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Retirement Plan Review

AON



Investment advice and consulting services provided by Aon Investments USA, Inc.

THA Retirement Plan Summary

As of December 31, 2024

DB Plans	% of Retirement Plan	Asset Class Mix	Trustee Directed DC Plans	% of Retirement Plan
Anson	0.2%	75% Mix 3 / 25% Mix 1	Jackson County MPP	0.5%
Citizens	21.6%	Mix 4	Jackson County 457	0.3%
Guadalupe	14.8%	Mix 4	Starr	1.3%
Sweeney	0.4%	75% Mix 3 / 25% Mix 1	Limestone MPP	0.6%
Tarrant County (JPS)	57.9%	Mix 4	Limestone 457	0.8%
THA Staff	1.5%	10% Equities / 90% Custom Liability Hedge		
Total	96.4%		Total	3.6%

- Approximate percentages shown based on Rudd & Wisdom's actuarial report and valuations from prior quarter
- In 2022, Aon conducted an Asset-Liability Study for the THA Staff plan given the plan was effectively frozen for non-grandfathered employees due to a formula change. As a result of the study, the plan moved to a Custom Liability Hedge mix
- Aon recommends the other 5 hospitals consider Asset-Liability Studies as well
- We are in a very different market environment compared to a few years ago given the rise in interest rates/fixed income yields and the narrowing of the equity market premium
- The potential Asset-Liability Studies may also evaluate other asset classes which may be appropriate for inclusion in the different Mixes

Retirement Plan Asset Class Target Mixes

As of December 31, 2024

Asset Class/Style	Mix 4	Mix 3	Mix 2	Mix 1	THA Staff Mix
Large Cap U.S. Equities					
State Street S&P 500 Index NL Fund	37.5%	27.4%	17.4%	0.0%	5.0%
State Street Russell 1000 Value Index SL Fund	<u>7.5%</u>	<u>5.6%</u>	<u>3.6%</u>	<u>0.0%</u>	<u>1.0%</u>
Total Large Cap U.S. Equities	45.0%	33.0%	21.0%	0.0%	6.0%
Small Cap U.S. Equities					
Vanguard Small Cap Index	<u>15.0%</u>	<u>11.0%</u>	<u>7.0%</u>	<u>0.0%</u>	<u>2.0%</u>
Total Small Cap U.S. Equities	15.0%	11.0%	7.0%	0.0%	2.0%
International Equities					
Dodge & Cox International Stock	7.5%	5.5%	3.5%	0.0%	1.0%
GQG International Equity	<u>7.5%</u>	<u>5.5%</u>	<u>3.5%</u>	<u>0.0%</u>	<u>1.0%</u>
Total International Equities	15.0%	11.0%	7.0%	0.0%	2.0%
Total Equities	75.0%	55.0%	35.0%	0.0%	10.0%

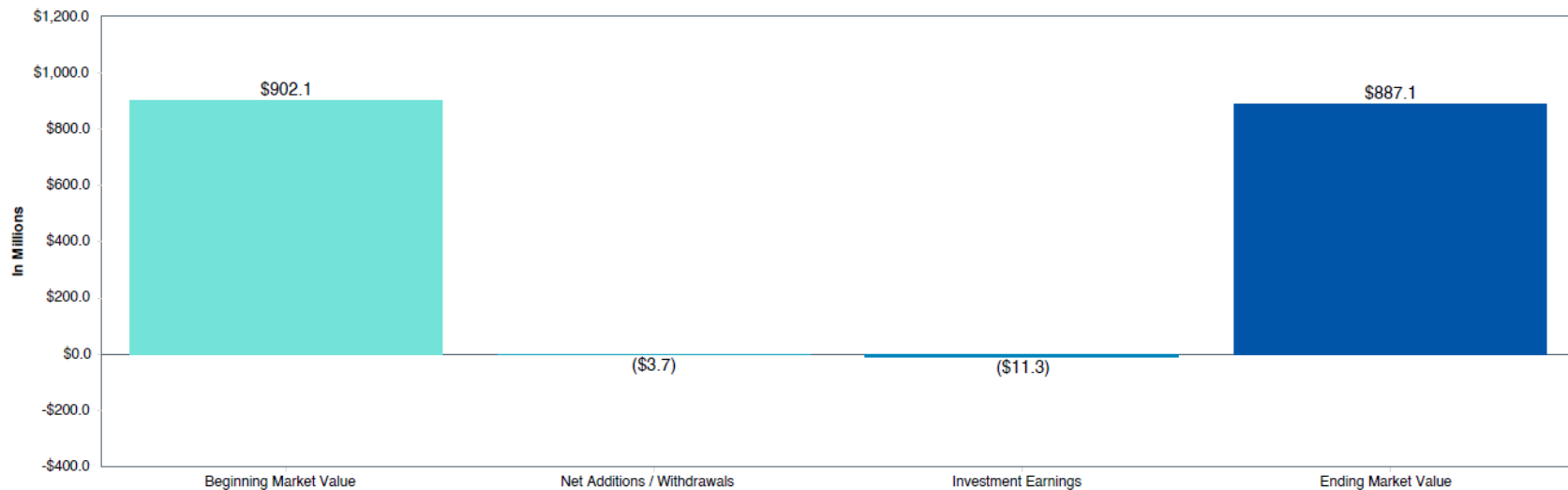
Retirement Plan Asset Class Target Mixes

As of December 31, 2024

Asset Class/Style	Mix 4	Mix 3	Mix 2	Mix 1	THA Staff Mix
Intermediate Fixed Income					
State Street Aggregate Bond Index NL Fund	12.0%	22.0%	32.0%	0.0%	33.5%
Loomis Sayles Core Plus Bond	<u>12.0%</u>	<u>22.0%</u>	<u>32.0%</u>	<u>0.0%</u>	<u>33.5%</u>
Total Intermediate Fixed Income	24.0%	44.0%	64.0%	0.0%	67.0%
Long Duration Fixed Income					
PIMCO U.S. Long Term Bond – Long Credit	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>99.0%</u>	<u>22.0%</u>
Total Long Duration Fixed Income	0.0%	0.0%	0.0%	99.0%	22.0%
Cash					
Cash	1.0%	1.0%	1.0%	1.0%	1.0%
Total Fixed Income	25.0%	45.0%	65.0%	100.0%	90.0%
Total Portfolio	100.0%	100.0%	100.0%	100.0%	100.0%

Total Plan Asset Summary

As of December 31, 2024



Summary of Cash Flows

	1 Quarter	1 Year
THA Retirement Plan		
Beginning Market Value	902,054,854	784,809,125
+ Additions / Withdrawals	-3,672,547	7,170,337
+ Investment Earnings	-11,313,793	95,089,052
= Ending Market Value	887,068,514	887,068,514

Quarterly Total Plan Financial Reconciliation

As of December 31, 2024

	Market Value As of 10/01/2024	Contributions	Distributions	Net Transfers	Expenses	Return On Investment	Market Value As of 12/31/2024
Retirement Plan	902.1	4.7	-8.4	-	-1.0	-10.3	887.1
U.S. Equity	536.9	-	-	-4.5	-	9.0	541.4
Large Cap Equity	406.9	-	-	-6.5	-	6.8	407.2
Small Cap Equity	130.0	-	-	2.0	-	2.2	134.2
International Equity	133.9	-	-	0.1	-	-11.9	122.1
U.S. Fixed Income	219.2	-	-	5.0	-	-7.5	216.7
Core Fixed Income	215.3	-	-	5.2	-	-7.3	213.2
Long Credit Fixed Income	3.9	-	-	-0.2	-	-0.2	3.5
Cash	12.1	4.7	-8.4	-0.6	-1.0	0.1	6.8

Annual Total Plan Financial Reconciliation

As of December 31, 2024

	Market Value As of 01/01/2024	Contributions	Distributions	Net Transfers	Expenses	Return On Investment	Market Value As of 12/31/2024
Retirement Plan	784.8	37.0	-30.1	0.3	-3.2	98.3	887.1
U.S. Equity	463.9	-	-	-17.8	-	95.3	541.4
Large Cap Equity	347.9	-	-	-19.4	-	78.7	407.2
Small Cap Equity	116.1	-	-	1.6	-	16.5	134.2
International Equity	114.3	-	-	7.2	-	0.7	122.1
U.S. Fixed Income	200.0	-	-	14.8	-	2.0	216.7
Core Fixed Income	196.2	-	-	15.1	-	2.0	213.2
Long Credit Fixed Income	3.8	-	-	-0.3	-	-	3.5
Cash	6.7	37.0	-30.1	-3.9	-3.2	0.3	6.8

Investment Manager Research: Ratings Report Card

As of December 31, 2024

Fund	Aon Rating
THA Retirement Plan	
State Street S&P 500 Index	Buy
State Street Russell 1000 Value Index	Buy
Vanguard Small Cap Index	Buy
Dodge & Cox International	Buy
GQG International Equity	Buy
State Street US Aggregate Bond Index	Buy
Loomis Sayles Core Plus Bond	Buy
PIMCO Long Credit	Buy

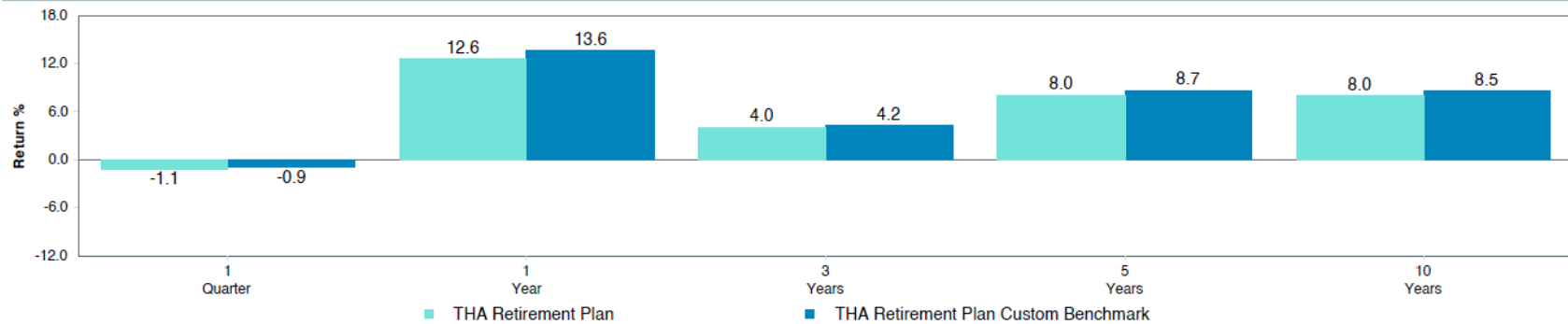
Many factors are considered when selecting and monitoring the investment options including, but not limited to:

- Business – Ownership structure, profitability, stability of organization, client, asset base
- Investment Staff – Quality of personnel, depth of resources, turnover, succession planning
- Investment Process – Skilled investment decisions, clear and repeatable processes, understanding of competitive advantages
- Risk Management – Embedded in broader investment process, independently verified
- Performance – Risk-adjusted returns, compared to appropriate benchmarks and peer groups, measured over multiple periods
- Operational Due Diligence – Operational controls, valuation of assets, independent directors
- Terms & Conditions – Investment expenses should be reasonable for the value provided and benchmarked for reasonability based on the specific type of investment strategy being evaluated
- ESG – Degree to which the team is aware of potential ESG risks and has taken steps to identify, evaluate and mitigate these risks

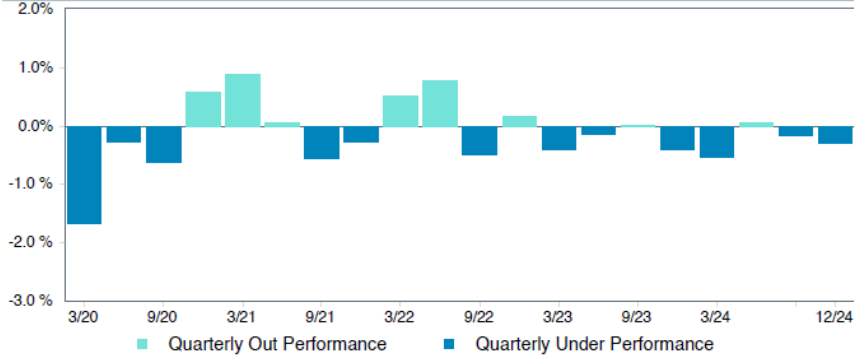
Total Plan Performance Summary

As of December 31, 2024

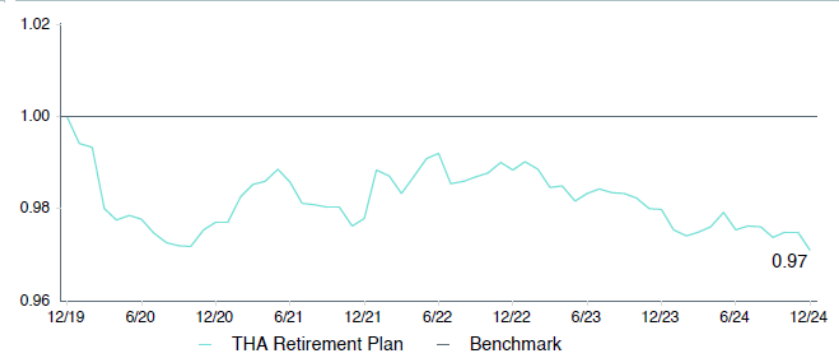
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 5 Years



Trailing Period Performance

As of December 31, 2024

	Allocation			Performance %				
	Market Value \$	%	Target Mix %	1 Quarter	1 Year	3 Years	5 Years	10 Years
THA Retirement Plan	887,088,514	100.0	100.0	-1.1	12.6	4.0	8.0	8.0
THA Retirement Plan Custom Benchmark				-0.9	13.6	4.2	8.7	8.5
THA Mix 1 Custom Benchmark				-6.2	-1.9	-6.6	-1.9	2.1
THA Mix 3 Custom Benchmark				-1.4	10.3	2.6	6.5	6.9
THA Mix 4 Custom Benchmark				-0.8	13.8	4.3	8.8	8.7
THA Staff Mix Custom Benchmark				-3.4	2.2	-	-	-
U.S. Equity	541,414,017	61.0	59.0					
State Street S&P 500 Index NL Fund	341,303,434	38.5		2.4 (40)	25.0 (34)	8.9 (28)	14.5 (31)	13.1 (30)
S&P 500 Index				2.4 (40)	25.0 (34)	8.9 (28)	14.5 (30)	13.1 (30)
State Street Russell 1000 Value Index SL Fund	65,930,809	7.4		-2.0 (58)	14.4 (51)	5.6 (61)	-	-
Russell 1000 Value Index				-2.0 (58)	14.4 (51)	5.6 (61)	8.7 (72)	8.5 (67)
Vanguard Small Cap Index	134,179,773	15.1		1.7 (25)	14.3 (25)	3.6 (35)	9.3 (39)	9.1 (22)
Vanguard Spliced Small Cap Index (Net)				1.7 (25)	14.2 (25)	3.6 (35)	9.3 (41)	9.1 (24)
International Equity	122,105,614	13.8	15.0					
Dodge & Cox International Stock	62,995,358	7.1		-8.5 (81)	3.8 (62)	4.1 (15)	5.1 (39)	4.4 (81)
MSCI AC World ex USA (Net)				-7.6 (59)	5.5 (38)	0.8 (54)	4.1 (66)	4.8 (66)
GQG International Equity	59,110,256	6.7		-9.3 (96)	-	-	-	-
GQG International Equity Strategy				-9.3 (96)	6.4 (40)	4.7 (11)	8.4 (8)	-
MSCI AC World ex USA (Net)				-7.6 (51)	5.5 (49)	0.8 (45)	4.1 (54)	4.8 (71)

Performance shown may reflect actual THA manager experience as well as supplemental historical performance of the manager.

Trailing Period Performance

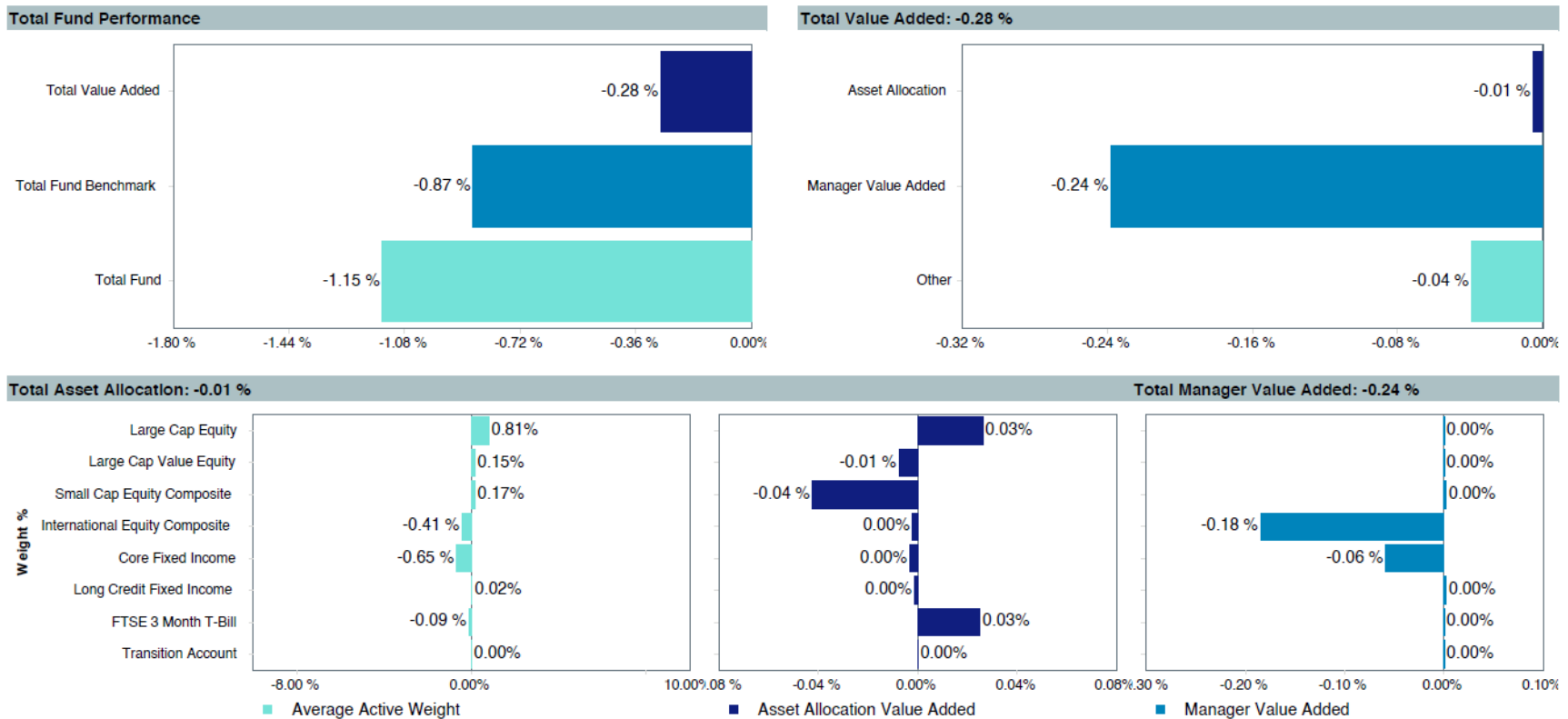
As of December 31, 2024

	Allocation			Performance %				
	Market Value \$	%	Target Mix %	1 Quarter	1 Year	3 Years	5 Years	10 Years
U.S. Fixed Income	216,740,066	24.4	25.0					
State Street Aggregate Bond Index NL Fund	106,950,082	12.1		-3.0 (54)	1.4 (66)	-2.4 (63)	-0.3 (73)	1.4 (78)
Blmbg. U.S. Aggregate Index				-3.1 (62)	1.3 (78)	-2.4 (71)	-0.3 (78)	1.3 (78)
Loomis Sayles Core Plus Bond	106,285,539	12.0		-3.6 (94)	1.2 (86)	-	-	-
Loomis Sayles Core Plus Bond Strategy				-3.6 (94)	1.2 (86)	-2.1 (63)	0.5 (52)	1.9 (61)
Blmbg. U.S. Aggregate Index				-3.1 (76)	1.3 (85)	-2.4 (80)	-0.3 (90)	1.3 (88)
PIMCO U.S. Long Term Bond – Long Credit	3,504,445	0.4		-5.8 (16)	-0.1 (13)	-6.7 (22)	-1.8 (26)	-
Blmbg. U.S. Long Credit Index				-6.3 (28)	-2.0 (25)	-6.8 (26)	-1.9 (27)	2.1 (18)
Cash Account	6,808,817	0.8	1.0					
Transition Account	-	0.0	0.0					

Performance shown may reflect actual THA manager experience as well as supplemental historical performance of the manager.

Retirement Plan Total Fund Attribution

1 Quarter As of December 31, 2024



Investment Fee Analysis

As of December 31, 2024

	Vehicle Type ¹	Market Value \$	% of Portfolio	Net Expense Ratio (%) ²	Universe Name ³	Peer Group Fee Range (%)			
						25th	50th	75th	Population
THA Retirement Plan		887,068,514	100.0						
Large Cap Equity		407,234,243	45.9						
State Street S&P 500 Index NL Fund	CIT	341,303,434	38.5	0.013	eA US Passive S&P 500 Equity (CF 250m)	0.02	0.04	0.05	25
State Street Russell 1000 Value Index SL Fund	CIT	65,930,809	7.4	0.030	eA US Passive Large Cap Equity (CF 50m)	0.03	0.04	0.08	58
Small Cap Equity		134,179,773	15.1						
Vanguard Small Cap Index	MF	134,179,773	15.1	0.030	eA US Passive Small Cap Equity (MF)	0.05	0.15	0.25	31
International Equity		122,105,614	13.8						
Dodge & Cox International Stock	MF	62,995,358	7.1	0.620	eA ACWI ex-US All Cap Equity (MF)	0.70	0.85	0.97	55
GQG International Equity	CIT	59,110,256	6.7	0.630	eA ACWI ex-US All Cap Equity (CF)	0.65	0.73	0.80	46
Core Fixed Income		213,235,621	24.0						
State Street US Aggregate Bond Index NL Fund	CIT	106,950,082	12.1	0.030	eA US Passive Core Fixed Income (CF 50m)	0.04	0.05	0.06	10
Loomis Sayles Core Plus Bond	CIT	106,285,539	12.0	0.180	eA US Core Plus Fixed Income (CF)	0.28	0.33	0.35	49
Long Credit Fixed Income		3,504,445	0.4						
PIMCO U.S. Long Term Bond – Long Credit	MF	3,504,445	0.4	0.550	eA US Long Duration - Credit Fixed Income (MF)	0.30	0.50	0.67	8

Important Note: The investment fee analysis reported in the table above measures only the relative fee level of your current plan offerings as compared to fee medians from style, size, and vehicle-specific peer universes, which Aon Investments believes is an appropriate comparison. Determining whether an investment's expense is reasonable depends on a variety of factors including the level of returns achieved and the method with which administration and operational expenses are paid. Understanding and evaluating the total cost of plan operations, including both investment and administration fees is a critical analysis that should be completed periodically.¹Vehicle Type Definitions: "MF" = Mutual Fund, "CF" or "CIT" = Collective Investment Trust, "SA" = Separate Account.²Expense Ratio is intended to represent a fund's total expense ratio which may include investment management fees, 12b-1 fees, custodial fees, trustee fees, revenue sharing components and/or charges for fund or plan administration.³Fee universes are provided and calculated by eVestment Alliance, as of December 31, 2024. Fund expense information has been sourced from eVestment for all asset classes except the stable value and target date fund universes, which uses Morningstar databases. Since fund expense ratios do not change frequently, Aon Investments believes this study to be a relevant comparison for up to a year, at which time it will be updated. For complete information on methodologies, contact your Aon Investments consultant.