

2

Retirement Plan Review



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

THA Retirement Plan Summary

As of June 30, 2025

DB Plans	% of Retirement Plan	Asset Class Mix	Trustee Directed DC Plans	% of Retirement Plan
Anson	0.2%	75% Mix 1 / 25% Cash	Jackson County MPP	0.6%
Citizens	21.5%	Mix 4	Jackson County 457	0.3%
Guadalupe	14.7%	Mix 4	Starr	1.3%
Sweeney	0.4%	75% Mix 3 / 25% Mix 1	Limestone MPP	0.7%
Tarrant County (JPS)	57.8%	Mix 4	Limestone 457	0.9%
THA Staff	1.5%	10% Equities / 90% Custom Liability Hedge		
Total	96.1%		Total	3.9%

- 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
- In June 2025, assets were transferred to the insurance company to liquidate the Anson plan
- Aon continues to recommend the other four hospitals consider Asset-Liability Studies
- In April 2025, the remaining assets in the two Jackson County plans transitioned from the Retirement Plan Master Trust to the PDRP

Retirement Plan Asset Class Target Mixes

As of June 30, 2025

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%

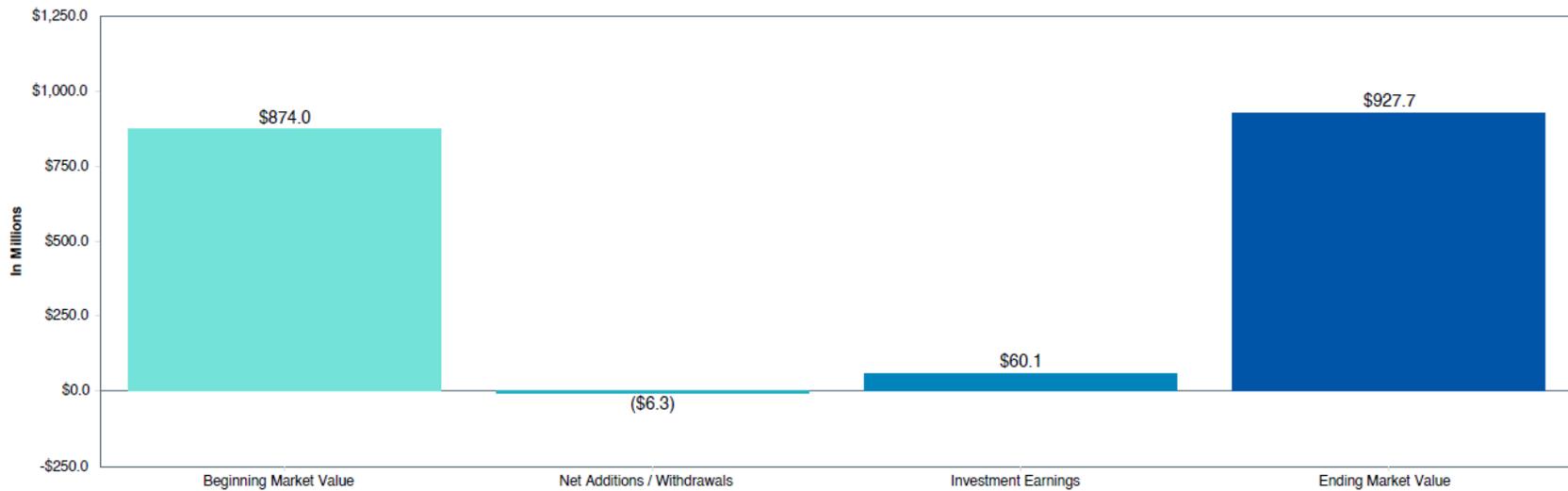
Retirement Plan Asset Class Target Mixes

As of June 30, 2025

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 June 30, 2025



Summary of Cash Flows			
	1 Quarter	Year to Date	1 Year
THA Retirement Plan			
Beginning Market Value	873,956,480	887,068,514	832,249,103
+ Additions / Withdrawals	-6,329,069	-15,156,086	-2,872,052
+ Investment Earnings	60,100,182	55,815,164	98,350,540
= Ending Market Value	927,727,592	927,727,592	927,727,592

Quarterly Total Plan Financial Reconciliation

As of June 30, 2025

	Market Value As of 04/01/2025	Contributions	Distributions	Net Transfers	Expenses	Return On Investment	Market Value As of 06/30/2025
Retirement Plan	874.0	1.8	-8.1	-	-1.0	61.1	927.7
U.S. Equity	495.9	-	-	8.0	-	46.6	550.4
Large Cap Equity	380.3	-	-	-1.7	-	36.7	415.3
Small Cap Equity	115.6	-	-	9.7	-	9.9	135.1
International Equity	141.9	-	-	-7.6	-	11.4	145.6
U.S. Fixed Income	230.8	-	-	-7.0	-	3.0	226.7
Core Fixed Income	227.3	-	-	-6.7	-	3.0	223.6
Long Credit Fixed Income	3.5	-	-	-0.3	-	-	3.2
Cash	5.4	1.8	-8.1	6.7	-1.0	0.1	4.9

Investment Manager Research: Ratings Report Card

As of June 30, 2025

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 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 June 30, 2025

Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 5 Years



Trailing Period Performance

As of June 30, 2025

	Allocation			Performance %					
	Market Value \$	%	Target Mix %	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
THA Retirement Plan	927,727,592	100.0	100.0	7.0	6.5	12.2	12.7	10.4	8.5
<i>THA Retirement Plan Custom Benchmark</i>				7.5	6.3	12.5	13.5	10.5	9.0
<i>THA Mix 1 Custom Benchmark</i>				1.3	3.7	5.1	2.7	-2.3	2.9
<i>THA Mix 3 Custom Benchmark</i>				5.9	5.8	10.9	10.7	7.7	7.3
<i>THA Mix 4 Custom Benchmark</i>				7.6	6.4	12.6	13.6	10.8	9.2
<i>THA Staff Mix Custom Benchmark</i>				2.1	4.3	6.8	-	-	-
U.S. Equity	550,440,714	59.3	59.0						
State Street S&P 500 Index NL Fund	348,124,339	37.5		11.0 (45)	6.2 (44)	15.2 (35)	19.7 (37)	16.6 (29)	13.6 (31)
<i>S&P 500 Index</i>				10.9 (46)	6.2 (45)	15.2 (36)	19.7 (37)	16.6 (28)	13.6 (31)
State Street Russell 1000 Value Index SL Fund	67,167,105	7.2		3.8 (59)	6.0 (50)	13.7 (39)	12.8 (56)	13.9 (66)	-
<i>Russell 1000 Value Index</i>				3.8 (60)	6.0 (50)	13.7 (39)	12.8 (56)	13.9 (64)	9.2 (63)
Vanguard Small Cap Index	135,149,270	14.6		7.3 (44)	-0.6 (28)	10.2 (19)	12.2 (23)	11.9 (51)	8.6 (21)
<i>Vanguard Spliced Small Cap Index</i>				7.3 (44)	-0.6 (29)	10.1 (19)	12.1 (24)	11.8 (51)	8.5 (21)
International Equity	145,622,086	15.7	15.0						
Dodge & Cox International Stock	73,674,563	7.9		11.6 (60)	22.4 (20)	23.1 (21)	15.4 (49)	13.9 (12)	6.1 (68)
<i>MSCI AC World ex USA (Net)</i>				12.0 (47)	17.9 (67)	17.7 (65)	14.0 (73)	10.1 (66)	6.1 (67)
GQG International Equity	71,947,524	7.8		6.8 (100)	15.6 (69)	-	-	-	-
<i>GQG International Equity Strategy</i>				6.8 (100)	15.6 (69)	5.3 (100)	15.0 (43)	11.3 (30)	-
<i>MSCI AC World ex USA (Net)</i>				12.0 (54)	17.9 (61)	17.7 (62)	14.0 (66)	10.1 (47)	6.1 (64)

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

Trailing Period Performance

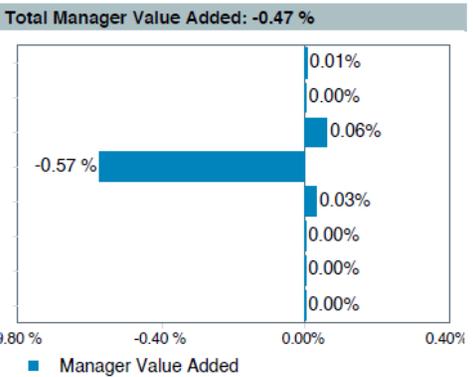
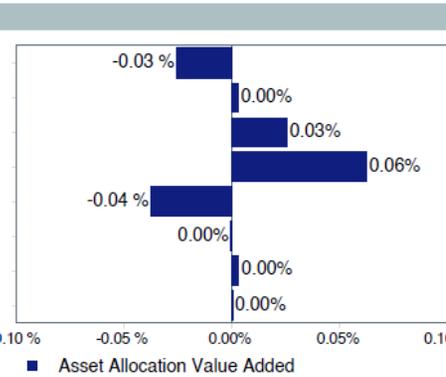
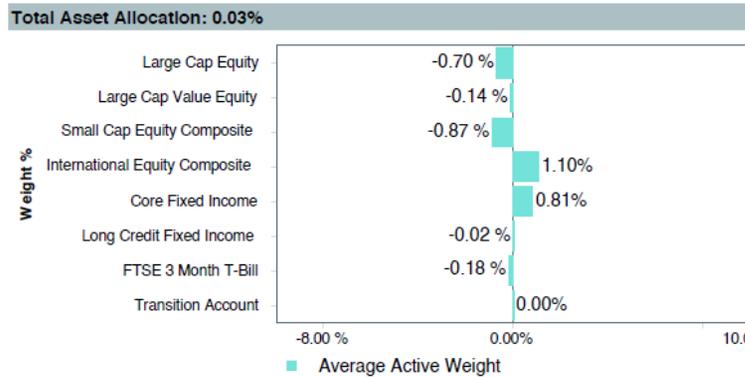
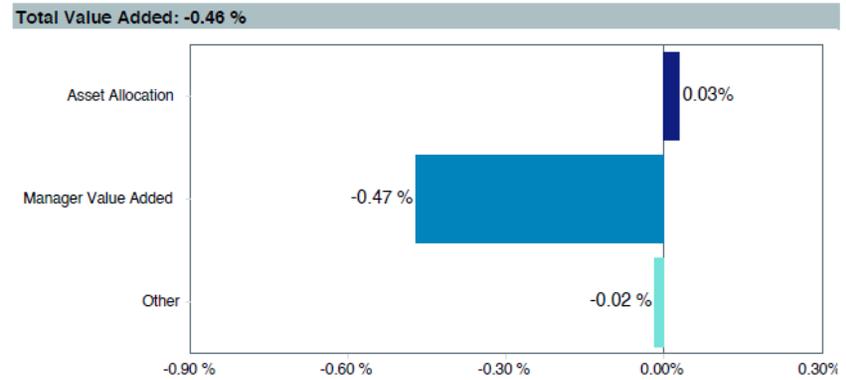
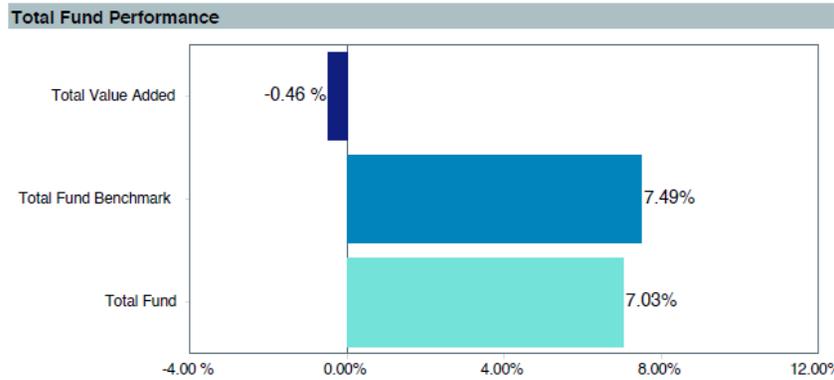
As of June 30, 2025

	Allocation			Performance %					
	Market Value \$	%	Target Mix %	1 Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
U.S. Fixed Income	226,743,360	24.4	25.0						
State Street Aggregate Bond Index NL Fund	111,497,394	12.0		1.2 (59)	4.0 (57)	6.1 (55)	2.6 (67)	-0.7 (75)	1.8 (81)
<i>Blmbg. U.S. Aggregate Index</i>				<i>1.2 (64)</i>	<i>4.0 (52)</i>	<i>6.1 (58)</i>	<i>2.5 (74)</i>	<i>-0.7 (79)</i>	<i>1.8 (82)</i>
Loomis Sayles Core Plus Bond	112,072,665	12.1		1.6 (39)	4.8 (8)	6.4 (59)	-	-	-
<i>Loomis Sayles Core Plus Bond Strategy</i>				<i>1.6 (39)</i>	<i>4.8 (8)</i>	<i>6.4 (59)</i>	<i>3.4 (63)</i>	<i>0.1 (67)</i>	<i>2.4 (49)</i>
<i>Blmbg. U.S. Aggregate Index</i>				<i>1.2 (87)</i>	<i>4.0 (65)</i>	<i>6.1 (87)</i>	<i>2.5 (91)</i>	<i>-0.7 (95)</i>	<i>1.8 (93)</i>
PIMCO U.S. Long Term Bond – Long Credit	3,173,302	0.3		1.1 (26)	4.4 (2)	6.3 (6)	3.7 (10)	-2.0 (28)	-
<i>Blmbg. U.S. Long Credit Index</i>				<i>1.3 (15)</i>	<i>3.7 (26)</i>	<i>5.1 (26)</i>	<i>2.7 (25)</i>	<i>-2.3 (32)</i>	<i>3.0 (20)</i>
Cash Account	4,921,432	0.5	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 June 30, 2025



Investment Fee Analysis

As of June 30, 2025

	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		927,727,592	100.0						
Large Cap Equity		415,291,443	44.8						
State Street S&P 500 Index NL Fund	CIT	348,124,339	37.5	0.013	eA US Passive S&P 500 Equity (CF 250m)	0.02	0.04	0.05	26
State Street Russell 1000 Value Index SL Fund	CIT	67,167,105	7.2	0.030	eA US Passive Large Cap Equity (CF 50m)	0.03	0.04	0.06	58
Small Cap Equity		135,149,270	14.6						
Vanguard Small Cap Index	MF	135,149,270	14.6	0.030	eA US Passive Small Cap Equity (MF)	0.05	0.15	0.25	33
International Equity		145,622,086	15.7						
Dodge & Cox International Stock	MF	73,674,563	7.9	0.620	eA ACWI ex-US All Cap Equity (MF)	0.68	0.85	0.95	53
GQG International Equity	CIT	71,947,524	7.8	0.630	eA ACWI ex-US All Cap Equity (CF)	0.65	0.70	0.80	43
Core Fixed Income		223,570,059	24.1						
State Street US Aggregate Bond Index NL Fund	CIT	111,497,394	12.0	0.030	eA US Passive Core Fixed Income (CF 50m)	0.04	0.05	0.06	10
Loomis Sayles Core Plus Bond	CIT	112,072,665	12.1	0.180	eA US Core Plus Fixed Income (CF)	0.28	0.33	0.35	48
Long Credit Fixed Income		3,173,302	0.3						
PIMCO U.S. Long Term Bond – Long Credit	MF	3,173,302	0.3	0.550	eA US Long Duration - Credit Fixed Income (MF)	0.30	0.50	0.67	8

- Aon Investments conducts periodic reviews (generally annually) of available share classes and vehicles, and as of the most recent review, the THA Retirement Plan utilizes the lowest cost share classes/vehicles available.

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.¹ Vehicle Type Definitions: "MF" = Mutual Fund, "CF" or "CIT" = Collective Investment Trust, "SA" = Separate Account² Expense 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.³ Fee 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.