

**Q2 2025  
Meeting Minutes  
NFP PEPs  
The 401k) Plan**

**Meeting Date: 07/21/2025**

**Attendees**

NFP Carina Gascon

**Administrative Review**

Signed IPS on file ☒

**Investment Due Diligence**

**Investment Analysis Summary**

- NFP provided an economic and market commentary for Q2 2025.
- NFP reviewed the investment scoring methodology and criteria for monitoring, watchlisting and removing investments from the fund menu.
- NFP reviewed plan asset balances across all investment options.
- NFP reviewed the Plan's investment scorecard covering available funds as well as their current scores and performance metrics, scoring history, asset class coverage, as well as other key metrics.
  - All funds were reviewed from a quantitative and qualitative perspective.
  - 15 funds are acceptable:
    - IndexSelect Moderate Target Date Series R6 (8)
    - IndexSelect Aggressive Target Date Series R6 (8)
    - IndexSelect Conservative Target Date Series R6 (8)
    - Fidelity Small Cap Index, FSSNX (10)
    - Fidelity Total International Index, FTIHX (10)
    - BlackRock Equity Index Fund CL 1, 97183J632 (10)
    - BlackRock U.S. Debt Index Fd CL 1, 97183J624 (10)
    - Large Cap Value I1 (Putnam LCV), 97183K381 (10)
    - BlackRock Developed Real Estate Index Fund Cl 1, 97181N189 (10)
    - BlackRock U.S. TIPs Index Fund Cl 1, 97181N197 (10)
    - EIFA Series I, EIFAI
    - International Equity I1 (Fidelity Intl Cap Apprec), 97183C348
    - Large Cap Growth III I1 (AB Large Cap Growth), 97184D766
    - Small Cap Value III I1 (PIMCO RAE SCV), 97184J383
    - GGT Fidelity Inst AM Core PI Fxd In CL N, 97184N640
  - 1 fund is on watchlist:
    - Small Cap Growth II I1 (AB Small Cap Growth), 97182E220
  - Potential Replacements:
    - BlackRock Russell 1000 Index Fund Class 1, 97181N171 (10)
    - BlackRock Russell 2000 Index Fnd CL R, 97182P340 (10)
    - BlackRock MSCI ACWI ex-US Index CL R, 97182P233 (10)
    - Fixed Income Allocation Fund, 97183A615

**Market Summary - Q2 2025**

Global Equity markets posted strong returns over the quarter with both International equities and U.S. equities returning over 10%. Fixed income markets were also positive over the quarter. U.S. equities returned 11.0% (Russell 3000) with Information Technology and Telecommunication Services as the best performing sectors and Energy and Health Care as the worst performing sectors. In a reversal from Q1 2025, large cap growth outperformed large cap value by about 1400 basis points (17.8% for Russell 1000 Growth vs. 3.8% for Russell 1000 Value). International equities and Emerging Markets equities performed well over the quarter, returning 12.1% (MSCI EAFE) and 12.0% (MSCI Emerging Markets), respectively. The broad U.S. fixed income market returned 1.2% (Bloomberg Barclays Aggregate) over the quarter. The Fed held the Fed Funds Rate steady over the quarter, and the 10-year treasury rate remained largely unchanged from the previous quarter end. The unemployment rate ticked down slightly to 4.1% this quarter from 4.2% at the previous quarter end.

**Scorecard Methodology**

A review of the Scorecard Methodology was discussed. The scoring system includes pass/fail criteria on a scale of 0 to 10 (10 being the best). Eighty percent of the fund's score is quantitative, incorporating both Modern Portfolio Theory

## Q2 2025

### Meeting Minutes

statistics and peer group rankings. The other twenty percent of the score is qualitative. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may also be considered in the qualitative review. Active and asset allocation strategies are evaluated over a five-year time period and passive strategies are evaluated over a three-year time period. The Scorecard Point System is as follows: Acceptable: 7-10 points | Watch List: 5-6 points | Review: 0-4 points.

The Scorecard Methodology supports upholding the impartial conduct standards as the scores and analytics do not include any advisor compensation components and are calculated by incorporating all investment fees and revenue sharing. In addition, any and all compensation earned by the advisor (if any) is explicitly disclosed and reasonable given services provided. All information material to any investment recommendations has been disclosed and no misleading information has been provided to fiduciaries in their determination of action.

### Fund Review

#### Small Cap Growth

Small Cap Growth II I1 (AB Small Cap Growth) (97182E220) is on the watchlist

AB Small Cap Growth scored a 5 again this quarter, as the strategy lost three points for risk/return measures and two points for peer group rank metrics. In the wake of the fastest rising interest rate environment on record, in which higher growth companies have suffered disproportionately, management continues to adhere to an unemotional rules-based approach, which has helped guide the strategy successfully through historical periods of challenging macroeconomics. Samantha Lau, who has been Co-PM on this strategy since 2010 and worked with her predecessor Bruce since 1997, retains sole CIO responsibilities. Furthermore, since Bruce's retirement, the rest of the four-person team remains intact, continuing to employ their time-tested strategy. The team invests in companies they believe to have underestimated earnings growth potential, seeking those with positive earnings surprises and estimate revisions, as well as earnings acceleration and strong secular growth trends. As evidenced by the significant excess returns being rolled off from the first half of 2020, the team has a storied history of outperforming during quality growth rallies. While the strategy has been challenged by the recent macroeconomic turbulence and uncertainty, it does have a track record of strong rebounds after periods of turmoil, such as after 2009 & 2016. AB Small Cap Growth remains a strong long-term manager, having outperformed the Small Cap Growth peer group by more than 50 basis points over the 1-, 3- and 10-year annualized periods.

#### Fund Changes

##### Advisor Managed Accounts

Eliminate flexPATH AMAs

Map to NFP Personalized Portfolios

The flexPATH AMA Solution is no longer available to The 401(k) Plan. This fund change will occur over multiple quarters with the first set of adopters transitioning to the NFP Personalized Portfolios on 1/1/25.

The below fund changes are for the non-core portion of the lineup that is used for the advisor managed accounts service.

#### International Equity

Eliminate BlackRock MSCI ACWI ex-US Index CL R (97182P233) (Recent Scores: 10,10,10,10)

Map to Fidelity Total International Index (FTIHXX) (Recent Scores: 10,10,10,10)

#### Large Cap Blend

Eliminate BlackRock Russell 1000 Index Fund Class 1 (97181N171) (Recent Scores: 10,10,10,10)

Map to BlackRock Equity Index Fund CL 1 (97183J632) (Recent Scores: 10,10,10,10)

#### Small Cap Blend

Eliminate BlackRock Russell 2000 Index Fnd CL R (97182P340) (Recent Scores: 10,10,10,10)

Map to State Street Small/Mid Cap Equity Idx K (SSMKX) (Recent Scores: 10,10,10,10)

#### Fixed Income

Eliminate Fixed Income Allocation Fund (97183A615)

Map to State Street Aggregate Bond Index K (SSFEX) (Recent Scores: 10,10,10,10)



## Q2 2025 Meeting Minutes

---

### Long Government

Fidelity Long-Term Trs Bd Index (Recent Scores: 8,8,8,9) was added to the fund lineup

### Long-Term Bond

BlackRock Long Term Credit Index Fd CL 6 was added to the fund lineup

---

#### Notes

The Great West GIA fund was reviewed as the plan's cash alternative option. The crediting rate remained at 1.45% in Q3 2025. NFP to continue to monitor the crediting rate.

#### Pending Action Items

Fund Changes By Firm ☒

NFP will continue to work on the advisor managed account fund changes with Empower.

### Disclosures

This material contains an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources.

It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor. The indices mentioned are unmanaged and cannot be directly invested into. Past performance does not guarantee future results.

Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC or Executive Services Securities, LLC, member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC (Kestra AS) an affiliate of Kestra IS. NFP Retirement Inc., an affiliate of NFP Corp. (NFP), is a Registered Investment Adviser. Advisory services are offered to clients or prospective clients where NFP Retirement Inc. and its representatives are properly licensed or exempt from licensure. No advice may be rendered by NFP Retirement Inc. unless an investment adviser agreement is in place. Insurance services offered through a licensed subsidiary of NFP or a member of PartnersFinancial or Benefits Partners, which are platforms of NFP Insurance Services, Inc. (NFPISI), a subsidiary of NFP. Some members of PartnersFinancial and BenefitsPartners are not affiliated with NFP. Neither Kestra IS nor Kestra AS are affiliated with NFP, NFP Retirement, Inc., or NFPISI. [www.kestrafinancial.com/disclosures](http://www.kestrafinancial.com/disclosures)