



# PLAN SUMMARY

## Vermont Teachers Retirement System 403(b) Plan 940010 940060

As Of: December 31, 2022

Report contains information up through the last business day of end period.

For Plan Sponsor use only. Not to be distributed to plan participants or the general public.



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# **Section I Plan Summary**



# PLAN SUMMARY AND BENCHMARK TRENDS



## Plan Demographics Summary

	1/1/2021- 12/31/2021	1/1/2022- 12/31/2022
Total Participants*	3,115	3,334
Active Participants	2,704	2,818
Terminated Participants	377	479
Other Participants**	1	1
Multiple Status Participants***	33	36
Average Participant Balance	\$54,574	\$44,767
Average Account Balance for Active Participants	\$55,007	\$44,270
Median Participant Balance	\$20,500	\$15,730
Median Participant Balance for Active Participants	\$20,407	\$15,694
Participants Age 50 and Over	1,565	1,627
Total Assets for Participants Age 50 and Over	\$122,555,868	\$108,999,070
Total (Contributions + Rollovers In)	\$13,387,473	\$14,163,443
Employee Contributions	\$11,064,095	\$11,632,048
Employer Contributions	\$933,811	\$1,164,843
Rollovers In	\$1,389,568	\$1,366,551
Total Distributions	(\$8,541,815)	(\$9,052,116)
Percentage of Assets Distributed	5.0%	6.1%
Market Value Gain / Loss****	\$22,140,272	(\$24,488,633)
Total Participant Balances	\$169,998,165	\$149,254,308

\*Participant(s) with an account balance greater than \$0.

\*\*Participant(s) who are not active, terminated or suspended, but have an account balance greater than \$0 (e.g. break-in-service, rehire, etc.).

\*\*\* Participant(s) with an account balance greater than \$0 in more than one participant status category (e.g. Active status in one subplan but Terminated status in another subplan).

\*\*\*\*This is not the equivalent of a plan level return on investment due to the timing of additions, distributions and underlying investment performance.

Rollovers In is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

# Plan Summary

## Plan Features

GoalMaker	12/31/2021	12/31/2022
Plan Assets for Participants in GoalMaker	\$20,184,334	\$23,757,115
% of Plan Assets for GoalMaker Participants	11.9%	15.9%
# of Participants in GoalMaker	931	1,203
Participation Rate in GoalMaker	29.9%	36.0%
Book of Business % of Participants in GoalMaker - As of 12/31/2021	54.6%	

Roth	12/31/2021	12/31/2022
Roth Assets	\$6,461,191	\$5,915,166
# of Participants in Roth	429	472
Participation Rate in Roth	13.8%	14.2%
Book of Business % of Participants in Roth - As of 12/31/2021	15.9%	

Stable Value	12/31/2021	12/31/2022
Participation Rate in Stable Value	48.1%	49.0%
% of Plan Assets in Stable Value	8.5%	10.1%
Book of Business % of Plan Assets in Stable Value - As of 12/31/2021	18.4%	

eDelivery	12/31/2021	12/31/2022
# of Participants Enrolled in eDelivery	1,527	1,658
# of Participants Affirmatively Elected eDelivery	1,523	1,653
# of Participants Defaulted into eDelivery	4	5
% of Participants in eDelivery	48.1%	48.8%
Book of Business % of Participants in eDelivery - As of 12/31/2021	49.6%	

## Enrollment by Age Group

1/1/2022-12/31/2022								
	Less than 25	25-34	35-44	45-54	55-64	65+	#N/A	Grand Total
Total	48	95	103	63	54	8	10	381

## Participant Activity

Call Center	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022
Total Call Volume	651	625

Loans	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022
Amount of New Loans Taken	\$64,417	\$85,763
# of New Loans	10	6
# of Outstanding Active Loans	39	37
% of Participants have Outstanding Active Loans	1.3%	1.1%
Book of Business % of Participants have Outstanding Active Loans - As of 12/31/2021	10.9%	

## Transaction Summary

Transactions	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022
Total Enrollees*	405	381
Contribution Rate Increases for Active Participants**	5	4
Contribution Rate Decreases for Active Participants**	1	2
Total Contribution Rate Changes**	6	6
Number of Participants with Transfers	1,028	1,296
Loan Initiations	10	6
Distributions	482	555

\*Number of participants that were enrolled into the plan within the reporting period. This can include those individuals who self enrolled or auto enrolled, if applicable on the plan. Rehires may not be included if their original enrollment date falls outside the reporting period.

\*\*Sum of month over month contribution rate (% and \$) changes are for active participants during the reporting period. This excludes any terminations, enrollments or auto enrollments(if applicable on the plan) during the respective months in which contribution rate changes occurred.

eDelivery by Document Type	12/31/2021	12/31/2022
Statements	1,476	1,610
Confirms	1,523	1,654
Tax Forms	1,478	1,614
Plan Related Documents	1,637	1,637

# Plan Summary

## Asset Allocation/Net Activity By Age

January 1, 2022 to December 31, 2022

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Total Participant Balances	\$122,369	\$4,658,196	\$18,242,151	\$44,820,717	\$52,991,816	\$28,419,059	\$149,254,308
% Assets	0.1%	3.1%	12.2%	30.0%	35.5%	19.0%	100.0%
Average Contribution Rate (\$)	\$100	\$66	\$112	\$223	\$218	\$315	\$194
Average Contribution Rate (%)	0.0%	5.3%	7.4%	8.4%	14.4%	0.0%	8.6%
<i>Book of Business Avg. Contribution Rate (%) as of 12/31/2021</i>	5.3%	6.4%	7.3%	8.4%	10.0%	11.5%	8.0%
Contributions	\$108,481	\$1,010,508	\$2,508,707	\$4,346,766	\$4,030,111	\$792,318	\$12,796,892
Rollovers In*	\$299	\$99,954	\$430,196	\$347,958	\$258,277	\$229,869	\$1,366,551
Total (Contributions + Rollovers In)	\$108,780	\$1,110,463	\$2,938,902	\$4,694,724	\$4,288,388	\$1,022,187	\$14,163,443
Cash Distributions	\$0	(\$51,623)	(\$65,570)	(\$60,381)	(\$562,864)	(\$680,009)	(\$1,420,448)
Rollovers Out	\$0	(\$35,678)	(\$280,693)	(\$707,740)	(\$3,236,696)	(\$3,370,860)	(\$7,631,668)
Total (Cash Distributions + Rollovers Out)	\$0	(\$87,301)	(\$346,263)	(\$768,121)	(\$3,799,561)	(\$4,050,870)	(\$9,052,116)
Net Activity	\$108,780	\$1,023,161	\$2,592,639	\$3,926,603	\$488,827	(\$3,028,683)	\$5,111,327
Total Participants**	76	476	742	831	796	422	3,343
Average Account Balance	\$1,610	\$9,786	\$24,585	\$53,936	\$66,573	\$67,344	\$44,647
<i>Book of Business Avg. Account Balance as of 12/31/2021</i>	\$3,960	\$19,216	\$54,743	\$106,729	\$149,490	\$150,044	\$87,819
Median Account Balance	\$734	\$4,267	\$10,248	\$26,138	\$30,473	\$32,866	\$15,730
<i>Book of Business Median Account Balance as of 12/31/2021</i>	\$4,078	\$14,595	\$36,092	\$61,673	\$91,013	\$123,138	\$80,722

\*Rollovers In is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

\*\*Total column for participant count is a sum of participants across each age group. E.g. If a participant has both a main account and beneficiary account within different age groups (decedent's date of birth), that participant will be counted twice.



# PLAN ACTIVITY





# Plan Summary

## Contributions by Fund

INVESTMENT OPTIONS	1/1/2021 - 12/31/2021	%	1/1/2022 - 12/31/2022	%	Change	%
VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES	\$2,652,112	22.1%	\$2,972,108	23.2%	\$319,996	12.1%
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND INSTITUTIONAL SHARES	\$1,888,840	15.7%	\$2,112,018	16.5%	\$223,178	11.8%
VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES	\$1,168,427	9.7%	\$1,265,347	9.9%	\$96,920	8.3%
VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES	\$1,092,979	9.1%	\$1,193,451	9.3%	\$100,471	9.2%
VANGUARD SMALL-CAP INDEX FUND INSTITUTIONAL SHARES	\$1,025,634	8.6%	\$1,118,864	8.7%	\$93,229	9.1%
T. ROWE PRICE RETIREMENT I 2030 FUND I CLASS	\$1,039,067	8.7%	\$992,568	7.8%	(\$46,499)	-4.5%
GUARANTEED LONG-TERM FUND	\$868,721	7.2%	\$942,893	7.4%	\$74,172	8.5%
T. ROWE PRICE RETIREMENT I 2040 FUND I CLASS	\$486,057	4.1%	\$504,196	3.9%	\$18,138	3.7%
T. ROWE PRICE RETIREMENT I 2020 FUND I CLASS	\$475,218	4.0%	\$368,142	2.9%	(\$107,076)	-22.5%
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$320,168	2.7%	\$303,647	2.4%	(\$16,521)	-5.2%
LORD ABBETT SHORT DURATION INCOME FUND CLASS I	\$211,086	1.8%	\$220,438	1.7%	\$9,352	4.4%
CALVERT EQUITY FUND CLASS I	\$194,149	1.6%	\$200,457	1.6%	\$6,308	3.2%
T. ROWE PRICE RETIREMENT I 2050 FUND I CLASS	\$156,404	1.3%	\$195,762	1.5%	\$39,358	25.2%
T. ROWE PRICE RETIREMENT BALANCED I FUND I CLASS	\$238,477	2.0%	\$186,799	1.5%	(\$51,678)	-21.7%
T. ROWE PRICE RETIREMENT I 2060 FUND I CLASS	\$54,074	0.5%	\$103,728	0.8%	\$49,654	91.8%
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$66,096	0.6%	\$65,624	0.5%	(\$472)	-0.7%
T. ROWE PRICE RETIREMENT I 2010 FUND I CLASS	\$60,395	0.5%	\$50,850	0.4%	(\$9,545)	-15.8%
Total Assets Contributed	\$11,997,906	100.0%	\$12,796,892	100.0%	\$798,986	6.7%

# Plan Summary

## Interfund Transfers

1/1/2022 to 12/31/2022

INVESTMENT OPTIONS	IN	OUT	NET
VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES	\$1,108,711	(\$475,589)	\$633,122
GUARANTEED LONG-TERM FUND	\$1,522,210	(\$1,031,536)	\$490,674
VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES	\$1,045,580	(\$853,200)	\$192,380
T. ROWE PRICE RETIREMENT I 2010 FUND I CLASS	\$125,241	(\$25,903)	\$99,338
LORD ABBETT SHORT DURATION INCOME FUND CLASS I	\$177,868	(\$103,393)	\$74,474
T. ROWE PRICE RETIREMENT I 2030 FUND I CLASS	\$667,508	(\$599,685)	\$67,823
T. ROWE PRICE RETIREMENT I 2060 FUND I CLASS	\$17,787	(\$1,821)	\$15,966
T. ROWE PRICE RETIREMENT I 2050 FUND I CLASS	\$21,419	(\$6,084)	\$15,335
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND INSTITUTIONAL SHARES	\$799,205	(\$856,772)	(\$57,567)
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$11,841	(\$85,604)	(\$73,763)
VANGUARD SMALL-CAP INDEX FUND INSTITUTIONAL SHARES	\$232,163	(\$312,105)	(\$79,942)
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$87,091	(\$177,684)	(\$90,594)
CALVERT EQUITY FUND CLASS I	\$74,411	(\$203,529)	(\$129,118)
VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES	\$266,236	(\$485,717)	(\$219,481)
T. ROWE PRICE RETIREMENT I 2020 FUND I CLASS	\$162,450	(\$427,390)	(\$264,941)
T. ROWE PRICE RETIREMENT BALANCED I FUND I CLASS	\$25,046	(\$319,364)	(\$294,318)
T. ROWE PRICE RETIREMENT I 2040 FUND I CLASS	\$577,281	(\$956,672)	(\$379,390)
TOTAL	\$6,922,047	(\$6,922,047)	\$0

## Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken				# of Withdrawals			
	1/1/2021 -	1/1/2022 -	Change	% Change	1/1/2021 -	1/1/2022 -	Change	% Change
	12/31/2021	12/31/2022			12/31/2021	12/31/2022		
Termination	\$7,000,788	\$7,747,864	\$747,076	11%	189	208	19	10%
Direct Transfer	\$773,765	\$358,526	(\$415,239)	(54%)	11	13	2	18%
In-Service Withdrawal	\$302,757	\$366,790	\$64,033	21%	16	25	9	56%
Required Minimum Distribution	\$105,566	\$207,195	\$101,629	96%	38	55	17	45%
Installment Payment	\$144,475	\$151,357	\$6,881	5%	204	244	40	20%
Death Distribution	\$115,842	\$139,586	\$23,744	20%	14	5	(9)	(64%)
QDRO	\$90,041	\$62,861	(\$27,180)	(30%)	1	3	2	200%
Hardship Withdrawal	\$3,119	\$15,840	\$12,721	408%	1	1	0	0%
Return of Excess Deferrals/Contributions	\$5,386	\$2,096	(\$3,290)	(61%)	5	1	(4)	(80%)
Gross Adjustment	\$74	\$0	(\$74)	(100%)	2	0	(2)	(100%)
<b>Grand Total</b>	<b>\$8,541,815</b>	<b>\$9,052,116</b>	<b>\$510,301</b>	<b>6%</b>	<b>481</b>	<b>555</b>	<b>74</b>	<b>15%</b>

1/1/2022 - 12/31/2022						
Distribution Sub-Type	Amount of Withdrawals Taken			# of Withdrawals		
	Age < 50	Age >= 50	Total	Age < 50	Age >= 50	Total
Rollover	\$445,033	\$7,186,635	\$7,631,668	25	81	106
Cash	\$138,668	\$1,281,779	\$1,420,448	17	432	449
<b>Grand Total</b>	<b>\$583,701</b>	<b>\$8,468,414</b>	<b>\$9,052,116</b>	<b>42</b>	<b>513</b>	<b>555</b>

Termination - A withdrawal that is taken when the participant is active and terminating from employment or is already in a 'Terminated' status.

Direct Transfer - Non-taxable transfer of participant assets from one type of tax-deferred retirement plan or account to another.

In-Service Withdrawal - A distribution that is taken while the participant is still active, before termination from employment.

Required Minimum Distribution - Minimum amounts that a participant must withdraw annually upon reaching a certain age or retirement. This would exclude any beneficiary or QDRO accounts.

Installment Payment - An Installment distribution is a payment option that disburses funds over time (i.e. monthly, quarterly, yearly).

Death Distribution - Distribution taken by a beneficiary. This could include required minimum distributions, installment payments, etc.

QDRO - Distribution taken by the recipient of a QDRO. This could include required minimum distributions, installment payments, etc.

Hardship Withdrawal - A distribution which is requested by a participant because of an immediate and heavy financial need that cannot be satisfied from other resources.

Return of Excess Deferrals/Contributions - Could include Actual Contribution Percentage (ACP), Actual Deferral Percentage (ADP), Excess Deferrals, Excess Annual Editions and/or Ineligible Contributions.

Gross Adjustment - The total of all adjustments made to an account or plan in absolute terms, regardless of whether or not the adjustments were positive or negative.

# Plan Summary

## Loan Activity

As of 12/31/2022

**Average loan balance is \$7,419**

***Book of Business Average is \$8,043 as of 12/31/2021***

**1.1% of participants have outstanding active loans**

***10.9% Book of Business Average as of 12/31/2021***

## % of Participants With Withdrawal Activity

1/1/2022 - 12/31/2022

**0.2% initiated a new loan**

**0.0% initiated Hardship Withdrawal**

**0.4% initiated In-Service Withdrawal**

## Loan Utilization

By Participant Age

	0.0%	0.0%	1.2%	1.8%	1.3%	0.7%	1.1%
	<25	25-34	35-44	45-54	55-64	65+	Overall
Participants*	76	476	742	831	796	422	3,343
w/Loan	0	0	9	15	10	3	37

\*Includes all participant statuses with balance > \$0.

# Plan Summary

## Participant Loan Statistics

Loan Initiations	Amount of Loans Taken				# of Active Loans			
	1/1/2021-12/31/2021	1/1/2022-12/31/2022	Change	% Change	as of 12/31/2021	as of 12/31/2022	Change	% Change
General Purpose	\$54,417	\$85,763	\$31,346	58%	37	35	(2)	(5%)
Residential	\$10,000	\$0	(\$10,000)	(100%)	2	2	0	0%
<b>Grand Total</b>	<b>\$64,417</b>	<b>\$85,763</b>	<b>\$21,346</b>	<b>33%</b>	<b>39</b>	<b>37</b>	<b>(2)</b>	<b>(5%)</b>

	1/1/2021-12/31/2021	1/1/2022-12/31/2022
# of Outstanding Active Loans	39	37
# of New Loans	10	6
Average Loan Balance	\$7,534	\$7,419
Total Outstanding Loan Balance	\$293,817	\$274,502

## Participant Transaction Statistics

	1/1/2022 - 3/31/2022	4/1/2022 - 6/30/2022	7/1/2022 - 9/30/2022	10/1/2022 - 12/31/2022
Call Center				
Unique Callers	93	93	109	104
Total Call Volume	128	140	173	184
Participant Website				
Registered Participants	1,958	1,954	1,959	1,940
Unique Web Logins	955	728	765	692
Total Web Logins	13,398	11,569	8,129	9,200

Call Center Reason Category	1/1/2022 - 3/31/2022	4/1/2022 - 6/30/2022	7/1/2022 - 9/30/2022	10/1/2022 - 12/31/2022
Account Explanations	29	32	48	45
Allocation Changes & Exchange	0	1	1	2
Contributions	4	6	2	5
Disbursements	64	69	83	95
Enrollments	0	0	1	3
Forms	0	1	1	0
Fund Information	2	5	0	1
Hardships	2	3	0	7
IFX	0	0	0	0
IVR or Web Assistance	5	4	8	4
Loans	3	8	7	11
Other	9	2	14	7
Payment Questions	0	0	0	0
Plan Explanations	3	2	6	1
Regen Reg Letter	0	0	0	0
Status of Research	1	1	1	0
Tax Information	2	0	0	0
Website Processing	4	6	1	3
Total	128	140	173	184

### Definitions:

**Unique Callers** – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

**Total Call Volume** – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

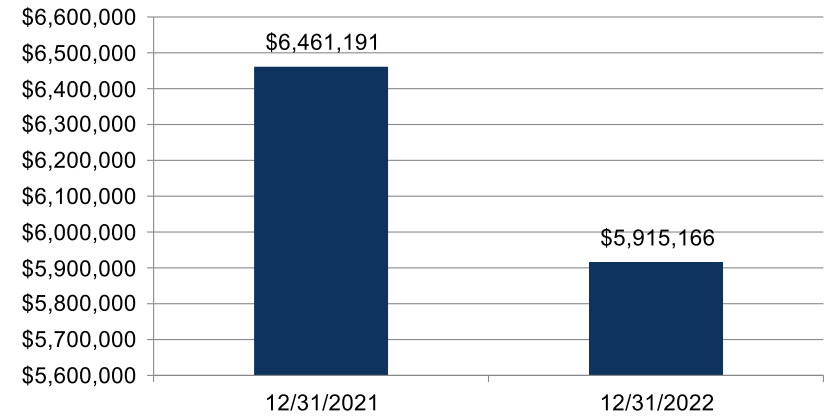
**Registered Participants** - The total number of individuals that established an account as of the reporting end date, for which they can access their retirement plan via the Participant Website.

# Plan Summary

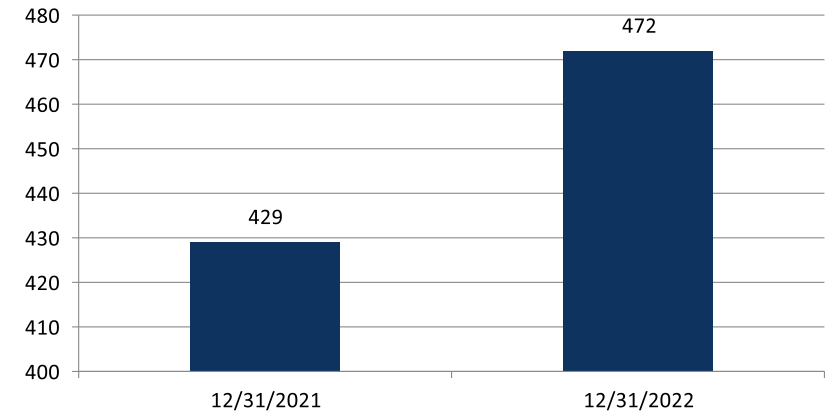
## Roth Summary

Sub Plan Name	Sub Plan	Total
Addison Northwest SD	006503	\$580,990
Champlain Valley School District	006514	\$464,890
Colchester School District	006515	\$970,010
Caledonia Central SU	006516	\$6,239
Essex North SU	006517	\$41,111
Essex Westford Unified SD	006518	\$54,955
Maple Run Unified	006519	\$412,733
Lamoille South SU	006526	\$181
Milton Town SD	006527	\$7,220
North Country SU	006529	\$2,286
Orleans Central SU	006534	\$53
Orleans Southwest SU	006535	\$2,294
Greater Rutland Central SU	006537	\$147,121
South Burlington Sd	006544	\$1,336,622
Washington Northeast SU	006550	\$0
Washington West SU	006551	\$60,578
Windham Southwest SU	006555	\$1,490
Windsor Central Modfd Unfd Un SD	006556	\$95,661
Winooski SD	006560	\$296,836
Patricia A Hannaford Career Cen.	006561	\$54,486
Two Rivers Supervisory Union	006562	\$106,160
Concord School District	016516	\$13,484
Alburgh Town SD	016523	\$1,783
Town of Lowell SD	016529	\$4,158
Quarry Valley Unified Union SD	016537	\$383,987
Twin Valley Unified Union SD	016555	\$3,228
Barnard Academy	016556	\$48
Green Mtn USD	016562	\$132,346
Lunenburg School District	026516	\$50,395
Southern Valley Unified Union SD	026555	\$775
Windsor Central Mod Unif Un SD	026556	\$594,089
Ludlow Mt Holly Union USD	026562	\$1,133
Rutland Town SD	036537	\$68,598
South Hero Town SD	056523	\$0
Champlain Island UUSD	066523	\$19,228
<b>TOTAL</b>		<b>\$5,915,166</b>

Roth Assets



Roth Participants



	12/31/2021	12/31/2022
Roth Assets	\$6,461,191	\$5,915,166
# of Participants in Roth	429	472
Participation Rate in Roth	13.8%	14.2%
Book of Business % of Participants in Roth - As of 12/31/2021	15.9%	



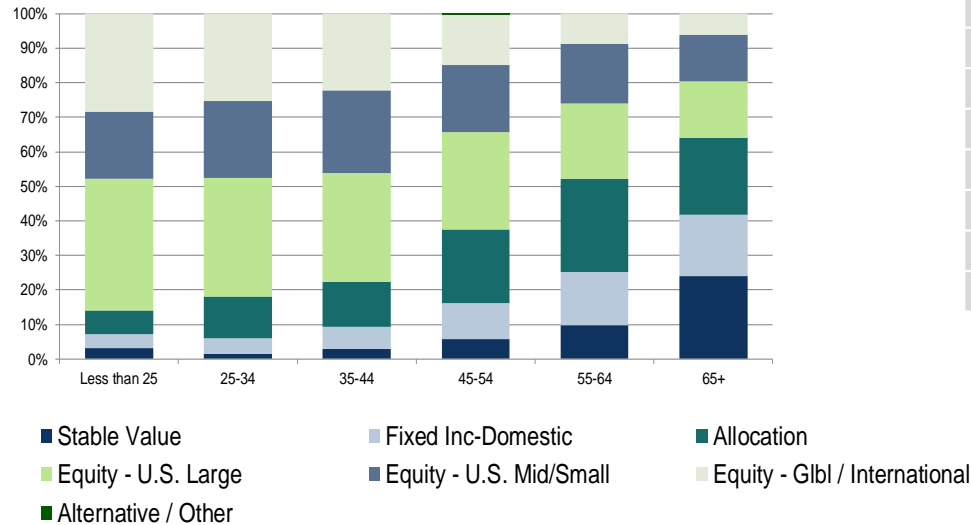
# INVESTMENT DIVERSIFICATION





# Plan Summary

## Assets by Asset Class and Age As of December 31, 2022



## Asset Allocation

Asset Class	Your Plan Assets as of 12/31/2022	Your Plan % as of 12/31/2022
Stable Value	\$15,126,451	10.1%
Fixed Inc-Domestic	\$19,361,033	13.0%
Allocation	\$33,086,635	22.2%
Equity - U.S. Large	\$36,250,053	24.3%
Equity - U.S. Mid/Small	\$27,084,300	18.2%
Equity - Gbl / International	\$18,165,727	12.2%
Alternative / Other	\$180,109	0.1%
<b>Total Participant Balances</b>	<b>\$149,254,308</b>	<b>100.0%</b>

## Fund Utilization By Age As of December 31, 2022

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Participants Invested in Only One Fund	9	66	93	131	175	138	612
Average # of Funds per Participant	4.6	4.8	5.1	5.1	4.8	4.0	4.8
<i>Book of Business Participants Avg. # of Funds per Participant as of 12/31/2021</i>	5.5	5.5	5.6	5.6	5.5	4.4	5.4
% of Plan Assets in Stable Value	3.1%	1.5%	2.9%	5.7%	9.7%	24.1%	10.1%
<i>Book of Business % of Plan Assets in Stable Value as of 12/31/2021</i>	6.6%	5.7%	7.5%	11.8%	21.3%	34.4%	18.3%
Self Directed Brokerage Account # of Participants	0	0	0	3	0	0	3

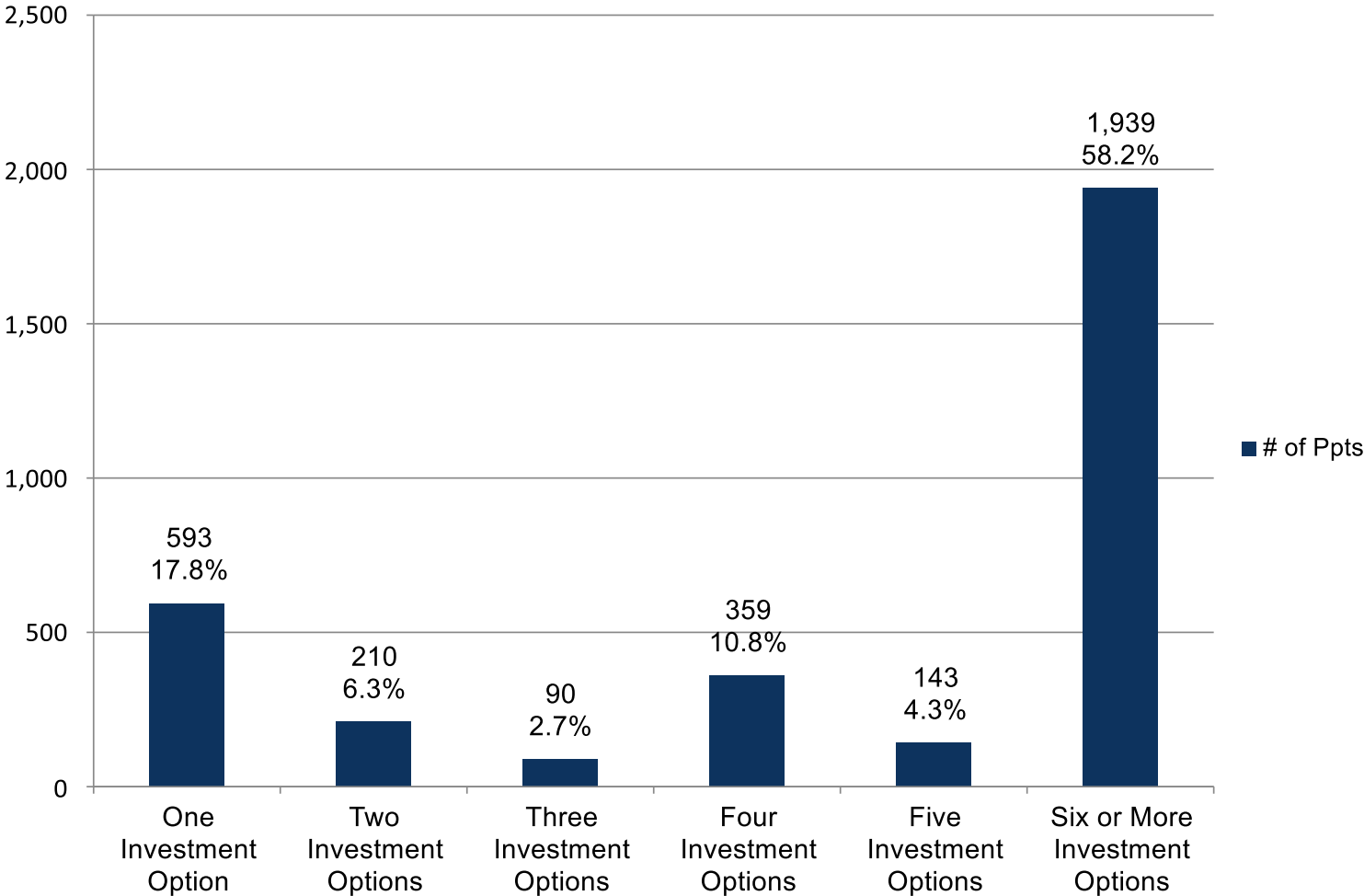
# Plan Summary

## Utilization by Fund as of December 31, 2022

INVESTMENT OPTIONS	Balance	% Invested in Fund	# of Ppts	Ppts Using as Sole Investment
<b>VANGUARD INSTITUTIONAL INDEX FUND INSTITUTIONAL SHARES</b>	\$32,585,721	21.8%	2,499	26
<b>VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND INSTITUTIONAL SHARES</b>	\$17,741,412	11.9%	2,400	3
<b>GUARANTEED LONG-TERM FUND</b>	\$15,126,451	10.1%	1,634	82
<b>VANGUARD MID-CAP INDEX FUND INSTITUTIONAL SHARES</b>	\$14,694,362	9.8%	2,483	12
T. ROWE PRICE RETIREMENT I 2030 FUND I CLASS	\$13,475,808	9.0%	212	115
<b>VANGUARD TOTAL BOND MARKET INDEX FUND INSTITUTIONAL SHARES</b>	\$12,730,915	8.5%	2,052	14
<b>VANGUARD SMALL-CAP INDEX FUND INSTITUTIONAL SHARES</b>	\$12,389,938	8.3%	2,453	8
T. ROWE PRICE RETIREMENT I 2020 FUND I CLASS	\$7,766,348	5.2%	158	82
T. ROWE PRICE RETIREMENT I 2040 FUND I CLASS	\$5,911,380	4.0%	185	94
PIMCO TOTAL RETURN ESG FUND INSTITUTIONAL CLASS	\$4,098,841	2.7%	1,044	3
CALVERT EQUITY FUND CLASS I	\$3,664,332	2.5%	161	2
<b>LORD ABBETT SHORT DURATION INCOME FUND CLASS I</b>	\$2,531,277	1.7%	419	19
T. ROWE PRICE RETIREMENT I 2010 FUND I CLASS	\$2,246,849	1.5%	51	24
T. ROWE PRICE RETIREMENT BALANCED I FUND I CLASS	\$2,043,820	1.4%	208	42
T. ROWE PRICE RETIREMENT I 2050 FUND I CLASS	\$1,289,872	0.9%	84	45
PAX GLOBAL ENVIRONMENTAL MARKETS FUND INSTITUTIONAL CLASS	\$424,316	0.3%	73	1
T. ROWE PRICE RETIREMENT I 2060 FUND I CLASS	\$352,559	0.2%	44	21
SELF DIRECTED BROKERAGE ACCOUNT	\$180,109	0.1%	3	0
Total	\$149,254,308	100.0%		

The funds in **bold** type denote inclusion in the GoalMaker® product.

## Investment Utilization as of December 31, 2022



*Due to rounding, bar graph may not equal 100%*

# Plan Summary

## GoalMaker® Participation

as of 12/31/2022

	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Plan Assets for Participants in GoalMaker	\$20,425,302	\$20,404,483	\$20,880,543	\$23,757,115
# of Participants in GoalMaker	986	1,012	1,146	1,203
Participation Rate in GoalMaker	31.3%	32.0%	34.7%	36.0%
% of Plan Assets for GoalMaker Participants	12.6%	13.9%	15.0%	15.9%

### Book of Business For Plans Offering GoalMaker – As of 12/31/2021

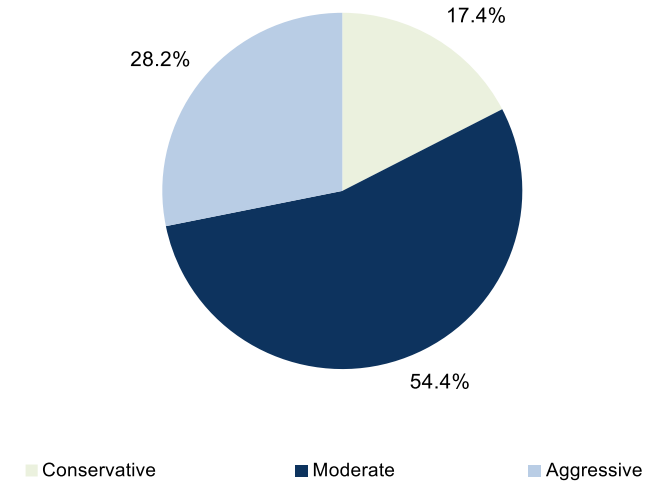
The participation rate in GoalMaker is 54.6%.

The percentage of plan assets for GoalMaker participants is 21.3%.

Participant Age Range	Conservative		Moderate		Aggressive		Total
	Active/Suspended	Terminated	Active/Suspended	Terminated	Active/Suspended	Terminated	
Less than 25	5	1	28	1	26	2	
25-34	52	2	114	5	98	5	
35-44	34	2	171	7	98	3	
45-54	33	3	163	6	77	3	
55-64	37	2	118	7	46	3	
65+	9	7	18	4	9	4	
Total	170	17	612	30	354	20	

Participant Age Range	Conservative		Moderate		Aggressive		Total
	Active/Suspended	Terminated	Active/Suspended	Terminated	Active/Suspended	Terminated	
Less than 25	\$2,018	\$1,866	\$49,737	\$261	\$46,387	\$2,157	\$102,426
25-34	\$206,067	\$15,257	\$773,755	\$28,641	\$821,011	\$22,502	\$1,867,234
35-44	\$326,395	\$1,571	\$2,465,422	\$27,066	\$1,533,079	\$16,332	\$4,369,866
45-54	\$765,262	\$64,629	\$5,094,368	\$123,394	\$2,400,850	\$65,606	\$8,514,109
55-64	\$1,651,164	\$334,942	\$3,075,825	\$190,306	\$1,147,086	\$55,041	\$6,454,364
65+	\$334,002	\$434,587	\$802,019	\$295,957	\$389,246	\$193,303	\$2,449,115
Total	\$3,284,908	\$852,852	\$12,261,127	\$665,626	\$6,337,659	\$354,942	\$23,757,115

## Percentage of Assets by GoalMaker® Participation Portfolio As of 12/31/2022



# 8.6%

average contribution rate (%) for active GoalMaker participants

# 2.3 Years

average length of time GoalMaker participants have been enrolled in GoalMaker

# 36.0%

GoalMaker participation rate for those who actively elected GoalMaker

Due to rounding, pie chart may not equal 100%

# Plan Summary

## Rep Stats

	1/1/2022-3/31/2022	4/1/2022-6/30/2022	7/1/2022-9/30/2022	10/1/2022-12/31/2022	Total
Group Presentations	8	2	3	2	15
Individual Participant Meetings	248	162	223	199	832
New Enrollments as a result of Group/Individual Meeting*	50	38	131	60	279
GoalMaker as a result of Group/Individual Meeting*	56	36	112	64	268
Contribution Rate Increases	28	22	13	44	107
Number of Rollovers	10	6	10	16	42
Rollover Dollars	\$285,000	\$190,000	\$411,000	\$272,000	\$1,158,000

\*Enrollments above obtained by TDA Education Representatives

# Plan Summary

## ESG Funds

Plan # - Plan Name	Fund	Ticker	AUM as of 12/31/2022	# of PPT	% of AUM of the Plan
940010 - 940060 - 403(b) Exclusive & Non-Exclusive					
	Calvert Equity Fund Class I	CEYIX	\$3,664,332	162	
	Pax Global Environmental Markets Fund Institutional Class	PGINX	\$424,316	74	
	PIMCO Total Return ESG Fund Institutional Class	PTSAX	\$4,098,841	1,045	

# Plan Summary

## School Districts / Supervisory Unions 403b Plan Balance

Subplan	Subplan Name	Balance
006503	Addison Northwest SD	\$ 2,493,251.12
006514	Champlain Valley School District	\$ 17,551,493.30
006515	Colchester School District	\$ 12,357,221.60
006516	Caledonia Central SU	\$ 512,123.60
006517	Essex North SU	\$ 1,017,312.73
006518	Essex Westford Unified SD	\$ 35,241,958.44
006519	Maple Run Unified SD	\$ 8,321,425.42
006523	Grand Isle Supervisory Union	\$ 966,543.42
006526	Lamoille South SU	\$ 8,250,801.17
006537	Greater Rutland Central SU	\$ 869,701.80
006544	South Burlington Sd	\$ 21,868,446.18
006556	Windsor Central Modfd Unfd Un SD	\$ 2,670,745.77
016516	Lunenburg School District	\$ 115,902.41
016523	Alburgh Town SD	\$ 596,674.75
016537	Quarry Valley Unified Union SD	\$ 1,395,300.24
016556	Barnard Academy	\$ 60,617.05
026516	Lunenburg School District	\$ 573,261.45
026556	Windsor Central Mod Unif Un SD	\$ 4,314,171.80
036537	Rutland Town SD	\$ 1,064,543.70
056523	South Hero Town SD	\$ 351,064.57
066523	Champlain Islands UUSD	\$ 1,106,150.31

Subplan	Subplan Name	Balance
006502	Mt. Abraham Unified School Distr	\$ 112,127.03
006509	Burlington SD	\$ 504,018.64
006511	Kingdom East SD District	\$ 1,833,370.82
006520	Franklin Northeast SU	\$ 2,407,224.05
006525	Lamoille North SU	\$ 816,566.99
006527	Milton Town SD	\$ 140,849.73
006529	North Country SU	\$ 4,853.52
006534	Orleans Central SU	\$ 331,531.33
006535	Orleans Southwest SU	\$ 31,498.94
006551	Harwood Unified SD	\$ 2,681,552.65
006554	Windham Southeast SU	\$ 2,466,524.74
006555	Windham Southwest SU	\$ 120,422.76
006560	Winooski SD	\$ 1,975,088.55
006561	Patricia A Hannaford Career Cen.	\$ 171,783.24
006562	Two Rivers Supervisory Union	\$ 375,568.41
006563	Montpelier Roxbury SD	\$ 79,671.63
016520	Enosburgh-Richford UUSD	\$ 2,006,107.88
016525	Lamoille North Mod Unif Union SD	\$ 875,559.93
016529	Town of Lowell SD	\$ 4,317.02
016555	Twin Valley Unified Union SD	\$ 368,444.41
016562	Green Mtn USD	\$ 455,936.56
026513	Mount Mansfield UUSD	\$ 6,573,889.34
026521	Northern Mountain Valley UUSD	\$ 651,461.99
026525	Cambridge School District	\$ 82,824.21
026529	Jay Westfield Joint Elem School	\$ 19,238.28
026555	Southern Valley Unified Union SD	\$ 113,343.88
026562	Ludlow Mt Holly Union USD	\$ 249,163.56
066554	Vernon School District	\$ 15,963.25
076554	Windham Southeast SD	\$ 2,117,873.70

# Plan Summary

Assets and contributions reflect actual participant account balances and do not include outstanding loan balances, forfeitures, and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA).

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company, Hartford, CT, or its affiliates.

Securities products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

Prudential Retirement's registered representatives are registered with Prudential Investment Management Services, LLC, Newark, NJ. A Prudential Financial Company.

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Prudential Retirement's separate accounts are available under group variable annuity contracts issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT. PRIAC is a Prudential Financial company.

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Book of Business averages are as of 12/31/2021.



# Plan Summary

On April 1, 2022, Empower Annuity Insurance Company of America (EAIC), formerly known as Great-West Life & Annuity Insurance Company, the parent company of Empower Retirement, LLC (Empower) acquired the full-service retirement business of Prudential Financial, Inc. In connection with the transaction, EAIC acquired all shares of the following entities, which are no longer affiliated with Prudential Financial, Inc.: Prudential Retirement Insurance and Annuity Company; Prudential Bank & Trust, FSB; Global Portfolio Strategies, Inc.; TBG Insurance Services Corporation; MC Insurance Agency Services, LLC; and Mullin TBG Insurance Agency Services, LLC. Beginning in October of 2022, Empower will rename certain acquired entities, including Prudential Retirement Insurance and Annuity Company, which will become Empower Annuity Insurance Company. For additional information regarding the name changes, please see: [www.empower.com/name-change](http://www.empower.com/name-change)

Please use the following to determine if Empower is now the service provider for an account or product. If an individual has multiple accounts, they may be a customer of Prudential Financial, Inc. and its affiliates (together, Prudential) and Empower.

Account Type	Service Provider
<p><b>If an individual is an annuitant, contingent annuitant or other beneficiary under a group annuity contract issued or reinsured by Prudential’s pension risk transfer business or a plan participant whose benefit is administered by Prudential’s pension risk transfer business...</b></p> <p><b>How does an individual know if this applies?</b></p> <ul style="list-style-type: none"> <li>• They were previously issued an annuity certificate from the Prudential Insurance Company of America <u>in connection with their employer’s defined benefit plan</u>, OR they previously received a communication from their employer that Prudential has issued a guaranteed annuity covering all or a portion of their pension benefit or pays their pension benefit.</li> </ul>	<p>... The account remains with Prudential and was not impacted by the transaction.</p> <p>The “Important Disclosures Regarding the Empower Transaction” listed below <b>do not</b> apply to the account.</p>
<p><b>If an individual independently purchased an individual annuity, life insurance or investment product with Prudential...</b></p> <p><b>How does an individual know if this applies?</b></p> <ul style="list-style-type: none"> <li>• They independently purchased a product from Prudential (other than a SmartSolution IRA) that is unrelated to an employer workplace plan.</li> <li>• The product purchased is issued by The Prudential Insurance Company of America (PICA), Prudential Annuities Life Assurance Corporation (PALAC), Pruco Life Insurance Company, or Pruco Life Insurance Company of New Jersey.</li> <li>• They purchased an investment product or service through Pruco Securities, LLC.</li> </ul>	<p>... The account remains with Prudential and was not impacted by the transaction.</p> <p>The “Important Disclosures Regarding the Empower Transaction” listed below <b>do not</b> apply to the account.</p>

# Plan Summary

<p><b>If an individual is a participant in the Prudential Supplemental Employee Savings Plan; the Prudential Financial, Inc. 2021 Omnibus Incentive Plan and the attendant Prudential Long-Term Incentive Program; the Prudential Financial, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors; or the PGIM, Inc. Omnibus Deferred Compensation Plan...</b></p> <p><b>How does an individual know if this applies?</b></p> <ul style="list-style-type: none"> <li>• They receive statements and other notifications from Prudential in connection with one or more of these plans.</li> </ul>	<p>...Prudential remains the service provider for the plans. Empower is currently providing services as a sub-contractor for a transitional period.</p> <p>Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that <b>apply to the account as applicable</b>.</p>
<p><b>If an individual is a participant in a retirement plan previously serviced by Prudential Retirement that may include defined benefit plans, nonqualified plans, defined contribution plans and 401(k) plans (including a plan that permits self-directed brokerage accounts), or is an account holder of a SmartSolution IRA, an Auto Roll IRA or an NFS Prudential Brokerage Account...</b></p> <p><b>This category includes certain Stable Value products on third party recordkeeping platforms where the service provider will transfer to Empower. These clients will be notified directly.</b></p> <p><b>How does an individual know if this applies?</b></p> <ul style="list-style-type: none"> <li>• They receive a notification from Prudential Retirement notifying them that Empower will become the service provider for their account.</li> <li>• They receive a welcome email or letter from Empower.</li> </ul>	<p>...Empower is now the service provider for the account. However, with respect to SmartSolution IRAs and certain Auto Roll IRAs, Prudential Investment Management Services LLC (PIMS) remains the broker-dealer for a transitional period.</p> <p>Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that <b>apply</b>.</p>

## Important Disclosures Regarding the Empower Transaction

Effective April 1, 2022, the following will apply:

- All references to “Prudential Retirement” refer to Empower. Prudential Retirement is no longer a business unit of Prudential.
- Certain insurance products written by The Prudential Insurance Company of America were reinsured to EAIC and Empower Life & Annuity Insurance Company of New York (for New York business). Empower Retirement will become the administrator of this business acquired from Prudential.
- Empower Retirement refers to the products and services offered by EAIC and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with Prudential or its affiliates.
- Full-service retirement sales personnel and certain service personnel are no longer registered representatives of Prudential Investment Management Services LLC (PIMS) and are registered representatives of Empower Financial Services, Inc., formerly known as GWFS Equities, Inc., For a transition period, certain back office and service personnel will remain registered representatives of PIMS.
- During a transition period, Prudential and, as applicable, its affiliates will continue to provide services to Empower. PIMS will continue to provide certain broker-dealer services under the terms of existing services agreements for certain plans and will continue to be the broker-dealer of record for existing SmartSolution IRAs and certain Auto Roll IRAs for a transitional period.
- Any documents pertaining to fraud or security commitments by Prudential Retirement are no longer applicable and are replaced with Empower’s commitments as set forth at [participant.empower-retirement.com/participant/#/articles/securityGuarantee](https://participant.empower-retirement.com/participant/#/articles/securityGuarantee).
- If Empower is the service provider for an account, Prudential’s Privacy Statements and Privacy Notices are replaced with Empower’s Privacy Notice as set forth at [empower-retirement.com/privacy](https://empower-retirement.com/privacy) for the account.

All product names, logos and brands are property of their respective owners. “EMPOWER,” “EMPOWER RETIREMENT,” and all associated logos and product names are trademarks of Empower Annuity Insurance Company of America. Prudential, the Prudential logo and the Rock Design are trademarks of Prudential Financial, Inc. and its affiliates and are used under license.

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**Empower Sponsor 8.2022**

## **Section II Economic Outlook**

# Capital markets perspective

Index/ Security	Asset class	Level (close)	% Change (Friday close)		Index/ Security	Asset class	Level (close)	% Change (Friday close)	
			1 WK.	YTD				1 WK.	YTD
Dow Industrials	Lg. Cap Eq.	33,630.61	1.55%	1.55%	FTSE 100	UK Equity	7,699.49	3.32%	3.32%
S&P 500®	Lg. Cap Eq.	3,895.08	1.45%	1.45%	Nikkei 225	Japan Equity	25,973.85	-0.46%	-0.46%
NASDAQ Comp.	US Equity	10,569.29	0.98%	0.98%	EEM:US	Emkt. Equity	\$40.07	5.73%	5.73%
S&P Midcap 400®	Mid-Cap Equity	2,489.95	2.45%	2.45%	EFA:US	Non-US Equity	\$68.13	3.79%	3.79%
Russell 2000®	Sm. Cap Eq.	1,792.80	1.79%	1.79%	UST 10y (yield)	US Treasury	3.56%	-0.32%	-0.32%
Stoxx 50	Europe Eq.	4,017.83	5.91%	5.91%	Bloomberg U.S. AGG	Fixed Inc.	2,086.58	1.85%	1.85%

## “Unwarranted.”

**It's never easy to deliver bad news to someone you care about, but it can be especially challenging if there's also a hint of blame imbedded in there somewhere.** Think of it like this: it's pretty easy to tell your pal “Hey, your car was just stolen and that really sucks...” without sounding harsh or further damaging his state of mind. But when its “hey, you left your car doors unlocked with the windows rolled down and the keys in the ignition, and somebody stole your car...” well, in cases like that it can be quite a bit harder to sound sympathetic.

So how does the Federal Reserve tell the market that what it's doing might be damaging to itself in the long run? Remember, if you're the Federal Reserve, obfuscation is in your blood – **it's almost never possible for the Fed to say exactly what's on its mind** for fear of upsetting the market in unintended ways. Well, one way for the Fed to walk that communications tightrope is to bury its message on the bottom of page 9 of the Fed minutes, (which, incidentally, is exactly where you'll find this phrase: “...**an unwarranted easing in financial conditions**, especially if driven by a misperception by the public of the Committee's reaction function, **would complicate the Committee's efforts to restore price stability**”<sup>1</sup>.)

**That sounds a little bit like Powell & Co. chastising the stock market for rallying** so hard during the fourth quarter of 2022. Keep in mind that stock prices are a major component of “easing financial conditions” that the Fed may eventually have to counterbalance with more aggressive action if said conditions ease too much. It all feels sort of analogous to the Fed warning the market, “**hey, cut it out or we might have to get out the big sticks again...**”

**I don't want to make too much out of this**, because if this potential for a big negative feedback loop was really the biggest risk on the Fed's mind, **they would certainly be more vocal about it and be actively trying to jawbone markets lower.** They aren't – at least not yet – but the fact this phrase appeared in the December minutes at all is proof-positive that the rate-setters of the FOMC are **paying close attention to what the market is doing, and that they don't really like it all that much.**

<sup>1</sup> <https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20221214.pdf>

So let's put **"the Fed jawboning the stock market lower"** on the list of risks that could define the first few weeks of 2023 – especially if stocks continue to roar. But for the time being, it still looks like the Fed has been demoted to second- (or even third-) chair as far as the market narrative is concerned. Case in point: **if markets were still singularly focused on the Fed's messaging, then Wednesday's JOLTS report might have caused a sell-off**: the number of available jobs in the US economy during November rose to 10.46 million, half a million above economist expectations and around 130,000 higher than the number originally reported for October<sup>2</sup>. (For what it's worth, that October number was also revised higher, leaving the October-November gap essentially unchanged.)

That's clearly too many. Remember, Powell has been perfectly clear in repeatedly calling for a return to "balance" in the job market, something that seems wholly inconsistent with the idea that there are **still more than 1.7 jobs available for every would-be job seeker**.<sup>3</sup> A few weeks ago, that would've convinced traders that more Fed-induced pain was on the way and caused a big reaction. And that's not even all: there were other signs that the labor market is still a long way from balanced in last week's releases, too – the overall **unemployment rate actually fell in December** (to 3.5%)<sup>4</sup>, and the number of new **jobs created in December were above economist estimates** by both ADP's and the Bureau of Labor Statistics' reckoning<sup>5</sup>.

So if a rebounding stock market and the easing of financial conditions it implies aren't enough to keep Powell awake at night, the Fed still has to worry about a potential over-heating of the job market as it enters what is (hopefully) the final lap in its race against inflation. The fact that **markets looked through all of that jobs data and still managed moderate- to robust gains** last week seems like confirmation that – for better or worse – **investors aren't as worried about the Fed's rate tightening campaign as they were even just a few weeks ago**.

But it wasn't all bad news (er, good news), for the labor market last week, either. The number of December **layoffs** cataloged by Challenger, Gray and Christmas last week **continued to rise** and has now surpassed 2021 totals for each of the last six months. Meanwhile, **wage growth** – which, after all, is what Powell is really concerned most about when he talks about restoring balance to the labor market – **might be decelerating too**. Hourly earnings advanced 0.3% in December, bringing the year-over-year increase to "only" 5.0% and continuing a downtrend in that figure that has been in place since at least April.

Still, if I were asked to design the ideal set of labor market data that might put the Fed more at ease, it would probably involve three things: one, a significant drop in the number of jobs per available worker back below (or at least *toward*;) the 1.0 level; two, a widening of layoffs beyond just the big-cap tech, finance and autos sectors; and three, a further decline in wage growth to a level more consistent with historic norms. Until we get there, **the risk of renewed missionary zeal by Powell's Fed** laser-focused on controlling inflation and not repeating the mistakes of past Fed regimes **will always remain in the background**.

This all sets up a big question: did the **market fail to freak out** about last week's relatively strong **jobs data** because it **wasn't really that strong to begin with** (witnessed by rising layoffs and tamer wage growth,) **or because it simply doesn't care** about the Fed anymore? **That's an important riddle to solve**, because the Fed is still more than capable of inflicting pain if it feels the need, regardless of whether or not markets have given up caring about it.

Feel free to form your own opinions, but what last week's lack of negative response to the mostly-stronger-than-expected labor market releases seems to have re-confirmed at least to me is that **markets have indeed moved on from their singular obsession with all things Fed-related** and on to something else (more about that below.)

**I'm just a little worried that the Fed itself may not be ready to move on just yet**, and that markets are ill-prepared to absorb the blow if and when it comes.

<sup>2</sup> <https://www.bls.gov/jlt/>

<sup>3</sup> Bureau of Labor Statistics, FRED St. Louis Federal Reserve, and Empower Investments calculations

<sup>4</sup> <https://www.bls.gov/news.release/empisit.nr0.htm>

<sup>5</sup> *Ibid*, and <https://adpemploymentreport.com/>

# What to watch this week

## Economic Events, January 9 - 13

**Monday:** *No major economic events planned*

**Tuesday:** NFIB small business confidence

**Wednesday:** Atlanta Fed inflation expectations; KBH earnings

**Thursday:** Consumer price index, weekly jobless claims

**Friday:** Financial company earnings, Exim prices, UofM consumer sentiment

If the market really has dropped its obsession with the Fed, then it's almost certainly **replaced it with something else: namely, a concern about how deep and long-lasting the ongoing economic downturn will be.** As we've pointed out before, that's probably a *good* thing in the grand scheme because it represents a return to a more normal environment where investors care about things that matter in the long run, like earnings.

**But it also doesn't guarantee ambivalence** if the Fed should suddenly start talking tough again, either to bring the labor market to heel or to convince the market to slow its roll a little bit with all this green. Either way, last week's data – either in the form of weakening PMIs<sup>6</sup> or collapsing factory orders<sup>7</sup> – also reconfirmed that the economy is indeed weakening. On **Friday**, we'll get a chance to see whether or not that weakness is finally being felt by companies themselves when financial firms like **Citigroup, Bank of America, JPMorgan Chase and a handful of others report fourth quarter earnings.** Prior to that, we'll get the National Federation of Independent Business' read on small business sentiment – a more direct way to take the pulse of the nation's businesses.

Mega-cap financials always kick off the quarterly earnings derby, which stretches for weeks and should peak somewhere around the last week of January or the first week of February. Financials are usually followed by large-cap tech – previously relevant because they were home to so many hopes and dreams (as well as trillions of market capitalization), but now because they've been out in front in the fight to control costs through job cuts as the economy slows. After that, earnings season becomes a mash-up of companies of all shapes and sizes, each one capable of hijacking the market narrative with their past results or future guidance. Suffice to say that **economic data will begin to take a backseat for the next several weeks as the earnings parade starts** to roll.

That doesn't mean economic data will pause, though. This week's marquee event will likely **be Thursday's consumer price index release**, which should (hopefully!) show that inflation continued its slow decline as a result of the Fed's efforts to cool the economy by way of aggressive rate-rising. If you'd like to imagine yourself as Powell-for-a-day, **pay particular attention to inflation beyond food, energy and housing** – the Fed chair mentioned that particular flavor of inflation over and over again during the press conference following last month's 0.5% increase in rates<sup>8</sup>. Again, it seems unlikely that anything other than a big(ish) surprise in this week's CPI would do much to sway sentiment. **With luck, we'll see another step toward moderation in prices that will keep the Fed's new kindler, gentler approach intact.**

Investing involves risk, including possible loss of principal. *Past performance is not a guarantee of future results.*

<sup>6</sup> <https://www.pmi.spglobal.com/Public/Home/PressRelease/fd49c3c51d79418b9622ad78993a762b>

<sup>7</sup> <https://www.census.gov/manufacturing/m3/prel/pdf/s-i-o.pdf>

<sup>8</sup> <https://www.federalreserve.gov/monetarypolicy/fomcpresconf20221214.htm>

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