

AGENDA
College Savings Trust Fund Program Board of Trustees
July 15, 2021
11:00 a.m. CT
[WebEx](#)

- I. [Statement of Necessity for Board meeting](#) **Action Item**

- II. [Review and Approval of Minutes of the January 20, 2021 meeting](#) **Action Item**

- III. **BEST Prepaid Plan**
 - A. [Public Chapter 469](#)
 - B. [BEST Prepaid Plan Update \(data through June 30, 2021\)](#)
 - C. [BEST Prepaid Plan Investment Report for period ending March 31, 2021](#)
 - D. [BEST Prepaid Plan Weighted Average Tuition Recommendation](#) **Action Item**

- IV. **TNStars® College Savings 529 Program**
 - A. [TNStars® Update \(data through June 30, 2021\)](#)
 - B. TNStars® Investment Reports for period ending March 31, 2021
 - a) [TNStars 1Q 2021 Performance Report](#)
 - b) [TNStars 1Q 2021 529 Investment Review prepared by Verus](#)
 - C. [TN Interest Bearing Account Investment Option replacement](#)

- V. **Tennessee Investments Preparing Scholars**
 - A. [TIPS Update](#)
 - B. [FY 2022 TIPS Qualifying Period Recommendation](#) **Action Item**

- VI. **Annual Review of Conflict of Interest Policy for Board Members**
 - A. [Conflict of Interest Policy](#)
 - B. [Attestation & Disclosure](#)

- VII. **Annual Review of Investment Policies**
 - A. [BEST Prepaid Plan Investment Policy](#)
 - B. [TNStars College Savings 529 Program Investment Policy and Appendix](#)

- VIII. **Audit Committee Update**

- IX. **Public Comment**

- X. **Other Business**

Adjournment

Statement of Necessity

This meeting is being held pursuant to Tenn. Code Ann. § 8-44-108(b)(2) where the College Savings Trust Fund Board of Trustees is participating by electronic or other means of communication, i.e. teleconference and not by physical quorum. The law requires that in order for a quorum of the members to participate by electronic or other means of communication, “the governing body must make a determination that a necessity exists.” The law further provides that “[s]uch determination, and a recitation of the facts and circumstances on which it is based, must be included in the minutes of the meeting.” The necessity for the Board to meet by teleconference is that the Board needs review and approve the minutes of the January 20, 2021 meeting, to timely set the Weighted Average Tuition Unit Rate for the Baccalaureate Education System Trust (BEST) Prepaid Plan, and to adopt the eligibility criteria for the Tennessee Investments Preparing Scholars matching grant program. A quorum of the Board may not be able to meet physically due to the lingering impact of the coronavirus pandemic.

**Minutes
Board of Trustees Meeting
College Savings Trust Fund Program
January 20, 2021
2:00 p.m. CT
WebEx**

The College Savings Trust Fund Board of Trustees convened on the above date via WebEx teleconference. Treasurer David Lillard, Jr., called the meeting to order at 2:02 p.m. CT

Board members in attendance: Treasurer David H. Lillard Jr.; **Secretary of State** Tre Hargett; **President, East Tennessee State University** Dr. Brian Noland; **Comptroller of the Treasury** - Lauren Spires for Jason Mumpower; **Interim Executive Director, Tennessee Higher Education Commission** - Dr. Steven Gentile for Dr. Emily House; **President, University of Tennessee** - Mark Paganelli for Randy Boyd; **Commissioner of Finance & Administration** - Greg Turner for Butch Eley; **Chancellor, Tennessee Board of Regents** - Renee Stewart for Dr. Flora Tydings

Also in attendance: Roy West; Michael Brakebill; Kushal Gupta; Ashley Nabors; LaKesha Page; Alison Cleaves; Heather Iverson; Jennifer Selliers; Earle Pierce; Sterling Price; Shelli King

Statement of Necessity

Treasurer David H. Lillard, Jr. read the Statement of Necessity advising that the meeting is being held pursuant to Tenn. Code Ann. §8-44-108(b)(2) where the College Savings Trust Fund Program Board of Trustees is participating by electronic or other means of communication, i.e. teleconference and not by physical quorum. The law requires that in order for a quorum of the members to participate by electronic or other means of communication, “the governing body must make a determination that a necessity exists.” The law further provides that “[s]uch determination, and a recitation of the facts and circumstances on which it is based, must be included in the minutes of the meeting.” The necessity for the Board to meet by teleconference is that the Board needs to timely review the reports of the actuary for the Baccalaureate Education System Trust (BEST) Prepaid Plan and consider legislative changes that would impact remaining plan participants. A quorum of the Board may not be able to meet physically because of the coronavirus pandemic. On motion by David H. Lillard, Jr., second by Dr. Brian Noland, the board approved the Statement of Necessity by roll call vote:

| Board Members | Designee | Aye | No | Abstain | Absent |
|--|----------------|-----|----|---------|--------|
| David Lillard, Treasurer | | X | | | |
| Randy Boyd, President, University of Tennessee | Mark Paganelli | X | | | |
| Flora Tydings, Chancellor, Tennessee Board of Regents | Renee Stewart | X | | | |
| Emily House, Interim Executive Director, Tennessee Higher Education Commission | Steven Gentile | X | | | |

| | | | | | |
|---|----------------------|---|--|--|---|
| Jason Mumpower, Comptroller of the Treasury | Lauren Spires | X | | | |
| Tre Hargett, Secretary of State | | X | | | |
| Dr. Brian Noland, President, East Tennessee State University | | X | | | |
| Butch Eley, Commissioner, Finance & Administration | Greg Turner | X | | | |
| Dr. Claude Pressnell, President Tennessee Independent Colleges and Universities Association | | | | | X |

Approval of Minutes

Treasurer Lillard requested approval of the minutes of the July 15, 2020 meeting. There were no changes or corrections filed regarding the minutes. On motion by Mr. Greg Turner, second by Mr. Steven Gentile, the Board approved the minutes by roll call vote:

| Board Members | Designee | Aye | No | Abstain | Absent |
|--|-----------------------|------------|-----------|----------------|---------------|
| David Lillard, Treasurer | | X | | | |
| Randy Boyd, President, University of Tennessee | Mark Paganelli | X | | | |
| Flora Tydings, Chancellor, Tennessee Board of Regents | Renee Stewart | X | | | |
| Emily House, Interim Executive Director, Tennessee Higher Education Commission | Steven Gentile | X | | | |
| Jason Mumpower, Comptroller of the Treasury | Lauren Spires | X | | | |
| Tre Hargett, Secretary of State | | X | | | |
| Dr. Brian Noland, President, East Tennessee State University | | X | | | |

| | | | | | |
|--|--------------------|---|--|--|---|
| Butch Eley, Commissioner, Finance & Administration | Greg Turner | X | | | |
| Dr. Claude Pressnell, President Tennessee Independent Colleges and Universities Association | | | | | X |

September 30, 2020 BEST Prepaid Plan Investment Report

Mr. Kushal Gupta provided an overview of the Investment Report. He shared that based on the September 30, 2020 Verus investment report, the quarterly return was 0.40%, the year-to-date return was 6.47%, and the one-year return was 6.64%. Mr. Gupta shared that the investment markets fluctuated wildly in 2020, citing a drop in March followed by a rally throughout the remainder of the year. He further shared that COVID-19 resulted in worsening economic conditions, and the Federal Reserve reacted by lowering interest rates to historic lows near zero percent. This, in turn, resulted in yields dropping lower. Additionally, Mr. Gupta shared that according to a Verus report dated June 30, 2020, the expected return for the BEST portfolio is 1.5% annually with 6% standard deviation. The portfolio has only fixed income securities -Barclays Aggregate and some cash. The equity portion was closed in 2017. Further, he shared that although this mix reduces risk and volatility while the program is winding down, the lower yields reduced the returns generated.

BEST Prepaid Plan Actuarial Report

Mr. Sterling Price, F.S.A, Managing Consultant with Findley, Inc. a division of USI, presented the actuarial study for the BEST Prepaid Plan. The purpose of the study was to analyze the short-term funded status under various economic conditions as it relates to investment returns and tuition inflation. Mr. Price indicated that the plan current had roughly a \$6.8 million surplus on both a present value and termination basis. Mr. Price shared that the study relied on economic and demographic assumptions as well as survey responses from plan participants regarding future utilization of tuition units. Based on this information, Mr. Price shared that although the plan has a healthy funded status volatility exists in the surplus of the fund based on different economic conditions.

BEST Prepaid Plan Status Report and Recommendation

Ms. LaKeshia Page and Mrs. Ashley Nabors provided an overview of the status of the BEST Prepaid Plan detailing the actions taken by the Board of Trustees and General Assembly to keep the plan solvent. Ms. Page reminded Board members of the action to terminate the plan in accordance with T.C.A. §§ 49-7-823 and 49-7-824 effective November 30, 2015, on the basis that it was financially unfeasible and no longer beneficial to the citizens of this State or to the State itself. Under its terminated status, purchasers must annually demonstrate that their beneficiaries meet the statutory criteria to remain in the plan by providing supporting documentation. As of September 30, 2020, 191 contracts holding 41,043 units remained in the Plan. Liabilities for these contracts totaled \$4,174,484 based on the \$101.71 Weighted Average Tuition unit rate effective for the 2020-2021 academic year. The Total Net Asset Value of the Trust’s assets was \$11,073,938.

While, since the Plan’s 2015 termination, participation has steadily declined as beneficiaries complete their higher education pursuits, based on the statutory criteria governing a beneficiary’s eligibility remain in the Plan, there is no way to determine with any certainty when the last remaining contract will be paid out. As such, the State will continue to bear the risk for the program until contractual obligations are satisfied, and there will continue to be ongoing costs to administer the Plan.

There was discussion regarding the modest number of remaining participants, the options available to participants to rollover to another 529 plan, and the age of the youngest beneficiaries remaining in the BEST Prepaid Plan. Additionally, there was discussion about the potential for bond yields to turn downward as they catch up with the market, and the plan could run the risk of negative arbitrage.

Mr. Lillard indicated that based on the Board’s authority and the foregoing information provided, it is recommended that the Board consider finding that the Plan’s lack of benefit to the State does not support keeping the remaining contracts in effect; and approving the State Treasurer’s pursuit of legislation amending the law to terminate the remaining Plan contracts by a date certain, and after liabilities are paid, transferring some or all remaining funds to the TNStars College Savings 529 Program in such a manner as determined by the General Assembly.

On motion by David H. Lillard, Jr., second by Dr. Brian Noland, the board approved the recommendation by roll call vote:

| Board Members | Designee | Aye | No | Abstain | Absent |
|--|-----------------------|------------|-----------|----------------|---------------|
| David Lillard, Treasurer | | X | | | |
| Randy Boyd, President, University of Tennessee | Mark Paganelli | X | | | |
| Flora Tydings, Chancellor, Tennessee Board of Regents | Renee Stewart | X | | | |
| Emily House, Interim Executive Director, Tennessee Higher Education Commission | Steven Gentile | X | | | |
| Jason Mumpower, Comptroller of the Treasury | Lauren Spires | X | | | |
| Tre Hargett, Secretary of State | | X | | | |
| Dr. Brian Noland, President, East Tennessee State University | | X | | | |
| Butch Eley, Commissioner, Finance & Administration | Greg Turner | X | | | |

| | | | | |
|--|--|--|--|---|
| Dr. Claude Pressnell, President Tennessee Independent Colleges and Universities Association | | | | X |
|--|--|--|--|---|

Public Comment

There was no public comment.

Other Business

With no further business, the meeting adjourned at 2:29 p.m. CT.

Respectfully Submitted,

LaKesha Page

LaKesha Page

Director of College Savings

DRAFT



State of Tennessee

PUBLIC CHAPTER NO. 469

SENATE BILL NO. 501

By Lundberg

Substituted for: House Bill No. 1396

By Hazlewood

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 7, relative to the educational services plan.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-824, is amended by adding the following as a new subsection:

(d) Notwithstanding any law to the contrary, an educational services plan tuition contract shall not remain or otherwise be in effect after December 31, 2021, regardless of whether the requirements of subsection (b) are met with respect to any particular contract. The state shall provide educational services plan purchasers and beneficiaries with at least sixty (60) days written notice of the termination of the educational services plan prior to November 1, 2021. Notice must be provided using the contact information on file with the plan and indicate that the purchaser may request use of any or all tuition units associated with the purchaser's educational plan tuition contract, request a refund, or request a rollover on or before November 1, 2021. Any rollover requested pursuant to this subsection (d) must be administered in accordance with applicable federal and state laws, rules, and regulations. If the purchaser does not request use of all of the tuition units associated with the purchaser's educational services plan tuition contract, request a refund, or request a rollover on or before November 1, 2021, then a refund must be made to the person designated in the contract to receive the refund in accordance with applicable federal and state laws, rules, and regulations; provided, however, that the amount of the refund must be calculated in accordance with the board's rules for refunds following the death or permanent disability of a beneficiary. The educational services plan shall not reimburse tuition units after December 31, 2021.

SECTION 2. Tennessee Code Annotated, Section 49-7-824(c), is amended by deleting the subsection and substituting:

(c) After all obligations of this section and the costs of administering the plan are satisfied, the state treasurer may transfer all or a portion of any assets to the board of trustees for the college savings trust fund program to be used for the administration and marketing of the educational investment plan. Any assets remaining after the transfer must be transferred to the general fund.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 501

PASSED: May 3, 2021


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 18th day of May 2021


BILL LEE, GOVERNOR

BEST Prepaid Plan Update

Background

In January 2021, the Board of Trustees for the College Savings Trust Fund Program found that the BEST Prepaid Plan's lack of benefit to the State no longer supported keeping the remaining contracts in effect and approved the State Treasurer's pursuit of legislation to amend the law to terminate the remaining Plan contracts by a date certain.

Senate Bill 501/House bill 1396 was sponsored by Senator Lundberg and Representative Hazlewood. Upon passage by the General assembly, Public Chapter 469 was signed into law by Governor Lee on May 18, 2021. The Public Chapter provides that no Plan contract will remain in effect after December 31, 2021. Further the law provides that the Plan will provide contract holders sixty (60) days' notice of the termination prior to November 1, 2021. Purchasers may request to use tuition units, request a rollover, or request a refund on or before November 1, 2021. After that date, the Plan will issue automatic refunds, calculated in accordance with the Plan rules. Finally, the law gives the Treasurer authority to transfer all or a portion of the assets remaining, after all obligations and costs have been satisfied, to the TNStars College Savings 529 Program to be utilized for administration and marketing of TNStars.

Notification to Participants of Key Dates and Actions

A comprehensive and targeted communications strategy has been created and will continue to be implemented. Initial notification of the termination of all remaining contracts was sent to all Purchasers and Beneficiaries in June 2021, containing key dates and options for remaining units. Consistent with the annual certification process, participants were notified of the Board of Trustees' consideration of the new Weighted Average Tuition (WAT) to be effective on August 1, 2021. Purchasers submitting acceptable documentation by September 1, 2021, showing that the beneficiary is enrolled or accepted for enrollment for the Fall 2021 term, will be eligible to receive the new WAT unit rate. Additionally, participants were informed that they may request payments, withdrawals, rollovers, and account changes until November 1, 2021. After this date, all account changes will be suspended in preparation for issuing automatic refund for remaining contracts. Refunds will be paid out at the unit rate effective for the last academic year their beneficiary was certified.

As of June 30, 2021, there were 153 remaining contracts holding 32,007.32666 units. The value of these units based on the 2020-2021 unit rate of \$101.71 is \$3,255,465.16.



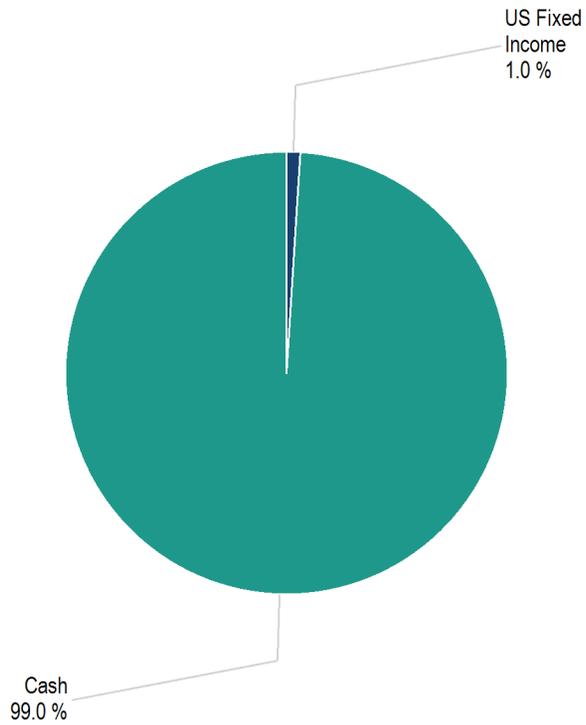
**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2021

Investment Performance Review for

Baccalaureate Education System Trust



| | Actual | Actual |
|------------------------|--------------------|---------------|
| US Fixed Income (Cash) | \$96,439 | 1.0% |
| Cash | \$9,245,739 | 99.0% |
| Total | \$9,342,178 | 100.0% |

| | 12/31/20 | 03/31/21 | Difference |
|-----------------|---------------|---------------|------------|
| US Fixed Income | 96.9% | 1.0% | -95.9% |
| Cash | 3.1% | 99.0% | 95.9% |
| Total | 100.0% | 100.0% | |

| | Actual | Target | Ranges |
|------------------------|---------------|---------------|------------|
| US Equity | 0.0% | 35.0% | 0% - 37% |
| International Equity | 0.0% | 19.0% | 0% - 20% |
| US Fixed Income (Cash) | 1.0% | 44.0% | 42% - 100% |
| Cash | 99.0% | 2.0% | 0% -100% |
| Total | 100.0% | 100.0% | |

Total Fund
Performance Summary

Period Ending: March 31, 2021

| | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) | 7/1/18 - 3/31/21 (%) |
|-------------------|--------------|-------------------|-------------|--------------|--------------|--------------|---------------|----------------------------|
| Total Fund | -3.01 | -1.87 | 1.96 | 4.60 | 3.79 | 3.69 | 4.43 | 5.09 |
| Cash | 0.00 | 0.00 | 0.01 | 1.92 | 1.74 | 1.58 | 1.11 | 1.13 |
| 91 Day T-Bills | 0.01 | 0.06 | 0.09 | 1.36 | 1.12 | 0.82 | 0.59 | 1.31 |

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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

2021-22 Tuition and Fees Calculation

| LGI Universities | 2021-22 | | | 2020 FTE | Total T&F | Units Needed |
|------------------------|-----------|------------|----------|-------------|------------------|-----------------|
| | Tuition | Mand. Fees | Combined | | | |
| Austin Peay | \$ 7,146 | \$ 1,615 | \$ 8,761 | 7,380 | \$ 64,660,380 | 85 |
| East Tennessee | \$ 7,722 | \$ 1,952 | 9,674 | 9,815 | 94,953,617 | 94 |
| Middle Tennessee | \$ 7,704 | \$ 1,889 | 9,593 | 16,353 | 156,873,865 | 93 |
| Tennessee State | \$ 7,128 | \$ 1,207 | 8,335 | 5,310 | 44,255,571 | 81 |
| Tennessee Tech | \$ 8,196 | \$ 1,282 | 9,478 | 8,086 | 76,639,797 | 92 |
| University of Memphis | \$ 8,352 | \$ 1,704 | 10,056 | 13,773 | 138,498,017 | 97 |
| UT Universities | | | | | | |
| UT Chattanooga | \$ 7,200 | \$ 1,856 | \$ 9,056 | 9,561 | \$ 86,580,277 | 88 |
| UT Knoxville | \$ 11,332 | \$ 1,912 | 13,244 | 22,356 | 296,081,220 | 128 |
| UT Martin | \$ 8,378 | \$ 1,534 | 9,912 | 5,206 | 51,601,907 | 96 |
| Total | | | | 97,840 | \$ 1,010,144,651 | |

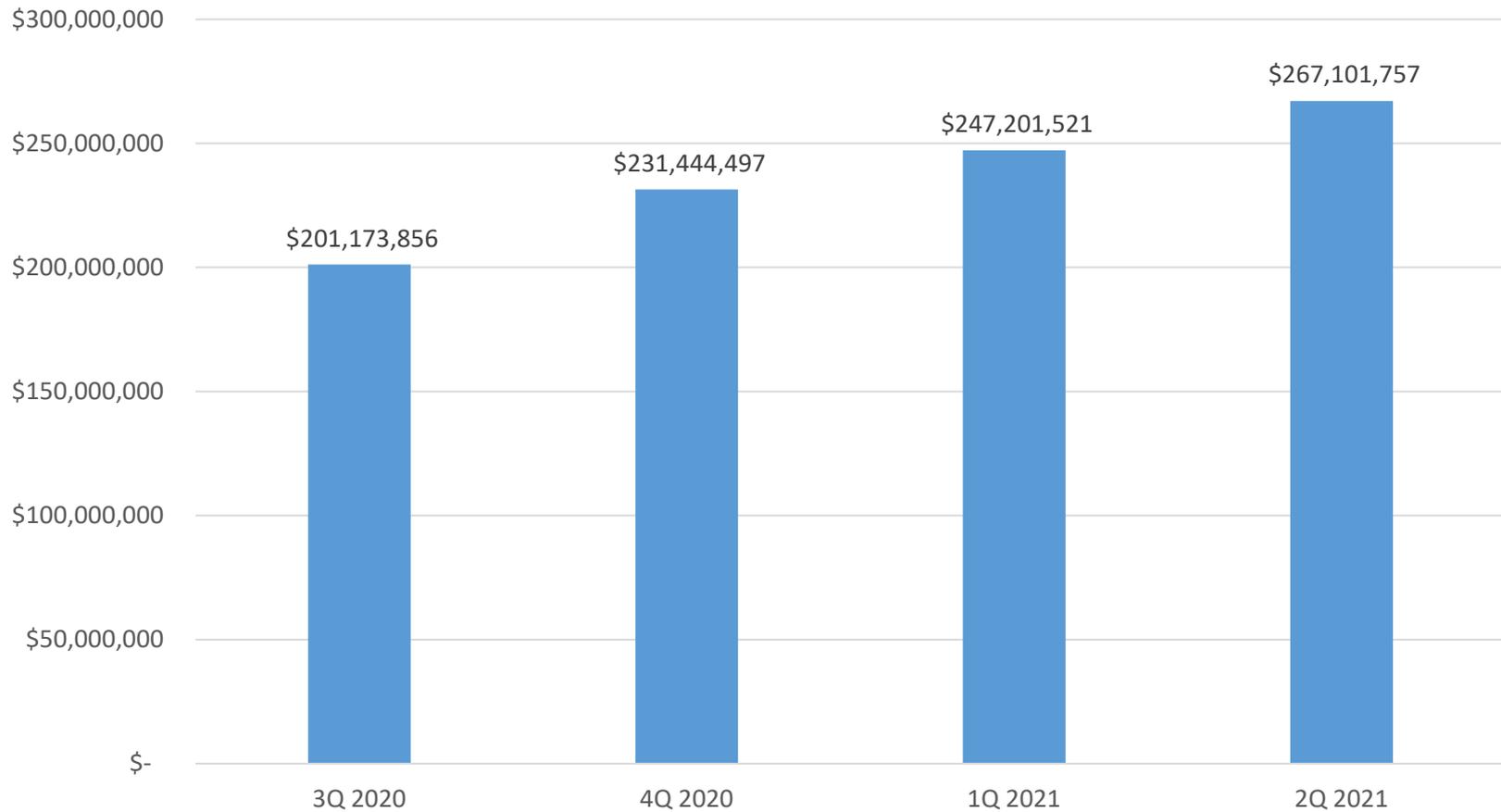
Weighted Average Tuition \$ 10,325
Unit Value (1% WAT) \$ 103.25



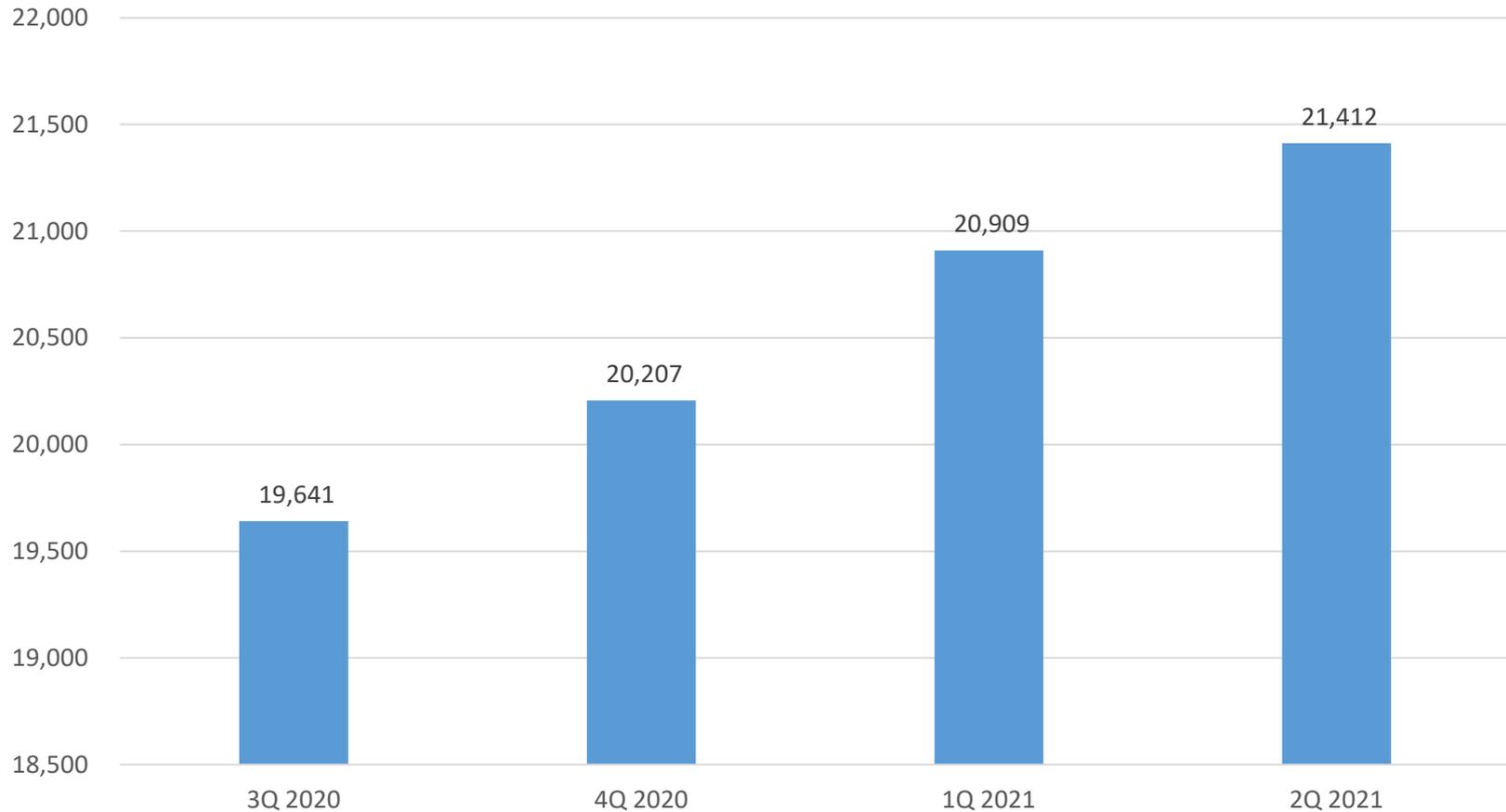
TNStars Update

Data as of June 30, 2021

FY 2021 Assets by Quarter



FY 2021 Funded Accounts by Quarter



Self-Selected Investment Options

| Self-Selected Investment Options | Funded Positions | % of Funded Positions | Total Assets | % of Total Assets |
|---|------------------|-----------------------|-------------------------|-------------------|
| TN Aggressive Growth Fund | 7,565 | 17.38% | \$50,404,015.17 | 18.87% |
| TN Emerging Markets Stock Fund | 759 | 1.74% | \$1,313,718.62 | 0.49% |
| TN Total International Stock Fund | 2,563 | 5.89% | \$7,082,527.75 | 2.65% |
| TN Real Estate Fund | 671 | 1.54% | \$727,953.85 | 0.27% |
| TN Small Cap Fund | 1,831 | 4.21% | \$4,947,510.64 | 1.85% |
| TN US Large Cap Value Fund | 2,925 | 6.72% | \$12,470,320.34 | 4.67% |
| TN Total Stock Market Fund | 5,314 | 12.21% | \$41,956,553.69 | 15.71% |
| TN Balanced Fund | 3,833 | 8.80% | \$22,228,230.91 | 8.32% |
| TN Total International Bond Fund | 208 | 0.48% | \$306,233.49 | 0.11% |
| TN High-Yield Corporate Fund | 293 | 0.67% | \$448,130.76 | 0.17% |
| TN Core Plus Bond Fund | 158 | 0.36% | \$420,000.89 | 0.16% |
| TN Total Bond Fund | 1,839 | 4.22% | \$6,025,240.88 | 2.26% |
| TN Short-Term Corporate Fund | 127 | 0.29% | \$435,960.09 | 0.16% |
| TN Short-Term Inflation Protected Securities Fund | 750 | 1.72% | \$1,811,630.32 | 0.68% |
| TN Interest Bearing Account | 1,578 | 3.62% | \$8,482,889.27 | 3.18% |
| Total | 30,414 | 69.86% | \$159,060,916.68 | 59.55% |

Age-Based Investment Option

| Age-Band | Funded Positions | % of Funded Positions | Total Assets | % of Total Assets |
|-------------------|------------------|-----------------------|-------------------------|-------------------|
| TN 0-2 Age Band | 1,864 | 4.28% | \$7,456,255.17 | 2.79% |
| TN 3-4 Age Band | 1,639 | 3.76% | \$10,149,014.75 | 3.80% |
| TN 5-6 Age Band | 1,746 | 4.01% | \$13,432,580.00 | 5.03% |
| TN 7-8 Age Band | 1,742 | 4.00% | \$16,183,840.14 | 6.06% |
| TN 9-10 Age Band | 1,445 | 3.32% | \$12,910,866.69 | 4.83% |
| TN 11-12 Age Band | 1,201 | 2.76% | \$11,313,708.36 | 4.24% |
| TN 13-14 Age Band | 1,008 | 2.32% | \$9,720,778.53 | 3.64% |
| TN 15-16 Age Band | 831 | 1.91% | \$9,644,169.26 | 3.61% |
| TN 17-18 Age Band | 721 | 1.66% | \$9,031,864.78 | 3.38% |
| TN 19+ Age Band | 923 | 2.12% | \$8,197,762.21 | 3.07% |
| Total | 13,120 | 30.14% | \$108,040,839.88 | 40.45% |

Program Growth

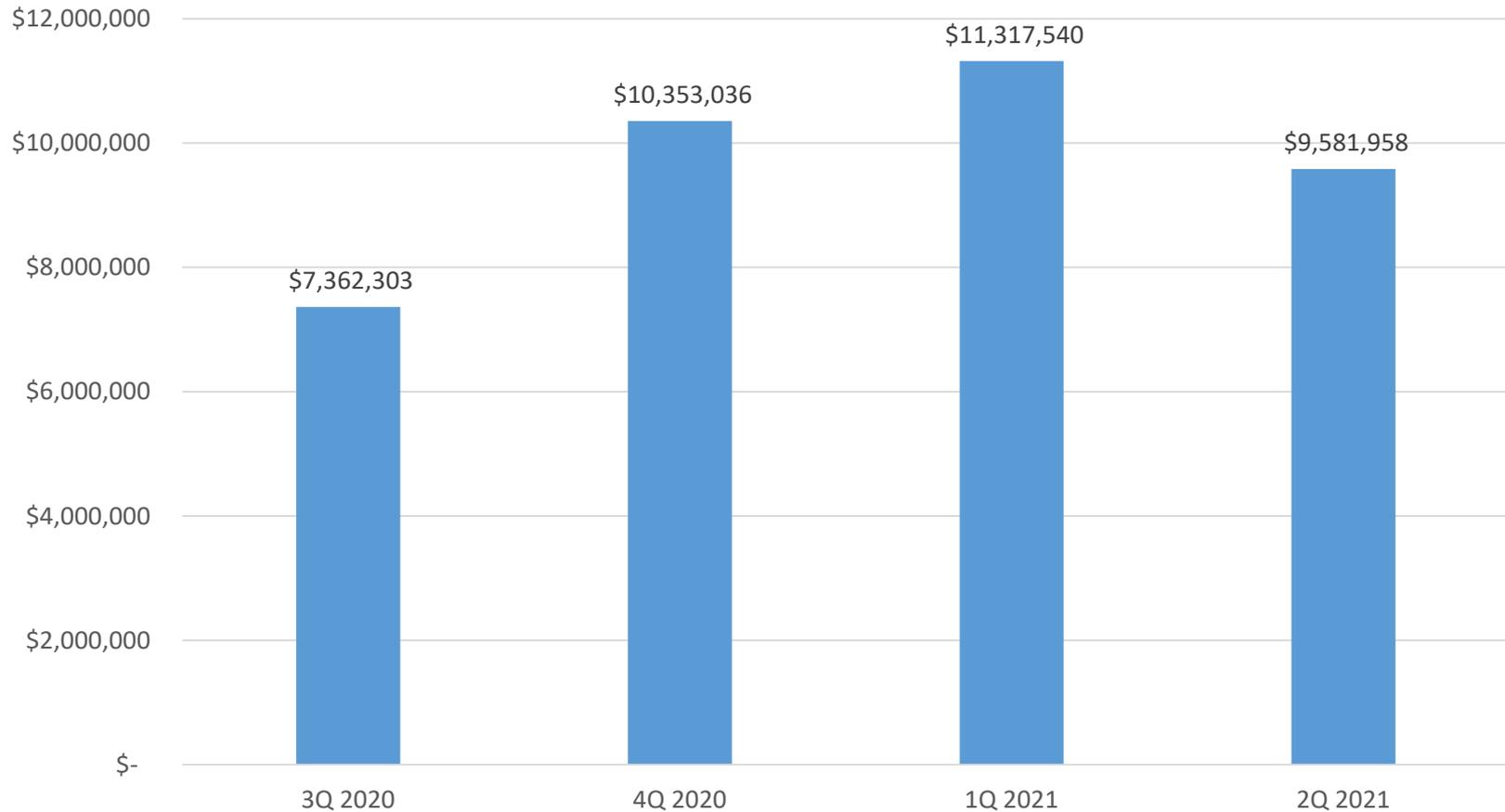


Of the **\$267.1 million**

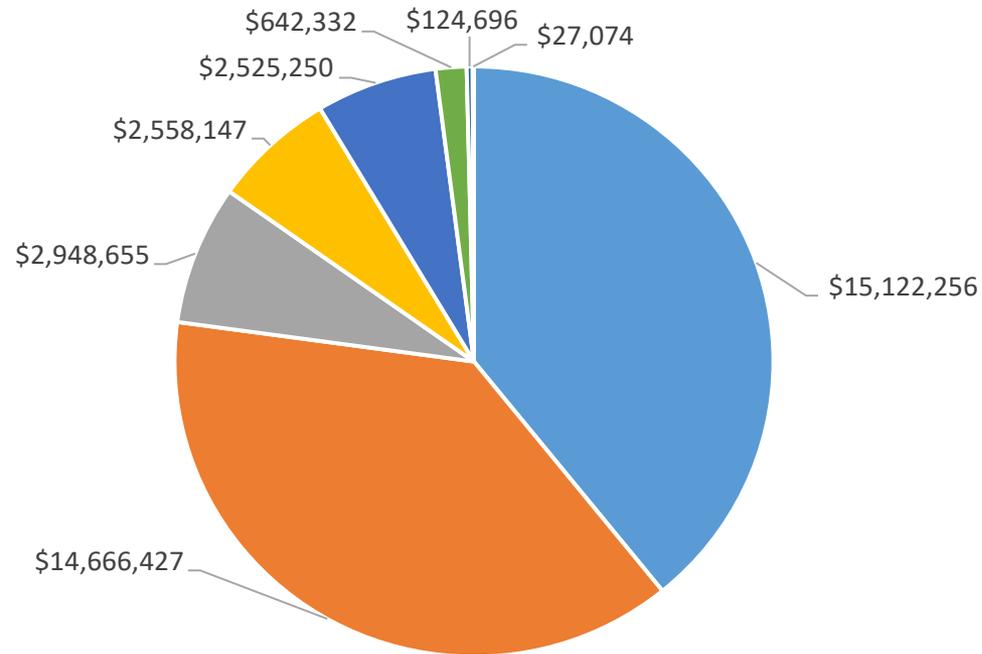
In program assets,
\$166.8 million (62%) represents
contributions and **\$100.3
million (38%)** represents
investment earnings.



FY 2021 Contributions by Quarter

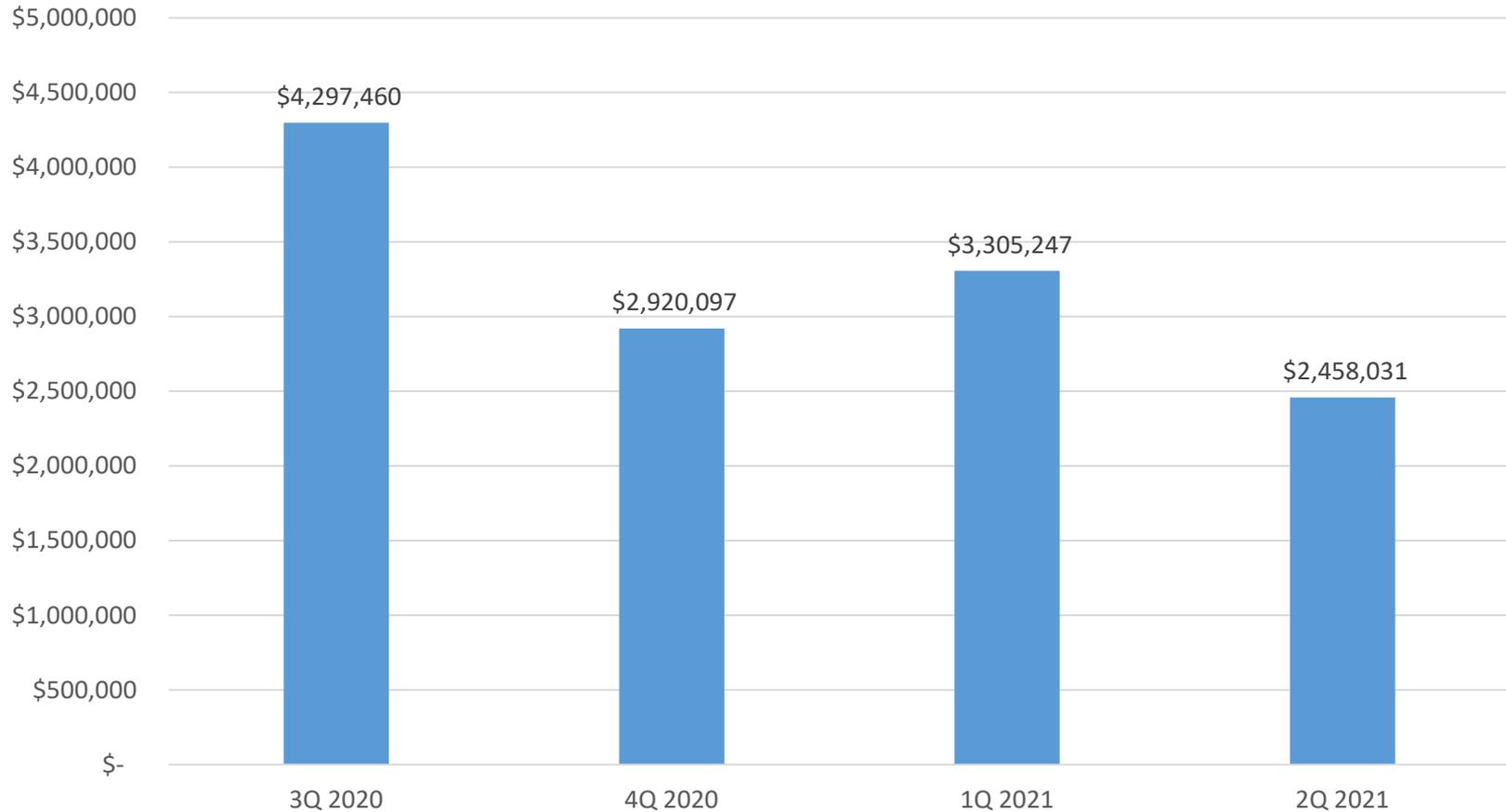


FY 2021 Contribution Methods

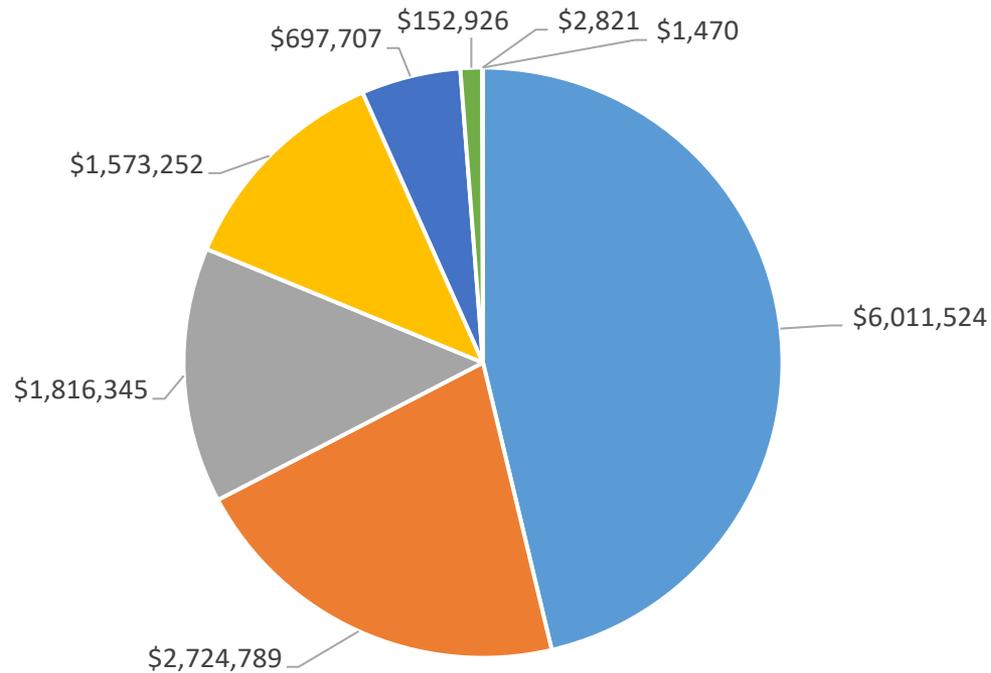


- One-Time Electronic Contribution
- Recurring Contribution
- Check
- Incoming Rollover
- Gifting
- Payroll Direct Deposit
- TIP Matching Grant
- Upromise

FY 2021 Distributions by Quarter

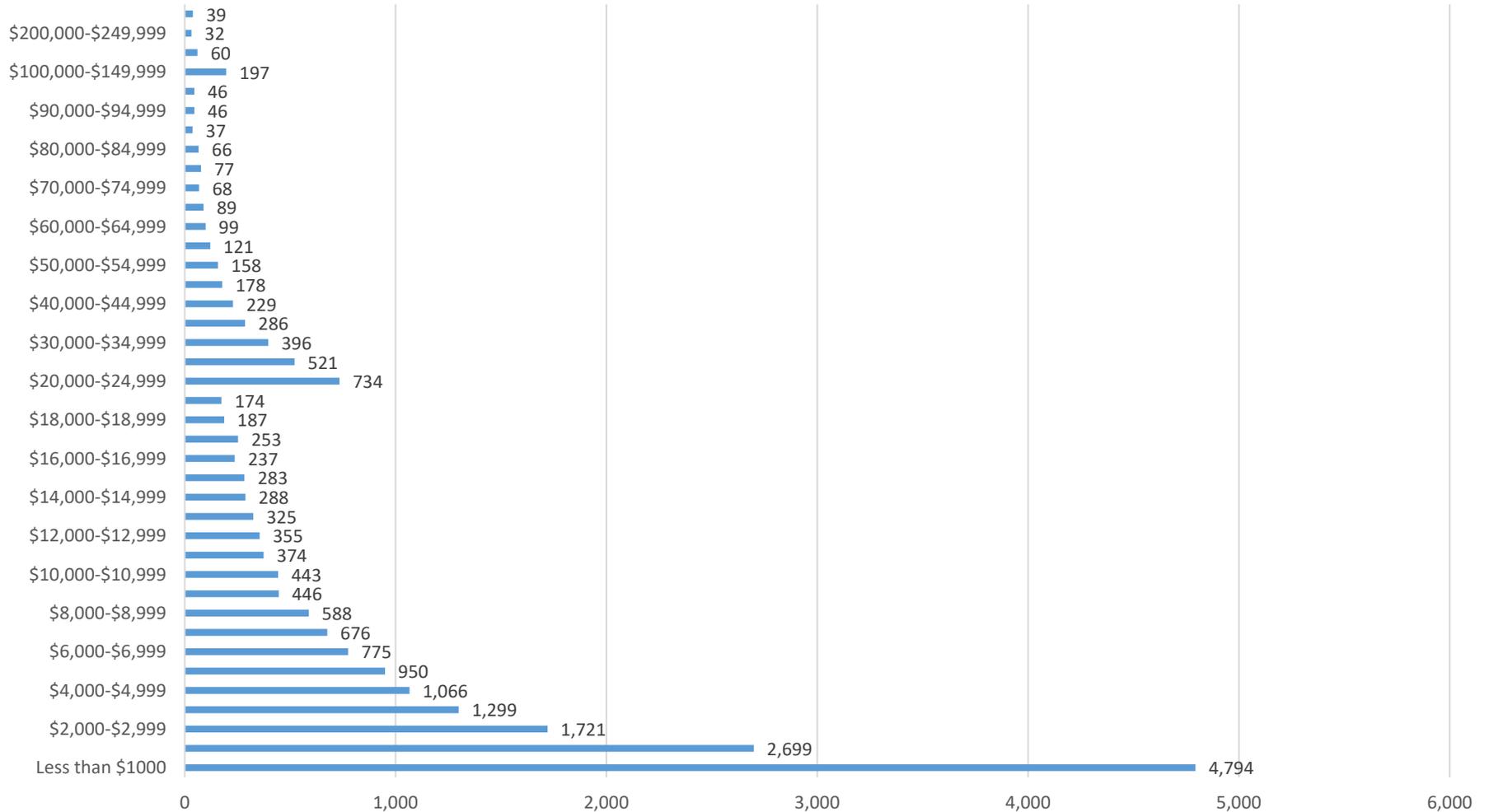


FY 2021 Distribution Methods

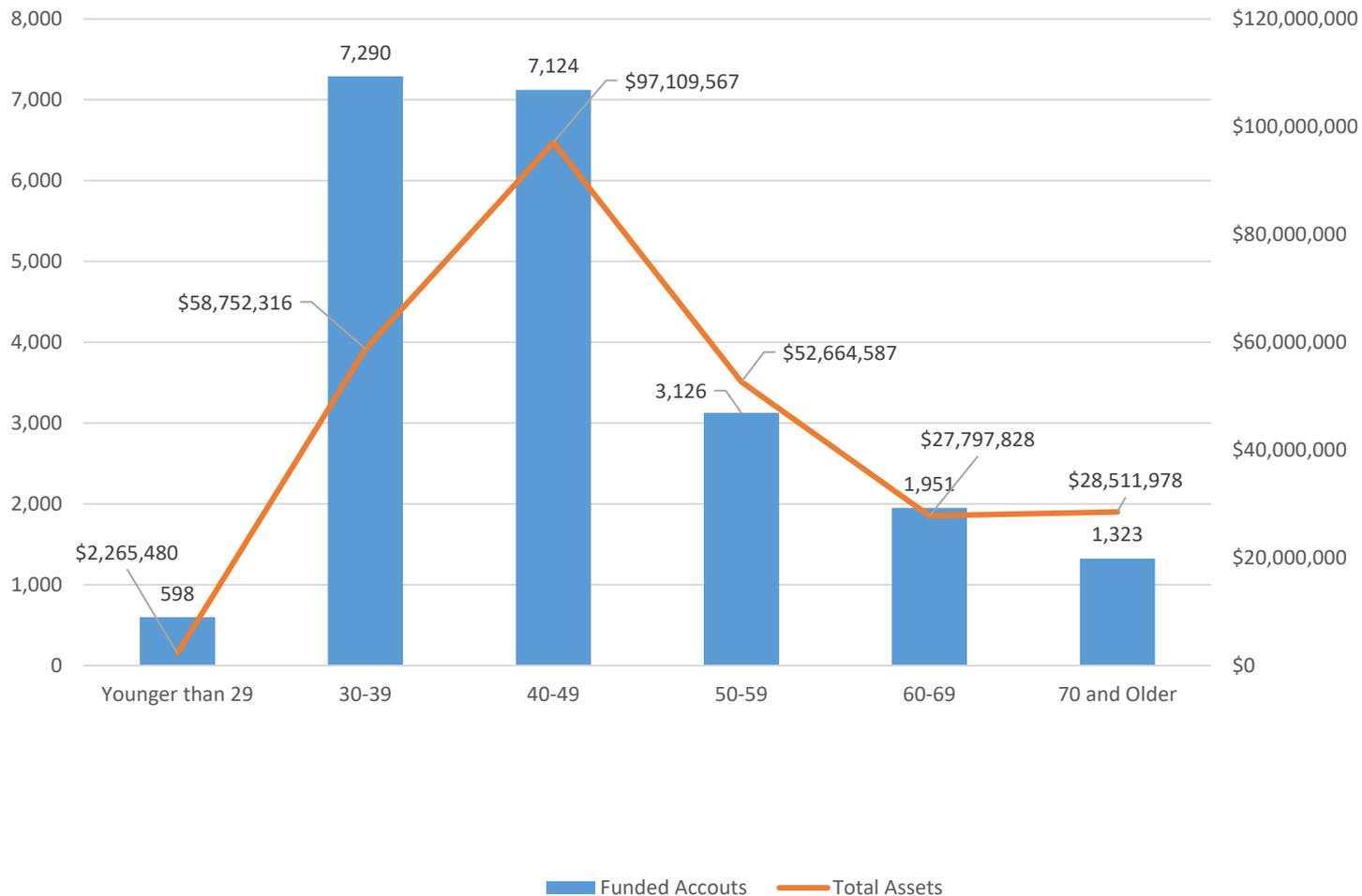


- Qualified to Account Owner
- Rollover Out
- Qualified to Educational Institution
- Non-qual w/d Acct Owner
- Qualified to Beneficiary
- Non-Qualified to Beneficiary
- Withdrawal Third-Party
- Overnight Delivery Fee

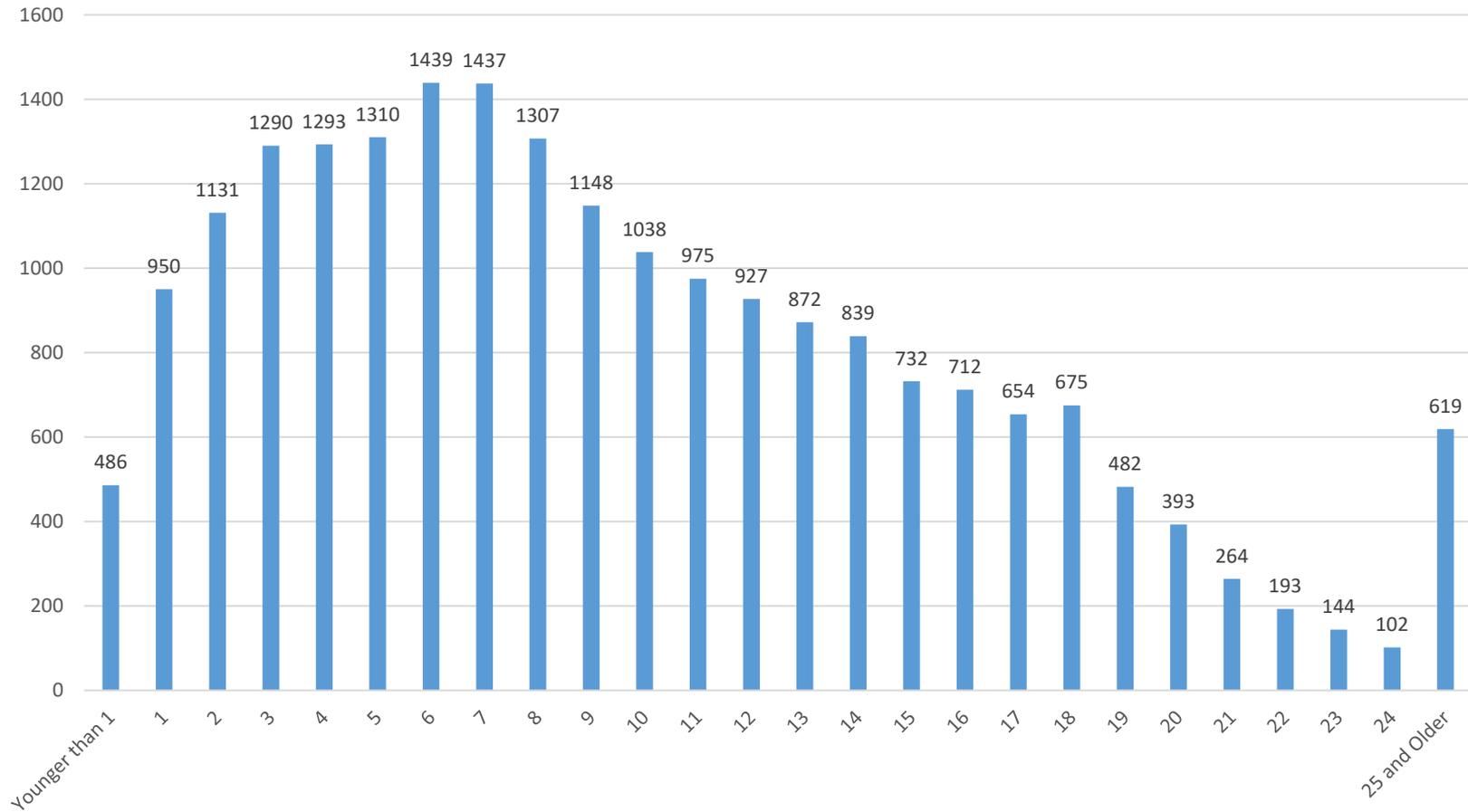
Funded Accounts by Asset Ranges



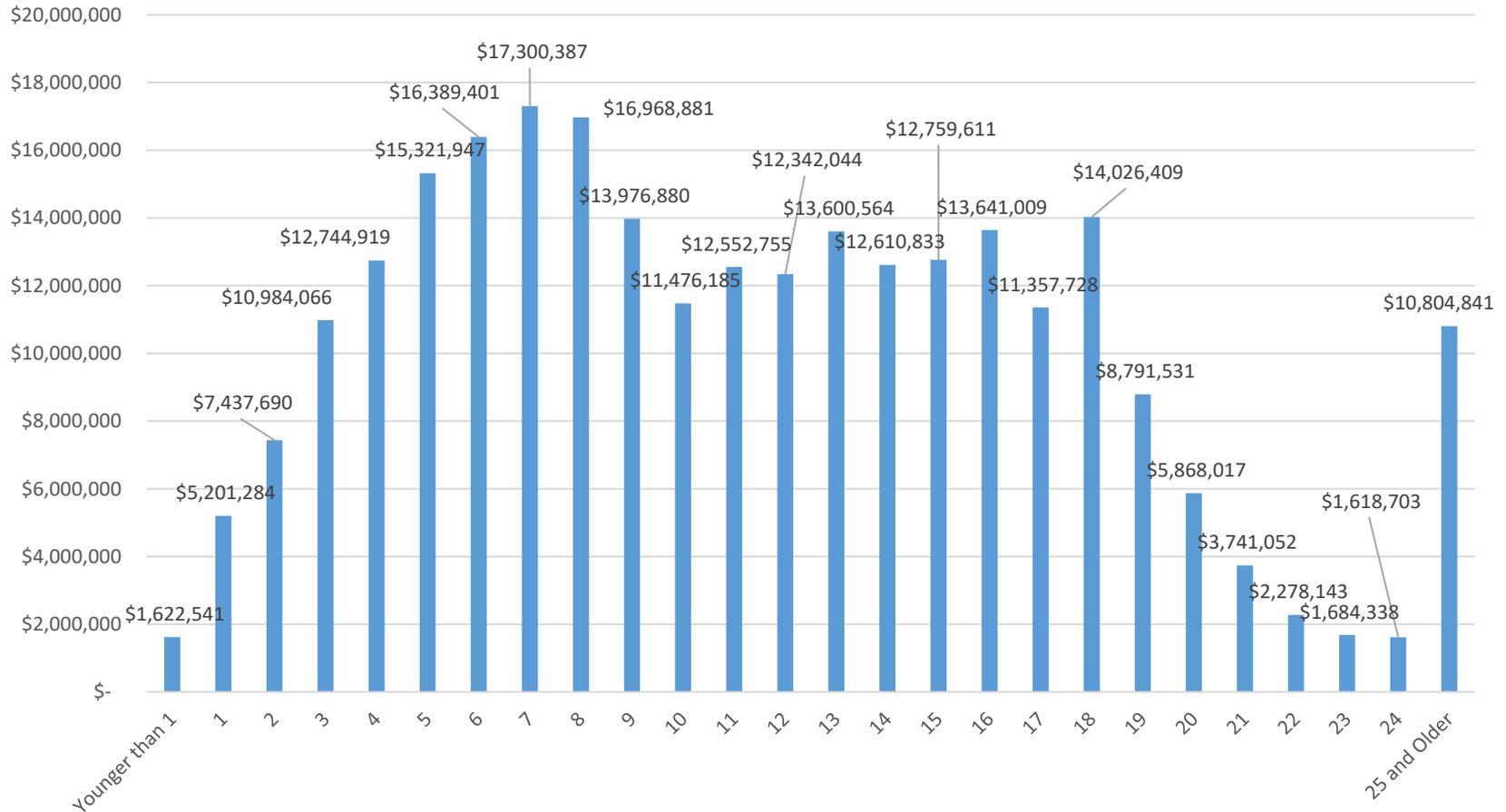
Client Assets and Accounts by Age



Beneficiary Funded Accounts by Age



Beneficiary Assets by Age



FY 2021 Community Outreach



Zac Carter, Middle Tennessee College Savings Month Scholarship Winner



Kendall Delashmitt, East Tennessee College Savings Month Scholarship Winner



Adelyn Lynch, West Tennessee College Savings Month Scholarship Winner



Ashlyn Gunter, Holiday Scholarship Winner



TNStars Academy Webinars



During September 2020, TNStars launched TNStars Academy, allowing clients and prospective clients to learn new ideas and tips to save and help make the most of their college savings accounts. During FY 2021, TNStars hosted a total of four webinars.

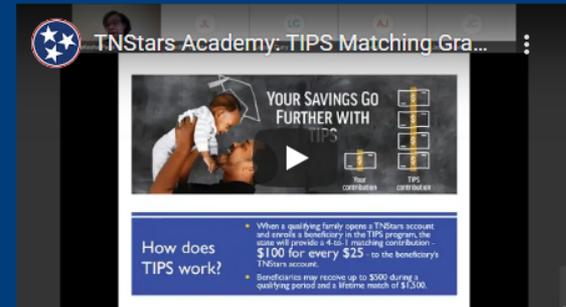
TNStars Academy: Advice to help you reach your college savings goals

John Hupalo, founder and CEO of MyCollegeCorner.com and Invite Education, joined TNStars to share his expert advice to help you reach your college savings goals and take advantage of the diverse financial assistance that may be available to you. John is a nationally recognized speaker in education, loan finance, and college planning, and is co-author of *Plan and Finance Your Family's College Dreams*.



TNStars Academy: Tennessee Investment Preparing Scholars (TIPS)

Parents want to save and invest in their child's future, but getting started can be the hardest part. This session of TNStars Academy focuses on a program to help. Tennessee Investments Preparing Scholars (TIPS) is a 4-to-1 matching grant program encouraging families of all income levels to save for the future cost of college.

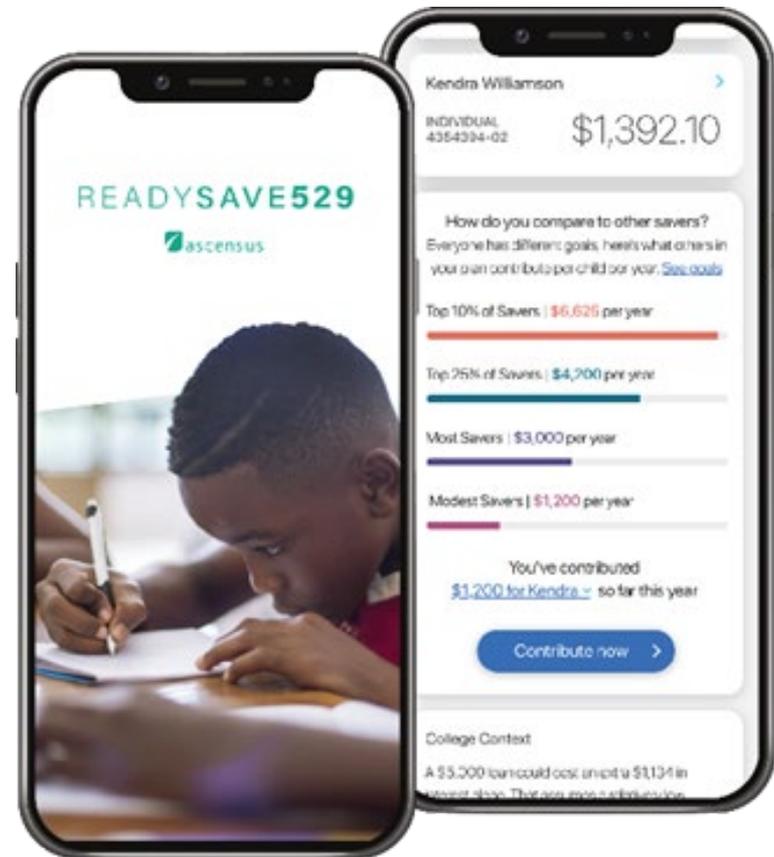


TNStars and ReadySave529 App

In May 2021, in partnership with Ascensus, TNStars launched the ReadySave529 App for TNStars clients. The app allows account holders to view their investments, set up one-time and recurring contributions, and send gifting invitations to friends and family.

Since launching, more than 1,100 clients have utilized the App.

TNStars will continue to promote technology to drive engagement and increase contributions to the program. The App can be downloaded in the Apple and Google Play App stores.



| Investment Option Name | 3/31/2021 Price | Total Assets | One Month | Three Month | One Year Average Annual Return | Inception Average Annual Return | Inception Date |
|--|-----------------|--------------|-----------|-------------|--------------------------------|---------------------------------|----------------|
| Self-Selected | | | | | | | |
| Growth | | | | | | | |
| TN Aggressive Growth Fund | \$15.01 | \$46,869,105 | -2.66 | 6.15 | 76.38 | 28.42 | 08/16/2019 |
| TN Emerging Markets Stock Fund | \$13.59 | \$1,082,182 | -1.02 | 3.5 | 57.84 | 20.8 | 08/16/2019 |
| TN Total International Stock Fund | \$13.11 | \$6,706,074 | 1.71 | 3.97 | 52.62 | 18.15 | 08/16/2019 |
| TN Real Estate Fund | \$10.73 | \$569,916 | 5.09 | 8.6 | 36.34 | 4.44 | 08/16/2019 |
| TN Small Cap Fund | \$14.44 | \$4,482,596 | 1.62 | 10.14 | 87.29 | 25.39 | 08/16/2019 |
| TN US Large Cap Value Fund | \$13.61 | \$11,214,386 | 4.21 | 6.25 | 70.55 | 20.9 | 08/16/2019 |
| TN Total Stock Market Fund | \$14.41 | \$38,048,603 | 3.52 | 6.43 | 62.46 | 25.23 | 08/16/2019 |
| Balanced | | | | | | | |
| TN Balanced Fund | \$12.39 | \$20,402,006 | 3.25 | 3.51 | 32.8 | 14.11 | 08/16/2019 |
| Conservative | | | | | | | |
| TN Total International Bond Fund | \$10.03 | \$297,657 | 0.00 | -2.43 | 1.72 | 0.18 | 08/16/2019 |
| TN High-Yield Corporate Fund | \$10.94 | \$366,961 | -0.18 | -0.09 | 17.51 | 5.69 | 08/16/2019 |
| TN Core Plus Bond Fund | \$10.58 | \$389,699 | -1.40 | -4.51 | 6.65 | 3.53 | 08/16/2019 |
| TN Total Bond Fund | \$10.33 | \$5,920,327 | -1.43 | -3.73 | 0.29 | 2.02 | 08/16/2019 |
| TN Short-Term Corporate Fund | \$10.52 | \$399,125 | -0.38 | -0.66 | 6.8 | 3.17 | 08/16/2019 |
| TN Short-Term Inflation Protected Secu | \$10.68 | \$1,868,269 | 0.38 | 1.04 | 6.69 | 4.14 | 08/16/2019 |
| TN Interest Bearing Account | \$1.00 | \$8,749,677 | 0.00 | 0 | 0 | 0 | 08/16/2019 |
| Age-Based Option | | | | | | | |
| TN 0-2 Age Band | \$13.89 | \$7,036,072 | 2.74 | 5.39 | 58.56 | 22.43 | 08/16/2019 |
| TN 3-4 Age Band | \$13.42 | \$8,814,724 | 2.29 | 4.35 | 49.94 | 19.86 | 08/16/2019 |
| TN 5-6 Age Band | \$12.92 | \$12,900,921 | 1.81 | 3.19 | 41.67 | 17.09 | 08/16/2019 |
| TN 7-8 Age Band | \$12.46 | \$14,959,849 | 1.38 | 2.13 | 33.98 | 14.51 | 08/16/2019 |
| TN 9-10 Age Band | \$12.01 | \$11,308,362 | 0.92 | 1.01 | 26.69 | 11.94 | 08/16/2019 |
| TN 11-12 Age Band | \$11.57 | \$11,123,129 | 0.52 | 0.09 | 20.02 | 9.4 | 08/16/2019 |
| TN 13-14 Age Band | \$11.14 | \$8,447,941 | 0.09 | -0.8 | 13.67 | 6.88 | 08/16/2019 |
| TN 15-16 Age Band | \$10.75 | \$9,198,161 | -0.28 | -1.47 | 8.04 | 4.55 | 08/16/2019 |
| TN 17-18 Age Band | \$10.56 | \$8,560,083 | -0.47 | -1.68 | 5.28 | 3.41 | 08/16/2019 |
| TN 19+ Age Band | \$10.42 | \$7,485,694 | -0.67 | -1.7 | 3.58 | 2.57 | 08/16/2019 |



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2021

Investment Performance Review for

Tennessee TNStars and ABLE TN Plans

1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP grew at a -2.4% rate year-over-year in the fourth quarter (+4.3% quarterly annualized rate) as the U.S. economic recovery continued at a brisk pace.
- The speed of vaccinations in the U.S. has exceeded expectations, reaching more than 3 million doses per day during the first week of April. Approximately 23% of the country have been fully vaccinated, and 37% have received a first dose.
- The Europe Union has been slower to roll out vaccinations, suggesting member countries may be grappling with the virus for longer periods of time.

PORTFOLIO IMPACTS

- We believe the U.S. economy is playing catch-up to the markets in the current environment. While it seems increasingly likely that the economy will rapidly come back to life over the next year, this optimism may already be baked into equity prices.
- U.S. core inflation remained low and stable, at 1.6% year-over-year in March. A jump in gasoline prices, along with base effects from the 2020 recession, pushed up headline inflation to 2.6%. It appears likely that inflation will continue to see a temporary rise in the coming months due to the lower prices of Q2 2020, since inflation is a year-over-year measure.

THE INVESTMENT CLIMATE

- President Biden announced his \$2 trillion Infrastructure Plan. In its initial form, the plan did not have bipartisan support, reportedly due to the lower proportion of the plan that related to traditional infrastructure spending, the size of the plan, and the proposed methods to fund it. Negotiations will commence in late-April, though it remains possible that the bill is modified in order to pass it via the “reconciliation” process, to avoid the need for Republican support.
- According to FactSet, S&P 500 earnings expectations for 2021 improved by 5.0% during the quarter. Analysts are now forecasting 25.4% earnings growth for 2021—an incredible recovery from the -11.2% earnings drop expected of 2020.

ASSET ALLOCATION ISSUES

- U.S. equities were a top performer in Q1, returning +6.2%. International equities returned +3.5% (MSCI EAFE Index) and emerging markets returned +2.3% (MSCI Emerging Markets Index), on an unhedged currency basis.
- Size and value factors both delivered strong relative performance. U.S. value stocks beat growth stocks (Russell 1000 Value +11.3%, Russell 1000 Growth +0.9%), as growth stocks entered a correction in February. Small capitalization stocks continued their rally (Russell 2000 +12.7%, Russell 1000 +5.9%).

Prospects for a strong economic rebound are compelling, though this good news may already be reflected in asset prices

We believe a neutral risk stance is warranted in the current environment

U.S. economics summary

- Real GDP grew at a -2.4% rate year-over-year in the fourth quarter (+4.3% quarterly annualized rate) as the U.S. economic recovery continued. The Atlanta Fed’s GDPNow forecast for 2021 Q1 growth was 6.0% on a quarter-over-quarter annualized basis as of April 9th, suggesting an even more robust pace than the prior quarter.
 - The speed of vaccinations in the U.S. has exceeded expectations, reaching 3 million doses per day. Approximately 23% of the country have been fully vaccinated, and 37% have received a first dose.
 - President Biden announced his \$2 trillion Infrastructure Plan. In its initial form, the bill would spend \$400b on expanded care for the elderly and disabled, spend \$500b on electric vehicle subsidies and incentives, and spend \$100B on national high-speed broadband internet access, with a smaller portion of the spending going towards traditional infrastructure
- such as power grid, railway, and public transit.
- U.S. core inflation remained low and stable, at 1.6% year-over-year in March. A jump in gasoline prices, along with base effects from the 2020 recession, pushed up headline inflation to 2.6%. It appears likely that inflation will continue to see a temporary rise in the coming months due to the lower prices of Q2 2020, since inflation is a year-over-year measure.
 - While the U.S. unemployment rate continues to improve, falling from 6.7% to 6.0% during the quarter, the overall labor participation rate has stagnated. A disconnect seems to exist between the strong economy and weaker labor market.
 - Consumer sentiment improved during Q1, along with the economic recovery. Sentiment is now at an average level relative to history.

| | Most Recent | 12 Months Prior |
|---|-----------------------|-----------------------|
| GDP (YoY) | (2.4%) 12/31/20 | 2.3% 12/31/19 |
| Inflation (CPI YoY, Core) | 1.6% 3/31/21 | 2.1% 3/31/20 |
| Expected Inflation (5yr-5yr forward) | 2.20% 3/31/21 | 1.25% 3/31/20 |
| Fed Funds Target Range | 0% – 0.25% 3/31/21 | 0% – 0.25% 3/31/20 |
| 10-Year Rate | 1.74% 3/31/21 | 0.67% 3/31/20 |
| U-3 Unemployment | 6.0% 3/31/21 | 4.4% 3/31/20 |
| U-6 Unemployment | 10.7% 3/31/21 | 8.8% 3/31/20 |

International economics summary

- Economic growth continued to recover during the fourth quarter, though was still negative on a year-over-year basis in many countries. Growth expectations have risen as successful vaccine rollouts suggest that the world may get back to normal more quickly than originally assumed.
- Europe may unfortunately be excluded from this optimism, as a renewed wave of COVID-19 has once again led to lockdowns and restrictions. The Europe Union has been slower to rollout vaccinations, suggesting member countries may be grappling with the virus for longer periods of time.
- Unemployment was stable in the Eurozone and Japan, and fell modestly in the United States. As we described in prior quarters, governments have taken very different approaches to supporting workers, which makes labor market comparisons difficult.
- Despite heightened discussions about inflation risk, inflation remains muted and stable around the world, though the rebound in energy prices from record-low levels last year is having a lifting impact. This influence, driven by base effects, will most likely persist for the next few months.
- The gap between the manufacturing and services sectors of the economy narrowed toward the end of the quarter, as the beaten-down services sector showed signs of life across Europe. Extended periods of service sector activity expansion will likely depend on manageable levels of case growth and relaxed social distancing controls.
- Vaccine campaigns across mainland Europe as well as Japan have materially lagged those of the U.S. and the U.K., and the indefinite suspension of the AstraZeneca vaccine in many countries is likely to widen the gap in the short-term.

| Area | GDP (Real, YoY) | Inflation (CPI, YoY) | Unemployment |
|------------------|--------------------|-------------------------|------------------|
| United States | (2.4%) 12/31/20 | 2.6% 3/31/21 | 6.0% 3/31/21 |
| Eurozone | (4.9%) 12/31/20 | 1.3% 3/31/21 | 8.3% 2/28/21 |
| Japan | (1.4%) 12/31/20 | (0.2%) 3/31/21 | 2.8% 2/28/21 |
| BRICS Nations | 1.6% 12/31/20 | 1.4% 3/31/21 | 5.7% 12/31/20 |
| Brazil | (4.1%) 12/31/20 | 6.1% 3/31/21 | 14.2% 1/31/21 |
| Russia | (3.0%) 12/31/20 | 5.8% 3/31/21 | 5.4% 3/31/21 |
| India | 0.4% 12/31/20 | 5.5% 3/31/21 | 6.5% 3/31/21 |
| China | 18.3% 3/31/21 | 0.4% 3/31/21 | 4.2% 12/31/20 |

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy

Equity environment

- U.S. equities were a top performer in Q1, delivering +6.2%. International equities delivered +3.5% (MSCI EAFE Index) and emerging markets delivered +2.3% (MSCI Emerging Markets Index), on an unhedged currency basis. Trailing one-year returns hit extremely high levels, reflecting low base effects (markets bottomed out during March of 2020), and a recovery from those depressed levels year-over-year.
- We believe the U.S. economy is playing catch-up to the markets in the current environment. While it seems increasingly likely that the economy will rapidly recover over the next year, this optimism may already be baked into equity prices. It is reasonable to be enthusiastic about U.S. economic prospects while also being cautious about lofty equity valuations.
- According to FactSet, S&P 500 earnings expectations for 2021 improved by 5.0% during the

quarter. Analysts are now forecasting 25.4% earnings growth for 2021—an incredible recovery from the -11.2% earnings drop expected of 2020.

- The Cboe VIX Index has slowly been falling back towards the longer-term average of 19. The index fluctuated in the low 20s during Q1, falling below 19 briefly in late March.
- The U.S. dollar stabilized in the first quarter, paring some of the losses accrued in the final three quarters of last year. Rising relative yields helped the dollar to appreciate materially relative to the euro, yen, and a broad basket of emerging market currencies.
- A rotation towards value stocks persisted during the quarter, as beaten-down sectors delivered outsized performance. Energy, financials, industrials, and materials were the strongest performers.

| | QTD TOTAL RETURN | | 1 YEAR TOTAL RETURN | |
|--|------------------|----------|---------------------|----------|
| | (unhedged) | (hedged) | (unhedged) | (hedged) |
| US Large Cap (S&P 500) | 6.2% | | 56.4% | |
| US Small Cap (Russell 2000) | 12.7% | | 94.8% | |
| US Large Value (Russell 1000 Value) | 11.3% | | 56.1% | |
| US Large Growth (Russell 1000 Growth) | 0.9% | | 62.7% | |
| International Large (MSCI EAFE) | 3.5% | 7.6% | 44.6% | 37.7% |
| Eurozone (Euro Stoxx 50) | 6.3% | 10.6% | 53.7% | 45.3% |
| U.K. (FTSE 100) | 5.9% | 5.0% | 35.6% | 22.5% |
| Japan (NIKKEI 225) | (0.2%) | 7.0% | 52.6% | 57.4% |
| Emerging Markets (MSCI Emerging Markets) | 2.3% | 3.7% | 58.4% | 52.2% |

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 3/31/21

Domestic equity

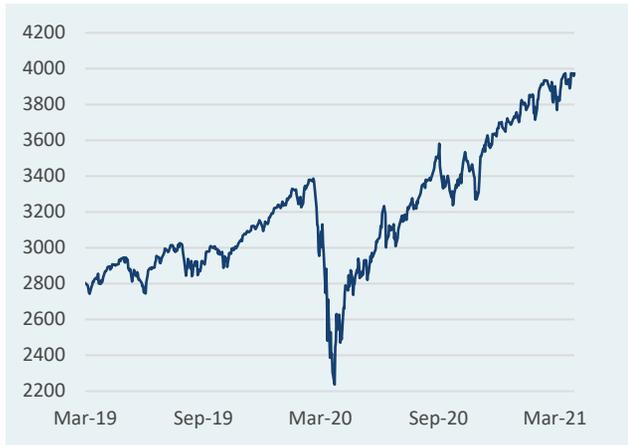
U.S. equities moved higher in Q1, returning +6.2%. According to FactSet, S&P 500 earnings expectations for 2021 improved by 5.0% during the quarter. Analysts are now forecasting 25.4% earnings growth for 2021—an incredible recovery from the -11.2% earnings drop expected of 2020.

Equities continued upward and valuations have followed. The U.S. market has been a top performer but has also remained one of the most expensive markets. On the other hand, successful COVID-19 vaccine rollouts, rosy earnings expectations, and the potential for an impressive economic

reopening may be supportive of high prices. This reopening appears to be fueling a rotation towards traditional cyclical sectors, such as energy, financials, and industrials.

As markets move higher, it appears to us that the economy may be playing catch-up to the markets. While it seems increasingly likely that the economy will rapidly recover during the next year, this optimism may already be reflected in equity prices. In other words, it is reasonable to be enthusiastic about U.S. economic prospects while also being cautious about higher equity valuations.

S&P 500 INDEX



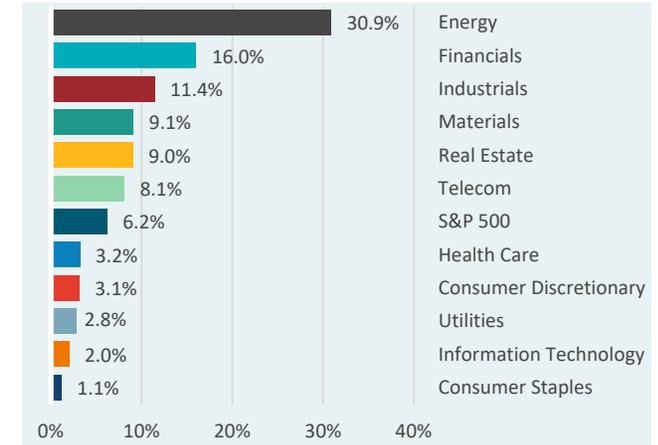
Source: Standard & Poor's, as of 3/31/21

DIVIDEND YIELD VS BOND YIELD



Source: Standard & Poor's, as of 3/31/21

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/21

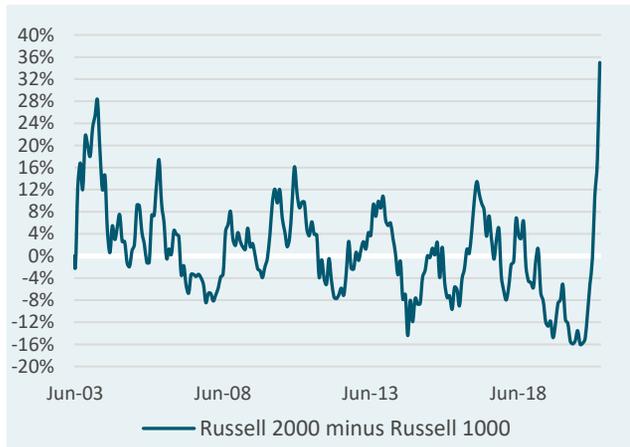
Domestic equity size & style

Factor performance surged during the quarter, as small capitalization and value stocks delivered strong relative returns. U.S. value stocks beat growth stocks by a wide margin (Russell 1000 Value +11.3%, Russell 1000 Growth +0.9%), as growth entered a correction in February and value marched higher. Small cap stocks continued their surprisingly strong rally, outperforming growth (Russell 2000 +12.7%, Russell 1000 +5.9%).

A rotation towards value occurred as beaten-down sectors such as energy, financials, and materials delivered outsized performance—sectors which tend to possess a heavier concentration of value stocks. Companies which benefited from the pandemic due to a shift in household habits may see a further reversal of that windfall as households begin to go back to normal life. Additionally, value stocks typically exhibit strength during economic recoveries. These dynamics of growth and value may suggest further value factor strength, though factor trends are noisy and extremely difficult to predict.

Small cap and value stocks delivered strong relative performance during Q1

SMALL CAP VS LARGE CAP (YOY)



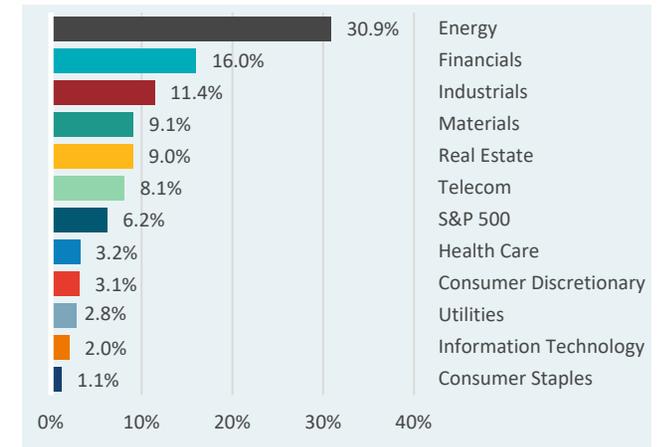
Source: FTSE, as of 3/31/21

VALUE VS GROWTH (YOY)



Source: FTSE, as of 3/31/21

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/21

International developed equity

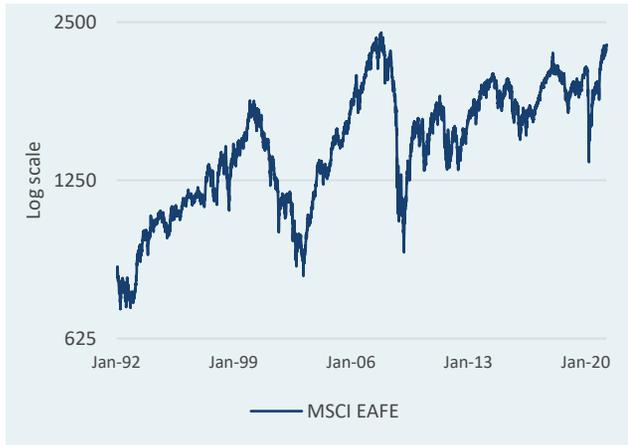
International equities delivered +3.5% (MSCI EAFE Index) during the first quarter on an unhedged currency basis. International developed underperformed the S&P 500 Index (+6.2%) while outperforming the MSCI Emerging Markets Index (+2.3%). The trend towards U.S. dollar weakness has boosted the performance of unhedged international equities, adding +6.8% over the past year, though this trend may have begun to reverse in the first quarter.

International developed equity weakness may be partly attributed to snags in the European COVID-19 vaccination

campaign, which has materially lagged the rest of the world. However, European equities (+4.1%) managed to outperform Japanese equities (+1.6%) in U.S. dollar terms, primarily due to currency movements, as the yen (-6.7%) depreciated more sharply relative to the U.S. dollar than the euro (-4.0%) or swiss franc (-6.2%).

Bets against the Japanese yen rose to multi-year highs amid a backdrop of increasing relative interest rates available in the U.S., and a wave of risk-on sentiment pouring cold water on the appeal of traditional safe-haven assets.

INTERNATIONAL DEVELOPED EQUITIES



Source: MSCI, as of 3/31/21

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 3/31/21

10-YEAR REAL YIELD SPREAD (US MINUS JAPAN)



Source: Bloomberg, as of 3/31/21

Emerging market equity

Emerging market equities (MSCI EM +2.3%) underperformed U.S. (S&P 500 +6.2%) and international developed equities (MSCI EAFE +3.5%) during the quarter. Latin American equities pulled back from strong performance in Q4, underperforming the broader index (MSCI Latin America -5.3%).

Chinese mainland equities, which account for roughly 36% of the MSCI EM Index, slumped -0.4%, dampening overall index returns. Many analysts attributed the relative weakness in China to tightening liquidity conditions, as the People's Bank

of China shifted focus away from promoting economic recovery and toward clamping down on real estate speculation and leverage broadly, in the interest of preventing the buildup of financial excesses.

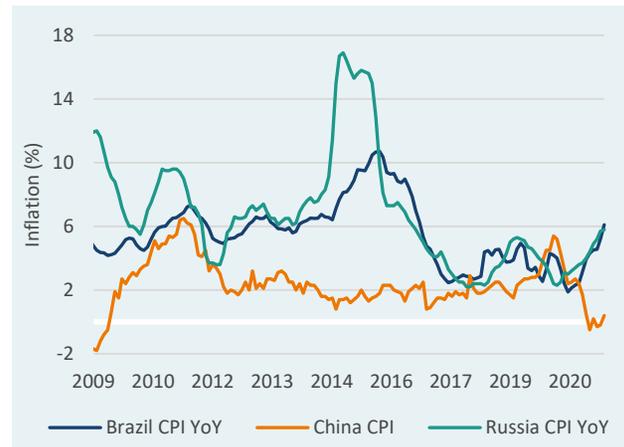
Central banks from Turkey to Russia to Brazil delivered surprise rate hikes in part to respond to a resurgence in inflation, which weighed on markets. Idiosyncratic political developments further pressured returns in Turkey (-20.4%) and Brazil (-10.0%), while Russian equities held up better (+2.4%) despite a weaker ruble (-2.1%).

EMERGING MARKET EQUITY



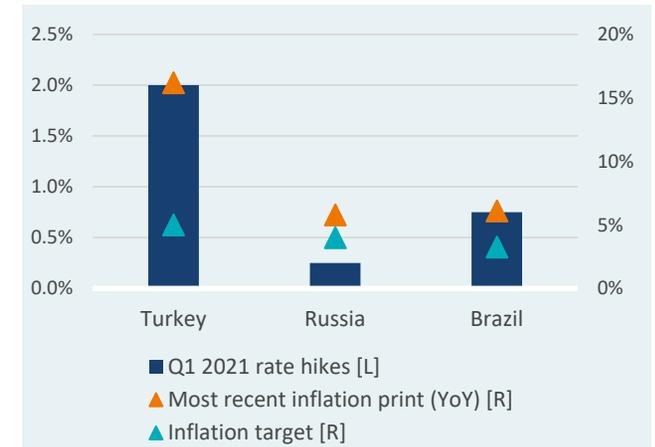
Source: MSCI, as of 3/31/21

INFLATION (YOY)



Source: Bloomberg, as of 3/31/21 or most recent data

SURPRISE CENTRAL BANK RATE HIKES



Source: Bloomberg, as of 3/31/21

Interest rate environment

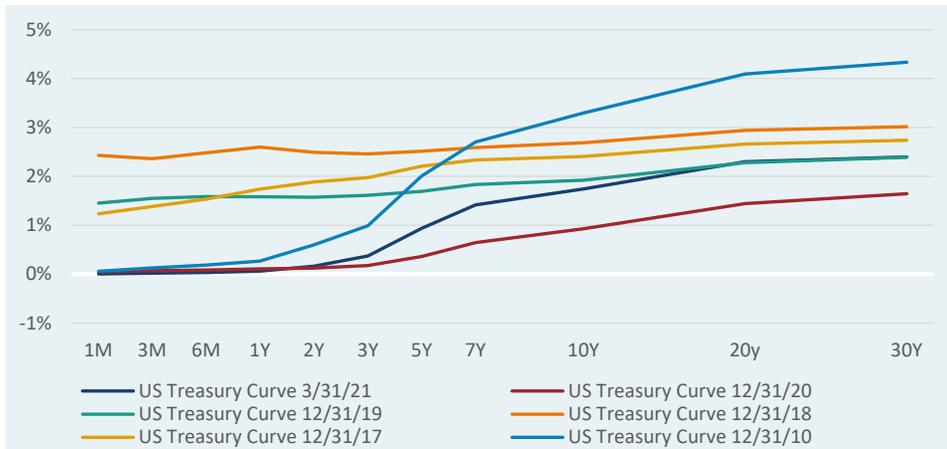
- Ten-year U.S. Treasury yields moved sharply higher, rising from 0.91% to 1.74%. Higher interest rates and tighter financial conditions create concerns for currently above-average risk asset prices, and for the economic recovery more broadly.
- Bond yields around the world rose in tandem with the United States, though the yield of shorter-dated bonds and cash remained anchored near zero. Rising bond yields at longer tenors and relatively steady movement in short tenor yields resulted in yield curve steepening in many countries.
- The spike in global interest rates tested the standing policies at a number of major central banks. The Reserve Bank of Australia was forced to step in to defend its 3-year bond yield target, the Bank of Japan widened the target band for its 10-year bond yield, and the ECB tweaked its asset purchase program to allow for more flexible purchases.
- The Federal Reserve maintained an accommodative tone and signaled it will continue to provide support until substantial progress has been made in the labor market and the pandemic is clearly in the rear-view mirror. On balance, the Fed remains of the view that any pickup in inflation over the next few months is likely to be transitory.
- Breakeven inflation rates surged as reflation bets continued to mount. The five-year breakeven inflation rate closed the quarter at 2.6%, its highest level since 2008.
- Credit spreads compressed to near decade-tights as demand for higher-yielding bonds remained high, and concerns over a wave of pandemic-driven defaults abated.
- Long-duration Treasuries posted their worst quarter since Q1 of 1980. The Bloomberg Barclays U.S. Long Treasury Index delivered a total return of -13.5%.

| Area | Short Term (3M) | 10-Year |
|---------------|-----------------|---------|
| United States | 0.02% | 1.74% |
| Germany | (0.67%) | (0.29%) |
| France | (0.62%) | (0.05%) |
| Spain | (0.56%) | 0.34% |
| Italy | (0.54%) | 0.67% |
| Greece | (0.24%) | 0.86% |
| U.K. | (0.01%) | 0.85% |
| Japan | (0.11%) | 0.09% |
| Australia | 0.00% | 1.79% |
| China | 2.28% | 3.19% |
| Brazil | 3.32% | 9.28% |
| Russia | 4.70% | 7.00% |

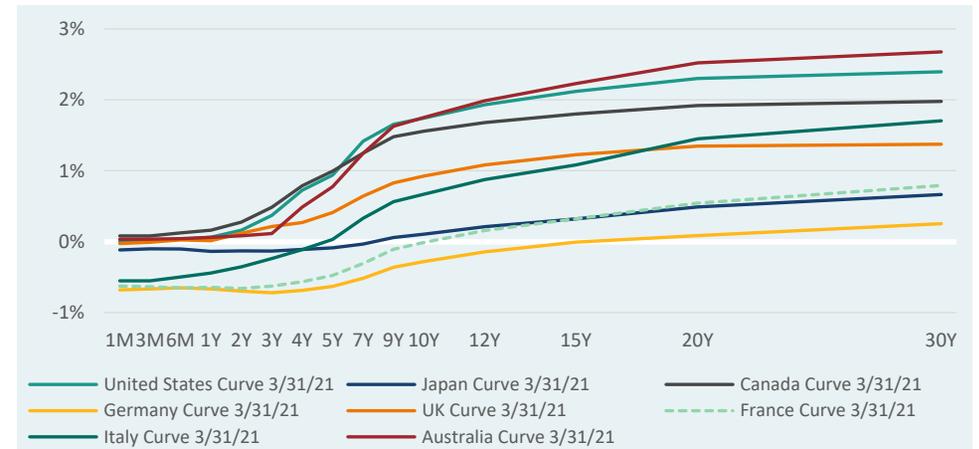
Source: Bloomberg, as of 3/31/21

Yield environment

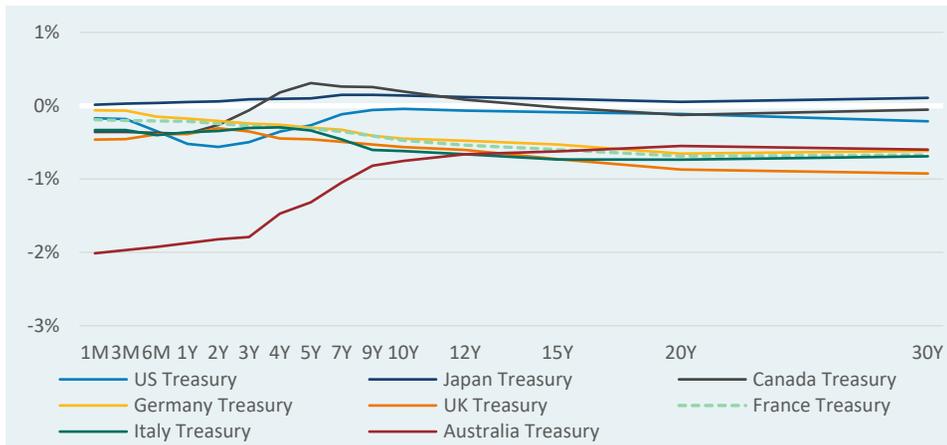
U.S. YIELD CURVE



GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 3/31/21

Currency

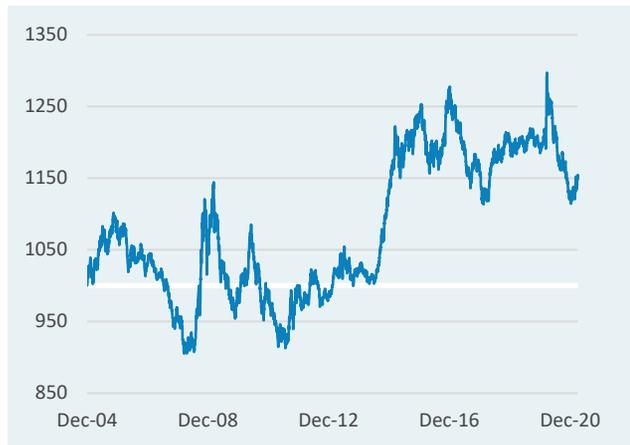
U.S. dollar weakness had prevailed for most of 2020, but turned around in the first quarter of 2021. The Bloomberg Dollar Spot Index increased 2.8% over the quarter, after slipping -5.4% in 2020. Strength in the dollar was attributed to rising relative yields in the U.S., the relatively effective vaccination campaign, and speculation that a series of fiscal support packages might fuel supernormal growth over the next few years.

Currency beta returns, or the returns of a long-short portfolio of G10 currencies constructed by investing in three equally-weighted factors (carry, value, momentum), remained negative over the trailing year. Rotations back into the U.S. dollar and

out of the euro and yen supported performance for the carry factor while detracting from the performance of the currency momentum factor.

International developed currencies fared poorly, pressured by risk-on sentiment, a lackluster European vaccination effort, and concerns expressed by the European Central Bank about rising global interest rates. The embedded currency portfolio of the MSCI EAFE Index returned -4.1%, as the yen (-6.7%) and euro (-4.0%) weakened relative to the U.S. dollar. Emerging market currencies (-3.1%) softened, driven by declines in the Brazilian real (-7.8%) and Turkish lira (-9.9%).

BLOOMBERG DOLLAR SPOT INDEX



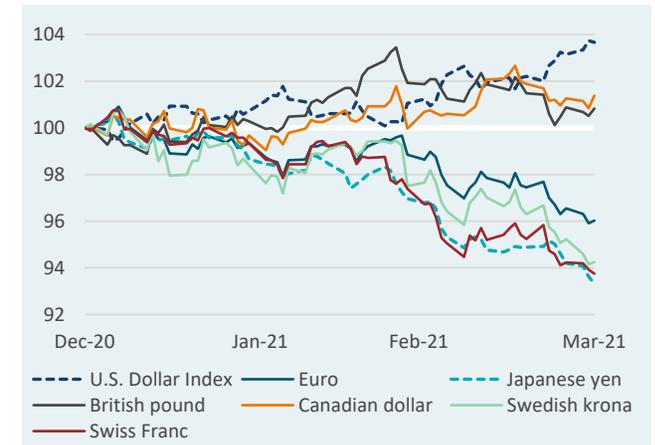
Source: Bloomberg, as of 3/31/21

CURRENCY BETA (ONE-YEAR RETURNS)



Source: MSCI, Bloomberg, as of 3/31/21

U.S. DOLLAR INDEX CONSTITUENTS



Source: Bloomberg, as of 3/31/21



| GENERAL INVESTMENT OPTION RISK SPECTRUM | | | | | | | | | | | | |
|---|--|--------------------|---|-------------------------------|----------------------------|-------------|-------------------------|-----------------|--|---|---------------------------------|---------------------------------|
| Principal Preservation | | Bonds | | Balanced/ Asset Allocation | | Real Estate | | Domestic Equity | | | International/ Global Equity | |
| | | | | | | | | Large | Medium | Small | Developed | Emerging |
| Money Market Fund | | Core/ Core Plus | Vanguard High Yield Corporate | TAA | | Core | Vanguard Real Estate | Growth | | PRIMECAP Odyssey Aggressive Growth | | Growth |
| | | | Western Asset Core Plus Bond | | | | | | | | | |
| Stable Value | | Core (Passive) | Vanguard Total Bond Mkt | Balanced | Vanguard Wellington Adm | | | Core | | | | Vanguard Total Intl Stock Index |
| | | | | | | | | | | Vanguard Emerging Mkts Stock | | |
| | | Treasury | Vanguard Short Term Infl Prot Sec Adm | | | | | Core (Passive) | Vanguard Total Stock Market Index | | | |
| | | Short Term | Vanguard Short Term Corp Bond | | | | | | | Vanguard Small Cap Index | | |
| | | Global | Vanguard Total Intl Bond Index | | | | | Value | DoubleLine Shiller Enhanced CAPE | | | Value |

Tennessee TNStars and ABLE TN Plans
Performance Summary by Manager (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|-------|-------|--------|------|------|-------|------|------|
| Domestic Balanced | | | | | | | | | | |
| Vanguard Wellington Adm | 3.6 | 33.0 | 11.4 | 11.2 | 9.9 | 10.7 | 22.6 | -3.3 | 14.8 | 11.1 |
| 60/40 S&P 500/BBgBarc US Aggregate | 2.3 | 31.7 | 12.2 | 11.1 | 9.9 | 14.7 | 22.2 | -2.3 | 14.2 | 8.3 |
| Allocation - 50% to 70% Equity MStar MF Rank | 46 | 75 | 29 | 21 | 12 | 69 | 16 | 19 | 38 | 14 |
| Domestic Equity | | | | | | | | | | |
| DoubleLine Shiller Enhanced CAPE I | 6.3 | 70.9 | 16.7 | 17.4 | -- | 16.3 | 33.8 | -4.0 | 21.6 | 20.3 |
| Russell 1000 Value | 11.3 | 56.1 | 11.0 | 11.7 | -- | 2.8 | 26.5 | -8.3 | 13.7 | 17.3 |
| Large Value MStar MF Rank | 96 | 12 | 2 | 1 | -- | 2 | 1 | 9 | 5 | 8 |
| Vanguard Total Stock Market Index I | 6.4 | 62.7 | 17.1 | 16.7 | 13.8 | 21.0 | 30.8 | -5.2 | 21.2 | 12.7 |
| Russell 3000 | 6.3 | 62.5 | 17.1 | 16.6 | 13.8 | 20.9 | 31.0 | -5.2 | 21.1 | 12.7 |
| Large Blend MStar MF Rank | 51 | 19 | 21 | 14 | 23 | 18 | 44 | 44 | 51 | 20 |
| PRIMECAP Odyssey Aggressive Growth | 6.2 | 76.7 | 12.2 | 19.4 | 17.3 | 29.0 | 23.5 | -6.9 | 33.6 | 11.7 |
| Russell MidCap Growth | -0.6 | 68.6 | 19.4 | 18.4 | 14.1 | 35.6 | 35.5 | -4.8 | 25.3 | 7.3 |
| Mid-Cap Growth MStar MF Rank | 15 | 41 | 98 | 43 | 7 | 70 | 99 | 64 | 7 | 18 |
| Vanguard Small Cap Index Adm | 10.2 | 87.7 | 15.0 | 15.6 | 12.1 | 19.1 | 27.4 | -9.3 | 16.2 | 18.3 |
| Russell 2000 | 12.7 | 94.8 | 14.8 | 16.4 | 11.7 | 20.0 | 25.5 | -11.0 | 14.6 | 21.3 |
| Small Blend MStar MF Rank | 97 | 54 | 13 | 24 | 18 | 20 | 21 | 19 | 15 | 68 |
| International Equity | | | | | | | | | | |
| Vanguard Total Intl Stock Index I | 4.0 | 52.8 | 6.5 | 10.0 | 5.2 | 11.3 | 21.6 | -14.4 | 27.6 | 4.7 |
| MSCI EAFE | 3.5 | 44.6 | 6.0 | 8.8 | 5.5 | 7.8 | 22.0 | -13.8 | 25.0 | 1.0 |
| Foreign Large Blend MStar MF Rank | 45 | 35 | 41 | 26 | 69 | 39 | 58 | 41 | 31 | 15 |
| Vanguard Emerging Mkts Stock Idx Adm | 3.6 | 58.2 | 6.3 | 11.3 | 3.3 | 15.2 | 20.3 | -14.6 | 31.4 | 11.7 |
| MSCI Emerging Markets | 2.3 | 58.4 | 6.5 | 12.1 | 3.7 | 18.3 | 18.4 | -14.6 | 37.3 | 11.2 |
| Diversified Emerging Mkts MStar MF Rank | 40 | 73 | 52 | 64 | 69 | 67 | 51 | 28 | 74 | 31 |

Tennessee TNStars and ABLE TN Plans
Performance Summary by Manager (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|-------|-------|--------|------|------|------|------|------|
| Domestic Fixed Income | | | | | | | | | | |
| Vanguard Short Term Corp Bond Idx Adm | -0.6 | 7.0 | 4.3 | 3.1 | 3.0 | 5.1 | 6.8 | 0.9 | 2.5 | 2.6 |
| <i>BBgBarc US Corp Bond 1-5 Yr TR</i> | -0.6 | 7.1 | 4.5 | 3.3 | 3.1 | 5.4 | 7.0 | 1.0 | 2.6 | 2.9 |
| <i>Short-Term Bond MStar MF Rank</i> | 90 | 41 | 9 | 25 | 11 | 18 | 6 | 69 | 27 | 38 |
| Vanguard Total Bond Market Index I | -3.6 | 0.6 | 4.6 | 3.1 | 3.4 | 7.7 | 8.7 | 0.0 | 3.6 | 2.6 |
| <i>BBgBarc US Aggregate TR</i> | -3.4 | 0.7 | 4.7 | 3.1 | 3.4 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| <i>Intermediate Core Bond MStar MF Rank</i> | 86 | 88 | 63 | 72 | 65 | 60 | 40 | 36 | 65 | 71 |
| Western Asset Core Plus Bond I | -4.5 | 6.8 | 5.3 | 4.8 | 4.8 | 9.4 | 12.3 | -1.5 | 7.0 | 4.8 |
| <i>BBgBarc US Aggregate TR</i> | -3.4 | 0.7 | 4.7 | 3.1 | 3.4 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| <i>Intermediate Core Plus Bond MStar MF Rank</i> | 99 | 52 | 45 | 19 | 8 | 29 | 2 | 91 | 2 | 26 |
| Vanguard Short Term Infl Prot Sec Idx I | 1.1 | 6.9 | 3.7 | 2.6 | -- | 5.0 | 4.8 | 0.6 | 0.8 | 2.8 |
| <i>BBgBarc US Treasury TIPS 1-5Y TR</i> | 1.2 | 7.7 | 4.1 | 2.8 | -- | 5.7 | 5.1 | 0.4 | 0.8 | 3.1 |
| <i>Inflation-Protected Bond MStar MF Rank</i> | 22 | 97 | 92 | 90 | -- | 97 | 95 | 1 | 93 | 90 |
| Vanguard High Yield Corporate Adm | -0.1 | 17.8 | 6.3 | 6.7 | 6.1 | 5.4 | 15.9 | -2.9 | 7.1 | 11.3 |
| <i>BBgBarc US Corp. High Yield</i> | 0.9 | 23.7 | 6.8 | 8.1 | 6.5 | 7.1 | 14.3 | -2.1 | 7.5 | 17.1 |
| <i>High Yield Bond MStar MF Rank</i> | 94 | 88 | 35 | 66 | 27 | 55 | 10 | 60 | 46 | 80 |
| Global Fixed Income | | | | | | | | | | |
| Vanguard Total Intl Bond Index I | -2.3 | 2.0 | 4.0 | 3.3 | -- | 4.6 | 7.9 | 3.0 | 2.5 | 4.7 |
| <i>BBgBarc Global Agg ex USD FA USD Hedged</i> | -2.2 | 2.2 | 4.2 | 3.5 | -- | 4.7 | 8.1 | 3.2 | 2.6 | 4.9 |
| <i>World Bond USD Hedged MStar MF Rank</i> | 64 | 86 | 62 | 59 | -- | 80 | 59 | 4 | 80 | 50 |
| Real Estate | | | | | | | | | | |
| Vanguard Real Estate Index Adm | 8.7 | 36.5 | 11.0 | 6.1 | 8.9 | -4.7 | 28.9 | -5.9 | 4.9 | 8.5 |
| <i>MSCI US REIT</i> | 8.5 | 36.1 | 8.2 | 4.0 | 7.2 | -8.7 | 24.3 | -5.8 | 3.7 | 7.1 |
| <i>Real Estate MStar MF Rank</i> | 33 | 38 | 35 | 48 | 40 | 58 | 41 | 52 | 60 | 17 |

Tennessee TNStars and ABLE TN Plans
 Risk Analysis by Manager - 5 Years (Net of Fees)

Period Ending: March 31, 2021

| | Anlzd Standard Deviation | Anlzd Alpha | Beta | R-Squared | Up Mkt Capture Ratio | Down Mkt Capture Ratio | Information Ratio | Tracking Error | Sharpe Ratio | Sortino Ratio |
|---|--------------------------|-------------|------|-----------|----------------------|------------------------|-------------------|----------------|--------------|---------------|
| Vanguard Wellington Adm | 9.51% | -0.29% | 1.03 | 0.96 | 104.28% | 105.32% | 0.02 | 2.01% | 1.06 | 1.26 |
| DoubleLine Shiller Enhanced CAPE I | 18.05% | 5.05% | 1.05 | 0.88 | 126.20% | 92.86% | 0.90 | 6.31% | 0.90 | 0.95 |
| Vanguard Total Stock Market Index I | 15.55% | 0.03% | 1.00 | 1.00 | 99.82% | 99.73% | 0.18 | 0.13% | 1.00 | 1.19 |
| PRIMECAP Odyssey Aggressive Growth | 20.21% | -0.16% | 1.07 | 0.83 | 118.09% | 109.17% | 0.12 | 8.30% | 0.91 | 1.25 |
| Vanguard Small Cap Index Adm | 19.84% | 0.34% | 0.93 | 0.98 | 85.19% | 93.54% | -0.22 | 3.34% | 0.73 | 0.78 |
| Vanguard Total Intl Stock Index I | 14.86% | 1.31% | 0.98 | 0.95 | 100.32% | 95.51% | 0.33 | 3.43% | 0.60 | 0.79 |
| Vanguard Emerging Mkts Stock Idx Adm | 16.14% | -0.40% | 0.97 | 0.97 | 95.00% | 99.63% | -0.28 | 2.66% | 0.63 | 0.89 |
| Vanguard Short Term Corp Bond Idx Adm | 2.74% | -0.23% | 1.02 | 1.00 | 96.77% | 102.79% | -1.01 | 0.18% | 0.71 | 0.99 |
| Vanguard Total Bond Market Index I | 3.45% | -0.14% | 1.04 | 0.99 | 102.13% | 104.23% | -0.07 | 0.32% | 0.57 | 1.46 |
| Western Asset Core Plus Bond I | 4.76% | 1.11% | 1.18 | 0.67 | 146.39% | 120.97% | 0.59 | 2.79% | 0.76 | 1.32 |
| Vanguard Short Term Infl Prot Sec Idx I | 1.59% | 0.23% | 0.86 | 0.98 | 88.00% | 78.82% | -0.51 | 0.34% | 0.95 | 2.18 |
| Vanguard High Yield Corporate Adm | 6.72% | -0.38% | 0.88 | 0.97 | 82.46% | 92.21% | -0.94 | 1.47% | 0.83 | 0.79 |
| Vanguard Total Intl Bond Index I | 3.06% | -0.20% | 1.00 | 1.00 | 97.28% | 101.89% | -1.16 | 0.17% | 0.71 | 1.53 |
| Vanguard Real Estate Index Adm | 15.95% | 2.35% | 0.94 | 0.99 | 102.06% | 93.80% | 1.08 | 1.96% | 0.31 | 0.42 |

Tennessee TNStars and ABLE TN Plans Investment Fund Fee Analysis

Period Ending: March 31, 2021

| Name | Asset Class | Identifier | Expense Ratio | Median Expense Ratio |
|---|----------------------------------|------------|---------------|----------------------|
| Vanguard Wellington Adm | Domestic Balanced | VWENX | 0.16% | 0.75% |
| DoubleLine Shiller Enhanced CAPE I | Domestic Equity Large Cap Value | DSEEX | 0.56% | 0.71% |
| Vanguard Total Stock Market Index I | Domestic Equity Large Cap | VITSX | 0.03% | 0.67% |
| PRIMECAP Odyssey Aggressive Growth | Domestic Equity Mid Cap Growth | POAGX | 0.65% | 0.87% |
| Vanguard Small Cap Index Adm | Domestic Equity Small Cap | VSMAX | 0.05% | 0.96% |
| Vanguard Total Intl Stock Index I | International Equity Large Cap | VTSNX | 0.08% | 0.84% |
| Vanguard Emerging Mkts Stock Idx Adm | Emerging Markets Equity | VEMAX | 0.14% | 1.09% |
| Vanguard Short Term Corp Bond Idx Adm | U.S. Fixed Income Short Term | VSCSX | 0.07% | 0.47% |
| Vanguard Total Bond Market Index I | Domestic Fixed Income Core | VBTIX | 0.04% | 0.44% |
| Western Asset Core Plus Bond I | Domestic Fixed Income Core Plus | WACPX | 0.45% | 0.50% |
| Vanguard Short Term Infl Prot Sec Idx I | Domestic Fixed Income | VTSPX | 0.04% | 0.38% |
| Vanguard High Yield Corporate Adm | Domestic Fixed Income High Yield | VWEAX | 0.13% | 0.71% |
| Vanguard Total Intl Bond Index I | Global Fixed Income | VTIFX | 0.07% | 0.63% |
| Vanguard Real Estate Index Adm | Real Estate | VGSLX | 0.12% | 0.89% |

Tennessee TNStars and ABLE TN Plans
Watch List (Net of Fees)

Period Ending: March 31, 2021

| Name | Allocation Group | Status | Rule 1 | Rule 2 | Rule 3 | Rule 4 | Rule 5 |
|---|----------------------------------|-----------|--------|--------|--------|--------|--------|
| Vanguard Wellington Adm | Domestic Balanced | No Issues | R | ✓ | ✓ | ✓ | -- |
| DoubleLine Shiller Enhanced CAPE I | Domestic Equity Large Cap Value | No Issues | ✓ | ✓ | ✓ | ✓ | -- |
| Vanguard Total Stock Market Index I | Domestic Equity Large Cap | No Issues | -- | -- | -- | -- | R |
| PRIMECAP Odyssey Aggressive Growth | Domestic Equity Mid Cap Growth | No Issues | R | R | ✓ | ✓ | -- |
| Vanguard Small Cap Index Adm | Domestic Equity Small Cap | No Issues | -- | -- | -- | -- | R |
| Vanguard Total Intl Stock Index I | International Equity Large Cap | No Issues | -- | -- | -- | -- | R |
| Vanguard Emerging Mkts Stock Idx Adm | Emerging Markets Equity | No Issues | -- | -- | -- | -- | R |
| Vanguard Short Term Corp Bond Idx Adm | U.S. Fixed Income Short Term | No Issues | -- | -- | -- | -- | ✓ |
| Vanguard Total Bond Market Index I | Domestic Fixed Income Core | No Issues | -- | -- | -- | -- | R |
| Western Asset Core Plus Bond I | Domestic Fixed Income Core Plus | No Issues | ✓ | ✓ | ✓ | ✓ | -- |
| Vanguard Short Term Infl Prot Sec Idx I | Domestic Fixed Income | No Issues | -- | -- | -- | -- | R |
| Vanguard High Yield Corporate Adm | Domestic Fixed Income High Yield | No Issues | R | ✓ | R | R | -- |
| Vanguard Total Intl Bond Index I | Global Fixed Income | No Issues | -- | -- | -- | -- | R |
| Vanguard Real Estate Index Adm | Real Estate | No Issues | -- | -- | -- | -- | R |

Rule 1 - Manager has underperformed the benchmark index for the three year period.

Rule 2 - Manager has underperformed the 50th percentile in the appropriate style universe for the three year period.

Rule 3 - Manager has underperformed the benchmark index for the five year period.

Rule 4 - Manager has underperformed the 50th percentile in the appropriate style universe for the five year period.

Rule 5 - Index Fund Tracking Error exceeds 0.20% of the appropriate benchmark over the one year period.

Domestic Balanced
 Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|-------|-------|--------|------|------|------|------|------|
| Domestic Balanced | | | | | | | | | | |
| Vanguard Wellington Adm | 3.6 | 33.0 | 11.4 | 11.2 | 9.9 | 10.7 | 22.6 | -3.3 | 14.8 | 11.1 |
| 60/40 S&P 500/BBgBarc US Aggregate | 2.3 | 31.7 | 12.2 | 11.1 | 9.9 | 14.7 | 22.2 | -2.3 | 14.2 | 8.3 |
| Allocation - 50% to 70% Equity Mstar MF Rank | 46 | 75 | 29 | 21 | 12 | 69 | 16 | 19 | 38 | 14 |

Vanguard Wellington Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

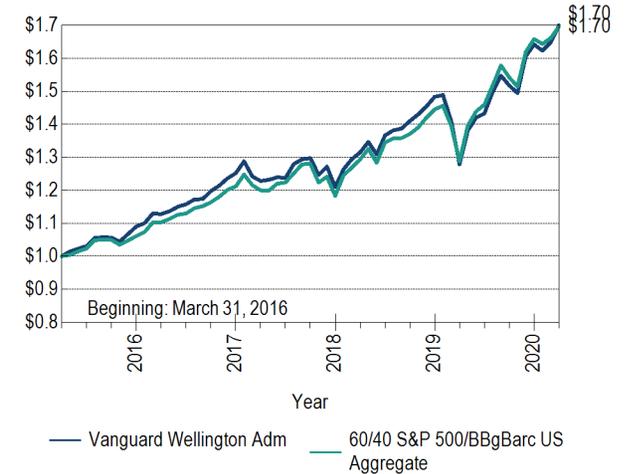
The investment seeks to provide long-term capital appreciation and moderate current income.

The fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. The remaining 30% to 40% of the fund's assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income. These securities include investment-grade corporate bonds, with some exposure to U.S. Treasury and government agency bonds, and mortgage-backed securities.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|-------------------------------|
| Ticker | VWENX |
| Morningstar Category | Allocation--50% to 70% Equity |
| Average Market Cap (\$mm) | 223,155.58 |
| Net Assets (\$mm) | 98,306.73 |
| % Assets in Top 10 Holdings | 25.82 |
| Total Number of Holdings | 1,171 |
| Manager Name | Loren L. Moran |
| Manager Tenure | 4 |
| Expense Ratio | 0.16% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|------------|
| Sharpe Ratio (3 Year) | 0.86 |
| Average Market Cap (\$mm) | 223,155.58 |
| Price/Earnings | 21.25 |
| Price/Book | 3.62 |
| Price/Sales | 2.98 |
| Price/Cash Flow | 16.71 |
| Dividend Yield | 2.04 |
| Number of Equity Holdings | 65 |
| R-Squared (3 Year) | 0.96 |
| Alpha (3 Year) | -0.08% |

Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 0.00% |
| COMMUNICATION SERVICES | 13.25% |
| CONSUMER CYCLICAL | 9.57% |
| CONSUMER DEFENSIVE | 7.56% |
| ENERGY | 2.55% |
| FINANCIAL SERVICES | 17.46% |
| HEALTHCARE | 15.07% |
| INDUSTRIALS | 10.82% |
| REAL ESTATE | 1.26% |
| TECHNOLOGY | 19.42% |
| UTILITIES | 3.03% |

Top Holdings as of March 31, 2021

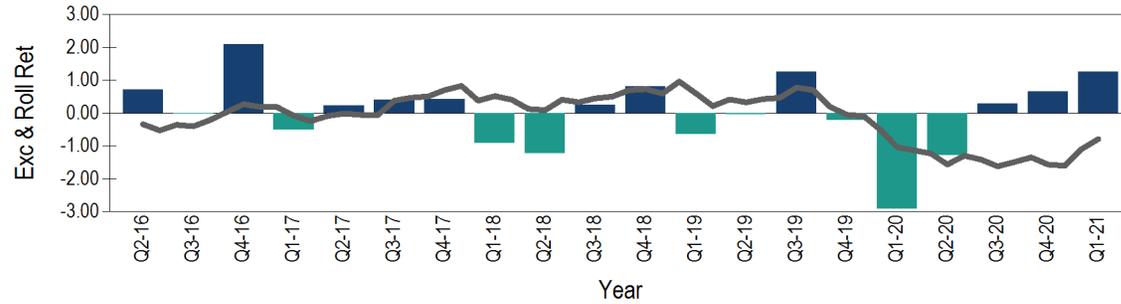
| | |
|---|-------|
| ALPHABET INC A | 4.98% |
| MICROSOFT CORP | 4.51% |
| FACEBOOK INC A | 2.65% |
| JPMORGAN CHASE & CO | 2.35% |
| CHARLES SCHWAB CORP | 2.33% |
| MCDONALD'S CORP | 2.20% |
| APPLE INC | 2.15% |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD ADR | 1.56% |
| PROCTER & GAMBLE CO | 1.55% |
| THE HOME DEPOT INC | 1.54% |

Expense Ratio



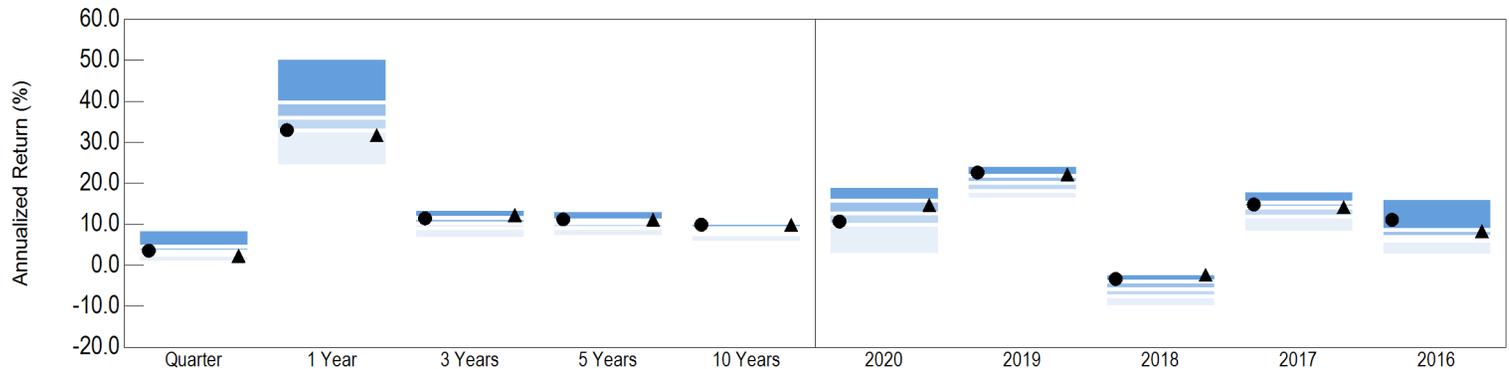
- Vanguard Wellington Adm
- ▲ 60/40 S&P 500/BBgBarc US Aggregate
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. 60/40 S&P 500/BBgBarc US Aggregate

Allocation - 50% to 70% Equity Mstar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 8.7 | 50.5 | 13.7 | 13.4 | 10.3 | 19.2 | 24.4 | -2.0 | 18.1 | 16.3 |
| 25th Percentile | 4.6 | 39.9 | 11.6 | 11.1 | 9.1 | 15.8 | 21.9 | -4.0 | 15.4 | 8.7 |
| Median | 3.5 | 36.1 | 10.2 | 10.4 | 8.5 | 12.7 | 20.2 | -5.7 | 14.1 | 7.0 |
| 75th Percentile | 2.6 | 32.9 | 9.1 | 9.2 | 7.6 | 9.9 | 18.2 | -7.5 | 12.0 | 6.1 |
| 95th Percentile | 0.8 | 24.2 | 6.5 | 6.9 | 5.6 | 2.7 | 16.2 | -10.2 | 8.1 | 2.4 |
| # of Portfolios | 138 | 136 | 134 | 130 | 116 | 136 | 131 | 140 | 151 | 152 |
| ● Vanguard Wellington Adm | 3.6 (46) | 33.0 (75) | 11.4 (29) | 11.2 (21) | 9.9 (12) | 10.7 (69) | 22.6 (16) | -3.3 (19) | 14.8 (38) | 11.1 (14) |
| ▲ 60/40 S&P 500/BBgBarc US Aggregate | 2.3 (83) | 31.7 (79) | 12.2 (19) | 11.1 (23) | 9.9 (13) | 14.7 (32) | 22.2 (22) | -2.3 (7) | 14.2 (49) | 8.3 (30) |

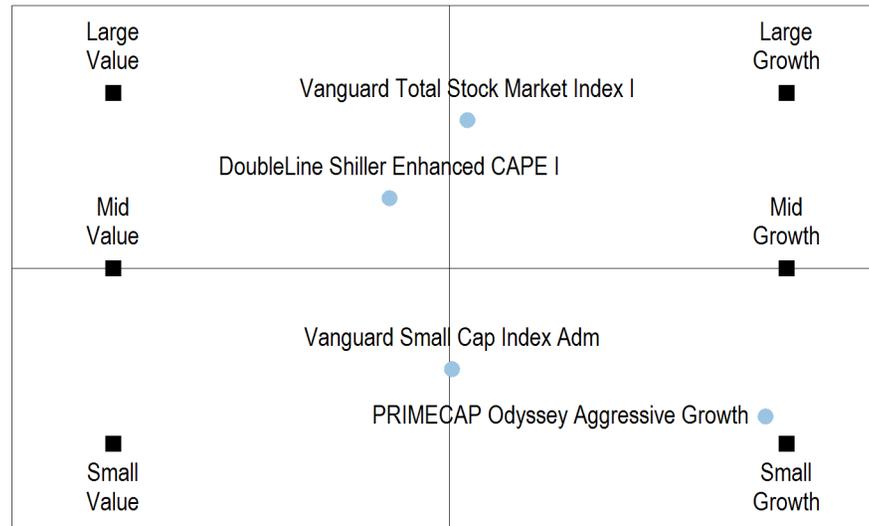
Domestic Equity

Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|------|------|------|-------|-------|--------|------|------|-------|------|------|
| Domestic Equity | | | | | | | | | | | |
| DoubleLine Shiller Enhanced CAPE I | 6.3 | 6.3 | 70.9 | 16.7 | 17.4 | -- | 16.3 | 33.8 | -4.0 | 21.6 | 20.3 |
| <i>Russell 1000 Value</i> | 11.3 | 11.3 | 56.1 | 11.0 | 11.7 | -- | 2.8 | 26.5 | -8.3 | 13.7 | 17.3 |
| Vanguard Total Stock Market Index I | 6.4 | 6.4 | 62.7 | 17.1 | 16.7 | 13.8 | 21.0 | 30.8 | -5.2 | 21.2 | 12.7 |
| <i>Russell 3000</i> | 6.3 | 6.3 | 62.5 | 17.1 | 16.6 | 13.8 | 20.9 | 31.0 | -5.2 | 21.1 | 12.7 |
| PRIMECAP Odyssey Aggressive Growth | 6.2 | 6.2 | 76.7 | 12.2 | 19.4 | 17.3 | 29.0 | 23.5 | -6.9 | 33.6 | 11.7 |
| <i>Russell MidCap Growth</i> | -0.6 | -0.6 | 68.6 | 19.4 | 18.4 | 14.1 | 35.6 | 35.5 | -4.8 | 25.3 | 7.3 |
| Vanguard Small Cap Index Adm | 10.2 | 10.2 | 87.7 | 15.0 | 15.6 | 12.1 | 19.1 | 27.4 | -9.3 | 16.2 | 18.3 |
| <i>Russell 2000</i> | 12.7 | 12.7 | 94.8 | 14.8 | 16.4 | 11.7 | 20.0 | 25.5 | -11.0 | 14.6 | 21.3 |

U.S. Effective Style Map



DoubleLine Shiller Enhanced CAPE I Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

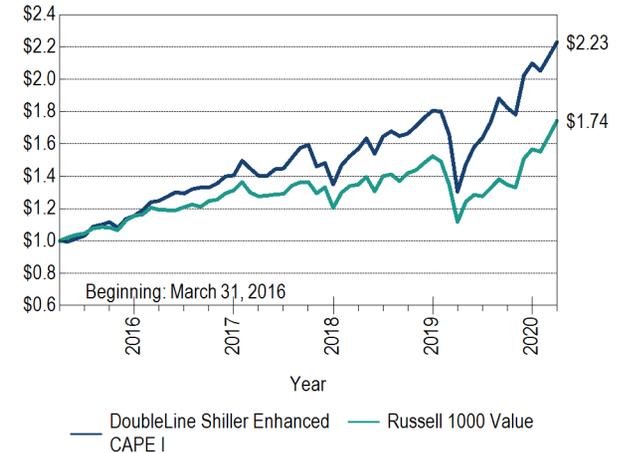
The investment seeks total return which exceeds the total return of its benchmark index.

The fund seeks total return (capital appreciation and current income) in excess of the Shiller Barclays CAPE® US Sector TR USD Index. It will seek to use derivatives, or a combination of derivatives and direct investments, to provide a return (before fees and expenses) that approximates the performance of the index. The fund will also invest in a portfolio of debt securities to seek to provide additional total return over the long term.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|---------------------|
| Ticker | DSEEX |
| Morningstar Category | Large Blend |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 8,168.90 |
| % Assets in Top 10 Holdings | 25.03 |
| Total Number of Holdings | 1,232 |
| Manager Name | Jeffrey E. Gundlach |
| Manager Tenure | 8 |
| Expense Ratio | 0.56% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|-------|
| Sharpe Ratio (3 Year) | 0.69 |
| Average Duration | |
| Average Coupon | 2.17% |
| Average Effective Maturity | |
| R-Squared (3 Year) | 0.92 |
| Alpha (3 Year) | 0.40% |
| Beta (3 Year) | 1.07 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 20.16% |
| MUNICIPAL | 0.00% |
| CORPORATE | 19.45% |
| SECURITIZED | 50.80% |
| CASH & EQUIVALENTS | 9.59% |
| DERIVATIVE | 0.00% |

Maturities as of March 31, 2021

| | |
|-----------------------|--------|
| 1 to 3 Years | 24.77% |
| 3 to 5 Years | 10.43% |
| 5 to 7 Years | 7.84% |
| 7 to 10 Years | 5.09% |
| 10 to 15 Years | 19.22% |
| 15 to 20 Years | 10.30% |
| 20 to 30 Years | 8.52% |
| Greater than 30 Years | 7.45% |

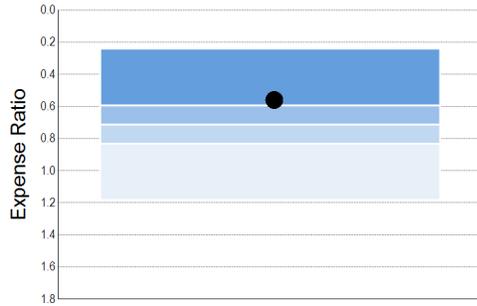
Top Holdings as of March 31, 2021

| | |
|--|-------|
| UNITED STATES TREASURY NOTES 0.13% | 3.94% |
| UNITED STATES TREASURY NOTES 0.13% | 3.62% |
| UNITED STATES TREASURY NOTES 0.38% | 2.83% |
| UNITED STATES TREASURY NOTES 1.5% | 2.66% |
| DOUBLELINE ULTRA SHORT BOND I | 2.23% |
| FIRST AMERICAN GOVERNMENT OBLIGS U | 2.14% |
| JPMORGAN US GOVERNMENT MMKT IM | 2.14% |
| MORGAN STANLEY INSTL LQUDTY GOVT INSTL | 2.14% |
| BXIICS2E INDEX SWAP 042921 SERIES 2 | 1.68% |
| BXIICS2E INDEX SWAP 052521 SERIES 2 | 1.63% |

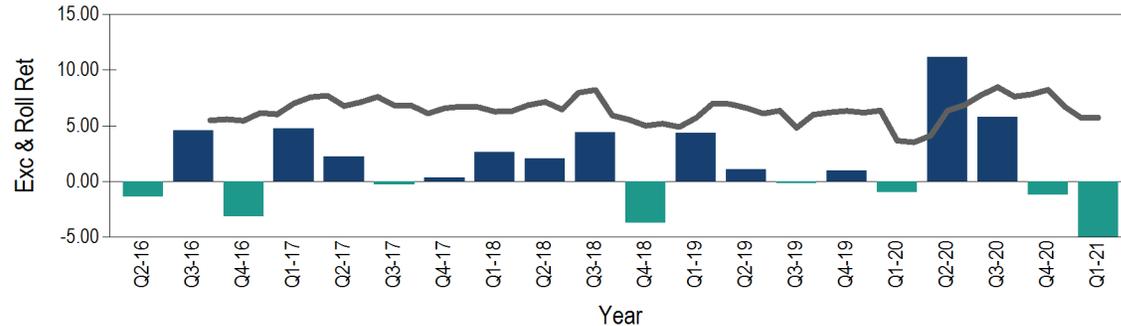
DoubleLine Shiller Enhanced CAPE I Mutual Fund Performance Analysis (Net of Fees)

Period Ending: March 31, 2021

Expense Ratio



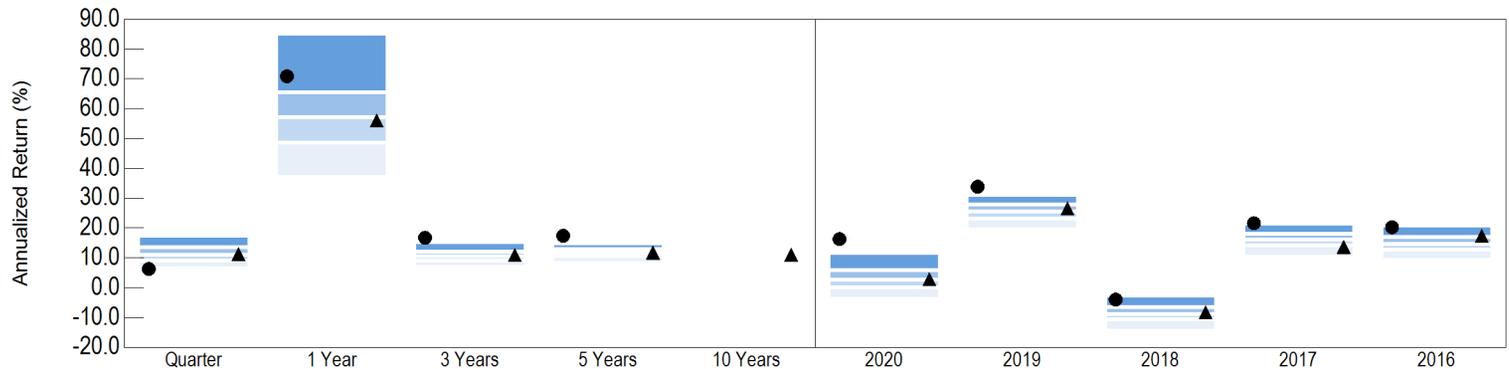
Rolling Annualized Excess Performance



- DoubleLine Shiller Enhanced CAPE I
- ▲ Russell 1000 Value
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. Russell 1000 Value

Large Value MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 17.3 | 85.0 | 15.2 | 14.7 | 12.7 | 11.5 | 30.9 | -2.8 | 21.4 | 20.8 |
| 25th Percentile | 13.6 | 65.6 | 12.1 | 13.0 | 11.5 | 6.0 | 28.0 | -6.5 | 18.1 | 17.1 |
| Median | 11.2 | 57.2 | 10.6 | 11.8 | 10.7 | 2.8 | 25.7 | -8.7 | 16.3 | 14.7 |
| 75th Percentile | 9.1 | 48.8 | 9.2 | 10.7 | 9.9 | 0.2 | 23.4 | -10.4 | 14.3 | 12.8 |
| 95th Percentile | 6.7 | 37.2 | 7.0 | 8.3 | 8.4 | -3.7 | 19.7 | -14.3 | 10.4 | 9.3 |
| # of Portfolios | 298 | 297 | 291 | 278 | 243 | 293 | 303 | 301 | 295 | 283 |
| ● DoubleLine Shiller Enhanced CAPE I | 6.3 (96) | 70.9 (12) | 16.7 (2) | 17.4 (1) | -- (--) | 16.3 (2) | 33.8 (1) | -4.0 (9) | 21.6 (5) | 20.3 (8) |
| ▲ Russell 1000 Value | 11.3 (47) | 56.1 (54) | 11.0 (45) | 11.7 (52) | 11.0 (43) | 2.8 (51) | 26.5 (41) | -8.3 (43) | 13.7 (82) | 17.3 (23) |

Vanguard Total Stock Market Index I Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

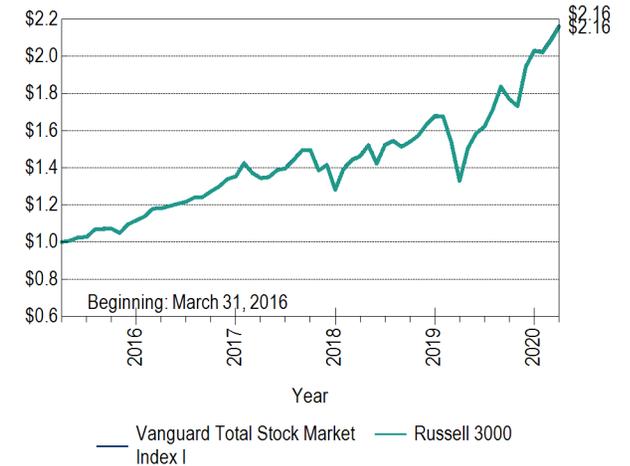
The investment seeks to track the performance of the CRSP US Total Market Index that measures the investment return of the overall stock market.

The fund employs an indexing investment approach designed to track the performance of the index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|--------------------|
| Ticker | VITSX |
| Morningstar Category | Large Blend |
| Average Market Cap (\$mm) | 98,543.50 |
| Net Assets (\$mm) | 198,289.54 |
| % Assets in Top 10 Holdings | 21.41 |
| Total Number of Holdings | 3,754 |
| Manager Name | Gerard C. O'Reilly |
| Manager Tenure | 26 |
| Expense Ratio | 0.03% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|-----------|
| Sharpe Ratio (3 Year) | 0.82 |
| Average Market Cap (\$mm) | 98,543.50 |
| Price/Earnings | 21.97 |
| Price/Book | 3.55 |
| Price/Sales | 2.67 |
| Price/Cash Flow | 15.55 |
| Dividend Yield | 1.47 |
| Number of Equity Holdings | 3,745 |
| R-Squared (3 Year) | 1.00 |
| Alpha (3 Year) | 0.00% |

Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 2.54% |
| COMMUNICATION SERVICES | 10.29% |
| CONSUMER CYCLICAL | 12.08% |
| CONSUMER DEFENSIVE | 6.05% |
| ENERGY | 2.64% |
| FINANCIAL SERVICES | 13.98% |
| HEALTHCARE | 13.73% |
| INDUSTRIALS | 9.78% |
| REAL ESTATE | 3.51% |
| TECHNOLOGY | 22.90% |
| UTILITIES | 2.51% |

Top Holdings as of March 31, 2021

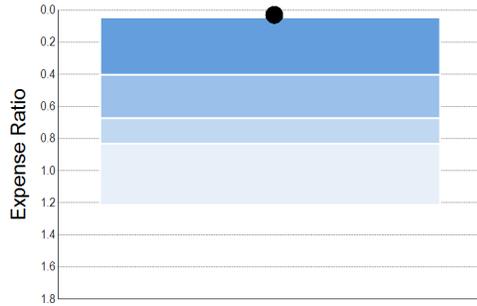
| | |
|--------------------------------|-------|
| APPLE INC | 4.53% |
| MICROSOFT CORP | 4.37% |
| AMAZON.COM INC | 3.25% |
| FACEBOOK INC A | 1.74% |
| ALPHABET INC A | 1.52% |
| ALPHABET INC CLASS C | 1.42% |
| TESLA INC | 1.26% |
| JPMORGAN CHASE & CO | 1.14% |
| BERKSHIRE HATHAWAY INC CLASS B | 1.12% |
| JOHNSON & JOHNSON | 1.06% |

Vanguard Total Stock Market Index I

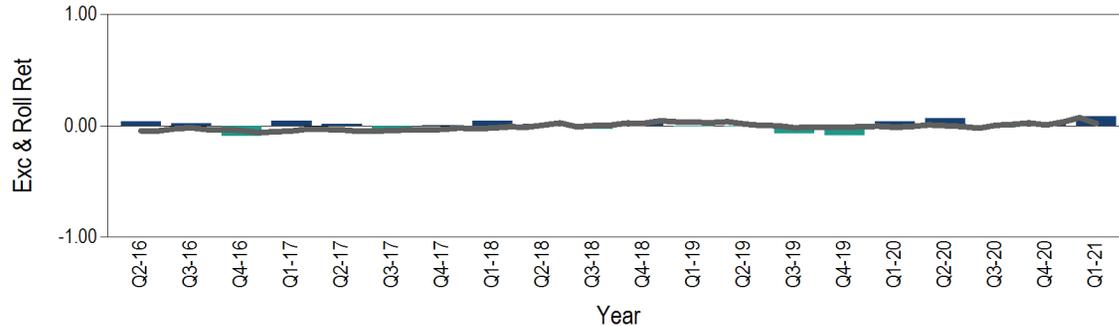
Mutual Fund Performance Analysis (Net of Fees)

Period Ending: March 31, 2021

Expense Ratio



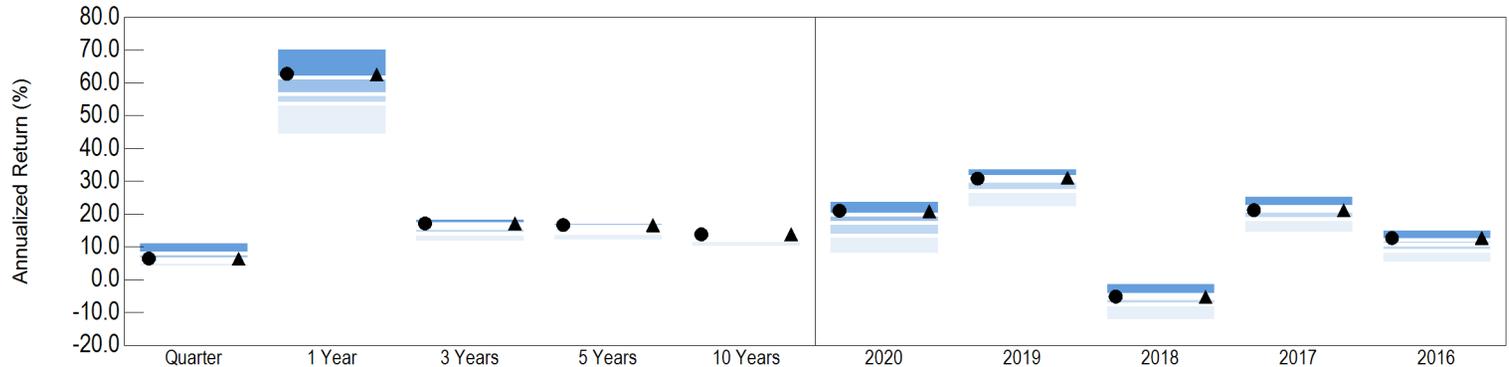
Rolling Annualized Excess Performance



- Vanguard Total Stock Market Index I
- ▲ Russell 3000
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. Russell 3000

Large Blend MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 11.6 | 70.6 | 18.7 | 17.4 | 14.6 | 24.3 | 34.2 | -0.9 | 25.8 | 15.5 |
| 25th Percentile | 8.1 | 61.8 | 17.0 | 16.2 | 13.8 | 19.9 | 31.5 | -4.5 | 22.3 | 12.1 |
| Median | 6.4 | 56.7 | 15.8 | 15.5 | 13.1 | 17.5 | 30.2 | -5.5 | 21.2 | 10.9 |
| 75th Percentile | 5.5 | 53.8 | 14.1 | 14.2 | 12.2 | 13.5 | 27.2 | -7.4 | 18.6 | 8.9 |
| 95th Percentile | 3.7 | 44.0 | 11.4 | 11.7 | 9.8 | 7.7 | 21.9 | -12.5 | 14.2 | 5.0 |
| # of Portfolios | 342 | 333 | 320 | 296 | 261 | 334 | 343 | 338 | 338 | 338 |
| ● Vanguard Total Stock Market Index I | 6.4 (51) | 62.7 (19) | 17.1 (21) | 16.7 (14) | 13.8 (23) | 21.0 (18) | 30.8 (44) | -5.2 (44) | 21.2 (51) | 12.7 (20) |
| ▲ Russell 3000 | 6.3 (53) | 62.5 (20) | 17.1 (22) | 16.6 (15) | 13.8 (23) | 20.9 (20) | 31.0 (40) | -5.2 (45) | 21.1 (53) | 12.7 (19) |

PRIMECAP Odyssey Aggressive Growth Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

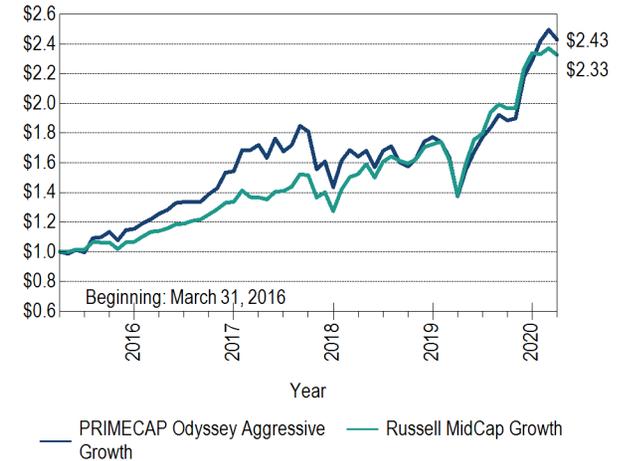
Description:

The investment seeks to provide long-term capital appreciation. The fund invests primarily in the common stocks of U.S. companies, emphasizing those companies with prospects for rapid earnings growth. It may invest in stocks across all market sectors and market capitalizations and has historically invested significant portions of its assets in mid- and small-capitalization companies.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|----------------|
| Ticker | POAGX |
| Morningstar Category | Mid-Cap Growth |
| Average Market Cap (\$mm) | 21,461.41 |
| Net Assets (\$mm) | 11,571.82 |
| % Assets in Top 10 Holdings | 27.05 |
| Total Number of Holdings | 213 |
| Manager Name | Joel P. Fried |
| Manager Tenure | 17 |
| Expense Ratio | 0.65% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|-----------|
| Sharpe Ratio (3 Year) | 0.44 |
| Average Market Cap (\$mm) | 21,461.41 |
| Price/Earnings | 23.50 |
| Price/Book | 3.88 |
| Price/Sales | 1.39 |
| Price/Cash Flow | 3.07 |
| Dividend Yield | 0.32 |
| Number of Equity Holdings | 209 |
| R-Squared (3 Year) | 0.87 |
| Alpha (3 Year) | -0.56% |

Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 0.27% |
| COMMUNICATION SERVICES | 7.23% |
| CONSUMER CYCLICAL | 9.09% |
| CONSUMER DEFENSIVE | 1.69% |
| ENERGY | 0.50% |
| FINANCIAL SERVICES | 4.98% |
| HEALTHCARE | 30.99% |
| INDUSTRIALS | 11.74% |
| REAL ESTATE | 0.11% |
| TECHNOLOGY | 33.39% |
| UTILITIES | 0.01% |

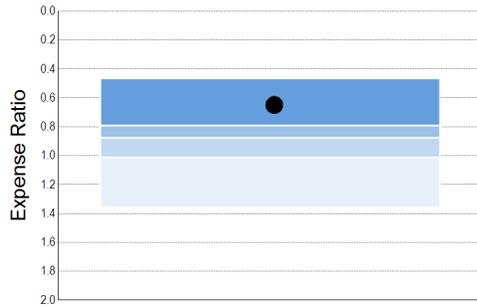
Top Holdings as of March 31, 2021

| | |
|--------------------------------------|-------|
| DREYFUS TREASURY SECS CASH MGMT INST | 3.90% |
| MICRON TECHNOLOGY INC | 3.74% |
| SONY GROUP CORP ADR | 3.44% |
| ABIOMED INC | 2.63% |
| TESLA INC | 2.55% |
| BIOGEN INC | 2.38% |
| BEIGENE LTD ADR | 2.35% |
| SEAGEN INC ORDINARY SHARES | 2.10% |
| BAIDU INC ADR | 2.02% |
| ELI LILLY AND CO | 1.93% |

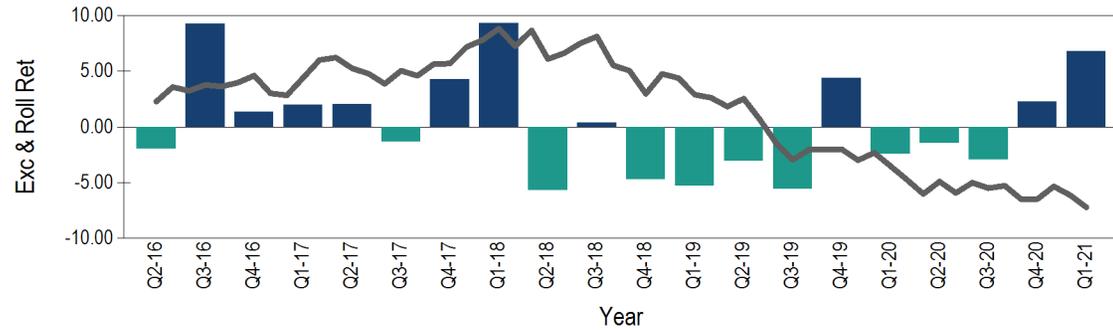
PRIMECAP Odyssey Aggressive Growth Mutual Fund Performance Analysis (Net of Fees)

Period Ending: March 31, 2021

Expense Ratio



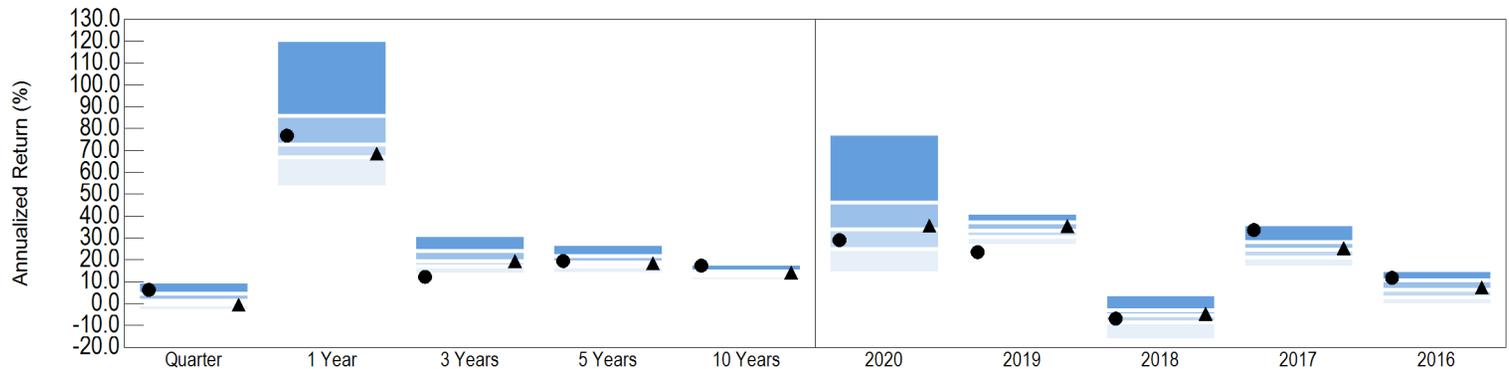
Rolling Annualized Excess Performance



- PRIMECAP Odyssey Aggressive Growth
- ▲ Russell MidCap Growth
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. Russell MidCap Growth

Mid-Cap Growth MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 9.9 | 120.3 | 31.2 | 27.1 | 18.1 | 77.4 | 41.3 | 4.1 | 36.2 | 15.1 |
| 25th Percentile | 4.6 | 86.1 | 24.2 | 21.9 | 14.9 | 46.3 | 37.3 | -3.0 | 28.3 | 10.7 |
| Median | 1.6 | 72.8 | 19.5 | 18.8 | 14.0 | 34.0 | 33.6 | -5.4 | 24.7 | 6.4 |
| 75th Percentile | -0.2 | 66.9 | 17.1 | 17.2 | 12.8 | 25.1 | 30.7 | -8.4 | 21.2 | 3.0 |
| 95th Percentile | -3.2 | 53.3 | 13.3 | 13.6 | 10.5 | 14.0 | 26.4 | -16.5 | 16.5 | -0.6 |
| # of Portfolios | 169 | 167 | 159 | 153 | 134 | 169 | 175 | 165 | 167 | 169 |
| ● PRIMECAP Odyssey Aggressive Growth | 6.2 (15) | 76.7 (41) | 12.2 (98) | 19.4 (43) | 17.3 (7) | 29.0 (70) | 23.5 (99) | -6.9 (64) | 33.6 (7) | 11.7 (18) |
| ▲ Russell MidCap Growth | -0.6 (79) | 68.6 (66) | 19.4 (52) | 18.4 (56) | 14.1 (48) | 35.6 (45) | 35.5 (36) | -4.8 (41) | 25.3 (44) | 7.3 (39) |

Vanguard Small Cap Index Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

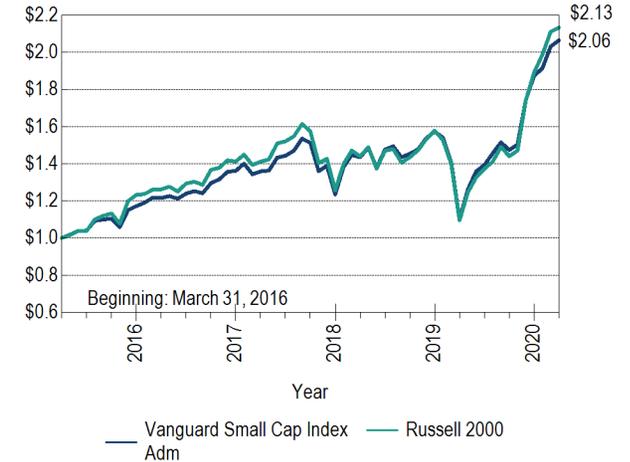
The investment seeks to track the performance of the CRSP US Small Cap Index that measures the investment return of small-capitalization stocks.

The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|--------------------|
| Ticker | VSMAX |
| Morningstar Category | Small Blend |
| Average Market Cap (\$mm) | 5,734.63 |
| Net Assets (\$mm) | 52,615.79 |
| % Assets in Top 10 Holdings | 2.86 |
| Total Number of Holdings | 1,465 |
| Manager Name | William A. Coleman |
| Manager Tenure | 5 |
| Expense Ratio | 0.05% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|----------|
| Sharpe Ratio (3 Year) | 0.55 |
| Average Market Cap (\$mm) | 5,734.63 |
| Price/Earnings | 19.08 |
| Price/Book | 2.41 |
| Price/Sales | 1.77 |
| Price/Cash Flow | 11.87 |
| Dividend Yield | 1.21 |
| Number of Equity Holdings | 1,463 |
| R-Squared (3 Year) | 0.98 |
| Alpha (3 Year) | 0.06% |

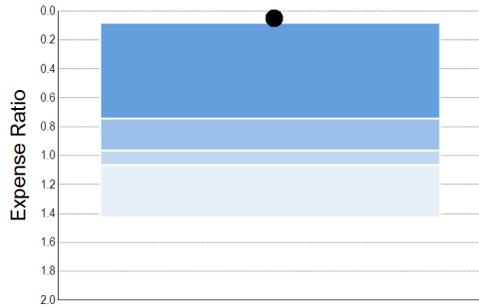
Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 4.61% |
| COMMUNICATION SERVICES | 2.50% |
| CONSUMER CYCLICAL | 13.05% |
| CONSUMER DEFENSIVE | 4.15% |
| ENERGY | 3.12% |
| FINANCIAL SERVICES | 13.52% |
| HEALTHCARE | 14.40% |
| INDUSTRIALS | 16.17% |
| REAL ESTATE | 9.10% |
| TECHNOLOGY | 17.11% |
| UTILITIES | 2.27% |

Top Holdings as of March 31, 2021

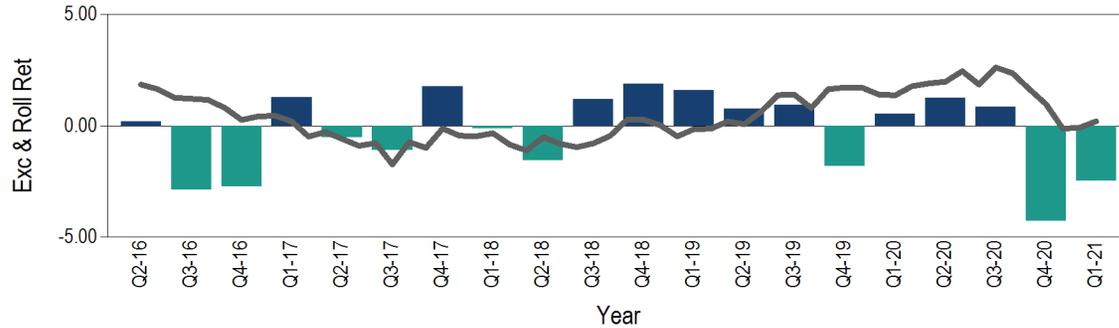
| | |
|--|-------|
| STERIS PLC | 0.31% |
| IDEX CORP | 0.30% |
| ENTEGRIS INC | 0.29% |
| TELEDYNE TECHNOLOGIES INC | 0.29% |
| VICI PROPERTIES INC ORDINARY SHARES | 0.29% |
| BIO-TECHNE CORP | 0.28% |
| DEVON ENERGY CORP | 0.28% |
| CHARLES RIVER LABORATORIES INTERNATIONAL INC | 0.27% |
| PERKINELMER INC | 0.27% |
| PTC INC | 0.27% |

Expense Ratio



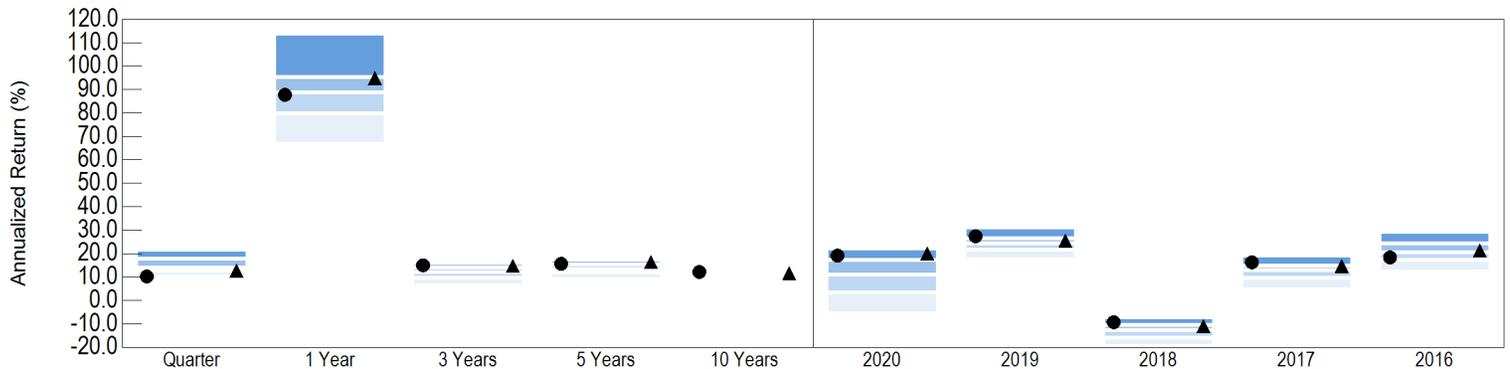
- Vanguard Small Cap Index Adm
- ▲ Russell 2000
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. Russell 2000

Small Blend MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 21.5 | 113.8 | 15.8 | 17.0 | 12.9 | 21.9 | 31.1 | -7.4 | 19.1 | 29.0 |
| 25th Percentile | 17.8 | 95.6 | 14.3 | 15.5 | 11.7 | 17.4 | 26.6 | -10.3 | 14.8 | 24.4 |
| Median | 14.2 | 89.0 | 12.2 | 13.7 | 10.8 | 11.2 | 24.4 | -12.4 | 12.9 | 20.6 |
| 75th Percentile | 12.7 | 79.9 | 9.7 | 12.1 | 10.1 | 3.6 | 21.8 | -15.6 | 9.8 | 17.3 |
| 95th Percentile | 10.2 | 67.1 | 6.6 | 9.3 | 8.8 | -5.4 | 17.6 | -19.4 | 4.9 | 12.5 |
| # of Portfolios | 186 | 185 | 180 | 178 | 140 | 190 | 200 | 218 | 219 | 213 |
| ● Vanguard Small Cap Index Adm | 10.2 (97) | 87.7 (54) | 15.0 (13) | 15.6 (24) | 12.1 (18) | 19.1 (20) | 27.4 (21) | -9.3 (19) | 16.2 (15) | 18.3 (68) |
| ▲ Russell 2000 | 12.7 (75) | 94.8 (34) | 14.8 (18) | 16.4 (11) | 11.7 (27) | 20.0 (14) | 25.5 (39) | -11.0 (34) | 14.6 (27) | 21.3 (44) |

International Equity
 Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|------|-----|------|-------|-------|--------|------|------|-------|------|------|
| International Equity | | | | | | | | | | | |
| Vanguard Total Intl Stock Index I | 4.0 | 4.0 | 52.8 | 6.5 | 10.0 | 5.2 | 11.3 | 21.6 | -14.4 | 27.6 | 4.7 |
| MSCI EAFE | 3.5 | 3.5 | 44.6 | 6.0 | 8.8 | 5.5 | 7.8 | 22.0 | -13.8 | 25.0 | 1.0 |
| Vanguard Emerging Mkts Stock Idx Adm | 3.6 | 3.6 | 58.2 | 6.3 | 11.3 | 3.3 | 15.2 | 20.3 | -14.6 | 31.4 | 11.7 |
| MSCI Emerging Markets | 2.3 | 2.3 | 58.4 | 6.5 | 12.1 | 3.7 | 18.3 | 18.4 | -14.6 | 37.3 | 11.2 |

Non U.S. Effective Style Map



Vanguard Total Intl Stock Index I

Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

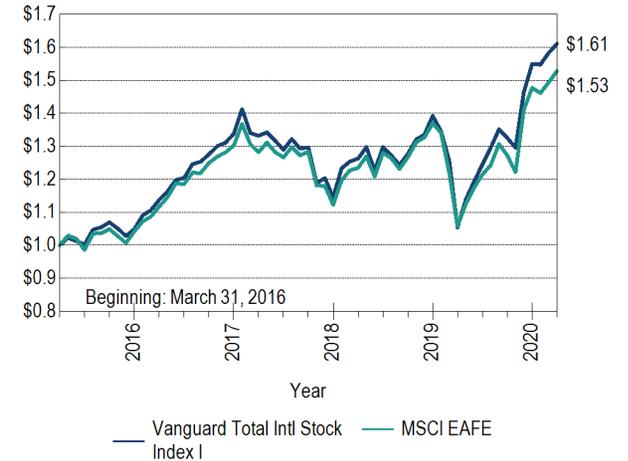
The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. It invests all, or substantially all, of its assets in the common stocks included in its target index.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|---------------------|
| Ticker | VTSNX |
| Morningstar Category | Foreign Large Blend |
| Average Market Cap (\$mm) | 29,379.99 |
| Net Assets (\$mm) | 39,540.12 |
| % Assets in Top 10 Holdings | 9.99 |
| Total Number of Holdings | 7,506 |
| Manager Name | Michael Perre |
| Manager Tenure | 13 |
| Expense Ratio | 0.08% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|-----------|
| Sharpe Ratio (3 Year) | 0.29 |
| Average Market Cap (\$mm) | 29,379.99 |
| Price/Earnings | 16.08 |
| Price/Book | 1.71 |
| Price/Sales | 1.39 |
| Price/Cash Flow | 7.86 |
| Dividend Yield | 2.30 |
| Number of Equity Holdings | 7,443 |
| R-Squared (3 Year) | 0.95 |
| Alpha (3 Year) | 0.05% |

Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 8.31% |
| COMMUNICATION SERVICES | 7.33% |
| CONSUMER CYCLICAL | 12.34% |
| CONSUMER DEFENSIVE | 7.79% |
| ENERGY | 4.43% |
| FINANCIAL SERVICES | 18.08% |
| HEALTHCARE | 8.90% |
| INDUSTRIALS | 13.14% |
| REAL ESTATE | 3.66% |
| TECHNOLOGY | 12.88% |
| UTILITIES | 3.12% |

Top Holdings as of March 31, 2021

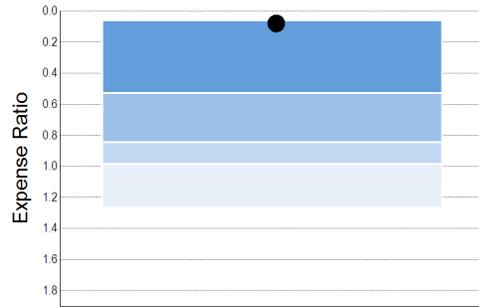
| | | |
|--------|---|-------|
| 8.31% | TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | 1.67% |
| 7.33% | TENCENT HOLDINGS LTD | 1.51% |
| 12.34% | ALIBABA GROUP HOLDING LTD ORDINARY SHARES | 1.32% |
| 7.79% | SAMSUNG ELECTRONICS CO LTD | 1.13% |
| 4.43% | NESTLE SA | 1.02% |
| 18.08% | ASML HOLDING NV | 0.81% |
| 8.90% | ROCHE HOLDING AG | 0.75% |
| 13.14% | TOYOTA MOTOR CORP | 0.63% |
| 3.66% | NOVARTIS AG | 0.60% |
| 12.88% | LVMH MOET HENNESSY LOUIS VUITTON SE | 0.55% |
| 3.12% | | |

Vanguard Total Intl Stock Index I

Mutual Fund Performance Analysis (Net of Fees)

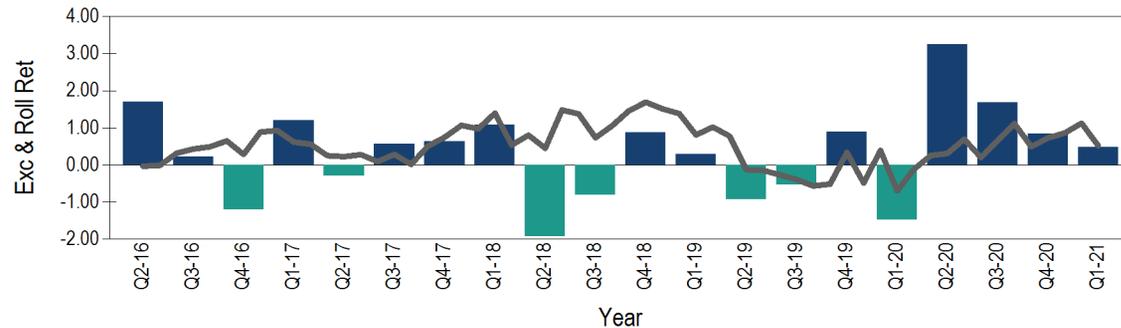
Period Ending: March 31, 2021

Expense Ratio



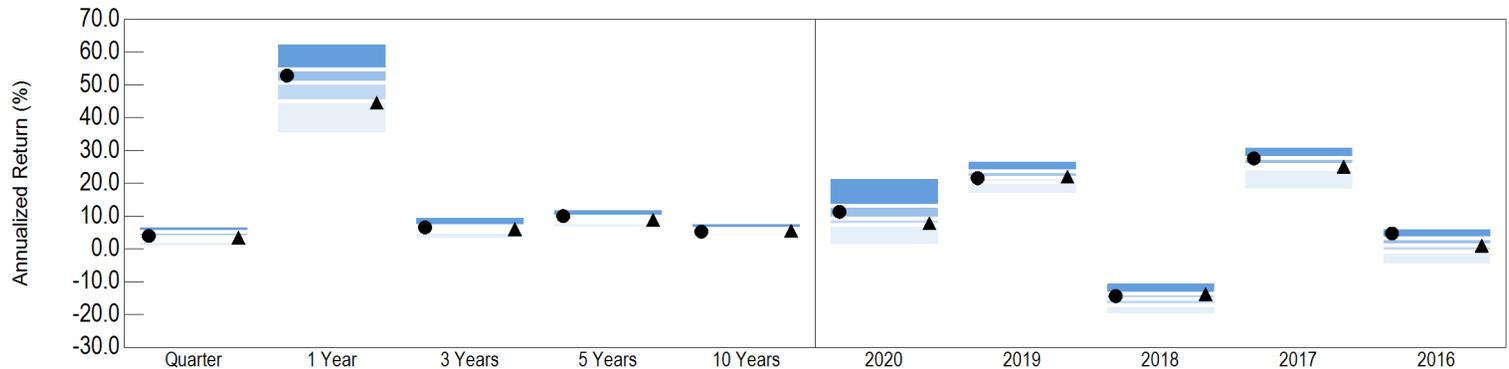
- Vanguard Total Intl Stock Index I
- ▲ MSCI EAFE
- 25th to Median
- Median to 75th Percentile
- 5th to 25th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. MSCI EAFE

Foreign Large Blend MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------|-----------|----------|-----------|----------|-----------|-----------|------------|-----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 7.1 | 62.9 | 10.0 | 12.2 | 7.9 | 21.8 | 27.1 | -10.1 | 31.3 | 6.4 |
| 25th Percentile | 5.3 | 54.9 | 7.1 | 10.0 | 6.2 | 13.2 | 23.7 | -13.6 | 27.9 | 3.2 |
| Median | 3.7 | 50.8 | 6.2 | 9.1 | 5.6 | 9.3 | 21.8 | -15.1 | 25.6 | 1.1 |
| 75th Percentile | 2.6 | 45.2 | 5.2 | 8.2 | 5.2 | 7.4 | 20.4 | -17.0 | 24.6 | -0.8 |
| 95th Percentile | 0.6 | 35.1 | 2.9 | 6.5 | 3.8 | 1.1 | 16.5 | -20.2 | 17.9 | -5.1 |
| # of Portfolios | 208 | 200 | 181 | 167 | 134 | 207 | 192 | 187 | 193 | 181 |
| ● Vanguard Total Intl Stock Index I | 4.0 (45) | 52.8 (35) | 6.5 (41) | 10.0 (26) | 5.2 (69) | 11.3 (39) | 21.6 (58) | -14.4 (41) | 27.6 (31) | 4.7 (15) |
| ▲ MSCI EAFE | 3.5 (56) | 44.6 (77) | 6.0 (57) | 8.8 (60) | 5.5 (54) | 7.8 (70) | 22.0 (48) | -13.8 (30) | 25.0 (67) | 1.0 (53) |

Vanguard Emerging Mkts Stock Idx Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

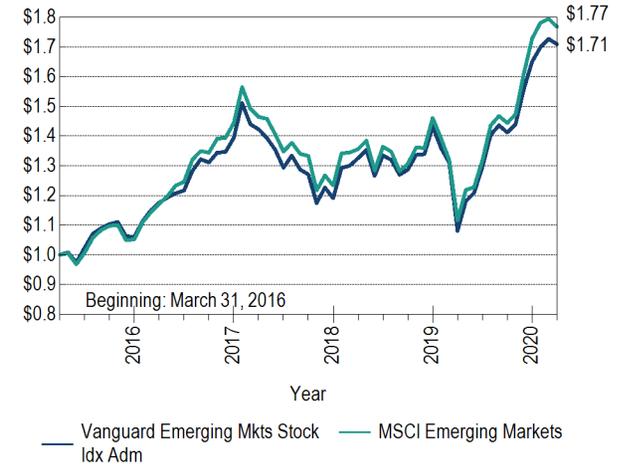
The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries.

The fund employs an indexing investment approach designed to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the index in terms of key characteristics.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|---------------------------|
| Ticker | VEMAX |
| Morningstar Category | Diversified Emerging Mkts |
| Average Market Cap (\$mm) | 32,232.66 |
| Net Assets (\$mm) | 17,911.83 |
| % Assets in Top 10 Holdings | 24.29 |
| Total Number of Holdings | 4,301 |
| Manager Name | Michael Perre |
| Manager Tenure | 13 |
| Expense Ratio | 0.14% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|-----------|
| Sharpe Ratio (3 Year) | 0.26 |
| Average Market Cap (\$mm) | 32,232.66 |
| Price/Earnings | 14.81 |
| Price/Book | 1.87 |
| Price/Sales | 1.38 |
| Price/Cash Flow | 4.96 |
| Dividend Yield | 2.16 |
| Number of Equity Holdings | 4,261 |
| R-Squared (3 Year) | 0.98 |
| Alpha (3 Year) | 0.00% |

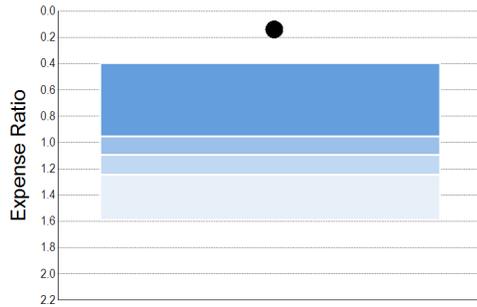
Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 8.58% |
| COMMUNICATION SERVICES | 12.32% |
| CONSUMER CYCLICAL | 15.71% |
| CONSUMER DEFENSIVE | 6.07% |
| ENERGY | 5.23% |
| FINANCIAL SERVICES | 18.81% |
| HEALTHCARE | 4.78% |
| INDUSTRIALS | 5.70% |
| REAL ESTATE | 3.38% |
| TECHNOLOGY | 16.78% |
| UTILITIES | 2.64% |

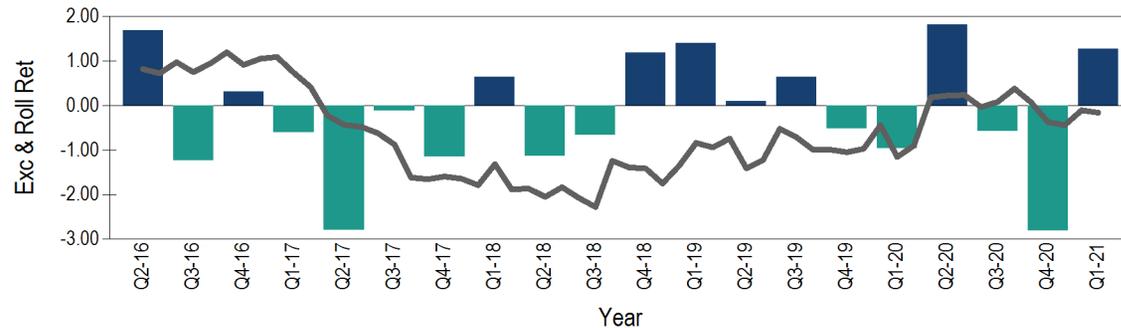
Top Holdings as of March 31, 2021

| | |
|--|-------|
| TENCENT HOLDINGS LTD | 5.75% |
| ALIBABA GROUP HOLDING LTD ORDINARY SHARES | 5.04% |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD | 4.62% |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD ADR | 1.94% |
| MEITUAN | 1.78% |
| NASPERS LTD CLASS N | 1.28% |
| RELIANCE INDUSTRIES LTD SHS DEMATERIALIZED | 1.09% |
| CHINA CONSTRUCTION BANK CORP CLASS H | 0.97% |
| JD.COM INC ADR | 0.91% |
| PING AN INSURANCE (GROUP) CO. OF CHINA LTD CLASS H | 0.90% |

Expense Ratio



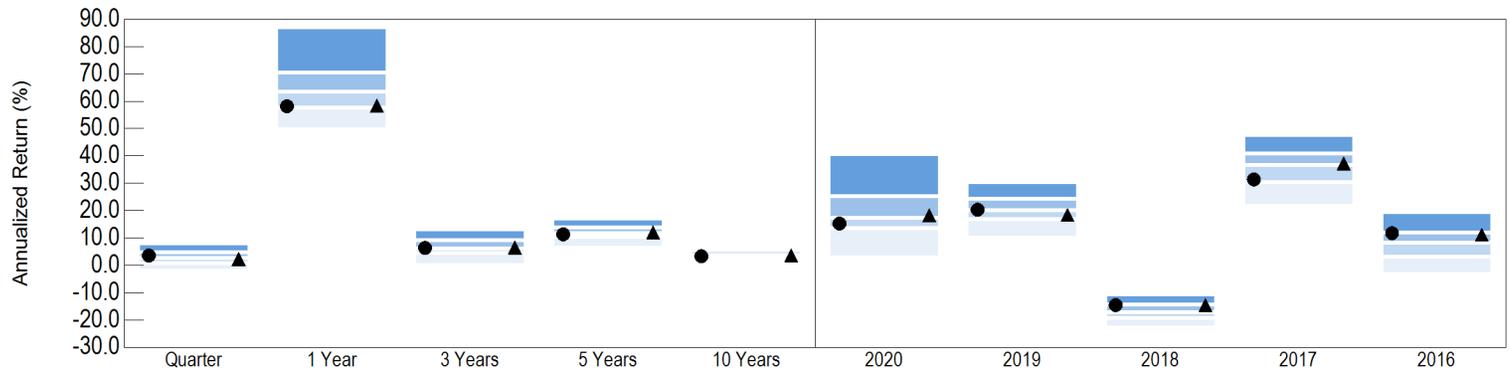
Rolling Annualized Excess Performance



- Vanguard Emerging Mkts Stock Idx Adm
- ▲ MSCI Emerging Markets
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. MSCI Emerging Markets

Diversified Emerging Mkts MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------|-----------|----------|-----------|----------|-----------|-----------|------------|-----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 7.8 | 86.9 | 13.1 | 17.1 | 6.8 | 40.4 | 30.2 | -10.6 | 47.5 | 19.4 |
| 25th Percentile | 4.9 | 70.5 | 9.3 | 14.0 | 5.5 | 25.4 | 24.4 | -14.3 | 41.1 | 12.1 |
| Median | 2.8 | 63.6 | 6.4 | 11.8 | 4.0 | 17.5 | 20.4 | -17.0 | 36.8 | 8.3 |
| 75th Percentile | 1.0 | 57.7 | 4.6 | 10.6 | 2.9 | 13.8 | 17.0 | -19.1 | 30.6 | 3.3 |
| 95th Percentile | -1.9 | 49.8 | 0.3 | 6.6 | 1.5 | 3.0 | 10.1 | -22.6 | 21.8 | -3.0 |
| # of Portfolios | 234 | 229 | 206 | 188 | 118 | 224 | 231 | 227 | 220 | 213 |
| ● Vanguard Emerging Mkts Stock Idx Adm | 3.6 (40) | 58.2 (73) | 6.3 (52) | 11.3 (64) | 3.3 (69) | 15.2 (67) | 20.3 (51) | -14.6 (28) | 31.4 (74) | 11.7 (31) |
| ▲ MSCI Emerging Markets | 2.3 (57) | 58.4 (72) | 6.5 (49) | 12.1 (48) | 3.7 (57) | 18.3 (45) | 18.4 (64) | -14.6 (28) | 37.3 (49) | 11.2 (34) |

Domestic Fixed Income
Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|------|------|------|-------|-------|--------|------|------|------|------|------|
| Domestic Fixed Income | | | | | | | | | | | |
| Vanguard Short Term Corp Bond Idx Adm | -0.6 | -0.6 | 7.0 | 4.3 | 3.1 | 3.0 | 5.1 | 6.8 | 0.9 | 2.5 | 2.6 |
| <i>BBgBarc US Corp Bond 1-5 Yr TR</i> | -0.6 | -0.6 | 7.1 | 4.5 | 3.3 | 3.1 | 5.4 | 7.0 | 1.0 | 2.6 | 2.9 |
| Vanguard Total Bond Market Index I | -3.6 | -3.6 | 0.6 | 4.6 | 3.1 | 3.4 | 7.7 | 8.7 | 0.0 | 3.6 | 2.6 |
| <i>BBgBarc US Aggregate TR</i> | -3.4 | -3.4 | 0.7 | 4.7 | 3.1 | 3.4 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| Western Asset Core Plus Bond I | -4.5 | -4.5 | 6.8 | 5.3 | 4.8 | 4.8 | 9.4 | 12.3 | -1.5 | 7.0 | 4.8 |
| <i>BBgBarc US Aggregate TR</i> | -3.4 | -3.4 | 0.7 | 4.7 | 3.1 | 3.4 | 7.5 | 8.7 | 0.0 | 3.5 | 2.6 |
| Vanguard Short Term Infl Prot Sec Idx I | 1.1 | 1.1 | 6.9 | 3.7 | 2.6 | -- | 5.0 | 4.8 | 0.6 | 0.8 | 2.8 |
| <i>BBgBarc US Treasury TIPS 1-5Y TR</i> | 1.2 | 1.2 | 7.7 | 4.1 | 2.8 | -- | 5.7 | 5.1 | 0.4 | 0.8 | 3.1 |
| Vanguard High Yield Corporate Adm | -0.1 | -0.1 | 17.8 | 6.3 | 6.7 | 6.1 | 5.4 | 15.9 | -2.9 | 7.1 | 11.3 |
| <i>BBgBarc US Corp. High Yield</i> | 0.9 | 0.9 | 23.7 | 6.8 | 8.1 | 6.5 | 7.1 | 14.3 | -2.1 | 7.5 | 17.1 |

Vanguard Short Term Corp Bond Idx Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

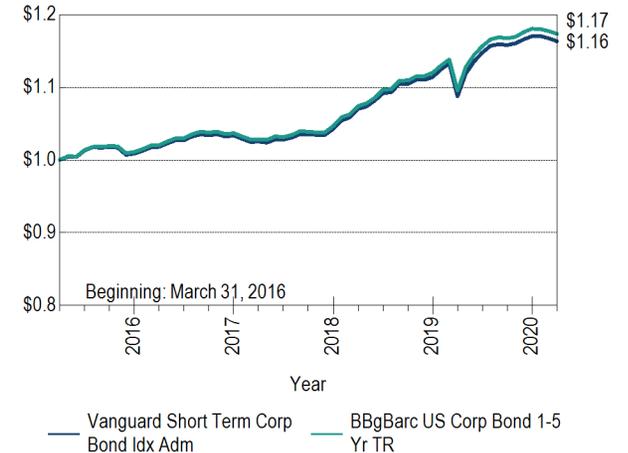
The investment seeks to track the performance of a market-weighted corporate bond index with a short-term dollar-weighted average maturity.

The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index. This index includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities between 1 and 5 years. Under normal circumstances, at least 80% of the fund's assets will be invested in bonds included in the index.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|----------------------|
| Ticker | VSCSX |
| Morningstar Category | Short-Term Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 5,092.72 |
| % Assets in Top 10 Holdings | 2.23 |
| Total Number of Holdings | 2,319 |
| Manager Name | Joshua C. Barrickman |
| Manager Tenure | 12 |
| Expense Ratio | 0.07% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|--------|
| Sharpe Ratio (3 Year) | 0.88 |
| Average Duration | 2.81 |
| Average Coupon | |
| Average Effective Maturity | 3.00 |
| R-Squared (3 Year) | 1.00 |
| Alpha (3 Year) | -0.02% |
| Beta (3 Year) | 1.02 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 0.06% |
| MUNICIPAL | 0.00% |
| CORPORATE | 99.83% |
| SECURITIZED | 0.11% |
| CASH & EQUIVALENTS | 0.01% |
| DERIVATIVE | 0.00% |

Top Holdings as of March 31, 2021

| | |
|---|-------|
| BANK OF AMERICA CORPORATION | 0.31% |
| APPLE INC. | 0.25% |
| CHARTER COMMUNICATIONS OPERATING, LLC/CHARTER COMMUNICATIONS OPERATING CAPI | 0.24% |
| THE BOEING COMPANY | 0.23% |
| GOLDMAN SACHS GROUP, INC. | 0.22% |
| DELL INTERNATIONAL L.L.C. AND EMC CORPORATION | 0.20% |
| JPMORGAN CHASE & CO. | 0.20% |
| THE BOEING COMPANY | 0.20% |
| EXXON MOBIL CORPORATION | 0.19% |
| VERIZON COMMUNICATIONS INC. | 0.19% |

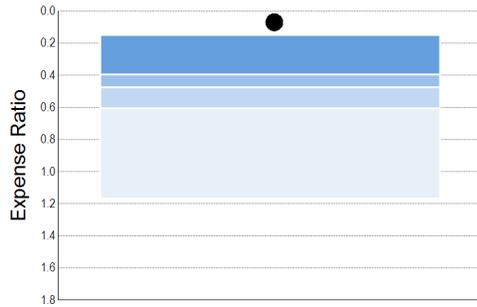
Credit Quality as of March 31, 2021

| | |
|-----------|--------|
| AAA | 0.97% |
| AA | 7.62% |
| A | 43.41% |
| BBB | 47.98% |
| BB | 0.00% |
| B | 0.00% |
| Below B | 0.03% |
| Not Rated | -0.01% |

Maturities as of March 31, 2021

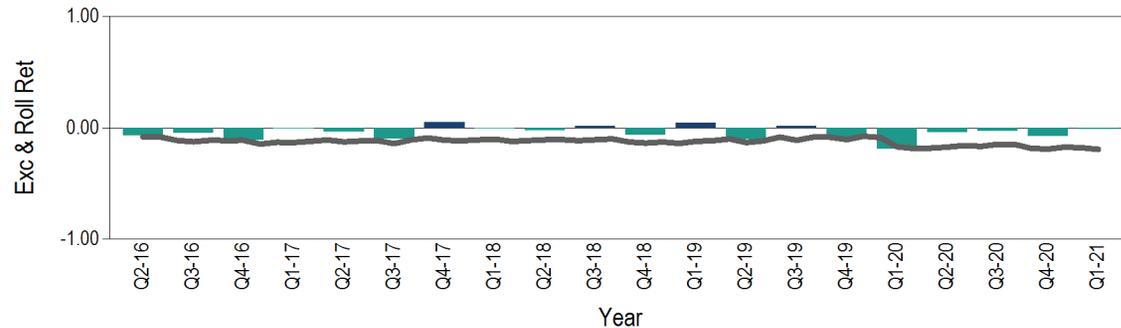
| | |
|-----------------------|--------|
| 1 to 3 Years | 44.97% |
| 3 to 5 Years | 51.24% |
| 5 to 7 Years | 2.87% |
| 7 to 10 Years | 0.22% |
| 10 to 15 Years | 0.00% |
| 15 to 20 Years | 0.00% |
| 20 to 30 Years | 0.24% |
| Greater than 30 Years | 0.15% |

Expense Ratio



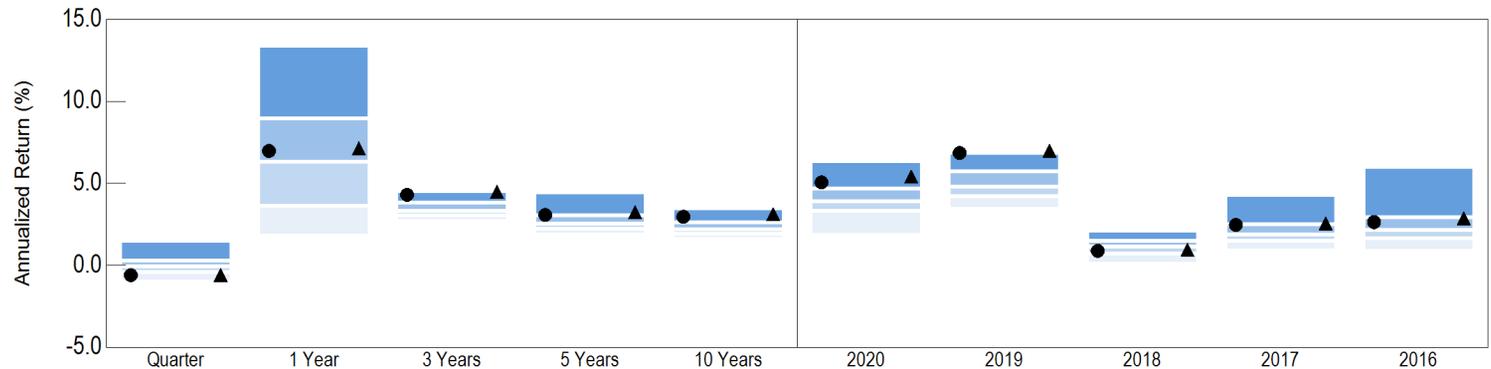
- Vanguard Short Term Corp Bond Idx Adm
- ▲ BBgBarc US Corp Bond 1-5 Yr TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc US Corp Bond 1-5 Yr TR

Short-Term Bond MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------|----------|---------|----------|----------|----------|---------|----------|----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 1.5 | 13.4 | 4.5 | 4.4 | 3.5 | 6.3 | 6.8 | 2.1 | 4.3 | 6.0 |
| 25th Percentile | 0.3 | 9.0 | 3.8 | 3.1 | 2.6 | 4.7 | 5.8 | 1.5 | 2.5 | 2.9 |
| Median | -0.1 | 6.3 | 3.4 | 2.6 | 2.2 | 3.9 | 4.8 | 1.2 | 1.9 | 2.2 |
| 75th Percentile | -0.4 | 3.7 | 3.1 | 2.3 | 1.9 | 3.3 | 4.3 | 0.7 | 1.5 | 1.7 |
| 95th Percentile | -1.0 | 1.8 | 2.7 | 1.9 | 1.6 | 1.9 | 3.4 | 0.1 | 0.9 | 0.9 |
| # of Portfolios | 147 | 146 | 136 | 130 | 106 | 145 | 134 | 122 | 116 | 114 |
| ● Vanguard Short Term Corp Bond Idx Adm | -0.6 (90) | 7.0 (41) | 4.3 (9) | 3.1 (25) | 3.0 (11) | 5.1 (18) | 6.8 (6) | 0.9 (69) | 2.5 (27) | 2.6 (38) |
| ▲ BBgBarc US Corp Bond 1-5 Yr TR | -0.6 (89) | 7.1 (37) | 4.5 (6) | 3.3 (20) | 3.1 (8) | 5.4 (12) | 7.0 (4) | 1.0 (65) | 2.6 (22) | 2.9 (29) |

Vanguard Total Bond Market Index I Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

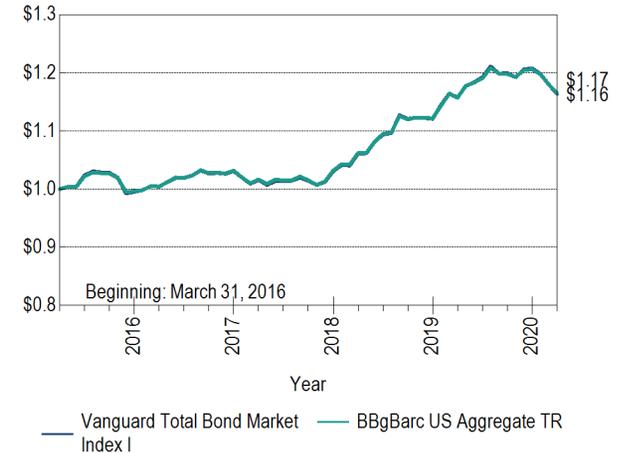
Description:

The investment seeks to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This index measures the performance of a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of its assets will be invested in bonds held in the index.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|------------------------|
| Ticker | VBTIX |
| Morningstar Category | Intermediate Core Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 50,667.98 |
| % Assets in Top 10 Holdings | 4.94 |
| Total Number of Holdings | 18,589 |
| Manager Name | Joshua C. Barrickman |
| Manager Tenure | 8 |
| Expense Ratio | 0.04% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|--------|
| Sharpe Ratio (3 Year) | 0.89 |
| Average Duration | 6.63 |
| Average Coupon | 2.76% |
| Average Effective Maturity | 8.50 |
| R-Squared (3 Year) | 0.99 |
| Alpha (3 Year) | -0.01% |
| Beta (3 Year) | 1.03 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 46.53% |
| MUNICIPAL | 0.72% |
| CORPORATE | 28.83% |
| SECURITIZED | 23.84% |
| CASH & EQUIVALENTS | 0.07% |
| DERIVATIVE | 0.00% |

Top Holdings as of March 31, 2021

| | |
|---|-------|
| FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.19% | 0.78% |
| UNITED STATES TREASURY NOTES | 0.72% |
| UNITED STATES TREASURY NOTES | 0.57% |
| UNITED STATES TREASURY NOTES | 0.49% |
| UNITED STATES TREASURY NOTES | 0.42% |
| UNITED STATES TREASURY NOTES | 0.40% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.5% | 0.39% |
| UNITED STATES TREASURY NOTES | 0.39% |

Credit Quality as of March 31, 2021

| | |
|-----------|--------|
| AAA | 68.59% |
| AA | 3.12% |
| A | 12.15% |
| BBB | 16.16% |
| BB | 0.00% |
| B | 0.00% |
| Below B | 0.01% |
| Not Rated | -0.03% |

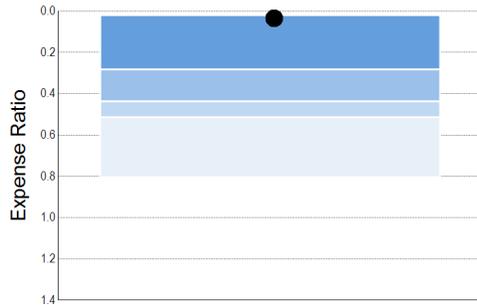
Maturities as of March 31, 2021

| | |
|-----------------------|--------|
| 1 to 3 Years | 20.28% |
| 3 to 5 Years | 16.46% |
| 5 to 7 Years | 10.95% |
| 7 to 10 Years | 10.62% |
| 10 to 15 Years | 4.03% |
| 15 to 20 Years | 5.48% |
| 20 to 30 Years | 29.58% |
| Greater than 30 Years | 1.94% |

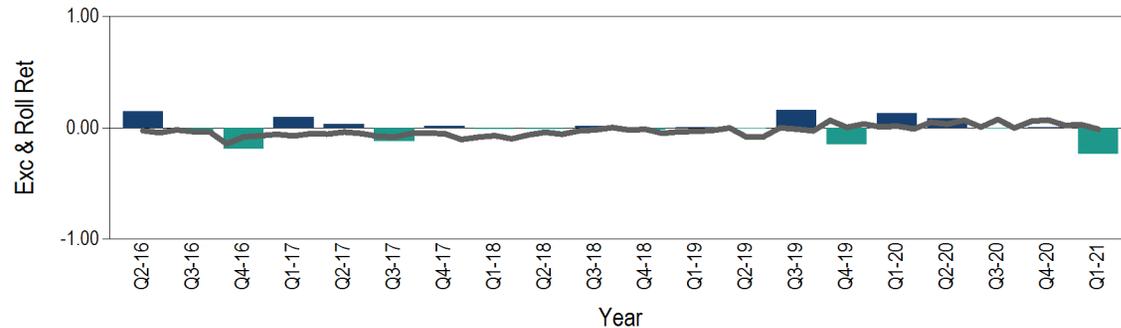
Vanguard Total Bond Market Index I Mutual Fund Performance Analysis (Net of Fees)

Period Ending: March 31, 2021

Expense Ratio



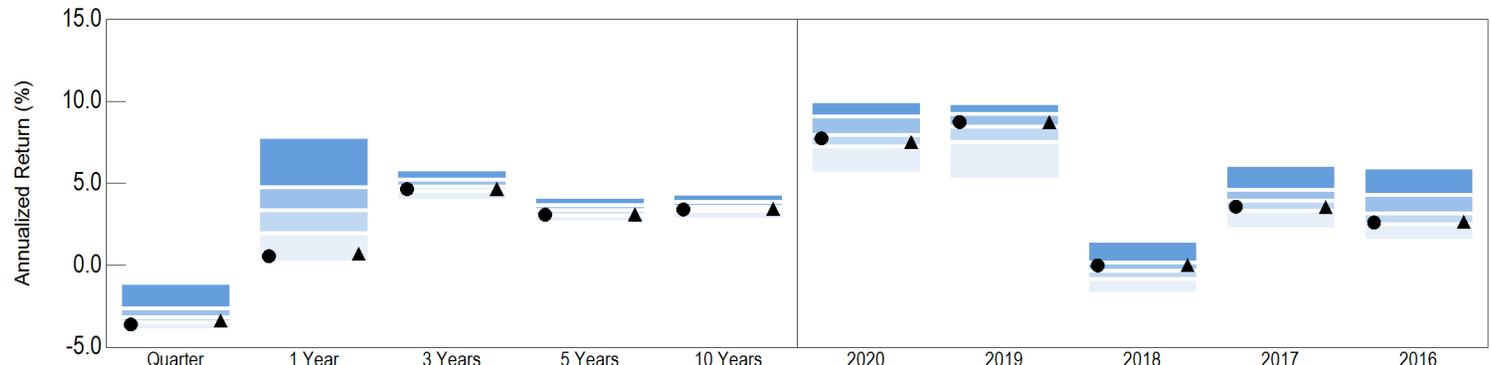
Rolling Annualized Excess Performance



- Vanguard Total Bond Market Index I
- ▲ BBgBarc US Aggregate TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc US Aggregate TR

Intermediate Core Bond MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | -1.1 | 7.8 | 5.8 | 4.2 | 4.3 | 10.0 | 9.9 | 1.5 | 6.1 | 6.0 |
| 25th Percentile | -2.6 | 4.8 | 5.2 | 3.7 | 3.9 | 9.1 | 9.3 | 0.2 | 4.6 | 4.3 |
| Median | -3.1 | 3.4 | 4.8 | 3.4 | 3.6 | 8.0 | 8.5 | -0.3 | 3.9 | 3.2 |
| 75th Percentile | -3.5 | 2.0 | 4.5 | 3.1 | 3.3 | 7.3 | 7.5 | -0.8 | 3.3 | 2.5 |
| 95th Percentile | -3.9 | 0.2 | 4.0 | 2.6 | 2.8 | 5.6 | 5.2 | -1.7 | 2.2 | 1.5 |
| # of Portfolios | 129 | 126 | 122 | 114 | 103 | 124 | 126 | 268 | 259 | 251 |
| ● Vanguard Total Bond Market Index I | -3.6 (86) | 0.6 (88) | 4.6 (63) | 3.1 (72) | 3.4 (65) | 7.7 (60) | 8.7 (40) | 0.0 (36) | 3.6 (65) | 2.6 (71) |
| ▲ BBgBarc US Aggregate TR | -3.4 (67) | 0.7 (84) | 4.7 (62) | 3.1 (70) | 3.4 (62) | 7.5 (68) | 8.7 (40) | 0.0 (34) | 3.5 (66) | 2.6 (69) |

Western Asset Core Plus Bond I

Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

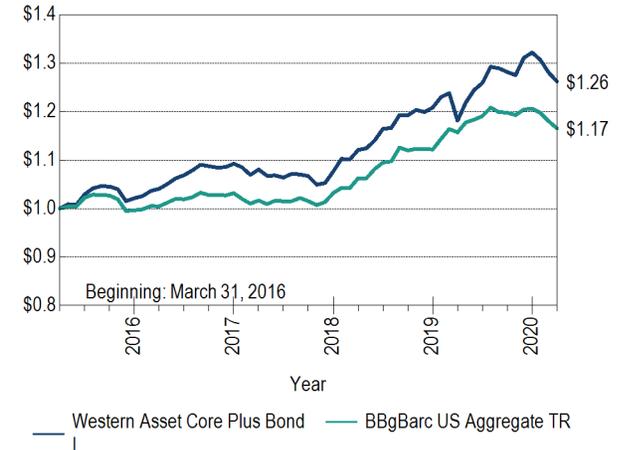
The investment seeks to maximize total return, consistent with prudent investment management and liquidity needs.

The fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets in debt and fixed income securities. Although the fund may invest in securities of any maturity, it will normally maintain a dollar-weighted average effective duration within 30% of the average duration of the domestic bond market as a whole as estimated by the fund's subadvisers. The fund may invest up to 20% of its total assets in non-U.S. dollar denominated securities.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|-----------------------------|
| Ticker | WACPX |
| Morningstar Category | Intermediate Core-Plus Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 25,141.75 |
| % Assets in Top 10 Holdings | 18.23 |
| Total Number of Holdings | 2,850 |
| Manager Name | Mark S. Lindbloom |
| Manager Tenure | 14 |
| Expense Ratio | 0.45% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|--------|
| Sharpe Ratio (3 Year) | 0.71 |
| Average Duration | 7.32 |
| Average Coupon | 3.23% |
| Average Effective Maturity | 13.42 |
| R-Squared (3 Year) | 0.63 |
| Alpha (3 Year) | -0.03% |
| Beta (3 Year) | 1.24 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 24.42% |
| MUNICIPAL | 0.01% |
| CORPORATE | 30.85% |
| SECURITIZED | 25.38% |
| CASH & EQUIVALENTS | 4.00% |
| DERIVATIVE | 15.34% |

Top Holdings as of March 31, 2021

| | |
|--|-------|
| WESTERN ASSET PREM INSTL GOVTT RSRV PREF | 2.60% |
| UNITED STATES TREASURY NOTES 0.25% | 2.42% |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION 2% | 2.34% |
| UNITED STATES TREASURY BONDS 1.38% | 1.92% |
| UNITED STATES TREASURY BONDS 1.25% | 1.91% |
| UNITED STATES TREASURY BONDS 2.88% | 1.54% |
| UNITED STATES TREASURY NOTES 0.25% | 1.52% |
| FX FUT JPN YEN CURR FUT JUN21 | 1.36% |
| UNITED STATES TREASURY NOTES 0.5% | 1.25% |

Credit Quality as of March 31, 2021

| | |
|-----------|--------|
| AAA | 49.16% |
| AA | 4.45% |
| A | 15.14% |
| BBB | 18.14% |
| BB | 8.18% |
| B | 3.24% |
| Below B | 1.21% |
| Not Rated | 0.48% |

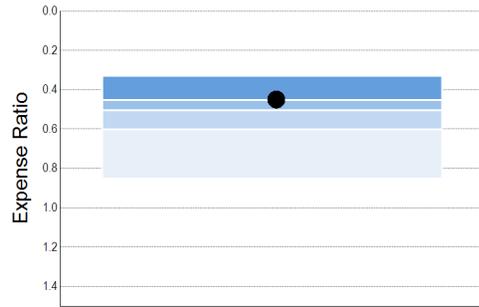
Maturities as of March 31, 2021

| | |
|-----------------------|--------|
| 1 to 3 Years | 4.71% |
| 3 to 5 Years | 15.25% |
| 5 to 7 Years | 14.34% |
| 7 to 10 Years | 11.19% |
| 10 to 15 Years | 3.53% |
| 15 to 20 Years | 6.46% |
| 20 to 30 Years | 36.88% |
| Greater than 30 Years | 3.63% |

Western Asset Core Plus Bond I Mutual Fund Performance Analysis (Net of Fees)

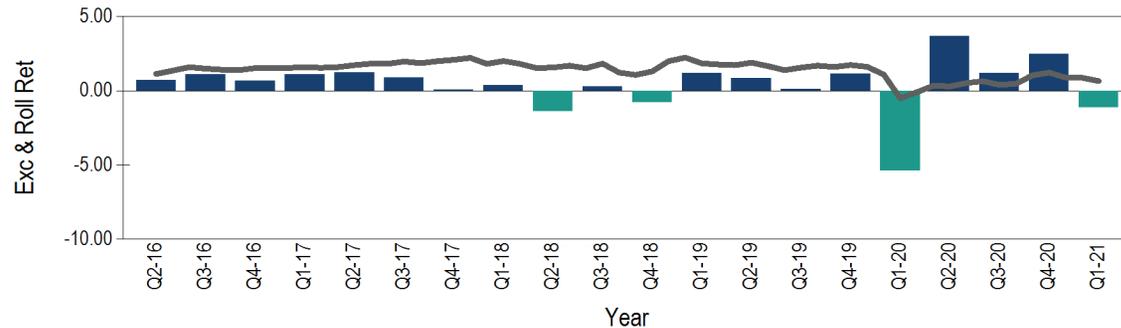
Period Ending: March 31, 2021

Expense Ratio



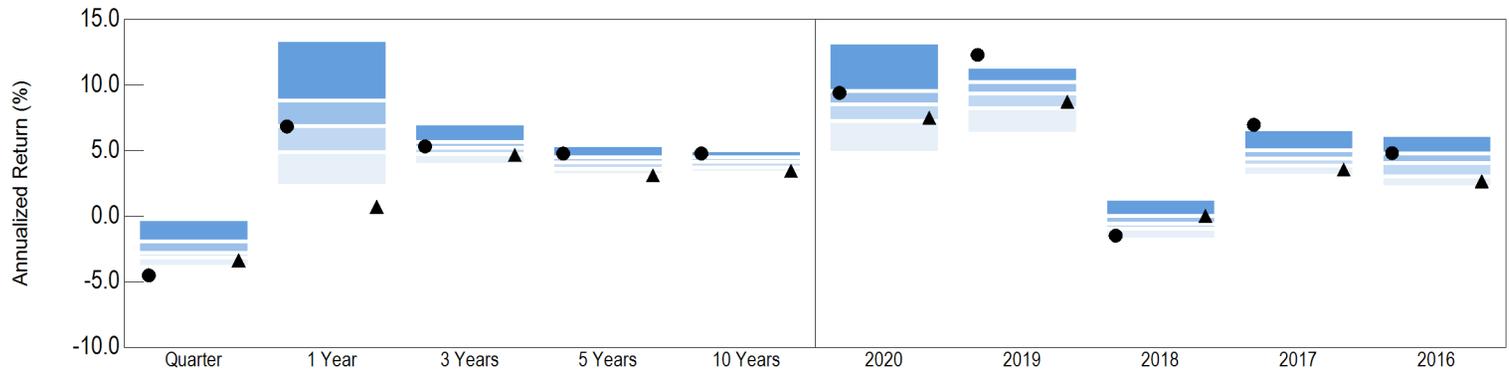
- Western Asset Core Plus Bond I
- ▲ BBgBarc US Aggregate TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc US Aggregate TR

Intermediate Core Plus Bond MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | -0.3 | 13.4 | 7.0 | 5.4 | 5.0 | 13.2 | 11.4 | 1.3 | 6.6 | 6.2 |
| 25th Percentile | -1.9 | 8.8 | 5.7 | 4.5 | 4.5 | 9.6 | 10.2 | 0.0 | 5.0 | 4.8 |
| Median | -2.8 | 6.9 | 5.2 | 4.1 | 4.2 | 8.6 | 9.4 | -0.5 | 4.4 | 4.1 |
| 75th Percentile | -3.1 | 4.9 | 4.7 | 3.6 | 3.7 | 7.3 | 8.2 | -0.9 | 3.9 | 3.0 |
| 95th Percentile | -3.8 | 2.3 | 3.9 | 3.1 | 3.4 | 4.8 | 6.3 | -1.7 | 3.1 | 2.2 |
| # of Portfolios | 160 | 156 | 144 | 137 | 119 | 159 | 156 | 160 | 156 | 152 |
| ● Western Asset Core Plus Bond I | -4.5 (99) | 6.8 (52) | 5.3 (45) | 4.8 (19) | 4.8 (8) | 9.4 (29) | 12.3 (2) | -1.5 (91) | 7.0 (2) | 4.8 (26) |
| ▲ BBgBarc US Aggregate TR | -3.4 (87) | 0.7 (99) | 4.7 (78) | 3.1 (98) | 3.4 (90) | 7.5 (73) | 8.7 (68) | 0.0 (26) | 3.5 (83) | 2.6 (85) |

Vanguard Short Term Infl Prot Sec Idx I

Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

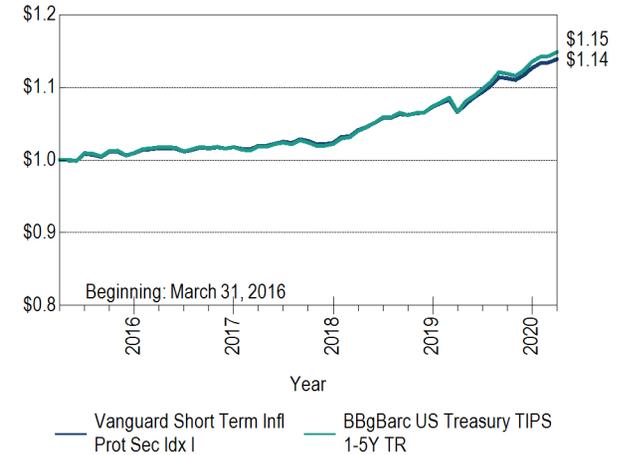
The investment seeks to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index.

The index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than 5 years. The manager attempts to replicate the target index by investing all, or substantially all, of its assets in the securities that make up the index, holding each security in approximately the same proportion as its weighting in the index.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|--------------------------|
| Ticker | VTSPX |
| Morningstar Category | Inflation-Protected Bond |
| Average Market Cap (\$mm) | |
| Net Assets (\$mm) | 13,482.76 |
| % Assets in Top 10 Holdings | 60.13 |
| Total Number of Holdings | 19 |
| Manager Name | Joshua C. Barrickman |
| Manager Tenure | 9 |
| Expense Ratio | 0.04% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|-------|
| Sharpe Ratio (3 Year) | 1.36 |
| Average Duration | 2.63 |
| Average Coupon | |
| Average Effective Maturity | 2.70 |
| R-Squared (3 Year) | 0.98 |
| Alpha (3 Year) | 0.02% |
| Beta (3 Year) | 0.85 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 94.56% |
| MUNICIPAL | 0.00% |
| CORPORATE | 0.00% |
| SECURITIZED | 0.00% |
| CASH & EQUIVALENTS | 5.44% |
| DERIVATIVE | 0.00% |

Top Holdings as of March 31, 2021

| | |
|------------------------------|-------|
| UNITED STATES TREASURY NOTES | 6.68% |
| UNITED STATES TREASURY NOTES | 6.62% |
| UNITED STATES TREASURY NOTES | 6.50% |
| UNITED STATES TREASURY NOTES | 6.10% |
| UNITED STATES TREASURY NOTES | 5.98% |
| UNITED STATES TREASURY NOTES | 5.95% |
| UNITED STATES TREASURY NOTES | 5.72% |
| UNITED STATES TREASURY NOTES | 5.61% |
| UNITED STATES TREASURY NOTES | 5.51% |
| UNITED STATES TREASURY NOTES | 5.46% |

Credit Quality as of March 31, 2021

| | |
|-----------|--------|
| AAA | 99.52% |
| AA | 0.00% |
| A | 0.00% |
| BBB | 0.00% |
| BB | 0.00% |
| B | 0.00% |
| Below B | 0.00% |
| Not Rated | 0.48% |

Maturities as of March 31, 2021

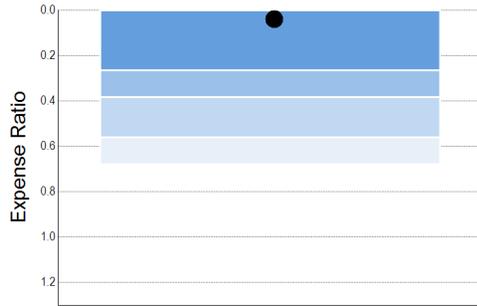
| | |
|-----------------------|--------|
| 1 to 3 Years | 38.71% |
| 3 to 5 Years | 50.88% |
| 5 to 7 Years | 0.00% |
| 7 to 10 Years | 0.00% |
| 10 to 15 Years | 0.00% |
| 15 to 20 Years | 0.00% |
| 20 to 30 Years | 0.00% |
| Greater than 30 Years | 0.00% |

Vanguard Short Term Infl Prot Sec Idx I

Mutual Fund Performance Analysis (Net of Fees)

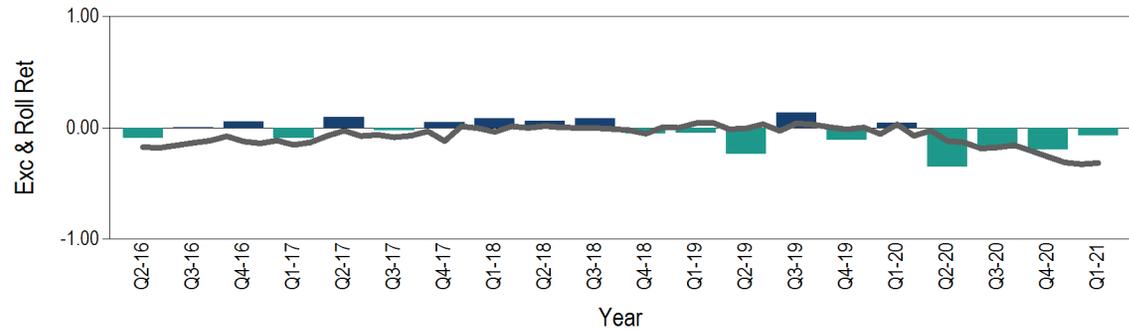
Period Ending: March 31, 2021

Expense Ratio



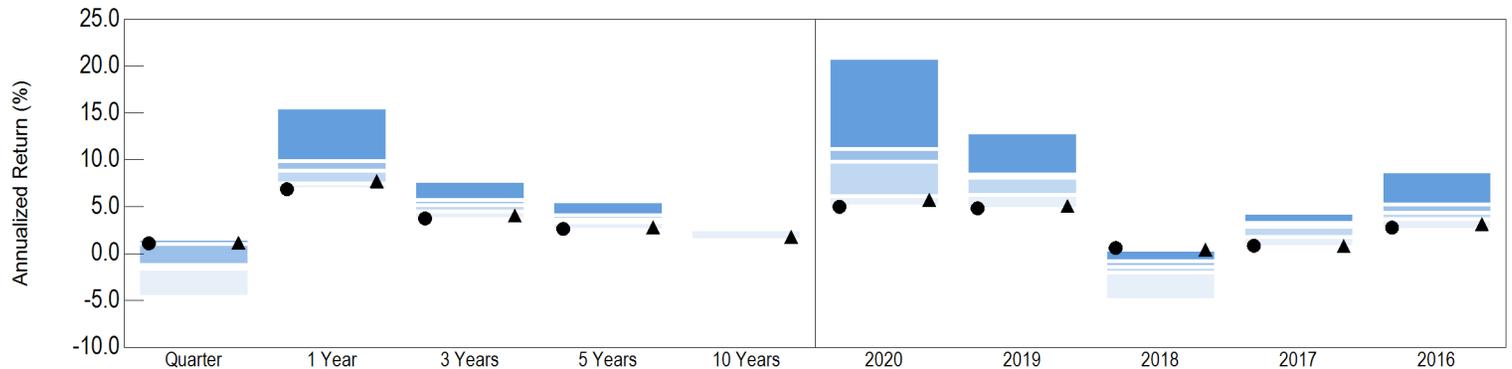
- Vanguard Short Term Infl Prot Sec Idx I
- ▲ BBgBarc US Treasury TIPS 1-5Y TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc US Treasury TIPS 1-5Y TR

Inflation-Protected Bond MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|----------|----------|----------|----------|----------|----------|----------|---------|----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 1.5 | 15.6 | 7.7 | 5.5 | 3.7 | 20.9 | 12.9 | 0.4 | 4.3 | 8.7 |
| 25th Percentile | 1.0 | 9.9 | 5.8 | 4.1 | 3.4 | 11.2 | 8.5 | -0.8 | 3.3 | 5.3 |
| Median | -1.2 | 8.9 | 5.2 | 3.7 | 3.0 | 9.8 | 8.1 | -1.4 | 2.9 | 4.4 |
| 75th Percentile | -1.6 | 7.5 | 4.5 | 3.3 | 2.6 | 6.2 | 6.3 | -2.0 | 1.8 | 3.7 |
| 95th Percentile | -4.6 | 6.9 | 3.7 | 2.5 | 1.5 | 5.0 | 4.8 | -4.9 | 0.7 | 2.6 |
| # of Portfolios | 53 | 52 | 51 | 49 | 40 | 51 | 53 | 52 | 53 | 51 |
| ● Vanguard Short Term Infl Prot Sec Idx I | 1.1 (22) | 6.9 (97) | 3.7 (92) | 2.6 (90) | -- (--) | 5.0 (97) | 4.8 (95) | 0.6 (1) | 0.8 (93) | 2.8 (90) |
| ▲ BBgBarc US Treasury TIPS 1-5Y TR | 1.2 (16) | 7.7 (69) | 4.1 (84) | 2.8 (86) | 1.8 (90) | 5.7 (83) | 5.1 (86) | 0.4 (4) | 0.8 (95) | 3.1 (86) |

Vanguard High Yield Corporate Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

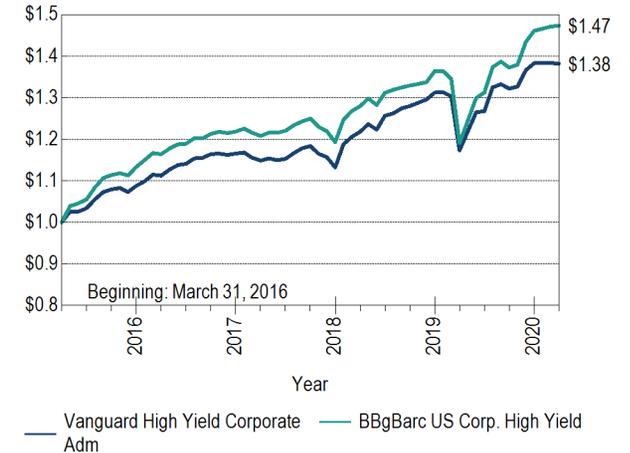
Description:

The investment seeks to provide a high level of current income. The fund invests primarily in a diversified group of high-yielding, higher-risk corporate bonds—commonly known as "junk bonds"—with medium- and lower-range credit-quality ratings. It invests at least 80% of its assets in corporate bonds that are rated below Baa by Moody's Investors Service, Inc. (Moody's); have an equivalent rating by any other independent bond-rating agency; or, if unrated, are determined to be of comparable quality by the fund's advisor. The fund's high-yield bonds and loans mostly have short- and intermediate-term maturities.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|-----------------|
| Ticker | VWEAX |
| Morningstar Category | High Yield Bond |
| Average Market Cap (\$mm) | 550.90 |
| Net Assets (\$mm) | 24,628.71 |
| % Assets in Top 10 Holdings | 9.14 |
| Total Number of Holdings | 606 |
| Manager Name | Michael L. Hong |
| Manager Tenure | 13 |
| Expense Ratio | 0.13% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|-------|
| Sharpe Ratio (3 Year) | 0.60 |
| Average Duration | 3.71 |
| Average Coupon | 5.05% |
| Average Effective Maturity | 4.30 |
| R-Squared (3 Year) | 0.98 |
| Alpha (3 Year) | 0.02% |
| Beta (3 Year) | 0.89 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 4.95% |
| MUNICIPAL | 0.00% |
| CORPORATE | 89.86% |
| SECURITIZED | 0.00% |
| CASH & EQUIVALENTS | 5.19% |
| DERIVATIVE | 0.00% |

Top Holdings as of March 31, 2021

| | |
|------------------------------|-------|
| T-MOBILE US, INC. | 1.10% |
| UNITED STATES TREASURY NOTES | 1.00% |
| UNITED STATES TREASURY NOTES | 0.99% |
| UNITED STATES TREASURY NOTES | 0.98% |
| UNITED STATES TREASURY NOTES | 0.89% |
| CREDIT SUISSE GROUP AG | 0.74% |
| HCA INC. | 0.74% |
| HERC HOLDINGS INC | 0.74% |

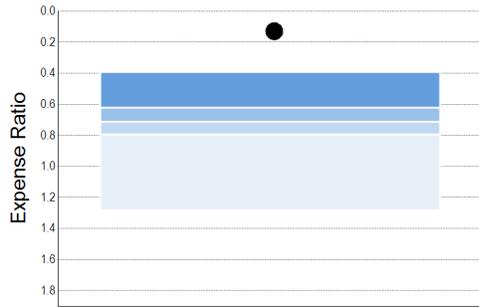
Credit Quality as of March 31, 2021

| | |
|-----------|--------|
| AAA | 5.79% |
| AA | 0.02% |
| A | 0.00% |
| BBB | 4.07% |
| BB | 53.94% |
| B | 28.49% |
| Below B | 6.30% |
| Not Rated | 1.39% |

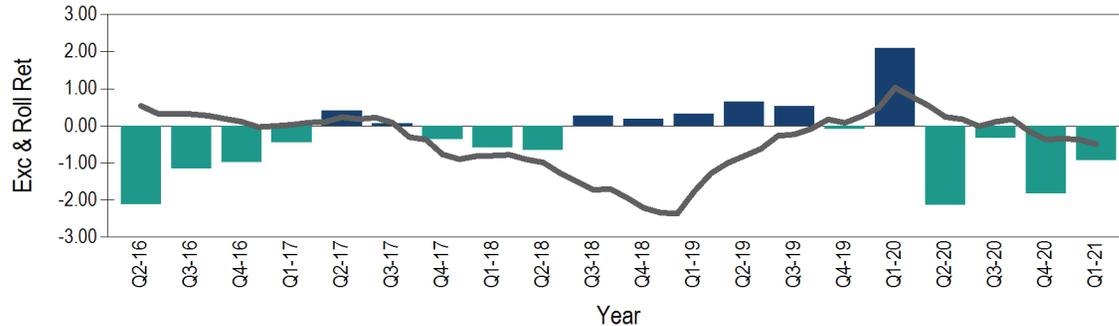
Maturities as of March 31, 2021

| | |
|-----------------------|--------|
| 1 to 3 Years | 11.15% |
| 3 to 5 Years | 21.33% |
| 5 to 7 Years | 29.56% |
| 7 to 10 Years | 25.86% |
| 10 to 15 Years | 2.28% |
| 15 to 20 Years | 1.56% |
| 20 to 30 Years | 3.35% |
| Greater than 30 Years | 0.47% |

Expense Ratio



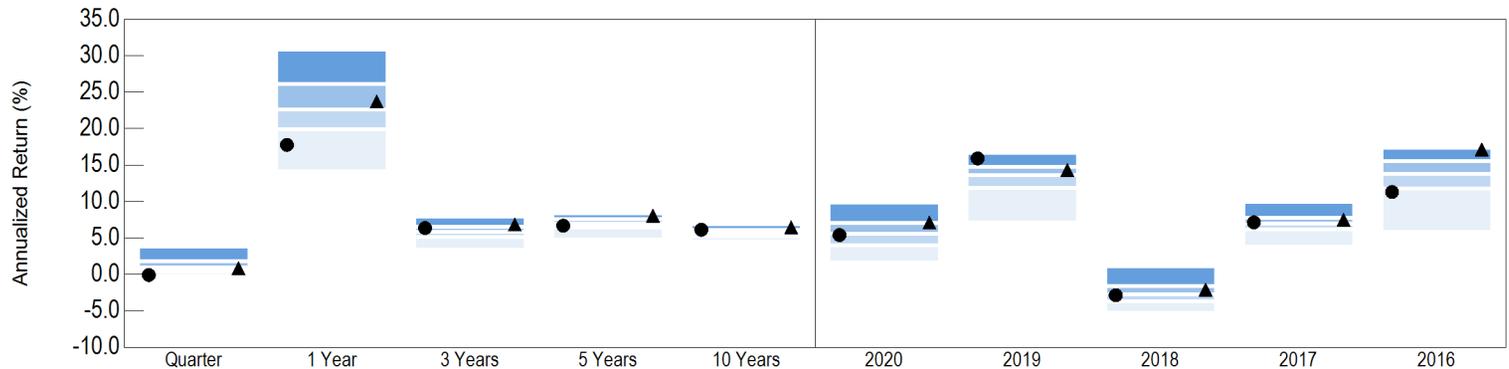
Rolling Annualized Excess Performance



- Vanguard High Yield Corporate Adm
- ▲ BBgBarc US Corp. High Yield
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc US Corp. High Yield

High Yield Bond MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|-----------|-----------|----------|----------|----------|----------|-----------|-----------|----------|-----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 3.8 | 30.8 | 7.9 | 8.4 | 6.9 | 9.9 | 16.6 | 1.0 | 9.9 | 17.3 |
| 25th Percentile | 1.9 | 26.2 | 6.6 | 7.6 | 6.2 | 7.1 | 14.8 | -1.5 | 7.8 | 15.6 |
| Median | 1.0 | 22.7 | 5.9 | 7.0 | 5.7 | 5.6 | 13.7 | -2.7 | 7.0 | 13.8 |
| 75th Percentile | 0.5 | 20.0 | 5.2 | 6.5 | 5.3 | 4.0 | 11.9 | -3.6 | 6.2 | 11.8 |
| 95th Percentile | -0.1 | 14.2 | 3.4 | 4.8 | 4.5 | 1.7 | 7.2 | -5.2 | 3.9 | 5.8 |
| # of Portfolios | 189 | 186 | 183 | 176 | 127 | 185 | 193 | 191 | 190 | 194 |
| ● Vanguard High Yield Corporate Adm | -0.1 (94) | 17.8 (88) | 6.3 (35) | 6.7 (66) | 6.1 (27) | 5.4 (55) | 15.9 (10) | -2.9 (60) | 7.1 (46) | 11.3 (80) |
| ▲ BBgBarc US Corp. High Yield | 0.9 (61) | 23.7 (43) | 6.8 (16) | 8.1 (17) | 6.5 (13) | 7.1 (26) | 14.3 (37) | -2.1 (31) | 7.5 (36) | 17.1 (8) |

Global Fixed Income
 Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|------|-------|-------|--------|------|------|------|------|------|
| Global Fixed Income | | | | | | | | | | | |
| Vanguard Total Intl Bond Index I | -2.3 | -2.3 | 2.0 | 4.0 | 3.3 | -- | 4.6 | 7.9 | 3.0 | 2.5 | 4.7 |
| <i>BBgBarc Global Agg ex USD FA USD Hedged</i> | -2.2 | -2.2 | 2.2 | 4.2 | 3.5 | -- | 4.7 | 8.1 | 3.2 | 2.6 | 4.9 |

Vanguard Total Intl Bond Index I

Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

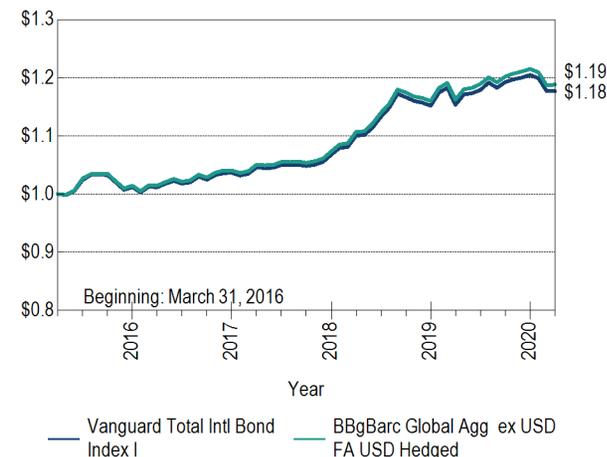
The investment seeks to track the performance of a benchmark index that measures the investment return of non-U.S. dollar-denominated investment-grade bonds.

The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). This index provides a broad-based measure of the global, investment-grade, fixed-rate debt markets. It is non-diversified.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|-----------------------|
| Ticker | VTIFX |
| Morningstar Category | World Bond-USD Hedged |
| Average Market Cap (\$mm) | 223.91 |
| Net Assets (\$mm) | 11,591.98 |
| % Assets in Top 10 Holdings | 5.03 |
| Total Number of Holdings | 6,343 |
| Manager Name | Joshua C. Barrickman |
| Manager Tenure | 8 |
| Expense Ratio | 0.07% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|----------------------------|--------|
| Sharpe Ratio (3 Year) | 0.79 |
| Average Duration | 8.33 |
| Average Coupon | 1.95% |
| Average Effective Maturity | 9.70 |
| R-Squared (3 Year) | 1.00 |
| Alpha (3 Year) | -0.02% |
| Beta (3 Year) | 1.01 |

Fixed Income Sectors as of March 31, 2021

| | |
|--------------------|--------|
| GOVERNMENT | 80.22% |
| MUNICIPAL | 0.00% |
| CORPORATE | 15.11% |
| SECURITIZED | 4.23% |
| CASH & EQUIVALENTS | 0.44% |
| DERIVATIVE | 0.00% |

Top Holdings as of March 31, 2021

| | |
|-------------------------------|-------|
| ITALY (REPUBLIC OF) | 0.67% |
| ITALY (REPUBLIC OF) | 0.64% |
| FRANCE (REPUBLIC OF) | 0.57% |
| SPAIN (KINGDOM OF) | 0.50% |
| FRANCE (REPUBLIC OF) | 0.49% |
| GERMANY (FEDERAL REPUBLIC OF) | 0.48% |
| EUROZ LTD | 0.44% |
| FRANCE (REPUBLIC OF) | 0.43% |
| ITALY (REPUBLIC OF) | 0.41% |
| FRANCE (REPUBLIC OF) | 0.40% |

Credit Quality as of March 31, 2021

| | | | |
|-----------|--------|-----------------------|--------|
| AAA | 21.62% | 1 to 3 Years | 19.22% |
| AA | 26.68% | 3 to 5 Years | 17.40% |
| A | 29.36% | 5 to 7 Years | 13.89% |
| BBB | 19.24% | 7 to 10 Years | 17.35% |
| BB | 0.00% | 10 to 15 Years | 9.33% |
| B | 0.00% | 15 to 20 Years | 8.48% |
| Below B | 1.57% | 20 to 30 Years | 10.52% |
| Not Rated | 1.53% | Greater than 30 Years | 3.22% |

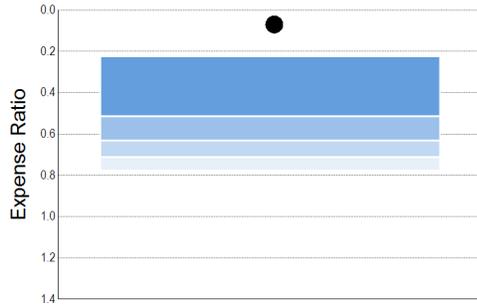
Maturities as of March 31, 2021

Vanguard Total Intl Bond Index I

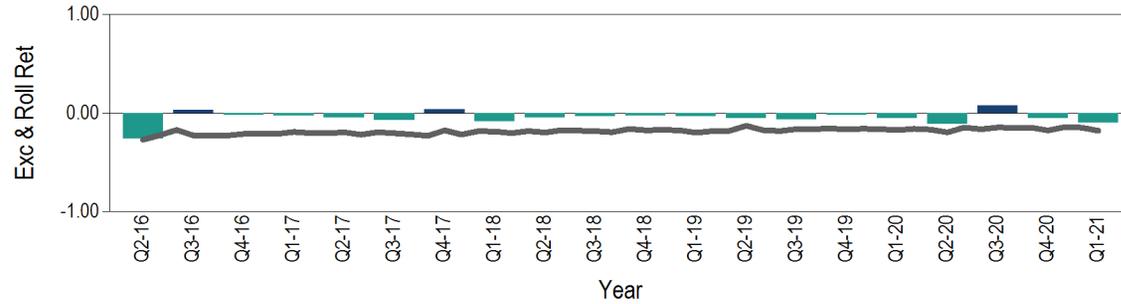
Mutual Fund Performance Analysis (Net of Fees)

Period Ending: March 31, 2021

Expense Ratio



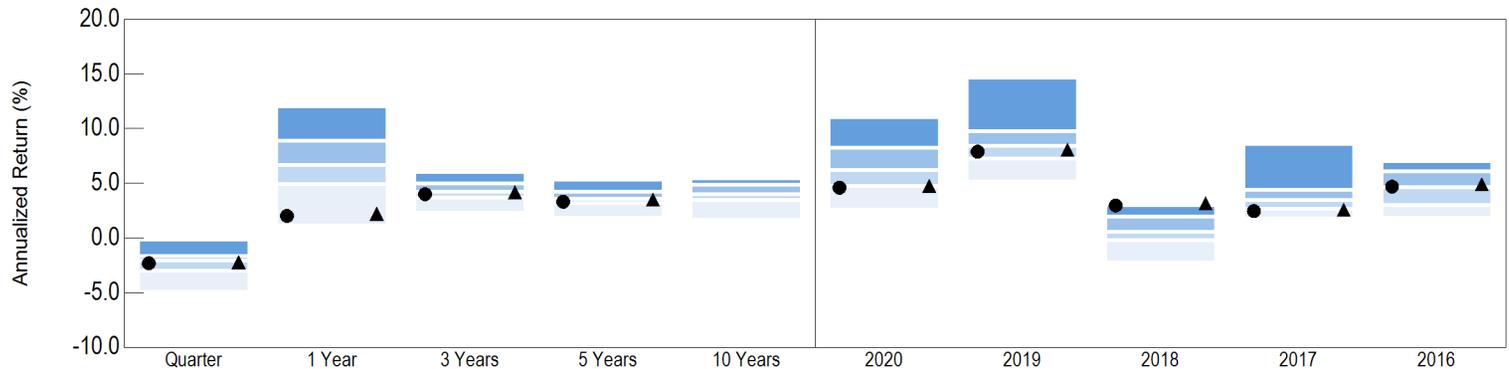
Rolling Annualized Excess Performance



- Vanguard Total Intl Bond Index I
- ▲ BBgBarc Global Agg ex USD FA USD Hedged
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. BBgBarc Global Agg ex USD FA USD Hedged

World Bond USD Hedged MStar MF Return Comparison



| | Return (Rank) | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | Period | | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|-----------|----------|----------|----------|----------|--------|--|----------|----------|---------|----------|----------|
| 5th Percentile | | -0.2 | 12.0 | 6.0 | 5.3 | 5.4 | | | 11.0 | 14.6 | 3.0 | 8.6 | 7.0 |
| 25th Percentile | | -1.6 | 8.9 | 5.0 | 4.3 | 4.9 | | | 8.3 | 9.8 | 2.0 | 4.4 | 6.1 |
| Median | | -2.0 | 6.7 | 4.3 | 3.6 | 4.0 | | | 6.2 | 8.5 | 0.6 | 3.5 | 4.7 |
| 75th Percentile | | -3.0 | 4.9 | 3.7 | 3.2 | 3.5 | | | 4.8 | 7.3 | -0.2 | 2.7 | 3.0 |
| 95th Percentile | | -4.9 | 1.2 | 2.3 | 1.9 | 1.7 | | | 2.6 | 5.2 | -2.2 | 1.8 | 1.9 |
| # of Portfolios | | 37 | 36 | 32 | 25 | 17 | | | 36 | 30 | 27 | 25 | 23 |
| ● Vanguard Total Intl Bond Index I | | -2.3 (64) | 2.0 (86) | 4.0 (62) | 3.3 (59) | -- (--) | | | 4.6 (80) | 7.9 (59) | 3.0 (4) | 2.5 (80) | 4.7 (50) |
| ▲ BBgBarc Global Agg ex USD FA USD Hedge | | -2.2 (59) | 2.2 (83) | 4.2 (56) | 3.5 (53) | -- (--) | | | 4.7 (77) | 8.1 (58) | 3.2 (2) | 2.6 (77) | 4.9 (45) |

Real Estate

Asset Class Overview (Net of Fees)

Period Ending: March 31, 2021

| | 3 Mo | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------|------|-----|------|-------|-------|--------|------|------|------|------|------|
| Real Estate | | | | | | | | | | | |
| Vanguard Real Estate Index Adm | 8.7 | 8.7 | 36.5 | 11.0 | 6.1 | 8.9 | -4.7 | 28.9 | -5.9 | 4.9 | 8.5 |
| MSCI US REIT | 8.5 | 8.5 | 36.1 | 8.2 | 4.0 | 7.2 | -8.7 | 24.3 | -5.8 | 3.7 | 7.1 |

Vanguard Real Estate Index Adm Mutual Fund Overview (Net of Fees)

Period Ending: March 31, 2021

Description:

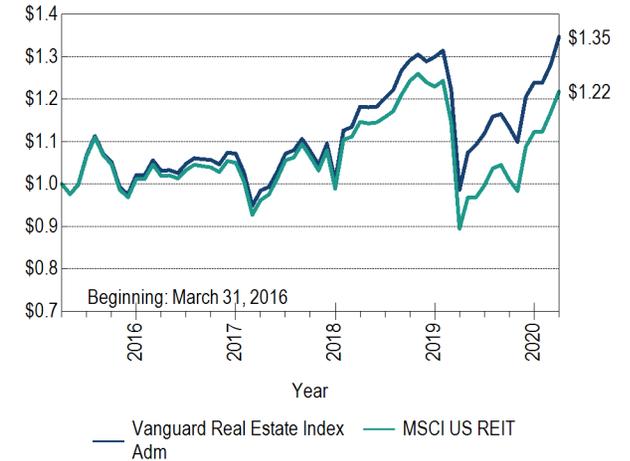
The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of the MSCI US Investable Market Real Estate 25/50 Index that measures the performance of publicly traded equity REITs and other real estate-related investments.

The advisor attempts to track the index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary, which is itself a registered investment company—in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund is non-diversified.

Portfolio Fund Information as of March 31, 2021

| | |
|-----------------------------|--------------------|
| Ticker | VGSLX |
| Morningstar Category | Real Estate |
| Average Market Cap (\$mm) | 18,389.67 |
| Net Assets (\$mm) | 21,373.07 |
| % Assets in Top 10 Holdings | 44.92 |
| Total Number of Holdings | 176 |
| Manager Name | Gerard C. O'Reilly |
| Manager Tenure | 25 |
| Expense Ratio | 0.12% |
| Closed to New Investors | No |

Growth of a Dollar



Fund Characteristics as of March 31, 2021

| | |
|---------------------------|-----------|
| Sharpe Ratio (3 Year) | 0.53 |
| Average Market Cap (\$mm) | 18,389.67 |
| Price/Earnings | 40.89 |
| Price/Book | 2.60 |
| Price/Sales | 6.35 |
| Price/Cash Flow | 18.02 |
| Dividend Yield | 3.03 |
| Number of Equity Holdings | 174 |
| R-Squared (3 Year) | 0.99 |
| Alpha (3 Year) | 0.25% |

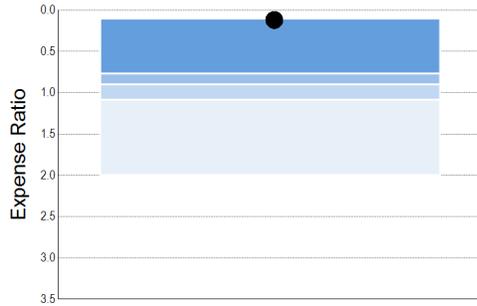
Sector Allocation as of March 31, 2021

| | |
|------------------------|--------|
| BASIC MATERIALS | 0.00% |
| COMMUNICATION SERVICES | 0.00% |
| CONSUMER CYCLICAL | 0.00% |
| CONSUMER DEFENSIVE | 0.00% |
| ENERGY | 0.00% |
| FINANCIAL SERVICES | 0.00% |
| HEALTHCARE | 0.00% |
| INDUSTRIALS | 0.03% |
| REAL ESTATE | 99.97% |
| TECHNOLOGY | 0.00% |
| UTILITIES | 0.00% |

Top Holdings as of March 31, 2021

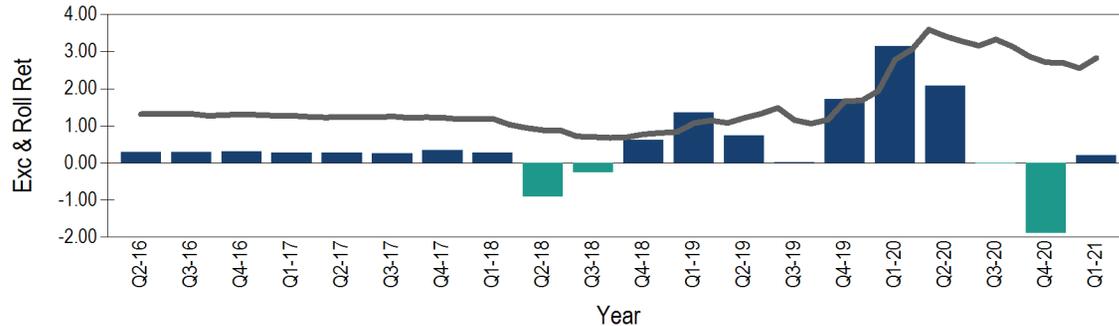
| | |
|---------------------------------|--------|
| VANGUARD REAL ESTATE II INDEX | 11.88% |
| AMERICAN TOWER CORP | 7.12% |
| PROLOGIS INC | 5.25% |
| CROWN CASTLE INTERNATIONAL CORP | 4.92% |
| EQUINIX INC | 4.04% |
| PUBLIC STORAGE | 2.60% |
| DIGITAL REALTY TRUST INC | 2.59% |
| SIMON PROPERTY GROUP INC | 2.44% |
| SBA COMMUNICATIONS CORP | 2.07% |
| WELLTOWER INC | 2.00% |

Expense Ratio



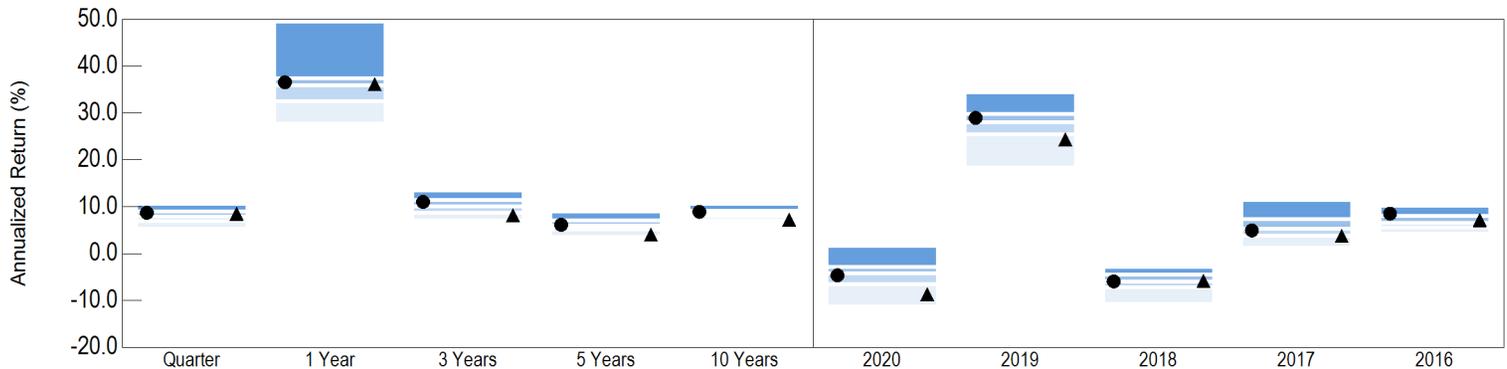
- Vanguard Real Estate Index Adm
- ▲ MSCI US REIT
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

Rolling Annualized Excess Performance



- Quarterly Outperformance
- Quarterly Underperformance
- Rolling 3 Year Excess Performance vs. MSCI US REIT

Real Estate MStar MF Return Comparison



| | Quarter | 1 Year | 3 Years | 5 Years | 10 Years | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------------------|----------|-----------|-----------|----------|----------|-----------|-----------|-----------|----------|----------|
| Return (Rank) | | | | | | | | | | |
| 5th Percentile | 10.5 | 49.4 | 13.4 | 9.0 | 10.6 | 1.6 | 34.4 | -3.0 | 11.3 | 10.2 |
| 25th Percentile | 9.0 | 37.5 | 11.5 | 7.1 | 9.2 | -2.8 | 29.9 | -4.5 | 7.4 | 8.1 |
| Median | 8.0 | 35.9 | 10.1 | 6.1 | 8.7 | -4.2 | 28.1 | -5.9 | 5.4 | 6.7 |
| 75th Percentile | 6.9 | 32.6 | 8.7 | 5.2 | 8.1 | -6.5 | 25.5 | -7.1 | 3.9 | 5.7 |
| 95th Percentile | 5.3 | 27.9 | 7.2 | 3.6 | 7.2 | -11.3 | 18.5 | -10.7 | 1.3 | 4.3 |
| # of Portfolios | 68 | 68 | 67 | 64 | 57 | 69 | 71 | 67 | 68 | 64 |
| ● Vanguard Real Estate Index Adm | 8.7 (33) | 36.5 (38) | 11.0 (35) | 6.1 (48) | 8.9 (40) | -4.7 (58) | 28.9 (41) | -5.9 (52) | 4.9 (60) | 8.5 (17) |
| ▲ MSCI US REIT | 8.5 (44) | 36.1 (48) | 8.2 (83) | 4.0 (90) | 7.2 (95) | -8.7 (87) | 24.3 (85) | -5.8 (48) | 3.7 (78) | 7.1 (38) |

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MEMORANDUM

Date: June 15, 2021

To: David H. Lillard, Jr., Tennessee State Treasurer

From: LaKesha Page, Director of College Savings and ABLE TN

Subject: Recommendation to transfer assets in the TN Interest Bearing Account to the Vanguard Federal Money Market Fund (VMFXX) Fund

This memo is written to request that the Vanguard Federal Money Market Fund (VMFXX) replace the TN Interest Bearing Account (IBA) in the TNStars College Savings 529 Program and ABLE TN investment option lineups. The TN Interest Bearing Account has historically been offered as a component service under the State's banking contract with First Horizon Bank. In 2020, Treasury Accounting advised Financial Empowerment staff that the Interest Bearing Account would not be included as a mandatory service in the next banking procurement. As such, Financial Empowerment and Investment staff began to explore alternative capital preservation options for the programs that could eliminate the programs' reliance on the State's banking relationship and potentially produce higher returns. In December 2020, Verus was retained as the programs' investment consultant and engaged to provide research relative to replacing the Interest Bearing Account. The Vanguard Federal Money Market Fund was identified as a competitive and appropriate replacement within the risk profile, capable of providing slightly better long-term returns than the Interest Bearing Account based on its investment approach and lower cost structure.

Background

Until March 2020, the interest rate paid for the TN Interest Bearing Account Investment Option was calculated by taking the Federal Open Market Committee (FOMC) Federal Funds Target Rate minus a discount of 0.50% retained by the financial institution, and minus the program management fee of 0.20%. If the FOMC set a rate using a range, the rate used to calculate the interest rate would be the highest rate within the range. On March 16, 2020, in response to actions taken by the FOMC to reduce the Federal Funds Target Rate Range to 0.00-0.25%, First Horizon Bank advised the Department of Treasury that all accounts indexed to the Federal Funds rate would earn interest based on a rate of 0.05%, thus waiving a portion of the financial institution's fee.

To ensure participants invested in the TN Interest Bearing Account Investment Option did not receive a rate of return below 0.00%, on March 25, 2020 the Treasurer authorized staff to waive or amend the program management fee for the fund to a level that would establish a rate of return not less than 0.00% for participants invested in the TN Interest Bearing Account, until such time as the 0.20% Program Management Fee could be assessed without a negative rate of return. As such, the programs' currently collect a .05% annual asset-based program management fee from participants invested in the TN Interest Bearing Account.

Analysis

Verus analyzed four capital preservation categories including FDIC-insured products, money market funds, short-term bond funds, and stable value options. Based on current asset within the programs' TN Interest Bearing Account investment option and a comparison of the risk and liquidity achieved by investment vehicles within each category, Verus advised that a money market fund was the most appropriate replacement for the TN Interest Bearing Account. Currently, 26 state 529 plans use money market funds as their capital preservation vehicle. Furthermore, if short term interest rates should begin to rise, yields on money market funds are expected to respond more quickly in comparison to savings accounts, like the TN Interest Bearing Account.

Of the three types of money market funds: prime, government and municipal, Verus views a government money market fund to be the most appropriate type of capital preservation option to replace the interest-bearing account due to regulations imposed on prime money market funds and the inability for plan participants to benefit from the tax-exempt nature of municipal money market funds.

A comparison six U.S. government money market funds considered by Verus, led to the recommendation of the Vanguard Federal Money Market Fund based on its one, three and five-year performance and its expense ratio.

Verus views the Vanguard Federal Money Market Fund as a competitive and appropriate replacement. They advised that the fund meets the objectives for a sound capital preservation option and the criteria for fund replacement in the TNStars Investment Policy. Also, staff believes the Vanguard Federal Money Market Fund provides adequate liquidity within the programs' guidelines for use of funds by participants. Verus' full report and recommendation is enclosed for your review.

Recommendation

Treasury Investments and Financial Empowerment staff concur with Verus' recommendation to replace the First Horizon Interest Bearing Account with the Vanguard Federal Money Market Fund and to map client funds in the TN Interest Bearing Account to the new fund.

Should you approve the recommended changes, staff will work with Ascensus, the programs recordkeeper, to schedule and perform the transition at a date to be determined. Notification will be distributed to all plan participants and requisite updates will be made to the programs' disclosure brochures and websites. As with the TN Interest Bearing Account, the programs will amend the program management fee for the Vanguard Federal Money Market Fund to a level that would establish a rate of return not less than 0.00% for participants invested in the fund, until such time as the 0.20% Program Management Fee may be assessed without a negative rate of return.

Recommended by:

LaKesha Page
LaKesha Page (Jun 15, 2021 15:57 CDT)

Date: Jun 15, 2021

LaKesha Page, Director of College Savings and ABLE TN

Ashley Nabors

Date: Jun 15, 2021

Ashley Nabors, Assistant Treasurer for Financial Empowerment

Michael Brakebill

Date: June 15, 2021

Michael Brakebill, CFA, CAIA, Chief Investment Officer

Approved by:

David H. Lillard, Jr.

Digitally signed by David H. Lillard, Jr.
Date: 2021.06.17 08:42:28 -05'00'

Date: June 17, 2021

David H. Lillard, Jr., Treasurer

Memorandum

To: LaKesha Page, Director
From: Verus
Date: June 7, 2021
RE: Vanguard money market fund recommendation for TNStars and ABLE

Background

The TNStars 529 College Savings Program and the ABLE TN Program for TN-based disabled residents are administered by the Tennessee Treasury Department using an identical set of underlying mutual funds as their self-selected options. Both also utilize an interest-bearing deposit account held at First Horizon Bank as their most conservative option. TNStars addresses an array of objectives to ensure that its participants have invested appropriately to have the financial means to attend college, and its beneficiaries are predominantly under 18 years old. ABLE TN has beneficiaries of all ages, some of whom rely on ABLE proceeds to pay for their living expenses. TNStars had 4% of its total assets (\$8.7 million) in the TN Interest Bearing Account as of 3/31/21, whereas ABLE TN had 27% of total plan assets (\$8.2 million) in this investment at year-end.

The TN Interest Bearing Account (IBA) has been an option in TNStars and ABLE since 2012 and serves as the most conservative option in the investment line up. Performance was modestly positive and in line with its risk objective throughout much of its history, providing a return of the Fed Funds rate, minus a 50 basis point (0.5%) discount to the financial institution, and minus a program management fee of 20 basis points (0.2%). When yields dropped to the point where there was a negative return on a net-of-fee basis, both the financial institution fees and program fees were temporarily adjusted so that IBA performance does not fall below 0%. This situation has been in place since the middle of March 2020 when Fed Fund rates dropped to historically low levels in response to the onset of the global pandemic. Short rates remain near zero with the Federal Reserve signaling that they will not hike rates in 2022 and perhaps much of 2023. However, yields on longer dated bonds have risen in recent months and TIPS breakeven rates are signaling an increase in longer-term inflation, with notable increases over the five-year period and beyond.

To retain a similarly conservative and liquid investment option for TNStars and ABLE, Verus considers a money market fund as an appropriate replacement with a slightly higher yield than the IBA. A secondary possible alternative is no replacement to IBA until such time as yields are higher with IBA assets mapped into the TN Short-Term Corporate Fund option (VSCSX) which offers slightly higher expected returns with minimal market risk. A stable value fund is the third type of investment option utilized for the capital preservation role; however, assets in TNStars and ABLE are too low to create a separately managed stable value vehicle for the plan. After weighing pros and cons, Verus recommends replacing the IBA with a money market fund given the high liquidity needs of a subset of TNStars and ABLE beneficiaries, in particular ABLE beneficiaries who rely on fund assets for their daily expenses and for whom market risk is suboptimal.

We view Vanguard Federal Money Market fund (VMFXX) as a competitive and appropriate replacement in this risk profile. It meets the objectives for a sound capital preservation option, has a below median expense ratio, and should provide slightly better long-term returns than the IBA based on its investment approach and lower cost structure.

Types of capital preservation options

FDIC-insured products are commonly used as the conservative investment option in 529 plans for beneficiaries who seek income consistent with the preservation of principal. Federally insured products, including CD products and savings accounts, are offered by 28 state 529 plans. Savings accounts offer a high amount of liquidity, and typically offer FDIC insurance through a bank product and partnership. The FDIC insures a maximum of \$250,000 per depositor.

The reduction of the Fed Funds rate in 2020 to between 0.0% and 0.25% has resulted in a significant drop in yields for these federally insured accounts. As a result, returns have turned negative on a net-of-fee basis, and multiple state plans are not charging a fee at this time as an offset. For those that do, total annual asset-based fees range from 0.05% to 0.39%.ⁱ Alternative conservative investments for risk-averse investors include money market funds, short-term bond funds, and stable value options. In the current rate (and low return) environment, alternatives to FDIC-insured products are worth consideration and are described below. Our analysis ultimately focused on finding the most competitive replacement option for the interest-bearing account option in TNStars and ABLE that was also aligned with its risk profile.

Money market funds are the most conservative alternative relative to the existing TN Interest Bearing Account (IBA). A money market mutual fund invests in debt securities characterized by their short maturities (397 days or less) and takes minimal credit risk. This category of funds has low interest rate risk and is highly liquid. Money market funds can easily accommodate plan sponsor-initiated events such as changing investment managers and recordkeepers. Near-term returns, however, have been significantly hampered due to the decline in short-term rates, similar to the IBA.

Short-term bond fund net asset values will fluctuate as a result of interest rate and/or credit spread changes, but the magnitude of these fluctuations should be expected to be modest, as they typically invest in securities with maturities between 1-3 years. While the risks in short-term bond funds are modest, they do introduce risks that are not in place with the current interest-bearing account. Moreover, TNStars and ABLE already offer a short-term bond fund as part of the plan, namely TN Short-Term Corporate Fund with Vanguard Short-Term Corporate Bond Index Fund as its underlying mutual fund. Returns for short-term bond funds are typically superior to money market funds (or an IBA), so such a change is advantageous from an investment standpoint. However, this introduces a higher risk profile that may not be appropriate for some beneficiaries and, we believe, the potential risk mismatch overrides the return advantage of a short-term bond fund for TNStars and ABLE's most conservative option.

A stable value investment option is designed to provide returns comparable to short to intermediate-term bond funds while maintaining a stable net asset value consistent with money market investments. Stable value funds generally respond to changes in yields in a lagged manner. As market yields rise, the crediting rate, which is the rate of return paid to holders of the stable value fund, will rise more slowly. Likewise, when rates decline, crediting rates will

decline, but not as quickly. Participants may transact (make withdrawals, deposits, etc.) at book value; however changes initiated by the Tennessee Treasury Department, such as a manager change or a discontinuation of the program, could require a market value adjustment. As part of our due diligence, Verus explored the possibility of utilizing a stable value option in TNStars and ABLE as this would provide a yield advantage over the IBA.

There are four primary structures for stable value options:

- **GENERAL ACCOUNT:** This is a contract between the plan sponsor and an insurance company that provides principal protection and a specified rate of return for some pre-specified period of time, regardless of the performance of the underlying assets, which are owned by the insurance company and held in its general account, making them subject to claims of the issuing insurance company's creditors.
- **SEPARATE ACCOUNT:** Like a General Account, this is a contract between the plan sponsor and an insurance company that provides principal protection and a specified rate of return for some pre-specified period of time, regardless of the performance of the underlying assets. Unlike the General Account, however, the underlying assets, while owned by the insurance company, are invested in a fixed income separate account, and held solely for the benefit of the plan. Therefore, they are not subject to the claims of the issuing insurance company's creditors.
- **SEPARATELY MANAGED ACCOUNT:** This type of account is similar to the separate account above, except, instead of being offered by an insurance company, it is customized and managed by a third-party stable value manager – who may utilize multiple fixed income management firms and wrap providers - for the benefit of a single plan, or multiple plans from a single plan sponsor. Assets are held in a custodial account for the sole benefit of plan participants.
- **COLLECTIVE INVESTMENT TRUST (CIT):** As the name suggests, a CIT is a fund operated by a trust company or a bank for the exclusive use of qualified retirement plans. CITs combine the assets of multiple unrelated retirement plans, enabling plan sponsors to gain economies of scale. Plan participants own units of the CIT as they would with a mutual fund. Plans that are eligible to invest in a CIT include governmental retirement plans that are ERISA-qualified, such as 401(k) plans, 457(b) plans and profit-sharing plans.

A stable value option that is managed within a General Account structure of an insurance company exposes plan participants to significant credit risk because the assets are subject to claims of creditors should an insurer become insolvent. While this is an unlikely event, it has happened in the past. Under a Separate Account structure, plan assets are not part of an insurer's general account and therefore not subject to claims of creditors. This type of arrangement provides a much higher degree of safety for plan participants. Accounts managed by stable value managers, whether separately managed or through a CIT, provide a similar degree of safety because assets are held in custody for the sole benefit of the plan and its participants.

Verus called several stable value providers but current capital preservation assets within TNStars and ABLE are too low to meet the minimum for a separate account structure. Additional feedback we garnered in our research was that it is an unfavorable yield environment in which

to initiate an investment in a stable value account. Lastly, 529 plans cannot use CITs and, so this vehicle is inaccessible to TNStars and ABLE. (CITs are currently only permissible for use in qualified retirement plans. Eligible vehicles for 529 plans are mutual funds and ETFs and also fixed accounts that offer a minimum rate of return or interest.) Moreover, the CIT vehicle brings its own disadvantages such as cash flows in and out of the fund that may impact the crediting rate, less flexible termination provisions and portability, inability to customize guidelines, and less portfolio transparency.

In summary, strengths of the stable value approach include fixed income-like returns combined with a stable net asset value and minimal risk of investment loss (low interest rate and credit risk and broad diversification). These benefits are offset by increased complexity (no direct transfers to competing funds and complex contract provisions) and greater illiquidity compared to the IBA or money market funds. For example, if a plan sponsor notifies the stable value manager of a sponsor-initiated event that requires liquidity when book value exceeds market, they will be put into a discontinuation queue where it may take more than one year to fully liquidate the stable value assets at book, else be forced to take a fair market value adjustment. In Verus' assessment, potential risks in stable value outweigh the benefits and we believe that other capital preservation types are more appropriate as an IBA replacement.

Based on the comparison of capital preservation options and vehicles above, Verus believes it is appropriate to utilize a money market fund as a replacement option for the TN Interest Bearing Account.

Types of money market funds

The Securities and Exchange Commission (SEC) regulations define three types of money market funds: prime, government and municipal. Tax-exempt institutional investors, like 529 plans, generally offer either prime or government money market funds because plan participants would not benefit from the tax-exempt nature of municipal money market funds.

GOVERNMENT MONEY MARKET FUNDS: These funds must invest at least 99.5% of the fund's total assets in cash, U.S. government securities and/or repurchase agreements that are collateralized by cash or government securities. Certain issuers of U.S. government securities such as Fannie Mae, Freddie Mac, and the Federal Home Loan Banks are sponsored or chartered by Congress, but their securities are neither issued by nor explicitly guaranteed by the U.S. Treasury. By design, government money market funds are intended to have a non-fluctuating net asset value (NAV).

PRIME MONEY MARKET FUNDS: These funds may hold any eligible U.S. dollar-denominated money market instrument, as defined by applicable U.S. Securities and Exchange Commission regulations (Rule 2a-7 of the Investment Company Act of 1940), including the government securities listed above as well as commercial paper, certificates of deposit, corporate notes, and other private instruments from domestic and foreign issuers, as well as repurchase and potentially reverse repurchase agreements.

In 2014, the SEC issued new money market regulations to enhance the stability and liquidity of all money market funds. The rules required retail and institutional prime money market funds to impose liquidity fees and redemption gates when certain liquidity thresholds within the fund have been breached. In addition, institutional prime money market funds were no longer able

to report a \$1.00 NAV. This caused many plan sponsors to reevaluate their capital preservation option and transition to a government money market fund or another conservative alternative. Verus views a government money market fund to be the most appropriate type of capital preservation option to replace the interest-bearing account. Currently, 26 state 529 plans use money market funds as their capital preservation vehicle.ⁱⁱ Low-cost money market funds offer a high degree of liquidity and have a similar low-risk profile to the IBA. Interest rate changes are reflected in money market fund yields almost immediately, whereas interest rate changes take longer to be reflected in savings accounts which could be a positive impact should short rates start to rise.

Comparison of money market funds and TN Interest Bearing account

MONEY MARKET FUNDS: Money market yields and returns are most highly correlated with the Federal Funds rate and short-term yields. As yields rise at the short end of the curve, money market fund yields should also rise as interest and maturing instrument proceeds are reinvested at the higher rates. Conversely, as yields have dropped significantly so have money market fund yields. As the bond market has started to reprice longer dated rates in the anticipation of deflation since the rollout of a successful COVID vaccine and the U.S. election, longer term yields have risen but short-term yields have remained low thus far.

TN INTEREST BEARING ACCOUNT: Under normal circumstances, the interest paid is the Federal Open Market Committee (FOMC) Fed Funds rate, minus a discount of 0.50% retained by First Horizon Bank, and minus the state's program management fee of 0.20%. Due to the very low FOMC target rate, State Treasurer Lillard has temporarily modified the program management fee and the financial institution has temporarily adjusted its discount fee. As such, the effective annual interest rate for the TN Interest Bearing Account as of March 16, 2020 has been 0.00% which has become the minimum effective annual interest rate. If not for these amendments, the return would have been negative.

The current FOMC's target level of 0-0.25% contrasts with an already low target range between 1.0% and 2.5% over the past two calendar years (dropping sharply in the middle of March 2020). In the current low yield environment, both a sound investment approach and a keen focus on competitive fees are necessary in identifying a suitable money market fund replacement option. It is important to reiterate that if short term interest rates should begin to rise, yields on money market funds will respond very quickly, whereas interest changes in savings accounts tend to lag in comparison.

Vanguard Federal Money Market Fund analysis

Appendix I shows a comparison of U.S. government money market funds that Verus believes are prudent options and have minimum account sizes that could facilitate the interest-bearing account proceeds. The six funds have a below median expense ratio compared to the institutional US Government Money Market universe, sizeable assets under management, and better performance compared to the institutional US Government Money Market median. All are managed by experienced portfolio managers with a medium to long tenure in managing liquidity assets.

A side-by-side comparison (see Appendix 1) reveals that the Vanguard Federal Money Market Fund (VMFXX) has had equivalent or better historical returns than the other funds identified by

Verus and the lowest expense ratio among these six options. Portfolio manager for the fund John Lanius and has managed cash portfolios for Vanguard for 15 years.

Conclusion

Verus' recommendation is aligned with the TNStars and ABLE Investment Policy Statement (IPS) which requires at least a 3-year track record, competitive performance over the 1,3 and 5-year periods and an expense ratio that is competitive with other investment options with a similar objective. Replacing the IBA with a money market fund that meets these criteria is appropriate from a risk tolerance standpoint. The TNStars and ABLE TN IPS allows for a money market investment within its Fixed Income category. Assets will need to be mapped from the IBA, a Fixed Account option as described in the IPS, to the money market fund, a short duration approach within Fixed Income.

Verus recommends Vanguard Federal Money Market Fund (VMFXX) as a replacement for the TN Interest Bearing Account which should result in cost savings. The interest-bearing account has returned zero percent to its participants since the drop in interest rates and has a higher cost structure for TNStars and ABLE under normal circumstances compared to a low expense ratio money market fund. VMFXX has an 11 bps expense ratio compared to the bank's stated fee of 50 bps. (Note that the IBA fee structure has been temporarily reduced to ensure a 0% minimum return to the underlying participant). Verus acknowledges that the current yield for Vanguard Federal Money Market Fund is currently about zero (in line with other US Government money market funds) such that the State's program fee of 20 bps would result in a negative return to the beneficiary at this time, barring the continuation of the program fee waiver.

Verus reviewed money market funds as an optimal replacement option in order to provide a slightly higher yielding alternative to the interest-bearing account. In our opinion, U.S. government money market funds represent a better alternative for this most conservative capital preservation option because they are also highly liquid, adapt quickly to changing rates, and can accommodate plan sponsor-initiated changes easily. The normalization of rates post pandemic, even if towards the lower end of the historical range, should bring returns back to levels that would offset the program and fund fees and offer a sustainable and more competitive cost structure all-in. We view Vanguard Federal Money Market Fund (VMFXX) as the most competitive and appropriate replacement for the TN Interest Bearing Account as the fund meets the objectives for a sound capital preservation option, has a very low expense ratio compared to the US government money market universe and other lower expense ratio funds identified by Verus, and should provide better long-term returns than the interest-bearing account based on its investment approach.

Appendix I: Comparison of Money Market Fund Options

Government Money Market Funds

Below is a comparison of U.S. government money market funds that Verus believes would be prudent options for the State's capital preservation mandate and have minimum account sizes that are appropriate for TNStars and ABLE. The returns below are net-of-fees.

| Money Market Fund | Ticker | Minimum | Expense Ratio* | AUM | 1 Year (3/31) | 3 Years (3/31) | 5 Years (3/31) | Current Yield |
|---|--------|--------------|----------------|------|---------------|----------------|----------------|---------------|
| BlackRock FedFund Institutional Fund | TFDXX | \$3 million | 0.17% | 182B | 0.07% | 1.3% | 1.04% | 0.01 |
| Fidelity Government Money Market Fund | SPAXX | \$0 | 0.20% | 223B | 0.01% | 1.11% | 0.83% | 0.01 |
| Fidelity Money Market Fund Trust Retirement Govt. | FGMXX | \$1 million | 0.18% | 131B | 0.04% | 1.28% | 1.02% | 0.01 |
| Goldman Sachs Financial Square Government Fund | FGTXX | \$10 million | 0.18% | 197B | 0.09% | 1.31% | 1.05% | 0.03 |
| PIMCO Government Money Market Fund | PGFXX | \$1 million | 0.18% | 1.6B | 0.02% | 1.29% | 1.05% | 0.00 |
| Vanguard Federal Money Market Fund | VMFXX | \$3000 | 0.11% | 199B | 0.11% | 1.34% | 1.08% | 0.01 |
| | | | | | | | | |
| Lipper Institutional US Govt Money Market Average** | | | | | 0.02% | 0.96% | 0.69% | |
| 3-month T-bills*** | | | | | 0.12% | 1.49% | 1.19% | |

*Median expense ratio for Morningstar Money Market-Taxable Fund universe

**The Lipper U.S. Government Money Market Average is an arithmetic average of the total return of all institutional U.S. government money market funds.

***ICE BofA Merrill Lynch 3-month Treasury bill index return seeks to measure the performance of the U.S. Treasury bill market and is often described as the risk-free rate.

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ⁱ Savingforcollege.com survey 2020

ⁱⁱ College Savings Plans Network, plan comparative results. Plans.collegesavings.org.

Tennessee Investments Preparing Scholars (TIPS) Program Background

The TIPS Program was created as a matching grant program to encourage families of lower to moderate income levels to save for the growing costs associated with post-secondary education through the TNStars College Savings 529 Program.

Funding for TIPS

Tennessee Code Annotated § 65-5-113(c) allows a portion of the funds in the Small and Minority-Owned Business Assistance Program to be transferred to the Board of Trustees of the College Savings System Trust Fund Program to fund an incentive plan to encourage Tennessee residents to participate in a college savings program established by the state.

Income Eligibility and Qualifying Period

The TIPS Program offers incentives to Tennessee residents with household incomes up to 250% of the federal poverty guidelines to participate in the TNStars Program. When a qualifying participant enrolls a beneficiary, age 14 or younger, in the TIPS program, the state will contribute a 4:1 match based on contributions made by the participant during the annual qualifying period. Beneficiaries are eligible to receive a lifetime maximum match of \$1,500.00.

A qualifying period and income eligibility guidelines are established annually by the Board of Trustees. The most recent qualifying period began on August 1, 2020 and ended on June 30, 2021.

Outreach

During the FY2021 qualifying period, Treasury staff identified opportunities to engage and collaborate with organizations and groups that support economically disadvantaged families. Through this effort, Treasury staff communicated with the Extended Learning Program Consultant and Education Consultant of the Tennessee Board of Education as well as engaged Department of Human Services staff to promote the TNStars Academy presentations on the TIPS program.

TIPS by the Numbers (Preliminary numbers for FY21 are displayed during reconciliation)

| Fiscal Year | No. of TIPS Applicants | No. of TNStars Accounts | Average household size | Average household income | Average contribution (per account) | Total Contribution | Total match amount |
|-------------|------------------------|-------------------------|------------------------|--------------------------|------------------------------------|--------------------|--------------------|
| FY15 | 94 | 164 | 3.76 | \$33,196 | \$345 | \$56,644 | \$74,100 |
| FY16 | 173 | 248 | 4.02 | \$39,652 | \$857 | \$212,612 | \$122,600 |
| FY17 | 153 | 344 | 4.09 | \$41,640 | \$682 | \$234,545 | \$165,040 |
| FY18 | 96 | 229 | 3.98 | \$40,435 | \$612 | \$140,214 | \$111,000 |
| FY19 | 108 | 250 | 4.38 | \$40,923 | \$332 | \$83,097 | \$117,300 |
| FY20 | 109 | 262 | 5.03 | \$48,716 | \$549 | \$136,876 | \$122,196 |
| FY21 | 122 | 287 | 5.05 | \$48,624 | \$394 | \$111,931 | \$139,040 |

For the FY2021 Qualifying Period, there were 270 accounts (94 percent) that qualified for the maximum match of \$500. Since inception in 2014, there have been 855 enrollees with contributions of \$975,919 and matches totaling \$851,276.

FY 2021-2022 Qualifying Period Recommendation

Since inception of the TIPS program, \$712,236 has already been transferred from the SMOB program to the college savings program. With the addition of fiscal year 2021 matches of \$139,040, the total SMOB funds used will be \$851,276. There are sufficient funds remaining in the SMOB program to be transferred to college savings to establish another Qualifying Period. Rule 1700-05-03-.01(t) of the Official Rules and Regulations of the State of Tennessee provides that the Qualifying Period is the time period set by the Board each year during which a Purchaser must meet the conditions in the rules to be eligible for a TIPS matching grant incentive program contribution. It is recommended that the Board adopt the following:

- Qualifying Period for TIPS to begin on August 1, 2021 and end on June 30, 2022;
- 2020 and 2021 federal tax returns be used for the purpose of establishing income eligibility for TIPS applicants;
- and that 250% of the Federal Poverty Guidelines be used as the refererence to determine income eligibilty.

| Persons in Household | 2021 100% Poverty Guidelines (Annual) | 2021 250% Poverty Guidelines (Annual) |
|-----------------------------|--|--|
| 1 | \$12,880 | \$32,200 |
| 2 | \$17,420 | \$43,550 |
| 3 | \$21,960 | \$54,900 |
| 4 | \$26,500 | \$66,250 |
| 5 | \$31,040 | \$77,600 |
| 6 | \$35,580 | \$88,950 |
| 7 | \$40,120 | \$100,300 |
| 8 | \$44,660 | \$111,650 |
| | Add \$4,540 for each person over 8 | Add \$11,350 for each person over 8 |

COLLEGE SAVINGS TRUST FUND PROGRAM CONFLICT OF INTEREST POLICY

I. Purpose

The purpose of this policy is to identify, evaluate and disclose any actual or potential conflicts of interest that a member of the board of trustees of the College Savings Trust Fund Program may have in serving on the Board. The activities of Board Members shall not conflict, or have the appearance of conflicting, with the provision of full and unbiased service to the public. By signing the Attestation and Disclosure Form, each member will attest to compliance with this policy and disclose any actual or potential conflicts of interest. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest.

II. Definitions:

- A. Attestation and Disclosure Form: A form each Board Member should complete on an annual basis to disclose any actual or potential conflicts of interest and attest to reading, understanding, and agreeing to fully comply with this Conflict of Interest Policy.
- B. Board: The Board of Trustees of the College Savings Trust Fund Program.
- C. Board Member: An individual appointed to the Board pursuant to Tenn. Code Ann. §49-7-804. This includes a Board Member's designee.
- D. Conflict of Interest: A material interest that may affect or may appear likely to affect a Board Member's judgment or conduct while serving on the Board. A conflict of interest is material if an ordinary person would take it into account in making a decision.
- E. Trust Fund: The educational investment trust fund or the educational services trust fund established pursuant to Tenn. Code Ann. § 49-7-812.

III. Requirements

- A. Each Board Member shall disclose all actual and potential conflicts of interest and attest to reading, understanding, and agreeing to fully comply with this policy by completing the Attestation and Disclosure Form.
- B. A Board Member shall disclose, immediately upon identification, any actual and potential conflicts of interest. A Board Member shall not vote on a matter or participate in discussion on a matter should there be a conflict of interest as defined in Section II.D of this policy.

- C. In the event that a Board Member has a question about this policy, he or she should contact the Tennessee Department of Treasury's Assistant Treasurer for Legal, Compliance and Audit. The Assistant Treasurer for Legal, Compliance and Audit shall be responsible for compliance oversight with respect to applicable laws and rules relative to a Board Member conflict of interest.

IV. Prohibited Activity

- A. Each Board Member shall avoid any action, whether or not specifically prohibited by statute or regulation, which might result in or create the appearance of:
 - 1. Using public office for private gain;
 - 2. Giving preferential treatment to any person;
 - 3. Impeding government efficiency or economy;
 - 4. Losing complete independence or impartiality;
 - 5. Making a government decision outside of official channels; or
 - 6. Affecting adversely the confidence of the public in the integrity of the government.
- B. A Board Member shall not have a personal interest in the gains or profits of any investment made by the Board. See Tenn. Code Ann. §49-7-817.
- C. A Board Member shall not directly or indirectly use the gains or profits of any investment made by the Board, except to make any current and necessary payments authorized by the Board. See Tenn. Code Ann. §49-7-817.
- D. A Board Member shall not become an endorser or surety or in any manner an obligor for money loaned or borrowed from the Board. See Tenn. Code Ann. §49-7-817.
- E. A Board Member, or a member of his or her immediate family residing in the same household, shall not receive salary payment, unreasonable expense reimbursements, loans, gifts, free services, or any other fees from an entity that has or is seeking to obtain contractual or other business or financial relationship with the Board.
- F. A Board Member, or a member of his or her immediate family residing in the same household, shall not hold office with, serve on a Board with, participate in management of, or be employed by an entity with which the Board has invested Trust Funds.
- G. A Board Member shall not participate, directly or indirectly, in any decision relative to Board business which has resulted in or can result in a personal, professional or financial interest, benefit or gain for the Board Member or a member of his or her immediate family residing in the same household; however, should a Board Member, or a member of his or her immediate family residing in the same household, participate in a college

savings account administered by the Board, that participation shall not result in a violation of this provision.

- H. A Board Member, or a member of his or her immediate family residing in the same household, shall not receive remuneration for services with respect to individual transactions associated with an entity with which the Board has invested Trust Funds.
- I. A Board Member, or a member of his or her immediate family residing in the same household, shall not use State personnel, equipment, supplies, facilities or property for purposes not related to the Board Member's service on the Board.
- J. A Board Member, or a member of his or her immediate family residing in the same household, shall not appropriate, to his or her personal benefit, any business or other opportunities relating to an entity with which the Board has invested Trust Funds.
- K. A Board Member, or a member of his or her immediate family residing in the same household, shall not use confidential information obtained through or in connection with the Board appointment for personal, professional or financial gain or to compete with the entity with which the Board has invested Trust Funds.

Revision History:

The following revisions have been made to this Policy since initial publication:

| Revision Date | Material Change(s) |
|----------------------|--|
| 07/17/2017 | The policy was updated to comply with PC 400 and the corresponding terminology changes. An Attestation and Disclosure Form was created and attached to the policy. |
| 07/16/2014 | Initial adoption |

College Savings Trust Fund Program Board of Trustees
Andrew Jackson State Office Building, 15th Floor
502 Deaderick St.
Nashville, Tennessee 37243

**COLLEGE SAVINGS TRUST FUND PROGRAM
CONFLICT OF INTEREST POLICY
ATTESTATION AND DISCLOSURE**

I received a copy of the College Savings Trust Fund Program Conflict of Interest Policy ("Policy"). I attest that I have read, understand, and agree to fully comply with the Policy. I agree to disclose any conflicts of interest related to my service as a member of the board of trustees of the College Savings Trust Fund Program.

Please check the appropriate box.

- I hereby certify that I do not have a conflict of interest as described in the Policy.
- I have a conflict of interest as described in the Policy. Please explain.

I attest that I have read, understand, and agree to fully comply with the Policy. I attest that I have fully disclosed any conflicts of interest to the best of my knowledge and belief.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

COLLEGE SAVINGS TRUST FUND PROGRAM

EDUCATIONAL SERVICES PLAN ("BEST Prepaid Plan") INVESTMENT POLICY REVISED AND RESTATED

Revision History:

March 24, 2016 – Revised and Restated
July 20, 2012 – Revised and Restated

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I. Definitions

The following definitions are used hereafter with respect to this Investment Policy:

BEST Prepaid College Tuition Plan – *See Educational Services Plan.*

BEST Prepaid Plan – *See Educational Services Plan.*

Board of Trustees – The Board of Trustees of the College Savings Trust Fund Program, which is empowered under the Statute to carry out the purposes and objectives of the Program.

Cash Equivalents – Debt investments representing highly rated, highly liquid and readily marketable securities with a remaining term to maturity (at the time of purchase) of ninety days or less (≤ 90 days), including, but not limited to, commercial paper and discount notes. Debt securities issued by the United States, any agency of the United States federal government or any entity with the express or implied backing of the United States with a remaining term to maturity of three hundred ninety-seven days or less (≤ 397 days) may also be considered Cash Equivalents for purposes of this Investment Policy.

Chief Investment Officer (“CIO”) – The Department of Treasury employee responsible for the investment and oversight of the Total Assets in accordance with statutory guidelines and the investment policies and strategies established by the Board of Trustees.

Department of Treasury Staff – Each Department of Treasury employee involved in the administration or management of the Program. Department of Treasury Staff includes, but is not limited to, the State Treasurer, Chief Investment Officer and Program Director.

Educational Services Plan – A plan that permits individuals, associations, corporations, trusts or other organized entities to purchase a tuition unit or units under a tuition contract entered into between a purchaser and the Board of Trustees on behalf of a designated beneficiary that entitles the beneficiary to apply such units to the payment of that beneficiary's undergraduate, graduate and professional tuition, and other educational costs. Also known as the BEST Prepaid College Tuition Plan or BEST Prepaid Plan.

Equity(ies) – Investments representing an equity, ownership interest to include, but not limited to, publicly traded common and preferred stock, Initial Public Offerings (“IPOs”), bonds or any security convertible to stock, equity Exchange Traded Funds (“equity ETFs”), publicly traded Real Estate Investment Trusts (“REITs”) and equity Restricted Securities.

Fixed Income Security(ies) – Investments representing an instrument under which the issuer owes the holder (debt) to include, but not limited to, notes, bonds or other fixed income securities exceeding one year (> 1) in maturity, Mortgage-Backed Securities (“MBS”), Asset-Backed Securities (“ABS”), Collateralized Mortgage Obligations (“CMO”), Commercial Mortgage Backed Securities (“CMBS”), Medium Term Notes (“MTN”), municipal securities, corporate securities, bond Exchange Traded Funds (“bond ETFs”) and debt Restricted Securities.

Investment Staff – Each Department of Treasury, Investment Division employee involved in the investment management of the Total Assets.

Program – College Savings Trust Fund Program comprised of two types of qualified tuition plans: Educational Services Plan and the Educational Investment Plan.

Service Providers – Any external party who/that performs services or functions for or on behalf of the BEST Prepaid Plan, including, but not limited to, master custodian, investment managers, administrator, recordkeeper, etc.

Short-Term Security(ies) – Debt investments representing highly rated, highly liquid and readily marketable securities with a remaining term to maturity (at the time of purchase) of three hundred sixty days or less (≤ 360 days), including, but not limited to, commercial paper, discount notes and short-term United States agency debt.

T.C.A. – Tennessee Code Annotated.

Total Assets – The total assets or overall investment portfolio of the BEST Prepaid Plan.

II. Overview and Authority

A. Introduction

The Educational Services Plan (“BEST Prepaid Plan”) was created in 1995 to permit parents or other interested persons or entities to purchase tuition units on behalf of a designated beneficiary. Each tuition unit purchased under a prepaid tuition contract would/will entitle the designated beneficiary to an amount equal to one percent (1%) of the weighted average tuition at Tennessee’s four-year public colleges and universities during the academic term in which the tuition unit was/is used.

The BEST Prepaid Plan was established to be self-supporting; however, fluctuating financial market conditions and a continued increase in educational expenses and tuition costs has placed tremendous financial pressure on the BEST Prepaid Plan. As a result, on November 22, 2010 the Board of Trustees elected to cease selling new tuition units in the BEST Prepaid Plan, and on August 20, 2015 the Board of Trustees elected to terminate the BEST Prepaid Plan and the tuition contracts, in accordance with T.C.A. §49-7-824, effective November 30, 2015, because the BEST Prepaid Plan is financially unfeasible and is not beneficial to the citizens of the State of Tennessee or to the State itself. Although the BEST Prepaid Plan has been terminated, certain tuition contracts specified in T.C.A. §49-7-824 may remain in effect.

B. Authority

The investments by the BEST Prepaid Plan shall be governed by the investment policies and guidelines (“Investment Policy”) adopted by the Board of Trustees. Implementation of the BEST Prepaid Plan’s Investment Policy established by the Board of Trustees is hereby delegated to the State Treasurer who shall put such policy into effect. In addition, the day-to-day operations and responsibilities of the Program are hereby delegated to the State Treasurer. The State Treasurer, a constitutional officer, is the custodian of the funds of the Program.

In implementing this Investment Policy and carrying out the day-to-day operations and responsibilities of the Program, the State Treasurer has the authority to delegate certain responsibilities to the Chief Investment Officer, Investment Staff, Program Director and Department of Treasury Staff. In implementing this Investment Policy, the State Treasurer

hereby delegates certain responsibilities to the Chief Investment Officer and Investment Staff, including the power to invest and reinvest the Total Assets in accordance with the criteria established by this Investment Policy.

C. Fiduciary Standard

All assets of the BEST PrepaidPlan shall be invested and managed solely in the interest of the participants of the BEST PrepaidPlan in a manner that is consistent with the duty of loyalty found in T.C.A. §35-14-107, the prudent investor rule pursuant to T.C.A. §35-14-103, the standard of care pursuant to T.C.A. §35-14-104 and the exercise of reasonable care in delegation of investment and management functions pursuant to T.C.A. §35-14-111. Notwithstanding the foregoing, the assets of the BEST PrepaidPlan shall be invested subject to the criteria further established by the Board of Trustees in the BEST Prepaid

Plan's Investment Policy, as may be amended from time to time, and in accordance with T.C.A. §49-7-805(1) and §49-7-814.

D. Scope

The Investment Policy is binding on all persons and entities with authority over the Total Assets, including the Board of Trustees, Investment Division Staff and Service Providers, as well as any other person who or entity that may have a fiduciary relationship with the BEST Prepaid Plan.

III. Objective

The purpose of this Investment Policy is to support the BEST Prepaid Plan's primary objective by:

- Outlining the distinct roles and responsibilities of the Board of Trustees, Department of Treasury Staff (including Investment Division Staff) and Service Providers;
- Establishing formalized benchmarks to measure and evaluate the performance results of the Total Assets;
- Setting forth the additional investment criteria, which the Board of Trustees judges to be prudent, in consideration of the purposes, terms, distribution requirements and other circumstances of the BEST PrepaidPlan and in the best interest of the participants;
- Communicating the Investment Policy to the Department of Treasury Staff (including Investment Division Staff), Service Providers and any other person who or entity that may have a fiduciary relationship with the BEST PrepaidPlan; and
- Functioning as a supervisory tool, guiding the ongoing oversight of the Total Assets.

IV. Roles and Responsibilities

In addition to the responsibilities described below and throughout the Investment Policy, Service Providers, as well as any other person who or entity that may have a fiduciary relationship with the BEST Prepaid Plan, may have additional duties and responsibilities outlined within federal and state laws, rules and regulations, executed contracts or agreements, or as dictated by standard business or industry practices.

A. Board of Trustees

- 1) Adopt an Investment Policy which establishes the additional investment criteria, which the Board of Trustees judges to be prudent, in consideration of the purposes, terms, distribution requirements and other circumstances of the BEST Prepaid Plan and in the best interest of the participants;
- 2) Delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances;
- 3) Review and, if applicable, authorize the use of Service Providers or the processes employed by Department of Treasury Staff;
- 4) Evaluate the investment performance of the Total Assets, through reports supplied by the State Treasurer, Chief Investment Officer, Investment Staff and Service Providers; and
- 5) Periodically review the actions taken by delegates in order to monitor performance and compliance with the terms of the delegation.

B. State Treasurer

- 1) Implement the Investment Policy, as approved by the Board of Trustees;
- 2) Operate with a duty of undivided loyalty, investing and managing the Total Assets solely in the interest of the participants;
- 3) Delegate investment, management and administrative functions that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 4) Review and, as applicable, authorize the use of Service Providers and the employment of Department of Treasury Staff;
- 5) Evaluate and, as applicable, approve the processes employed and procedures established by Department of Treasury Staff
- 6) Evaluate the investment performance of the Total Assets through reports supplied by the Chief Investment Officer, Investment Staff and Service Providers;
- 7) With the advice and counsel, as applicable, of legal counsel, negotiate and execute all contracts, agreements, forms and memoranda of understanding deemed necessary or desirable for the efficient administration of the Total Assets;
- 8) Monitor the Total Assets' compliance with this Investment Policy and applicable federal and state laws, rules and regulations; and
- 9) Take actions that are deemed essential to protect the assets of the BEST Prepaid Plan with any emergency actions being promptly reported to the Board of Trustees.

A. Chief Investment Officer

- 1) Assume executive responsibility and authority, as delegated by the State Treasurer, for the ongoing evaluation and management of the Total Assets, ensuring compliance with the Investment Policy and such other policies, procedures, internal controls, laws, rules and regulations that may apply;
- 2) Operate with a duty of undivided loyalty, investing and managing the Total Assets solely in the interest of the participants;
- 3) Undertake the necessary authority to effectively manage and supervise the Investment Staff;
- 4) Delegate investment and management functions to Investment Staff that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 5) Review and, as applicable, recommend the use of investment-related Service Providers and the employment of Investment Staff;
- 6) Report to and consult with the State Treasurer and/or his designee on administrative, organizational and investment activities;
- 7) Collaborate, as applicable, with the Department of Treasury Staff and investment-related Service Providers on development and implementation of appropriate strategies, policies, and procedures;
- 8) Prepare and submit reports, as required, to document investment activities; and
- 9) Notify the State Treasurer of situations that merit the Board of Trustees' attention.

B. Program Director

- 1) Assume executive responsibility and authority, as delegated by the State Treasurer, and undertake the necessary authority to effectively manage and supervise the day-to-day operations of the BEST Prepaid Plan, as applicable;
- 2) Delegate functions to Department of Treasury Staff that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 3) Report to and consult with the State Treasurer and/or his designee on administrative, organizational and management activities;
- 4) Collaborate, as applicable, with the Department of Treasury Staff and Service Providers on development and implementation of appropriate strategies, policies, and procedures;
- 5) Prepare and submit reports, as required, to document activities; and
- 6) Notify the State Treasurer of situations that merit the Board of Trustees' attention.

C. Investment Staff

- 1) Assume fiduciary responsibility and authority, as delegated by the State Treasurer and Chief Investment Officer, for the Investment Staff member's role in the ongoing evaluation and management of the Total Assets;
- 2) Utilize special skills and expertise in an effort to accomplish the primary objective of the Total Assets, as stated in the Investment Policy;
- 3) Operate with a duty of undivided loyalty, investing and managing the Total Assets solely in the interest of the beneficiaries;

- 4) Source and evaluate prospective investments on an as-needed basis;
- 5) Ensure compliance with the Investment Policy and such other policies, procedures, internal controls, laws, rules and regulations that may apply;
- 6) Assist the State Treasurer, or his designee, Chief Investment Officer and Program Director with respect to any matters related to the Total Assets;
- 7) Prepare and submit reports, as required, to document investment activities; and
- 8) Notify the State Treasurer of situations that merit his attention.

V. Governing Principles, Investment Criteria and Risk Management

Given that the BEST Prepaid Plan has terminated effective November 30, 2015, the primary investment objective is to protect principal and generate income sufficient to fulfill the BEST Prepaid Plan's obligations. Therefore, the Board of Trustees expects the State Treasurer, Chief Investment Officer and Investment Staff to appropriately manage the Total Assets based upon market conditions, outgoing cash flows and projected obligations.

As such, and to provide the State Treasurer and Investment Division Staff the autonomy to make appropriate tactical shifts in asset allocations, the Board of Trustees authorizes the State Treasurer, Chief Investment Officer and Investment Staff to invest and reinvest the Total Assets in any instrument, obligation, security or property that constitutes legal investments for assets of the Tennessee Consolidated Retirement System. Furthermore, the Board of Trustees hereby authorizes the State Treasurer and Investment Division Staff to invest and reinvest the Total Assets in shares of publicly listed investment companies, including Unit Investment Trusts ("UITs"), Exchange Traded Funds ("ETFs") and open- and close-end mutual funds. Investment companies shall be classified by and subject to the asset allocation range of the underlying asset class type. Asset allocation targets and appropriate benchmarks will be established by the Chief Investment Officer and Investment Staff and approved in writing by the State Treasurer.

The Board of Trustees empowers the State Treasurer and Investment Division Staff to invest, reinvest and co-invest BEST Prepaid Plan's assets with other funds held by the State Treasurer. The BEST Prepaid Plan's funds shall be accounted for in one or more separate accounts.

VI. Service Providers

The BEST Prepaid Plan's assets shall be held in a separate account at the same master custodian financial institution that is utilized by the Tennessee Consolidated Retirement System.

The Board of Trustees hereby delegates to the State Treasurer the authority to contract for Service Providers as determined to be in the best interest of the BEST Prepaid Plan and its participants, including, but not limited to, investment management services, personal services, professional services and consultant services, investment advisory services, administrative and recordkeeping services. The State Treasurer is also authorized to consult with professionals, as necessary, about the administration of the BEST Prepaid Plan. The Board of Trustees delegates to the State Treasurer the responsibility to determine the procurement method for such services, providers and professionals, including, but not limited to, the general and technical qualifications. The State Treasurer shall also determine the duties and responsibilities of the providers and professionals with such duties and responsibilities enumerated in a contractual agreement.

VII. Investment Monitoring and Reporting

The State Treasurer, Chief Investment Officer and Investment Staff, along with the assistance of other Treasury Department Staff, will establish written policies and procedures, including, but not limited to, guidelines and internal controls, which are an integral component of implementing this Investment Policy.

The State Treasurer shall provide an annual report to the Board of Trustees. The State Treasurer, Chief Investment Officer, Investment Staff and/or Service Providers will provide other reports as requested or as needed by the Board of Trustees or State Treasurer.

VIII. Other Considerations

The Board of Trustees, State Treasurer, Department of Treasury Staff, and Service Providers are required to comply with all applicable federal and state laws, rules and regulations. The Investment Policy may reference or restate applicable laws, rules and regulations, or portions thereof, for convenience; however, in the event of any conflict between the law and this Investment Policy, the law prevails. Each fiduciary to the BEST Prepaid Plan is ultimately responsible for compliance with applicable laws, rules and regulations.

The Board of Trustees hereby authorizes the State Treasurer to take, for and on behalf of the BEST Prepaid Plan, all actions necessary to comply with applicable federal and state securities laws, rules and regulations. In implementing such, the State Treasurer may delegate certain responsibilities to the Department of Treasury staff or Service Providers.

In cases of uncertainty, the State Treasurer is authorized to provide interpretive guidance and approve, from time to time, variances from the requirements contained within the Investment Policy in furtherance of compliance or as he deems in the best interest of the BEST Prepaid Plan's participants, consistent with both fiduciary standards and the scope of the Investment Policy. Such interpretive guidance or variance shall be reported in writing to the Board of Trustees at its next meeting.

IX. Approval and Adoption

The Board of Trustees of Trustees of the College Savings Trust Fund Program, hereby approved and adopted this revised and restated Investment Policy of the Educational Services Plan ("BEST Prepaid Plan") at its meeting on the 18th day of July, 2017.



DAVID H. LILLARD, JR., CHAIRMAN
BOARD OF TRUSTEES
College Savings Trust Fund Program

COLLEGE SAVINGS TRUST FUND PROGRAM

EDUCATIONAL INVESTMENT PLAN (“TNStars® College Savings 529 Program”) INVESTMENT POLICY REVISED AND RESTATED

NOTICE: This document does not outline the investment risks, fees, expenses, terms, conditions, restrictions and other important information for TNStars’ Participants. Participants should obtain such information from the TNStars College Savings 529 Program Disclosure Brochure and through the prospectus and additional information provided by the underlying mutual fund company associated with any investment option to which a Participant is considering allocating contributions. The Disclosure Brochure and information on how to obtain prospectus information is available on the TNStars’ website, www.tnstars.com, or by contacting:

TNStars College Savings 529 Program
P.O. Box 198801
Nashville, TN 37219
(855) 3TN-STAR (386-7827) or (615) 741-1502

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I. Definitions

The following definitions are used hereafter with respect to this Investment Policy:

Board of Trustees – the Board of Trustees of the College Savings Trust Fund Program, which is empowered under the Statute to carry out the purposes and objectives of the Program.

Consultant(s) – An entity or individual, duly selected and contractually bound, with substantial experience in providing investment advice on and/or consulting services in the evaluation and selection of investment options. Such Consultant(s) will be appropriately registered, or exempt from registration, under the applicable state and federal securities laws, rules and regulations.

Department of Treasury Staff – Each Department of Treasury employee involved in the administration or management of the Tennessee Baccalaureate Education System Trust Fund Program. Department of Treasury Staff includes, but is not limited to, the State Treasurer, Chief Investment Officer and Program Director.

Educational Investment Plan – A plan that permits an account owner (Participant) to establish an educational investment trust account, to which one (1) or more contributors may make contributions, that is intended to be applied to a beneficiary's qualified higher education expenses. A Participant, will own units of interest issued under the TNStars College Savings 529 Program and not direct shares of the underlying mutual funds or interest in the interest bearing account related to, as applicable, the investment option(s) the Participant selects. Such units of interest are municipal fund securities, as defined by the Municipal Securities Rulemaking Board (“MSRB”).

Participant – an owner of an Educational Investment Plan account.

Program – College Savings Trust Fund Program comprised of two types of qualified tuition plans: Educational Services Plan and the Educational Investment Plan.

TNStars® – the TNStars® College Savings 529 Program, a qualified tuition program offered by the State of Tennessee through the Educational Investment Plan. *See also Educational Investment Plan.*

T.C.A. – Tennessee Code Annotated.

Underperforming Investment Option –An investment option that is rated “underperforming” based on a performance analysis conducted by Consultant(s) and/or Department of Treasury Staff.

Watch List – A list maintained by the Department of Treasury Staff in order to efficiently track any Underperforming Investment Option.

II. Overview and Authority

A. Introduction

The Educational Investment Plan was created to assist families in saving and investing for the qualified higher education expenses of attending an eligible educational institution and thereby to encourage timely financial planning for and students' participation in higher education. While the Board is authorized under T.C.A. 49-7-808 to develop one or more plans under the Educational Investment Plan, the plan currently available is the TNStars College Savings 529 Program ("TNStars").

B. Investment Authority

The investments by the Educational Investment Plan shall be governed by the investment policies and guidelines ("Investment Policy") adopted by the Board and by the requirements of T.C.A. § 49-7-814. Implementation of the Educational Investment Plan's Investment Policy established by the Board is hereby delegated to the State Treasurer who shall put such policy into effect. In addition, the day-to-day operations and responsibilities of the Program, including the Educational Investment Plan, are hereby delegated to the State Treasurer.

In implementing this Investment Policy and carrying out the day-to-day operations and responsibilities of the Program, the State Treasurer has the authority to delegate certain responsibilities to the Chief Investment Officer, Program Director and Department of Treasury Staff.

C. Fiduciary Standard

All assets of the Educational Investment Plan shall be invested and managed solely in the interest of the Educational Investment Plan's Participants and in a manner consistent with the duty of loyalty found in T.C.A. §35-14-107, the prudent investor rule pursuant to T.C.A. §35-14-103 and the standard of care pursuant to T.C.A. §35-14-104. Furthermore, the delegation of investment and management functions shall be carried out in accordance with T.C.A. §35-14-111.

D. Scope

The Investment Policy is binding on all persons and entities with authority over the Educational Investment Plan's assets, including, but not limited to, the Board, Department of Treasury Staff and any other person who or entity that may have a fiduciary relationship with the Educational Investment Plan.

III. Objective

The purpose of this Investment Policy is to support the Educational Investment Plan's primary purpose by:

- Outlining the distinct roles and responsibilities of the Board, Department of Treasury Staff and Consultant(s);
- Establishing investment criteria which the Board determines to be prudent and in the best interest of the Participants, for the selection, ongoing evaluation, and, if necessary, termination, of investment options;
- Communicating the Investment Policy, as approved by the Board, to the Department of Treasury Staff, Consultant(s) and any other person who or entity that may have a fiduciary relationship with the Educational Investment Plan; and
- Functioning as a supervisory tool, guiding the ongoing oversight of the investment options available under the Educational Investment Plan.

IV. Roles and Responsibilities

In addition to the responsibilities described below and throughout the Investment Policy, the Consultant(s), as well as any other person who or entity that may have a fiduciary relationship with, or act as a service provider to, the Educational Investment Plan, may have additional duties and responsibilities outlined within federal and state laws, rules and regulations; executed contracts or agreements; or as dictated by standard business or industry practices.

A. Board of Trustees

- 1) Adopt an Investment Policy that establishes the investment criteria, which the Board determines to be prudent;
- 2) Delegate investment and management functions that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 3) Evaluate the investment performance of the investment options, through reports supplied by the State Treasurer, Department of Treasury Staff, Consultant(s), and/or other service providers; and
- 4) Periodically review the actions taken by delegates in order to monitor performance and compliance with the terms of the delegation.

B. State Treasurer

- 1) Implement the Investment Policy, as approved by the Board;
- 2) Delegate investment and management functions that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 1) Approve a prudent menu of investment options through the evaluation of the investments and recommendations made by the Chief Investment Officer and Department of Treasury Staff;
- 3) Review and, as applicable, authorize the use of Consultant(s), service providers and the employment of Department of Treasury Staff;
- 4) Evaluate and, as applicable, approve the processes employed and procedures established by Department of Treasury Staff;
- 5) With the advice and counsel, as applicable, of legal counsel, negotiate and execute all contracts, agreements, forms and memoranda of understanding

deemed necessary or desirable for the efficient administration of the Educational Investment Plan's assets;

- 6) Monitor the investment performance of the investment options; and
- 7) Take actions that are deemed essential to protect the assets and Participants of the Educational Investment Plan with any emergency actions being promptly reported to the Board.

C. Chief Investment Officer

- 1) Assume executive responsibility and authority, as delegated by the State Treasurer, and undertake the necessary authority to effectively manage and supervise, as applicable;
- 2) Delegate investment functions to Department of Treasury Staff that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 2) Create a prudent menu of investment options through the evaluation of the investments and recommendations made by Department of Treasury Staff, Consultant(s) and/or service provider(s);
- 3) Report to and consult with the State Treasurer and/or his designee on investment activities;
- 4) Collaborate, as applicable, with the Department of Treasury Staff, Consultant(s), and service providers on development and implementation of appropriate strategies, policies, and procedures;
- 5) Prepare and submit reports, as required, to document activities; and
- 6) Notify the State Treasurer of situations that merit the Board's attention.

D. Program Director

- 7) Assume executive responsibility and authority, as delegated by the State Treasurer, and undertake the necessary authority to effectively manage and supervise the day-to-day operations of the Program, as applicable;
- 8) Delegate functions to Department of Treasury Staff that a prudent trustee of comparable skills would properly delegate under the circumstances;
- 9) Report to and consult with the State Treasurer and/or his designee on administrative, organizational and management activities;
- 10) Collaborate, as applicable, with the Department of Treasury Staff, Consultant(s), and service providers on development and implementation of appropriate strategies, policies, and procedures;
- 11) Prepare and submit reports, as required, to document activities; and
- 12) Notify the State Treasurer of situations that merit the Board's attention.

E. Department of Treasury Staff

- 3) Utilize special skills and expertise in an effort to accomplish the delegated or assigned task;
- 4) Evaluate the investment performance of the investment options, through reports supplied by the Consultant(s) and/or other service providers;
- 5) Assist the State Treasurer, or his designee, Chief Investment Officer and Program Director with respect to any matters related to the Educational Investment Plan;
- 6) Prepare and submit reports, as required, to document activities; and
- 7) Notify the State Treasurer of situations that merit his attention.

F. Consultant(s)

- 1) Act in a fiduciary capacity in selecting investment options that are suitable for the Educational Investment Plan;
- 2) Source and evaluate prospective investment options on an as-needed or as-requested basis;
- 3) Prepare and submit relevant, reliable and timely investment and performance reports and objective advice as required or as needed by the Board, State Treasurer, Chief Investment Officer or Department of Treasury Staff; and
- 4) Support the Board, State Treasurer, Chief Investment Officer, Program Director or Department of Treasury Staff with respect to any matters related to the Educational Investment Plan.

V. Governing Principles

A. Primary Investment Philosophy

In the Educational Investment Plan, each Participant may have a different risk tolerance, investment horizon, college savings goals and overall investment objectives. As such, Educational Investment Plan Participants are responsible for their own investment decisions. To accommodate varying investment objectives, risk tolerances and time horizons, the Board seeks to provide Participants with a prudent menu of investment options that is diversified across a range of asset classes, risk levels and investment strategies and reasonable in cost when compared with other investment options with similar objectives.

B. Authorized Asset Classes and Investment Strategies

Subject to the approval of the State Treasurer and all the terms, conditions, limitations and restrictions imposed, as applicable by this Investment Policy, the Board authorizes investment options, including but not limited to, the following major asset classes and investment strategies:

- Equity (Large-, Mid-, or Small-Cap)
 - Growth
 - Blend
 - Value
 - Specialty (e.g. sector, international, etc.)
- Fixed Income
 - Investment Grade (Short-, Intermediate-, or Long-Term)
 - Inflation-Protected
 - Specialty (e.g. high-yield, international, etc.)
- Balanced/Asset Allocation (asset allocation remains static)
- Age-Based/Lifecycle (assets reallocated, over time, based on a specific date; commonly referred to as glide path)
- Stable Value/ Fixed Account (or similar option that provides a guaranteed minimum rate of return or interest)

The Board acknowledges that the use of all of the above-referenced major asset classes and investment strategies may not be required in order to develop a prudent menu of investment options.

C. Authorized Investment Vehicles

Subject to the approval of the State Treasurer and, as applicable, all the terms, conditions, limitations and restrictions imposed by this Investment Policy, the Board authorizes the following investment vehicles: mutual funds, exchange traded funds and fixed accounts.

D. Benchmarks

Each investment option will be evaluated against its designated benchmark, index or respective peer group, as outlined in Appendix A. The appropriateness of each investment option's designated benchmark, index or respective peer group should be periodically evaluated by the Department of Treasury Staff and may be amended, subject to the approval of the State Treasurer.

E. Revenue Sharing, Distribution and Service Fees

To offset the costs of administration, the Educational Investment Plan may receive payments known as offsets or administrative fee reimbursements from certain mutual fund companies. Any offsets received shall be used to a) reduce the overall expenses of the Educational Investment Plan or b) directly reimbursed or applied to the applicable Participant's account.

VI. Consultant(s) and Service Providers

If determined to be in the best interest of the Educational Investment Plan, the State Treasurer is authorized to contract with financial consultants, actuaries, auditors, investment managers and other consultants and professionals as necessary to carry out the responsibilities of the Educational Investment Plan. The Board delegates to the State Treasurer the responsibility to determine the procurement method for such services or providers, including the general and technical qualifications. The State Treasurer shall also determine the duties and responsibilities of the providers with such duties and responsibilities enumerated in a contractual agreement.

VII. Selection Criteria for Investment Options

The Board recognizes that various factors are taken into consideration when evaluating investment performance and the menu of investment options. The Board relies on the State Treasurer, Department of Treasury Staff and, if applicable, the Consultant(s) to use reasonable judgment in proactively and objectively evaluating each investment option.

A. Mutual Funds and Exchange Traded Funds

Mutual funds and exchange traded funds must be publicly listed and may be either actively or passively managed. At the time of selection, a mutual fund or exchange traded fund must have:

- At least three (3) years of investment and operational history;
- Align with its respective benchmark, net of fees, over at least two of the most recent 1-, 3-, or 5-year periods; and
- An expense ratio competitive with other investment options with similar objectives.

B. Fixed Account

A fixed account will generally guarantee a minimum rate of return or interest. Fixed accounts available through either a bank depository account must provide participant-level FDIC protection.

VIII. Monitoring and Reporting

A. Quarterly

After the end of each calendar quarter, or as deemed necessary by the Board, State Treasurer or Department of Treasury Staff, Department of Treasury Staff and/or selected service provider will provide a comprehensive performance report for each investment option.

Additionally, Department of Treasury Staff and/or selected service provider or Consultant(s) will complete a performance analysis for all of the investment options offered under the Educational Investment Plan. Such performance analysis will include, but is not limited to statistical measures of performance, risk, style consistency, and other criteria used to evaluate the relative success and stability of each investment option.

The performance reports and performance analysis will be reviewed and evaluated by the Department of Treasury Staff. During such evaluation, any investment option that has

- performed materially below benchmark and below universe median performance for both the 3-, and 5-year periods,
- for passive index mutual funds or commingled funds, materially failed to track the stated index,
- significant changes in ownership, management, investment objective or investment style,
- substantial portfolio turnover,
- material violations of federal or state law, policies or procedures, or
- excessive reoccurring administrative or operational issues

will be selected for further review by the Department of Treasury Staff and/or Consultant(s). *See Underperforming Investment Options for further information.*

B. Periodically

The Board, State Treasurer, or Department of Treasury Staff may conduct, or request to be conducted, at any time a review or evaluation of an investment option.

C. Annually

At least annually, the Department of Treasury Staff and/or selected service provider shall review the Investment Policy and overall investment performance (measured in 1-, 3-, and 5- cycles) of the investment options offered in the Educational Investment Plan and provide any recommendations to the State Treasurer.

IX. Underperforming Investment Options

If an investment option has been selected for further review, Department of Treasury Staff and/or Consultant(s) will gather additional information related to the underperformance and/or event(s) triggering the review. Additionally, the applicable investment company or bank may be informed and/or invited to meet with Department of Treasury Staff and explain the underperformance or events and any remedial efforts.

If, based on such review, the State Treasurer and Department of Treasury Staff determine that the underperformance or event is material then the investment option will be placed on the Watch List. The investment option will remain on the Watch List and re-evaluated during the next quarter's performance analysis.

An investment option will be added to, removed from or remain on the Watch List based on each quarter's performance analysis. However, an investment option that is on the Watch list for four or more (≥ 4) consecutive quarters or seven or more (≥ 7) total (non-sequential) quarters in a trailing twelve (12) quarter period may be, at the State Treasurer's discretion,:

- closed to new contributions;
- phased out of the menu of available investment options; and/or
- terminated and its assets transferred to a new or existing investment option.

The Board and State Treasurer reserve the right to change, eliminate, or restrict any investment option and such actions do not require Participant consent. When feasible and appropriate, reasonable notice will be provided to Participants regarding any material changes to the menu of available investment options.

X. Program Management Fee

The State Treasurer is hereby authorized to charge and collect reasonable administrative fees and charges in connect with the creation and maintenance of the educational investment trust accounts. This program management fee may include the costs, fees and expenses necessary or proper to incur in order to operate and administer the Educational Investment Plan.

XI. Other Considerations

The Board, State Treasurer, Department of Treasury Staff, Consultant(s) and service providers are required to comply with all applicable federal and state laws, rules and regulations. The Investment Policy may reference or restate applicable laws, rules and regulations, or portions thereof, for convenience; however, in the event of any conflict between the law and this Investment Policy, the law prevails. Each fiduciary to the Educational Investment Plan is ultimately responsible for compliance with applicable laws, rules and regulations.

The Board hereby authorizes the State Treasurer to take, for and on behalf of the Educational Investment Plan, all actions necessary to comply with applicable federal and state securities laws, rules and regulations. In implementing such, the State Treasurer may delegate certain responsibilities to the Department of Treasury staff or service providers.

In cases of uncertainty, the State Treasurer is authorized to provide interpretive guidance and approve, from time to time, variances from the requirements contained within the Investment Policy, including immediate termination of an investment option or options, in furtherance of compliance or as deemed in the best interest of the Educational Investment Plan's Participants, consistent with both fiduciary standards and the scope of the Investment Policy. Such interpretive guidance or variance shall be reported in writing to the Board at its next meeting.

XII. Approval and Adoption

The Board of Trustees of the College Savings Trust Fund Program, hereby approved and adopted this revised and restated Investment Policy of the Educational Investment Plan at its meeting on the 18th day of July, 2017.



DAVID H. LILLARD, JR., CHAIRMAN
BOARD OF TRUSTEES
College Savings Trust Fund Program

Revision History:

March 24, 2016 – Revised and Restated

July 20, 2012 – Revised and Restated

Appendix A – Investment Options and Designated Benchmarks as of June 30, 2017

| Static Portfolios | | Investment Option | |
|---|--|--|--|
| Most Conservative ← ————— → Most Aggressive | Equity | TN PRIMECAP Odyssey Aggressive Growth Fund Benchmark - S&P Mid-Cap 400 Index | |
| | | TN DFA US Small Cap Fund Benchmark - Russell 2000 | |
| | | TN Vanguard Mid-Cap Growth Fund (Investor Shares) Benchmark - S&P Mid-Cap 400 Index | |
| | | TN DFA Large Cap International Portfolio (Institutional Class) Benchmark - MSCI World ex USA Index | |
| | | TN DFA US Large Cap Value Fund Benchmark - S&P Large-Cap 500 Index | |
| | | * TN Vanguard 500 Index Fund (Institutional Class) Benchmark - S&P Large-Cap 500 Index | |
| | | Balanced | TN Vanguard Wellington Fund (Admiral Shares) Benchmark - 65% S&P 500 35% Barclays US Credit A or Better |
| | | | TN Vanguard LifeStrategy Conservative Growth Fund Benchmark - 60% Barclays US Aggregate Index, 28% MSCI US Broad Market Index, 12% MSCI ACWI ex USA Index |
| | | | TN Vanguard LifeStrategy Income Fund Benchmark - 80% Barclays US Aggregate Index, 14% MSCI US Broad Market Index, 6% MSCI ACWI ex USA Index |
| | | | TN Vanguard Intermediate-Term Investment-Grade Fund (Admiral Shares) Benchmark - Barclays US 5-10 Year Credit Index |
| | TN Vanguard Intermediate-Term Treasury Fund (Admiral Shares) Benchmark - Barclays US 5-10 Year Treasury Index | | |
| | * TN Vanguard Total Bond Market Index Fund (Institutional Class) Benchmark - Barclays US Aggregate Index | | |
| | Fixed Income | TN DFA Inflation-Protected Securities Portfolio (Institutional Class) Benchmark - Barclays US TIPS Index | |
| | | TN First Tennessee Interest Bearing Account | |
| | | | |
| | | | |
| | Age-Based Portfolios | | Age Band |
| | Conservative ← ————— → Aggressive | 0-4 | TN DFA US Large Cap Value Fund Benchmark - S&P Large-Cap 500 Index |
| | | 5-10 | TN Vanguard Wellington Fund (Admiral Shares) Benchmark - 65% S&P 500 35% Barclays US Credit A or Better |
| | | 11-14 | TN Vanguard LifeStrategy Conservative Growth Fund Benchmark - 60% Barclays US Aggregate Index, 28% MSCI US Broad Market Index, 12% MSCI ACWI ex USA Index |
| 15-17 | | TN Vanguard LifeStrategy Income Fund Benchmark - 80% Barclays US Aggregate Index, 14% MSCI US Broad Market Index, 6% MSCI ACWI ex USA Index | |
| 18+ | | TN Vanguard Total Bond Market Index Fund (Institutional Shares) Benchmark - Barclays US Aggregate Index | |
| | | | |
| | | | |

Appendix A- Investment Options and Designated Benchmarks as of August 19, 2019

| Categories | New Self-Selected Investment Option | New Self-Selected Investment Options | Underlying Mutual Fund Ticker | Benchmark |
|---------------------|---|---|-------------------------------|--------------------------------------|
| Growth | TN Aggressive Growth Fund | Primecap Odyssey Aggressive Growth Fund | POAGX | Russell Mid-Cap Growth Index |
| | TN Emerging Markets Stock Fund | Emerging Markets Stock Index Fund Admiral Shares | VEMAX | MSCI Emerging Markets |
| | TN Total International Stock Fund | Vanguard Total International Stock Index Fund | VTSNX | MSCI EAFE |
| | TN Real Estate Fund | Vanguard Real Estate Index Fund | VGSLX | MSCI US REIT |
| | TN Small Cap Fund | Vanguard Small-Cap Index Fund | VSMAX | Russell 2000 Index |
| | TN US Large Cap Value Fund | DoubLine Shiller Enhanced CAPE-I | DSEEX | Russell 1000 Value Index |
| | TN Total Stock Market Fund | Vanguard Total Stock Market Fund | VITSX | Russell 3000 TR USD |
| Balanced | TN Balanced Fund | Vanguard Wellington Fund | VWENX | 60% S&P 500 & 40% BarCap Agg |
| Conservative | TN Total International Bond Fund | Vanguard Total International Bond Index Fund | VTIFX | BBgBarc Gbl Agg x USD FI Aj RIC TR H |
| | TN High-Yield Corporate Fund | Vanguard High-Yield Corporate Fund | VWEAX | BBgBarc High Yield Corp Bond |
| | TN Core Plus Bond Fund | Western Asset Core Plus Bond Fund | WACPX | BBgBarc US Aggregate Bond Index |
| | TN Total Bond Fund | Vanugard Total Bond Market | VBTIX | BBgBarc US Aggregate Bond Index |
| | TN Short-Term Corporate Fund | Vanguard Short-Term Corporate Bond Index Fund | VSCSX | BBgBarc USD Corp Bd 1-5 Yr TR USD |
| | TN Short-Term Inflation Protected Securities Fund | Vanguard Short-Term Inflation Protected Securities Index Fund | VTSPX | BBgBarc U.S. Treasury TIPS 0-5Y TR U |
| | TN Interest Bearing Account | First TN Interst Bearing Account | N/A | N/A |