



Monterey County, California
457 Deferred Compensation Plan
Statement of Investment Guidelines

May ~~2023~~2024

INTRODUCTION AND PURPOSE

This statement is set forth to provide an outline of the investment guidelines and objectives related to the administration of the Monterey County 457 Deferred Compensation Plans (hereinafter “Plan”). The Monterey County 457 Deferred Compensation Administrative Committee administers and provides oversight for the Plan. The Plan is a voluntary, salary deferral retirement plan available to eligible employees. The Plan’s purpose is to provide a vehicle for and to encourage additional retirement savings in order to supplement the other retirement benefits provided to County employees.

This Statement of Investment Guidelines is further intended to assist the fiduciaries of the Plan in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment providers utilized by the Plan. This Statement of Investment Guidelines will be reviewed at least annually, and it can be revised at any time to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

The Plan Document for the Plan is the governing document and contains the specific Plan provisions and requirements for determining eligibility and operational processes for contributions and withdrawals. If any term or condition of this Statement of Investment Guidelines conflicts with any term or condition in the Plan, the terms and conditions of the Plan as provided under the Plan Document shall control.

SUMMARY OF RESPONSIBILITIES

Plan Sponsor – Monterey County (hereinafter “County”) is the Plan Sponsor. The Plan Sponsor’s responsibilities include but are not limited to:

- Adopting and amending the Plan Document;
- Approving Plan services contracts;
- Appointing the Committee members; and
- Designating other fiduciaries of the Plan.

Committee – The Monterey County 457 Deferred Compensation Administrative Committee (hereinafter “Committee”) has the responsibility for the operation and administration of the Plan in accordance with the terms of the Plan Document. It is the intent of the Committee to fulfill its fiduciary responsibilities with respect to the Plan solely in the interest of the participants and beneficiaries. The Committee members, as fiduciaries, are to perform their duties with the care, skill, prudence, and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Committee’s responsibilities also include but are not limited to the following:

- Selecting the investment design features of the Plan, including establishing objectives and a broad array of investment alternatives available to Plan participants;
- Appointing, monitoring and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Selecting and monitoring other Plan service providers, including, but not limited to, the Plan record-keeper, trustee, investment consultants, accountants, and/or any other providers; and
- Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and fees paid to other plan service providers from Plan and/or participant assets.

Investment Consultant – The Committee may engage an independent Investment Consultant (hereinafter “Consultant”) to assist in carrying out the duties and responsibilities of this Statement of Investment Guidelines. Such Consultant must be registered with either state or federal securities regulators pursuant to the Investment Advisors Act of 1940 and comply with the Municipal Advisor rule issued by the U.S. Securities and Exchange Commission. The Consultant’s role is to provide information on various investment- and retirement plan-related issues. The Consultant has no discretionary control or authority over the Plan and its assets. In its role as an advisor to the Committee, the Consultant acknowledges a fiduciary role with respect to the investment advice provided to the Committee. The services of the Consultant will be set forth in a separate agreement. The Consultant may not be affiliated with a Services Provider.

Investment Provider – An entity that offers investment option products and manages assets for the Plan. Examples of investment option products offered by an Investment Provider may include mutual funds, commingled trust funds, separate accounts and/or variable annuity contracts.

Investment Manager – The person(s) at the Investment Provider responsible for implementing an investment option’s investing strategy and managing its portfolio trading activities.

Services Provider – An entity engaged to assist the Plan Sponsor and the Committee in regard to the administration of the Plan. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plan. Additionally, the Services Provider should provide general information regarding each of the investment options offered under the Plan, required disclosures, distribution processing, record keeping and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Services Provider.

GENERAL COMPLIANCE

The Plan is designed in accordance with the requirements of Sections 457 of the Internal Revenue Code of 1986, as amended. Though the Employee Retirement Income Security Act (ERISA) does not apply directly to the Plan, the Committee nevertheless intends to structure the Plan to contain certain features of a “404(c) Plan” within the meaning of the Department of Labor regulations under Section 404(c) of ERISA. The Plan participants will be solely responsible for the investment decisions and investment transactions that they make under this Plan as well as for electing the timing and form of distributions according to the terms of the Plan.

In keeping with the statutory framework of the Department of Labor regulations under ERISA Section 404(c), the Committee aims, within its available resources, to provide Plan participants with the following opportunities to:

- A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation;
- B. Make investment decisions at least quarterly; and

- C. Receive or have access to the following information, as updated and as made available by the Services Provider:
- A description of the investment options available under the Plan including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
 - Identification of the designated Investment Providers and investment options;
 - A description and detailed listing of any transaction fees or expenses charged to the participant's account, and information on costs and fees for an investment option that reduce the rate of return to participants (expense ratios); and
 - Prospectuses, annual reports, and semi-annual reports on each investment option, if available.

GENERAL INVESTMENT OBJECTIVES AND STANDARDS

The Plan intends to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. Participants in the Plan are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. The Committee makes no representations, promises, or warranties regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, the Committee makes no representations, promises or warranties about the performance of the Plan or the Plan's investment options.

The primary investment objective of the Plan is to present participants with a range of investment options, which give participants an opportunity to increase the value of their account in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plan cannot meet all plan participant investment preferences and attitudes, the Plan attempts to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.

Information that may be used to select which investment options to offer includes, but is not limited to, the following:

- Age, income and other demographic data on Plan participants;
- Liquidity and administrative constraints imposed on the Plan by investment and/or service providers;
- Development of new investment products in the marketplace; and
- Level of participant usage of a particular investment category or option.

A risk/reward structure is basic to investments. Generally, those vehicles offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset categories or classes. To provide participants the opportunity to select risk/reward strategies and to diversify the Plan assets, the Plan will offer a number of investment alternatives in varying asset categories. These categories will have varying return and volatility characteristics and it is the responsibility of each participant to evaluate the investment options and to select an appropriate mix.

In addition to providing a range of investment options, the Plan seeks to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plan's investment options will be reviewed periodically. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet (in the case of passively managed/indexed options) or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, actively managed investment options are expected to perform within the upper half of a sample of same style peers net of fees. In addition to net investment performance, the options' risk characteristics will also be reviewed. The risk associated with an investment option generally should be similar to the same-style peer group.

INVESTMENT OPTIONS

Investment options offered by the Plan will be categorized or grouped by similarities in investment objectives, style and risk. The Plan's Services Provider(s) and Consultant may be used to assist in determining the categories of investment options. The Plan will assist participants in meeting their long-term investment objectives by providing investment options broad array of asset classes. The Committee will generally offer options from the following investment categories (these categories are further explained later in this document):

A. Tier 1: Target Retirement Date Pre-Mixed Portfolios

B. Tier 2: Asset Category Core Options

- Capital Preservation/Stable Value
- Total Return Bond
- U.S. Large-Size Company Equity
- U.S. Mid-Size Company Equity
- U.S. Small-Size Company Equity
- International Equity
- Social Equity

Investment options and categories may be added or deleted as the Committee deems necessary. Generally, at least one investment option shall be available within each investment category listed above.

The following table outlines the objectives and performance benchmarks for each of the Plan's investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer investment options, where definable.

TIER 1: TARGET RETIREMENT DATE PRE-MIXED PORTFOLIOS

Lifecycle Premixed Portfolio - Retirement Income	
Provide different levels of income and capital growth dependent upon an individual participant's specific risk tolerance and income needs. The portfolio will be well diversified including U.S. fixed income securities as well as U.S. and international equities. Stocks generally will comprise not more than 35% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Group:	US Retirement Income

Lifecycle Premixed Portfolio –2020, 2025, 2030	
Provide different levels of income and capital growth dependent upon an individual participant's specific target retirement or withdrawal date. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 35%- 65 60% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2020, US Target Date 2025, US Target Date 2030

Lifecycle Premixed Portfolio – 2035, 2040, 2045, 2050, 2055, 2060, 2065, 2070	
Provide different levels of income and capital growth dependent upon an individual participant's specific target retirement or withdrawal date. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 65 60%-95% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
Benchmark Index:	Custom Blended Index
Peer Groups:	US Target Date 2035, US Target Date 2040, US Target Date 2045, US Target Date 2050, US Target Date 2055, US Target Date 2060, US Target Date 2065+

TIER 2: ASSET CATEGORY CORE OPTIONS

Capital Preservation/Stable Value	
<p>Provide high current income relative to cash investments and a high degree of investment safety without fluctuation of principal. Investment returns are derived primarily from interest income, with the possibility of some capital appreciation (or depreciation) of the underlying investment instruments. Generally, this option will be invested in guaranteed investment contracts (GICs), “synthetic” portfolios, money market instruments, and others, each mainly comprised of investments of short- to intermediate maturity, and which provide for an adequate degree of liquidity. The weighted-average maturity is expected to remain between two and five years at most times, though the investment manager retains discretion to occasionally deviate from these parameters if conditions appear to warrant doing so. Products from different issuers are permitted within the option, but generally, it is expected that the portfolio will remain broadly diversified with respect to issue, issuers, wrap-providers, the utilization of any General Account investments, and other relevant factors. The overall weighted credit-quality rating of the option shall be the equivalent of Aa2 (Moody) or higher. The rating must be obtained from at least one credit rating agency such as Moody, S&P or Duff & Phelps. If the option’s weighted rating declines below Aa2, the option will be evaluated for corrective action.</p>	
Benchmark Indexes:	5-year Constant Maturity (CM) US Treasury
Peer Group:	Stable Value

Total Return Bond	
<p>Provide capital appreciation and income through a diversified fixed income portfolio. The portfolio’s duration is expected to be comparable to that of its Benchmark Index, with some bandwidth allowed for the manager to exercise strategic deviation from the Benchmark. Average credit quality is expected to be investment grade. The fixed income portfolio will normally be primarily comprised of investments including money market instruments, U.S. Government and Agency bonds, mortgage-backed securities, corporate bonds, and others. The manager will be given discretion to hold securities that are not contained within the Benchmark Index, which may include Foreign Bonds, High Yield Bonds, Convertibles, Treasury Inflation Protected Securities, derivatives, and others. The portfolio’s aggregated composition and risk and return characteristics however are expected to be reflective of its asset class.</p>	
Benchmark Index:	Bloomberg US Aggregate Bond Index
Peer Group:	US Intermediate-Term Core Bond

U.S. Large Company Equity	
<p>Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Large Cap by an industry standard data provider. Stocks of foreign companies that are traded in the U.S. may also be included but are expected to constitute a minority portion of the portfolio.</p>	
Benchmark Indexes:	S&P 500 Index, Russell 1000 Growth Index, Russell 1000 Value Index
Peer Groups:	US Large Blend, US Large Growth, US Large Value

TIER 2: ASSET CATEGORY CORE OPTIONS (cont.)

U.S. Mid-Size Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Mid Cap by an industry standard data provider. Stocks of foreign companies may also be included but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	Russell MC Index, Russell MC Growth Index, Russell MC Value Index
Peer Groups:	US Mid Blend, US Mid Growth, US Mid Value

U.S. Small Company Equity	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Small Cap by an industry standard data provider. Stocks of foreign companies may also be included but are expected to constitute a minority portion of the portfolio.	
Benchmark Indexes:	Russell 2000 Index, Russell 2000 Growth Index, Russell 2000 Value Index
Peer Groups:	US Small Blend, US Small Growth, US Small Value

International Equity	
Provide long-term capital appreciation through a diversified portfolio of international equities. Stocks of emerging countries may be used at the discretion of the manager but are expected to constitute a minority portion of the portfolio at most times. However, the Committee may add an investment option dedicated to emerging markets if they feel doing so is in the best interest of participants.	
Benchmark Indexes:	MSCI AC World ex-USA IMI (Net), MSCI AC World ex-USA Growth (net), MSCI AC World ex-USA Value (net)
Peer Groups:	US Foreign Blend, US Foreign Growth, US Foreign Value

Social Equity	
Provide long-term capital appreciation through a diversified portfolio of stocks of companies that meet the investment manager's social criteria for categories such as corporate governance, environmental stewardship, treatment of employees, and others.	
Benchmark Indexes:	S&P 500 Index (primary); Blended Social Index (secondary)*
Peer Groups:	US Large Blend

*Socially Responsible investments are to be compared to a primary benchmark that represents the fund's broader peer group and investment style, and, if different, a secondary benchmark reflective of its ESG category.

INVESTMENT OPTION SELECTION GUIDELINES

Investment options offered to participants will be provided through investment provider(s) accessible on the Services Provider's platform. Before introducing a new investment fund, the Committee, in consultation with the Consultant, if any, and Services Provider, will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years;
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees;
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds;
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers; and
- For target retirement date funds, the Committee shall consider the current and prospective composition of the target date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the Committee takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules, or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges will generally not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable California state laws.

Investment option performance, risk and style consistency is intended to be evaluated at least on an annual basis. Performance and risk results will be evaluated using comparisons with these guidelines, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The Committee, with the assistance of a Consultant if one is retained, will review the investment options' progress in meeting the Plan's investment objectives at least annually. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process, and philosophy;
- Investment management personnel; and
- Index tracking error.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups as well as the monitoring risk measures. The following will be evaluated:

QUANTITATIVE MEASURES

Active Investment Strategies. Options employing active management are expected to outperform their stated asset class or style benchmark net of all management fees over a trailing five-year time period and to rank above the 50th percentile of the appropriate peer group for the same trailing five-year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group. Target date funds will be evaluated relative to customized passive benchmarks, comprised of two or more market indices allocated in a manner reasonably consistent with the stated asset allocation of the fund. Each target date fund will be compared to a passive benchmark developed specifically for the fund. The fund should exhibit risk and return characteristics that are reasonably consistent with the passive benchmark. After expenses, the fund should not systematically underperform the passive benchmark, nor should its expenses exceed the category average.

Passive Investment Strategies. Passive options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to those of the United States. In these instances, some fund managers may engage in a method of "Fair Value Pricing," whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to "Fair Value Pricing" and other common index fund tracking factors (such as the timing of market closures, management fees, benchmark nuances, and others) will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

QUALITATIVE MEASURES

The options will also be monitored on an ongoing basis for other material changes which the Committee may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; adherence to stated guidelines; and popularity.

Time Periods. The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time-periods. Recognizing that short-term fluctuations may cause

variations in an option's performance; the Committee intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the Committee will also review the investment options' risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation;
- Downside risk or semi-variance;
- Risk/return ratios such as Sharpe or Treynor Ratios;
- Other statistical measures such as beta, alpha and variance; and
- The current and prospective composition of the target date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

Generally, all investment options are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Statement of Investment Guidelines will not necessitate the termination of an option. However, any underperformance will result in consideration by the Committee of the factors causing underperformance and possible courses of action that the Committee may take.

The Committee may, at any time, place any investment option that it views as having a pattern of underperformance on a watch status. Reasons the Committee might place an option on a watch status, include but are not limited to, the following:

Quantitative Measures

Actively Managed Options

- Performance below the prescribed benchmark index over a trailing five-year period, combined with
- Performance below the median of its peer group over a trailing five-year period.

Passively Managed Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points (0.15%) annualized over a trailing five-year period.

Target Date Options Composed of Passively Managed Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points (0.15%) for the trailing five-year period, combined with
- Performance below the median of its peer group over a trailing five-year period.

Target Date funds will be evaluated based on the performance of the entire suite as held within the Plan. A Target Date suite will normally be viewed as being in violation of investment policy performance criteria if over one-half of the funds in a Target Date suite held within the Plan lag this Investment Policy Statement's prescribed performance measures. The Committee may elect to deviate from this approach if it appears

reasonable to do so.

Qualitative Measures

- Management team or other significant personnel turnover;
- Changes in the product’s investment philosophy, process, style, or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership; and/or
- Significant increase in management fees or expense ratio.

An investment option may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option by Committee direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five-year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, barring any breakdown in process, the Committee may decide to leave an option on watch for as long as they feel it is prudent to do so.

The Committee reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plan and its participants and beneficiaries. Upon termination, further contributions or transfers to an investment option may be frozen, or the option may be replaced with or without transferring existing assets from the replaced option. Once the decision to terminate an option and remove it from the Plan is made, asset transfer and liquidation should be handled to the best advantage of the Plan, with due consideration given to the anticipated effect on affected participants and beneficiaries.

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING

The Committee shall have overall responsibility for the selection, monitoring and termination of all Investment Managers. Additionally, the Committee shall be responsible for reviewing and maintaining these investment guidelines.

Proxy voting rights, when exercised, shall be exercised in the best interest of the participants and beneficiaries of the Plan. The Committee may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long-term interest and objectives of the Plan. The Committee shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the Monterey County 457(b) Deferred Compensation Plan this Statement of Investment Guidelines is adopted by the Committee and effective on this date:

Name: _____

Name: _____

Signature: _____

Signature: _____

Name: _____

Signature: _____

GLOSSARY

Annualized Return

Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month period.

Benchmarks

A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

Duration

The weighted maturity of a fixed-income investment's cash flows used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Growth Style Investing

Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Investment Objectives

The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

Large Cap

Large Capitalization – refers to those companies with a market capitalization categorized as Large Cap by an industry standard data provider.

Liquidity

The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Market Capitalization

The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Mid Cap

Mid-Capitalization – refers to those companies with a market capitalization categorized as Mid Cap by an industry standard data provider.

Net of Fees

After subtraction of management fees.

Peer Group

Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

Plan Document

This type of governance document describes the terms and conditions related to the operation and administration of the Plan.

Portfolio

Refers to the complete list of securities held in an investment vehicle.

Small Cap

Small Capitalization – refers to those companies with a market capitalization categorized as Small Cap by an industry standard data provider.

Standard Deviation

Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Value Style Investing

Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.