service providers or biotechnology firms.
- Intermediate Core-Plus Bond (PI).** Intermediate-term core-plus bond portfolios invest primarily in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt, but generally have greater flexibility than core offerings to hold non-core sectors such as corporate high yield, bank loan, emerging-markets debt, and non-U.S. currency exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the three-year average of the effective duration of the Morningstar Core Bond Index.
- Large Growth (LG).** Large-growth portfolios invest primarily in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.
- Large Value (LV).** Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).
- Mid-Cap Blend (MB).** The typical mid-cap blend portfolio invests in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks but aren't so price-conscious that they land in value territory. Stocks in the middle 20% of the capitalization of the U.S. equity market are defined as mid-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.
- Mid-Cap Value (MV).** Some mid-cap value portfolios focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market. Stocks in the middle

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## STATEMENT OF ADDITIONAL DISCLOSURES: PEER GROUP DESCRIPTIONS

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20% of the capitalization of the U.S. equity market are defined as mid-cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

- **Moderate Allocation (MA).** Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderate strategies seek to balance preservation of capital with appreciation. They typically expect volatility similar to a strategic equity exposure between 50% and 70%.
- **Short-Term Bond (CS).** Short-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed income issues and typically have durations of 1.0 to 3.5 years. These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Short-term is defined as 25% to 75% of the three-year average effective duration of the MCB. I.
- **Small Value (SV).** Small-value portfolios invest in small U.S. companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

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## STATEMENT OF ADDITIONAL DISCLOSURES: RISKS

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Investing involves risk. Loss of principal is possible. An investment in a fund is not a bank deposit, and it is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Each fund carries its own specific risks which depend on the types of investments in the fund. Investors should review the fund's prospectus carefully to understand the risks before investing.

In general, some of the risks associated with the Morningstar Categories shown in this report are as follows:

- **Allocation.** Different methods of asset allocation are associated with varying degrees of risks. Conservative portfolios contain low risk investments but may not earn any value over time. Moderate portfolios have a higher level of risk than conservative portfolios. Aggressive portfolios mainly consist of equities, so their value tends to fluctuate widely.
- **Bonds.** Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio decline. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates. Bonds are also subject to prepayment risk, which is the chance that an issuer may exercise its right to prepay its security, if falling interest rates prompt the issuer to do so. Forced to reinvest the unanticipated proceeds at lower interest rates, the fund would experience a decline in income and lose the opportunity for additional price appreciation.
- **Emerging Markets.** Investments in emerging markets securities may be subject to greater market, credit, currency, liquidity, legal, political, and other risks compared with assets invested in developed foreign countries.
- **Foreign.** Investments in foreign securities may be more volatile than investing solely in U.S. markets due to interest-rate, currency, exchange rate, economic, and political risks. The value of these securities can change more rapidly and extremely than can the value of U.S. securities. Foreign securities are subject to increased issuer risk because foreign issuers may not experience the same degree of regulation as U.S. issuers do and are held to different reporting, accounting, and auditing standards. In addition, foreign securities are subject to increased costs because there are generally higher commission rates on transactions, transfer taxes, higher custodial costs, and the potential for foreign tax charges on dividend and interest payments. Many foreign markets are relatively small, and securities issued in less-developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations, including suspension of the ability to transfer currency from a country. Economic, political, social, or diplomatic developments can also negatively impact performance.
- **Foreign Currencies.** Foreign currencies are subject to the risks associated with such currencies and the changes in their values relative to the U.S. dollar. Such risks include volatility in the price relationship between the U.S. dollar and foreign currencies. The value of foreign currencies relative to the U.S. dollar can be affected by many factors, including national debt levels, trade deficits, international trade and foreign policies, changes in trade and balance of payments, governmental fiscal and monetary policies, currency exchange rates and changes in supply and demand that affect those rates, investment and trading activity of mutual funds, hedge funds and currency funds, exchange rate controls and government intervention in currency markets, inflation rates, interest and deposit rates, market expectations about future inflation rates and interest rates, and global and national economic, financial, political, regulatory, judicial, military and geographical events or developments. Prices of currencies of less developed or emerging market nations tend to be more volatile than those of developed countries, given the greater political, regulatory, economic, financial, military and social instability and uncertainty in less developed or emerging market nations.
- **Large Cap Equities.** Concentrating assets in large-capitalization stocks may subject the portfolio to the risk that those stocks underperform other capitalizations or the market as a whole. Large-cap companies may be unable to respond as quickly as small- and mid-cap companies can to new competitive pressures and may lack the growth potential of those securities. Historically, large-cap companies do not recover as quickly as smaller companies do from market declines.
- **Real Estate.** Real estate investments are subject to various risks that affect their values and the income they generate. Real estate investments are affected by changes in the general economy, prevailing interest rates, local economic and market conditions, competition for tenants, declining occupancy rates, oversupply or reduced demand for space where the properties are located, tenant defaults, increased operating, insurance, maintenance and improvement costs. Many costs associated with owning and operating real estate are fixed even when revenues from the properties are declining. Additionally, real estate development activities are subject to various risks, such as excess construction costs, unfavorable financing terms, construction delays and other challenges, issues with the developer, and changing market conditions. Owners and operators of real estate are also exposed to potential liability under environmental, zoning, tax and other laws.
- **Sector.** Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the investment will be more susceptible to the impact of factors such as the market, the economy, regulations, and other dynamics affecting that industry or sector

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## STATEMENT OF ADDITIONAL DISCLOSURES: RISKS

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compared with a more broadly diversified asset allocation.

- **Small/Mid Cap Equities.** Portfolios that invest in stocks of small- to mid-cap companies involve additional risks. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.
- **Taxable Bond.** Investments in taxable bonds such as government bonds, long-term and short-term bonds, bank loans, corporate bonds, preferred stock, high-yield bonds, etc. are subject to numerous risks including those relating to reinvestment, inflation, market, selection, timing, and duration.

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