

# Investment Fund Overview

September 30, 2023 (updated quarterly)



## Options

You get to choose how your health reimbursement arrangement (HRA) is invested. Many investment advisors recommend using pre-mixed portfolios like those under **Option A**. A pre-mix is great if you want a single portfolio with a mix of stocks and bonds chosen and managed for you by professionals. If you'd rather pick your own funds, look at **Option B**. For more information, including our **Choosing Your Investment Allocation** brochure and links to fund fact sheets and prospectuses, go to [HRAveba.org](https://HRAveba.org) and click **Investment Options**.

## Making a Change

To review or change your investment selection, log in at [HRAveba.org](https://HRAveba.org) and click **Investments**. You can make changes once per calendar month. You should consult with a professional financial advisor before making investment decisions. HRA VEBA Trust's Board of Trustees and its agents don't give investment advice.

## Expenses and Fees

Returns are net of **portfolio/fund operating expenses**. These expenses are deducted from portfolio/fund assets. They include management fees, distribution (12b-1) fees, and other expenses. Returns have not been adjusted to reflect the HRA VEBA Plan's asset-based **plan administrative fee**. This annualized fee averages about 1.00%.<sup>1</sup>

## OPTION A: Choose a Pre-mix Returns<sup>2</sup>

Portfolio Name	Risk Level	Portfolio Operating Exp (%)	YTD 2023 (%)	Average Annual Returns (%) September 30, 2023							Inception Date
				Calendar Year 2022	Calendar Year 2021	Calendar Year 2020	1-Year	3-Year	5-Year	10-Year	
<b>Income</b> 80% Bonds 20% Stocks	Low to Moderate	0.04	1.80	-13.36	2.09	9.26	4.92	-2.25	1.46	-	8/11/20
<b>For investors who:</b> Have a short- to medium-term time horizon (3 to 5 years), can accept lower fluctuations in value, and can tolerate a lower degree of risk that comes from the volatility of the stock market.											
<b>Conservative</b> 60% Bonds 40% Stocks	Moderate	0.04	3.72	-14.44	6.05	11.55	8.78	0.13	2.71	-	8/11/20
<b>For investors who:</b> Have a medium-term time horizon (at least 5 years), can accept modest fluctuations in value, and can tolerate a moderate degree of risk that comes from the volatility of the stock market. <b><u>This portfolio is the HRA VEBA Plan's default investment. Your HRA balance is automatically invested in this portfolio until you make a change.</u></b>											
<b>Moderate</b> 40% Bonds 60% Stocks	Moderate to High	0.03	5.63	-15.58	10.12	13.59	12.70	2.49	3.95	-	8/11/20
<b>For investors who:</b> Have a long-term time horizon (more than 5 years) and are willing to accept above-average fluctuations in value and an above-average degree of stock market volatility.											
<b>Growth</b> 20% Bonds 80% Stocks	High	0.03	7.55	-16.80	14.29	15.38	16.68	4.81	5.20	-	8/11/20
<b>For investors who:</b> Have a long-term time horizon (more than 5 years), are willing to accept high fluctuations in value, and can tolerate a high degree of stock market volatility.											

<sup>1</sup> The annualized asset-based fee may be adjusted up or down periodically to cover plan operating expenses. Plan operating expenses vary from month to month and include claims processing, customer service, account administration, printing, postage, legal, consulting, local servicing, auditing, etc. To cover these costs, a monthly per participant fee of \$1.50 (if claims-eligible) or \$0.75 (if not claims-eligible), plus the annualized asset-based fee, is charged to your account. The monthly fee is waived if your account balance is more than \$5,000. In addition, a 0.25% asset-based fee discount applies to any portion of your account balance in excess of \$10,000. Your account value changes daily based on activity, which may include investment earnings and losses, contribution and claims activity, and assessment of the asset-based fee. To the extent permitted or required by law, certain fees, assessments, or other amounts payable to the federal government may also be deducted from your account. It is possible that fees could exceed your investment return. <sup>2</sup> Each HRA VEBA pre-mixed portfolio uses a different combination of these four mutual funds: Fidelity US Bond Index, Fidelity International Bond Index, Fidelity Total Market Index, and Fidelity Total International Stock Index. Performance data prior to August 2020 is hypothetical and based on the allocation and performance of the underlying mutual funds.

## OPTION B: Do It Yourself Returns



			Average Annual Returns (%) September 30, 2023								
Asset Class Fund Name Objective	Share Class	Fund Operating Exp (%)	YTD 2023 (%)	Calendar Year 2022	Calendar Year 2021	Calendar Year 2020	1-Year	3-Year	5-Year	10-Year	Inception Date
<b>Stable Value</b> HRA VEBA Stable Value www.hraveba.org/investments	N/A	0.29	2.00	1.56	1.33	1.88	2.52	1.76	1.93	1.76	7/1/99
Seeks to provide a stable rate of return with preservation of principal and liquidity. This is a custom portfolio (separate account) managed by Goldman Sachs Asset Management exclusively for HRA VEBA Trust. It is not publically traded and is available only to HRA VEBA Plan participants.											
<b>Total Return Bond</b> Metropolitan West Total Return Bond www.tcw.com	Plan	0.37	-1.36	-14.69	-1.11	9.17	0.42	-5.54	0.14	1.23	7/29/11
Seeks to maximize long-term total return.											
<b>Balanced</b> Vanguard Balanced Index www.vanguard.com	Institutional	0.06	6.91	-16.87	14.20	16.41	12.15	3.42	5.76	7.33	12/1/00
With 60% of its assets, seeks to track the performance of a benchmark index that measures the return of the overall U.S. stock market. With 40% of its assets, seeks to track the performance of a broad, market-weighted bond index.											
<b>Large Cap Equity</b> Vanguard Institutional Index (S&P 500) www.vanguard.com	Institutional Plus	0.02	13.05	-18.13	28.69	18.39	21.60	10.13	9.90	11.90	7/07/97
Seeks to track the performance of a benchmark index (S&P 500) that measures the investment return of large-capitalization stocks.											
<b>Large Cap Equity</b> <sup>3,4</sup> Fidelity US Sustainability Index www.fidelity.com	No Load	0.11	15.01	-20.27	31.57	18.67	23.81	10.52	10.70	-	5/9/17
Seeks to provide investment results that correspond to the total return of the MSCI USA ESG Index. Normally invests at least 80% of assets in securities included in the MSCI USA ESG Index, which represents the performance of stocks of large- to mid-capitalization U.S. companies with high environmental, social, and governance (ESG) performance relative to their sector peers, as rated by MSCI ESG Research.											
<b>Mid Cap Equity</b> <sup>3</sup> Carillon Scout Mid Cap www.carillontower.com	R-6	0.86	2.53	-17.18	15.99	27.43	9.07	6.21	4.76	8.80	11/20/17
Seeks to provide long-term growth of capital by investing in a diversified portfolio consisting primarily of equity securities of mid-cap companies.											
<b>Small Cap Equity</b> <sup>3</sup> Champlain Small Company www.cipvt.com	Institutional	1.02	2.57	-20.62	12.72	24.43	11.84	5.09	2.88	8.14	8/31/16
Seeks capital appreciation by investing mainly in small capitalization U.S. common stocks.											
<b>International Equity</b> American Funds EuroPacific Growth www.americanfunds.com	R-6	0.47	5.15	-22.72	2.84	25.27	19.64	0.08	3.11	4.64	4/16/84
Seeks to provide long-term growth of capital by investing in companies of all sizes based primarily in Europe and the Pacific Basin.											

<sup>3</sup> Performance prior to fund inception is hypothetical and provided by Morningstar.

<sup>4</sup> Added effective 7/1/2023.

Investment fund information is obtained from sources believed to be reliable. However, such information may later be changed due to circumstances beyond our knowledge or control; therefore, its accuracy cannot be guaranteed. Returns are net of portfolio/fund operating expenses.

Generally, investments with higher potential returns involve greater risk and more volatility. Past performance does not guarantee future results. Funds are not FDIC insured, are not guaranteed by a bank, and may lose value. You should carefully consider an investment fund's objectives, risks, fees, charges, and expenses before investing. This Investment Fund Overview is updated quarterly. Additional information is contained in the prospectus and/or fund fact sheet for each option.