

US Large Cap ESG Investment Manager Search

December 31, 2025



CARSON

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VP, Investment Due Diligence

Executive Summary

As a fiduciary responsible for managing the retirement plan, the investment committee has an obligation to act in the best interest of plan participants. This includes documenting the committee's investment decision making process, including the criteria used to select and monitor investment options.

Parnassus Core Equity is the plan's incumbent investment manager in the Large Cap Blend peer group. This fund was placed on watch and has been monitored closely. Carson Group has concluded that higher conviction investment options exist within that peer group, and therefore conducted a manager search for potential replacements.

Carson Group reviewed the Large Cap Blend investment universe, filtered for strategies that also have an ESG mandate, analyzed the candidate pool, narrowed down our top candidates and believe that the Vanguard FTSE Social Index mutual fund is the most suitable replacement due to its performance and risk characteristics, low fees, and experienced management. Carson Group included the following strategies in the Large Cap Blend manager search and assessed them on the metrics shown below. Carson Group has also provided the subsequent reports to assist in the decision-making process. The IPS Status evaluation is consistent with the monitoring criteria outlined in your plan's Investment Policy Statement and defined in the quarterly Investment Monitoring Review document.

	Vanguard FTSE Social Index	Parnassus Core Equity
Performance	√	X
Risk	√	√
Style	√	√
Management Team	√	√
Fees	√	X
IPS Status	Pass	Watch



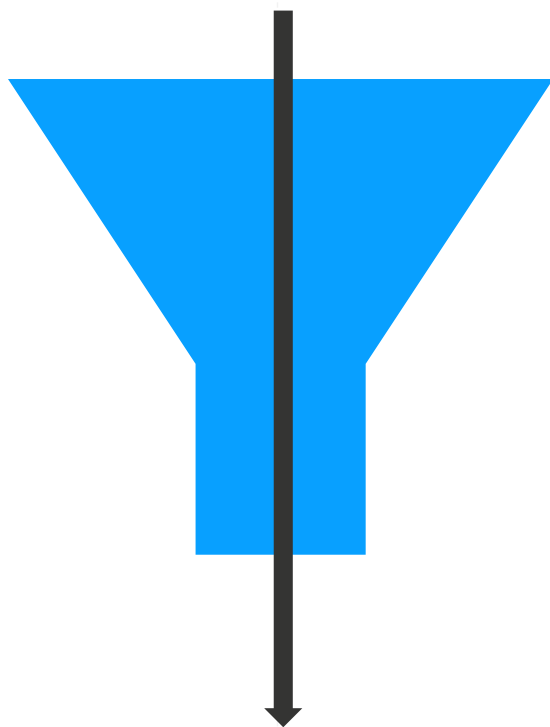
Investment Selection Process Summary

- 1. Quantitative Screen:** Carson Group began the process by looking at the broader Large Cap Blend universe. To initially narrow the investment universe, Carson Group applied various quantitative screens, including whether the share class was closed to new investors, average investment manager tenure, investment performance peer group ranking, and competitive prospectus net expense ratio.
- 2. Qualitative Analysis:** After going through various screens, Carson Group began its qualitative analysis which included our perspective on the fund based on our interviews with each fund management team. From our quantitative screening and qualitative analysis, Carson Group was able to narrow the entire pool of Large Cap Blend managers to three strategies, all encompassing the following characteristics:
 - A stable and experienced investment team, from the named Portfolio Managers to the support analysts.
 - Consistent, thoughtful, and transparent investment process using a proprietary framework.
 - Ongoing risk monitoring and portfolio due diligence, leading to portfolios that achieve high performance ranking relative to peers, at a reasonable cost.
- 1. Final Analysis:** The viable Large Cap Blend alternative was then compared with the incumbent. The assessment included historical peer group rankings from common fund inception dates using quantitative data points such as performance, Sharpe ratio, standard deviation, and information ratio. From this assessment, Carson Group determined the single best alternative candidate to fit the Large Cap Blend mandate.

The following analysis compares the top candidate with the incumbent. Note, for comparison purposes, each strategy's cheapest available mutual fund share class is used in this report, which may differ from the share class in your plan.



Investment Screening Methodology



- Total US mutual funds: **21,465**
- Mutual funds categorized as Large Cap Blend: **1107**
- Funds with 3 year performance above the category average (50th percentile or better): **566**
- Funds with 5 year performance above the category average (50th percentile or better): **479**
- Funds with 10 year performance above the category average (50th percentile or better): **368**
- Funds with strong 3 year performance relative to the benchmark index (Alpha > Category Average): **367**
- Funds with strong 5 year performance relative to the benchmark index (Alpha > Category Average): **351**
- Funds with strong 10 year performance relative to the benchmark index (Alpha > Category Average): **338**
- Morningstar Rating greater than 2 Stars: **338**
- Manager tenure at least 3 years: **290**
- Fund asset size above \$250MM: **278**
- Fund has an ESG mandate: **3**
- Elimination of higher cost share classes (# of unique managers): **2**
- NWCM potential alternative manager review: **1**



Fund Highlights

Name	Ticker	Morningstar Category	Inception Date (Oldest Share Class)	Manager Tenure (Average)	Primary Prospectus Benchmark	AUM	Prospectus Expense Ratio	# of Holdings
Parnassus Core Equity Institutional	PRILX	US Fund Large Blend	8/31/1992	14.19	S&P 500 TR USD	\$24,723,329,587	0.61	39
Vanguard FTSE Social Index Admiral	VFTAX	US Fund Large Blend	1/14/2003	4.06	FTSE US Choice TR USD	\$25,596,597,781	0.13	390



Parnassus Core Equity Inst

	PRILX		Replace
Commentary:	<p>Todd Ahlsten (2001), Benjamin Allen (2012), and Andrew Choi (2022) are the managers of the strategy. The team looks for exposure to US large cap equity markets through an ESG lens. The team will first exclude companies that derive significant revenue from alcohol, tobacco, weapons, fossil fuels, or gambling and then screen the universe based on traditional ESG, quality, and valuation metrics. Finally they invest in firms that meet all of their quantitative criteria and also offer durable competitive advantages, relevant products, strong management teams, and ethical business practices. The strategy ranks in the bottom quartile over the past 12 months and in the third quartile over the past 3-, 5-, and 10- years. Recent performance compared to both their Large Cap Blend peers as well as their benchmark index (S&P 500) has struggled slightly due to smaller allocations to mega-cap technology within the portfolio, which was especially a headwind in 2025 where the fund ranks in the bottom quartile.</p>		
Rationale:	<p>Carson's internal investment committee voted to replace the strategy due to underperformance and high costs relative to other options that can achieve the same lineup construction goal.</p>		



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Performance

Trailing performance as of 12/31/25

Top decile  Bottom decile ⓘ

Returns and rankings in %	YTD		1 year		3 year		5 year		10 year		15 year	
Ticker and investment name (grouped by Morningstar category)	Total return	% cat rank	Total return	% cat rank	Total return	% cat rank	Total Return	% cat rank	Total return	% cat rank	Total return	% cat rank
Large Blend	Funds ranked 1314		1314		1210		1122		880		676	
PRILX - Parnassus Core Equity Institutional	11.88	82	11.88	82	18.49	71	11.64	73	13.56	53	13.33	41
VFTAX - Vanguard FTSE Social Index Admiral	17.24	38	17.24	38	24.86	8	13.50	41	15.12	8	14.56	4
S&P 500 TR USD *	17.88	-	17.88	-	23.01	-	14.42	-	14.82	-	14.06	-

* Benchmark

- Parnassus has inconsistently generated excess returns
- Vanguard has been more consistent by giving beta exposure

Past performance is not an indication or guarantee of future performance. All returns are presented net of all applicable service, load, and investment management expenses. The benchmark index shown is the applicable benchmark index for the peer group in question on Morningstar. Inception date of each fund's oldest available share class is provided on the Fund Highlights page.



Risk

Risk/return statistics 3 Year 1/1/23 - 12/31/25

Returns in %

Ticker and investment name	Return	Standard deviation	Sharpe ratio	Batting average	Excess return	Tracking error	Information ratio	Beta	Up capture	Down capture	R-squared
PRILX - Parnassus Core Equity Institutional	18.49	11.62	1.16	38.89	-4.52	3.09	-1.46	0.94	87.91	102.56	93.29
VFTAX - Vanguard FTSE Social Index Admiral	24.86	13.01	1.53	61.11	1.85	2.05	0.90	1.08	106.52	104.44	98.02
S&P 500 TR USD *	23.01	11.95	1.51	-	-	-	-	-	-	-	-

* Benchmark

Risk/return statistics 5 Year 1/1/21 - 12/31/25

Returns in %

Ticker and investment name	Return	Standard deviation	Sharpe ratio	Batting average	Excess return	Tracking error	Information ratio	Beta	Up capture	Down capture	R-squared
PRILX - Parnassus Core Equity Institutional	11.64	14.79	0.56	38.33	-2.79	3.10	-0.90	0.96	91.78	100.65	95.74
VFTAX - Vanguard FTSE Social Index Admiral	13.50	16.10	0.63	51.67	-0.92	2.32	-0.40	1.06	101.73	108.12	98.18
S&P 500 TR USD *	14.42	15.11	0.73	-	-	-	-	-	-	-	-

* Benchmark

- Parnassus has struggled with performance on both an absolute and risk-adjusted basis due to security selection issues

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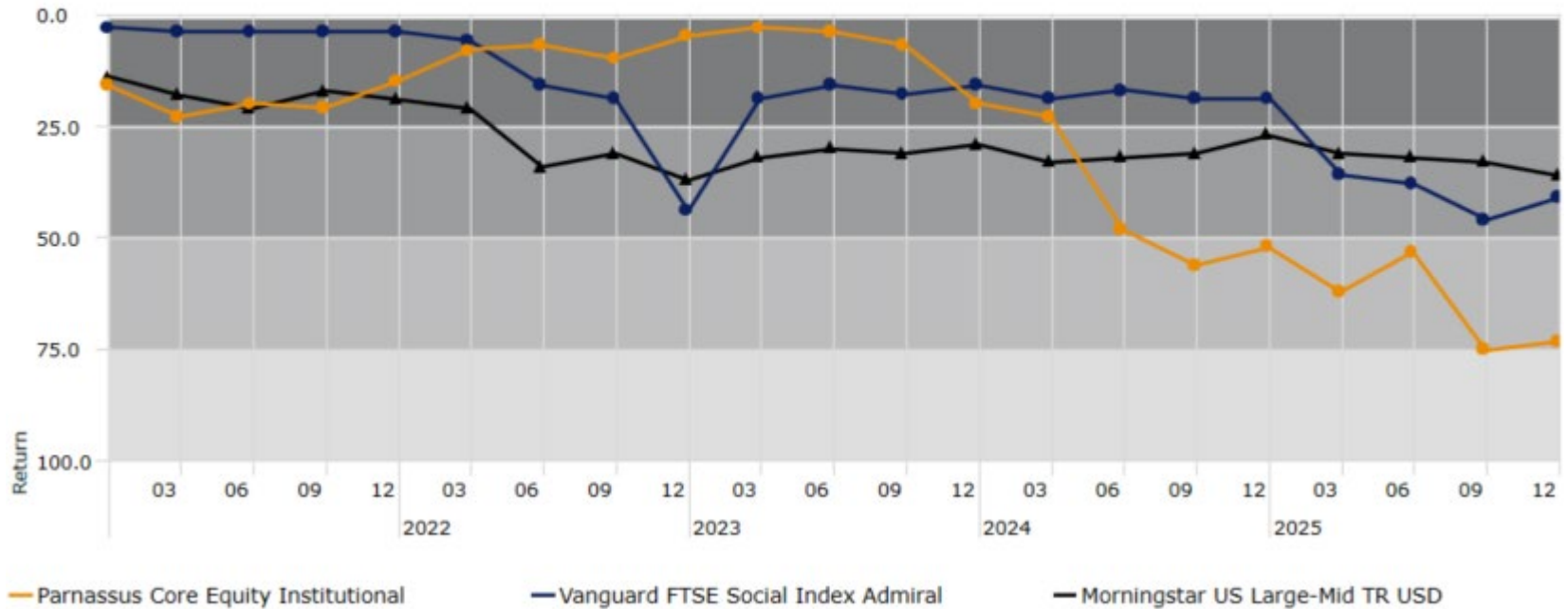
Consistency

Rolling Return (Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

■ 1st to 25th Percentile ■ 26th to Median ■ 51st to 75th Percentile ■ 76th to 100th Percentile

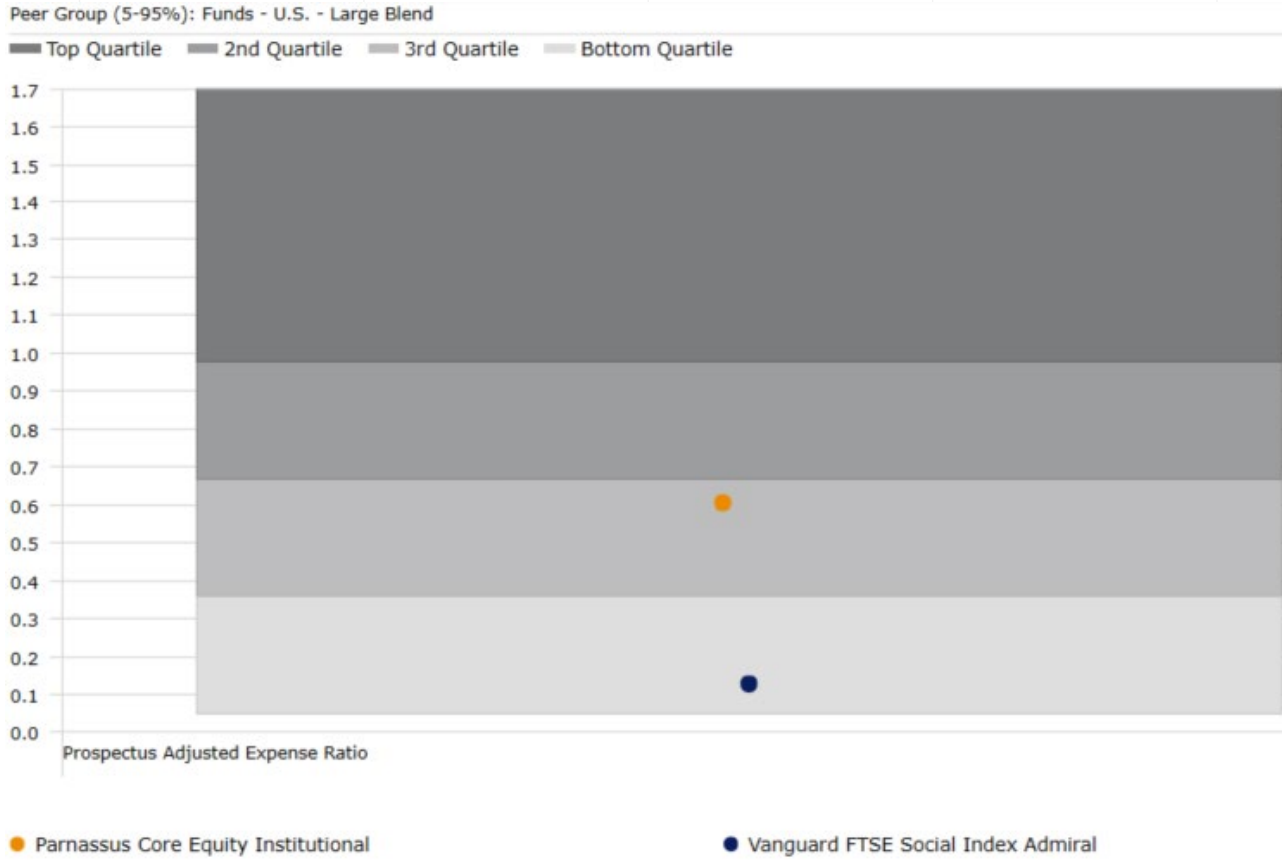


- Vanguard has been better at generating consistent returns through changing market conditions

Past performance is not an indication or guarantee of future performance. All returns are presented net of all applicable service, load, and investment management expenses. The benchmark index shown is the best-fit index for the funds in question based on Morningstar data.



Fees



- Vanguard ranks in the least expensive quartile of the peer group for investment manager expenses.



Vanguard FTSE Social Index Adm

	VFTAX		Recommendation
<p>Commentary:</p>	<p>Vanguard FTSE Social Index delivers on its environmental, social, and governance remit without sacrificing the benefits of a broadly diversified, market-cap weighted portfolio. The fund tracks the FTSE US Choice Index, which targets large- and mid-cap US companies that comply with its ESG criteria. It excludes companies operating in controversial businesses, violating the UN Global Compact principles for corporate sustainability, or failing FTSE's diversity and sanction criteria. These screens don't weed out a significant portion of the starting universe. As of the end of 2025, the fund held around 390 stocks from the 540 names in the parent index, and their top holdings significantly overlapped.</p>		
<p>Rationale:</p>	<p>Carson's internal investment committee considers this strategy to be a prudent option for fund replacements and new offerings in the Large Cap Blend category with an ESG Bias due to strong long-term performance and low costs.</p>		



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Conclusion

After evaluating the Large Cap Blend fund universe and narrowing our in-depth analysis to the three funds above, the Carson Group found the Vanguard FSTE Social Index fund exhibited the following qualities:

- Consistently strong trailing performance rankings through changing market conditions
- Fees below the peer average

For these reasons, Carson Group has determined that the incumbent Parnassus Core Equity fund should be replaced with the Vanguard FTSE Social Index fund.

	Vanguard FTSE Social Index	Parnassus Core Equity
Performance	√	X
Risk	√	√
Style	√	√
Management Team	√	√
Fees	√	X
IPS Status	Pass	Watch

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Supporting Documents



Additional Data



Trailing Performance (as of 12/31/25)

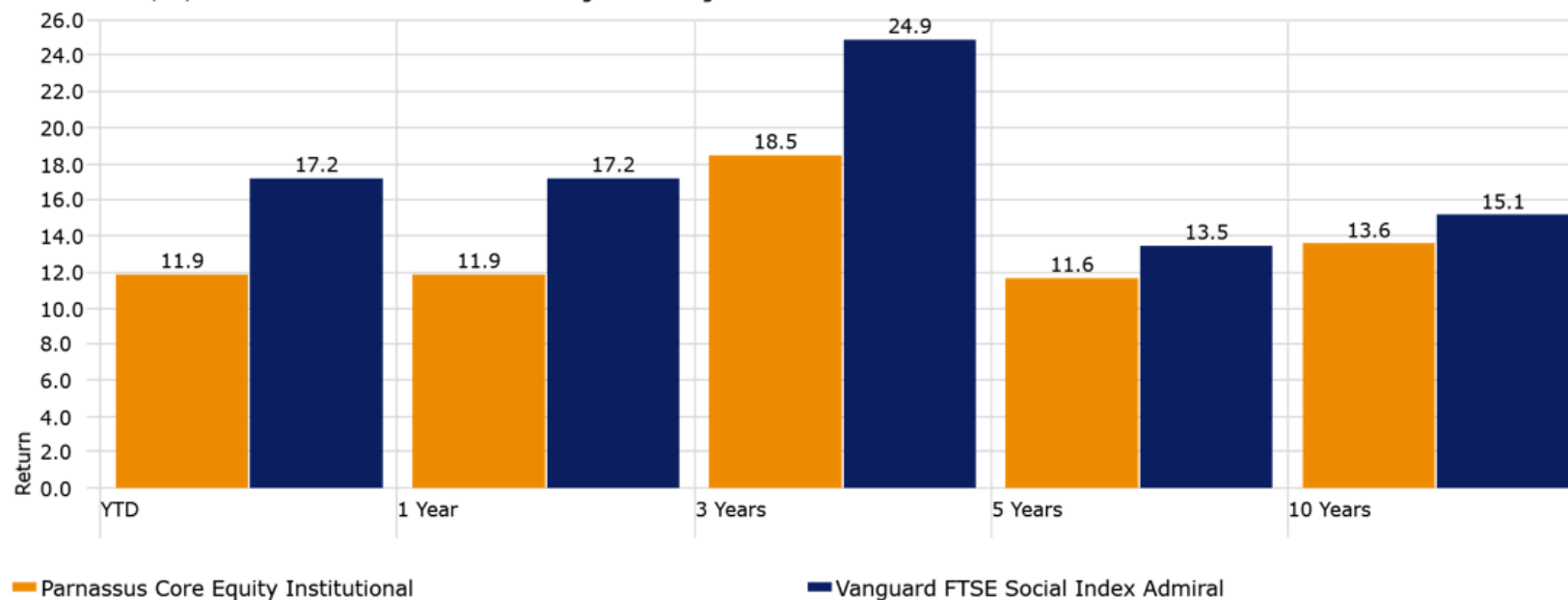
Trailing Returns

As of Date: 12/31/2025 Data Point: Return Calculation Benchmark: Morningstar US Large-Mid TR USD

	YTD	1 Year	3 Years	5 Years	10 Years
Parnassus Core Equity Institutional	11.88	11.88	18.49	11.64	13.56
Vanguard FTSE Social Index Admiral	17.24	17.24	24.86	13.50	15.12

Returns

As of Date: 12/31/2025 Calculation Benchmark: Morningstar US Large-Mid TR USD



Source: Morningstar Direct



Calendar Year Performance (as of 12/31/25)

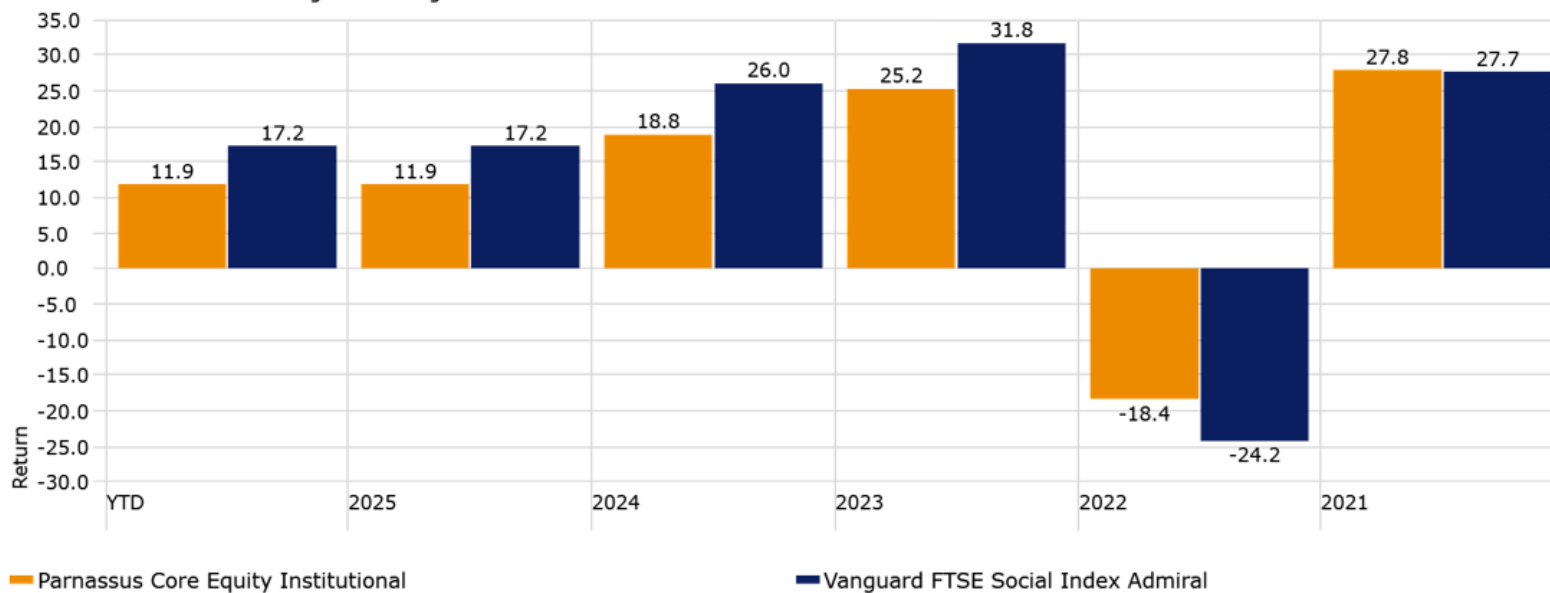
Calendar Year Returns

Data Point: Return Calculation Benchmark: Morningstar US Large-Mid TR USD

	YTD	2025	2024	2023	2022	2021
Parnassus Core Equity Institutional	11.88	11.88	18.75	25.21	-18.45	27.82
Vanguard FTSE Social Index Admiral	17.24	17.24	25.97	31.79	-24.22	27.71

Returns

Calculation Benchmark: Morningstar US Large-Mid TR USD



Source: Morningstar Direct

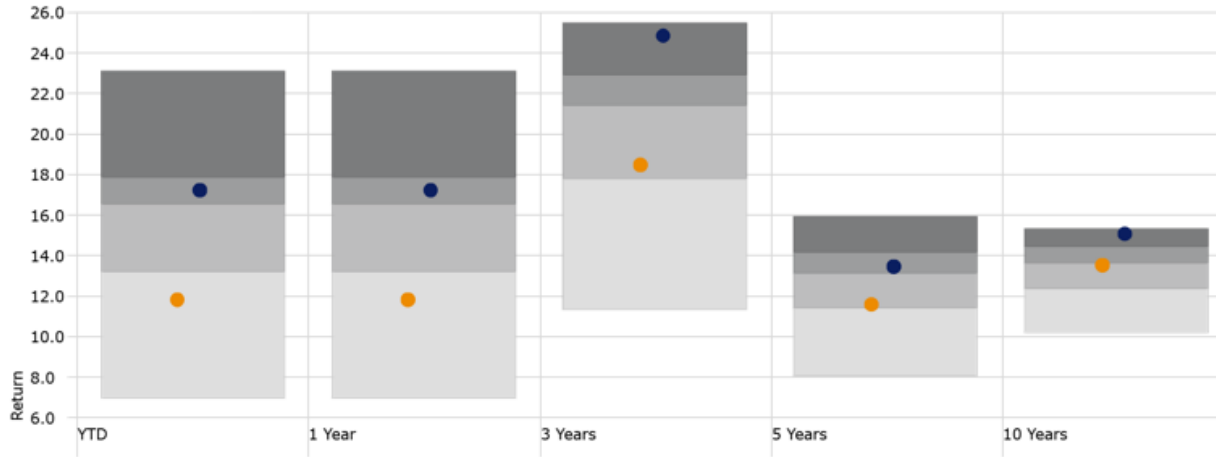


Performance Rankings

Performance Relative to Peer Group

As of Date: 12/31/2025 Peer Group (5-95%): Funds - U.S. - Large Blend Calculation Benchmark: Morningstar US Large-Mid TR USD

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



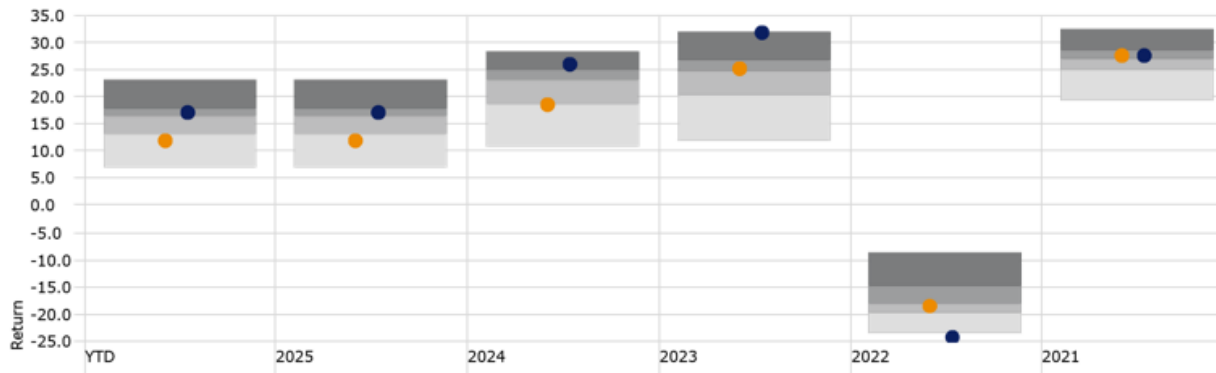
● Parnassus Core Equity Institutional

● Vanguard FTSE Social Index Admiral

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Blend Calculation Benchmark: Morningstar US Large-Mid TR USD

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile



● Parnassus Core Equity Institutional

● Vanguard FTSE Social Index Admiral

Source: Morningstar Direct



Risk and Return

Performance

Calculation Benchmark: Morningstar US Large-Mid TR USD

	Return	Std Dev	Excess Return	Information Ratio (arith)	R2	Tracking Error
Parnassus Core Equity Institutional	11.64	14.79	-2.07	-0.62	95.18	3.35
Vanguard FTSE Social Index Admiral	13.50	16.10	-0.21	-0.10	98.67	1.97

Risk

Time Period: 1/1/2016 to 12/31/2025 Calculation Benchmark: Morningstar US Large-Mid TR USD

	Return	Std Dev	Downside Deviation	Alpha	Beta	R2	Sharpe Ratio (arith)	Tracking Error
Parnassus Core Equity Institutional	13.56	14.08	2.73	0.21	0.89	94.61	0.80	3.68
Vanguard FTSE Social Index Admiral	15.12	15.92	1.18	0.13	1.03	98.89	0.81	1.74



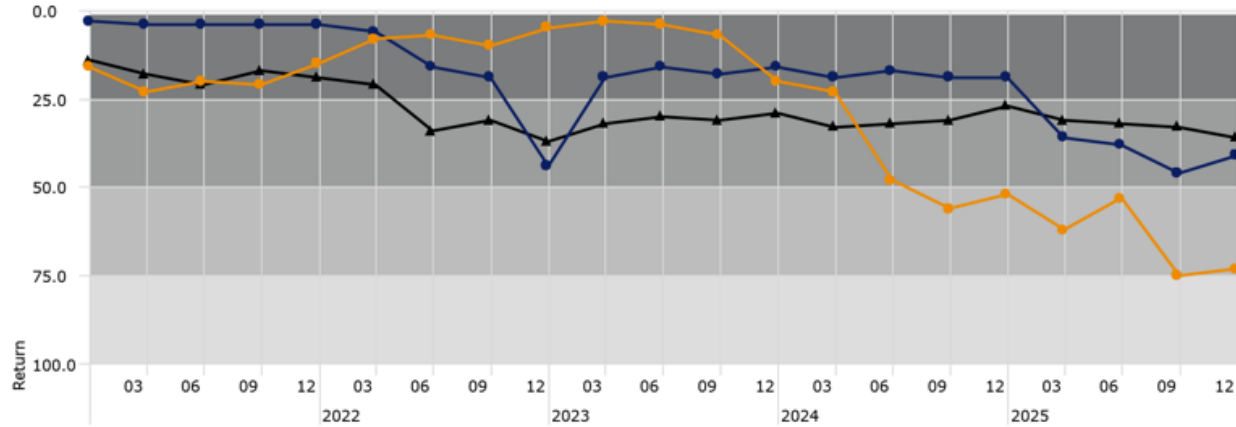
Consistency

Rolling Return (Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



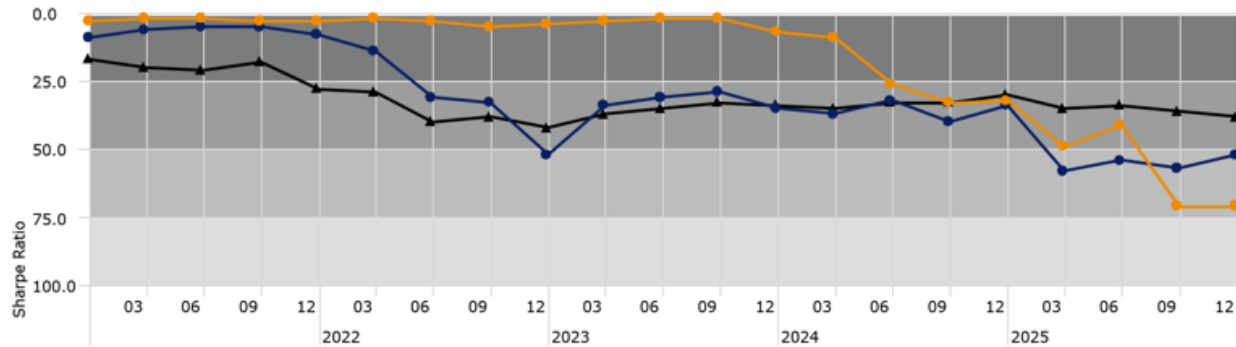
— Parnassus Core Equity Institutional — Vanguard FTSE Social Index Admiral — Morningstar US Large-Mid TR USD

Rolling Sharpe Ratio (Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



— Parnassus Core Equity Institutional — Vanguard FTSE Social Index Admiral — Morningstar US Large-Mid TR USD

Source: Morningstar Direct



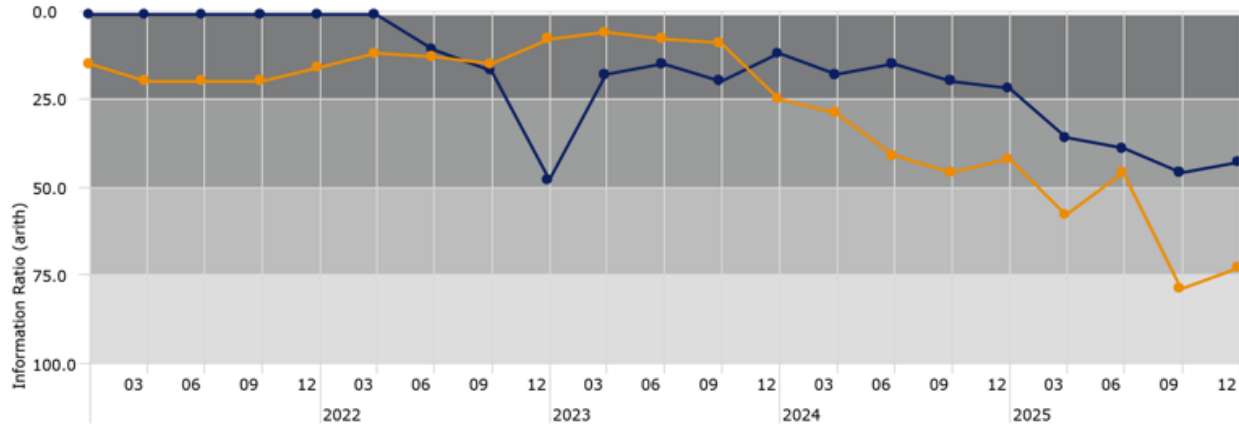
Consistency

Rolling Information Ratio (Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



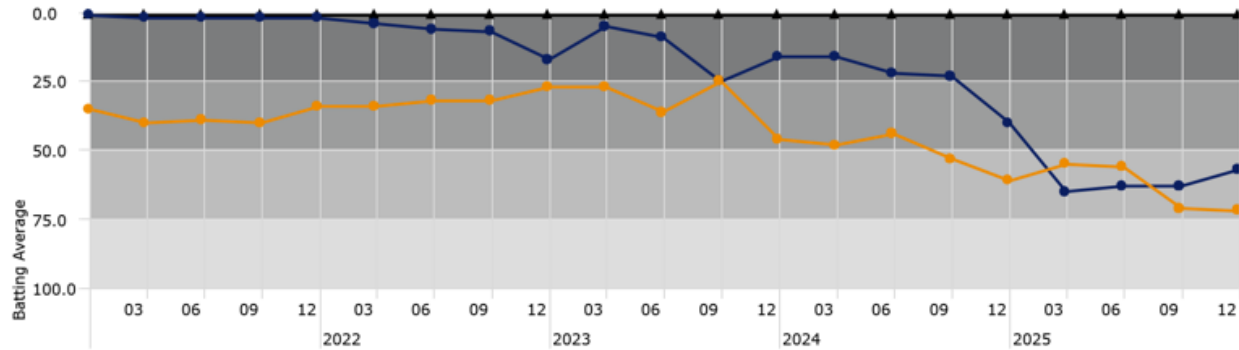
Parnassus Core Equity Institutional Vanguard FTSE Social Index Admiral Morningstar US Large-Mid TR USD

Rolling Batting Average (Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Parnassus Core Equity Institutional Vanguard FTSE Social Index Admiral Morningstar US Large-Mid TR USD

Source: Morningstar Direct



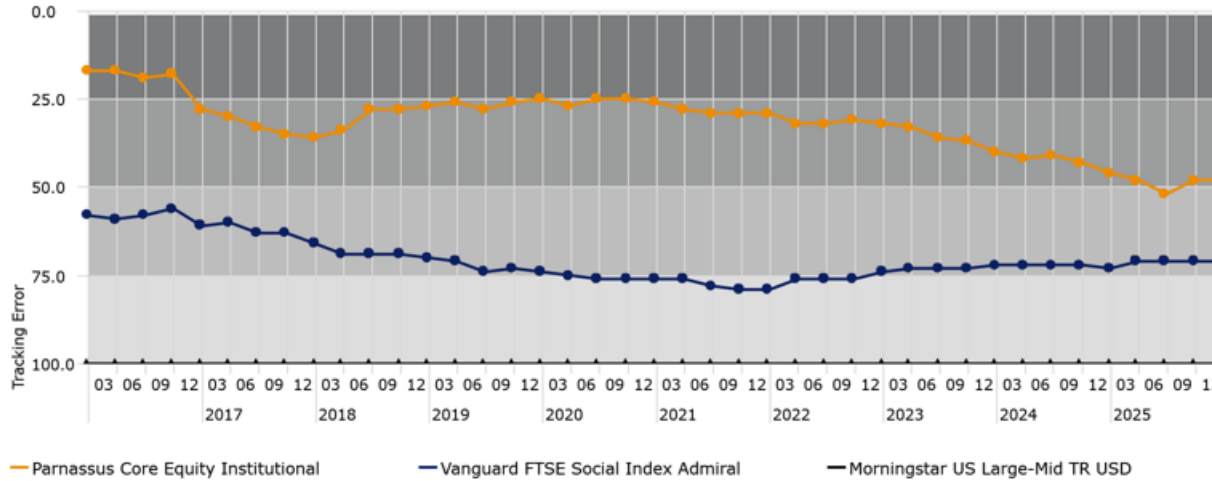
Consistency

Rolling Tracking Error (Descending Rank)

Time Period: 1/1/2011 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile

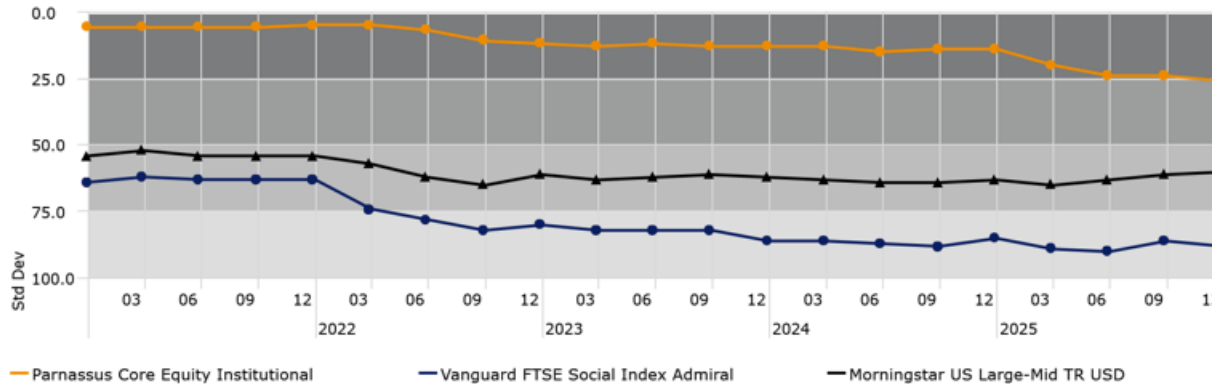


Rolling Standard Deviation (Ascending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Source: Morningstar Direct



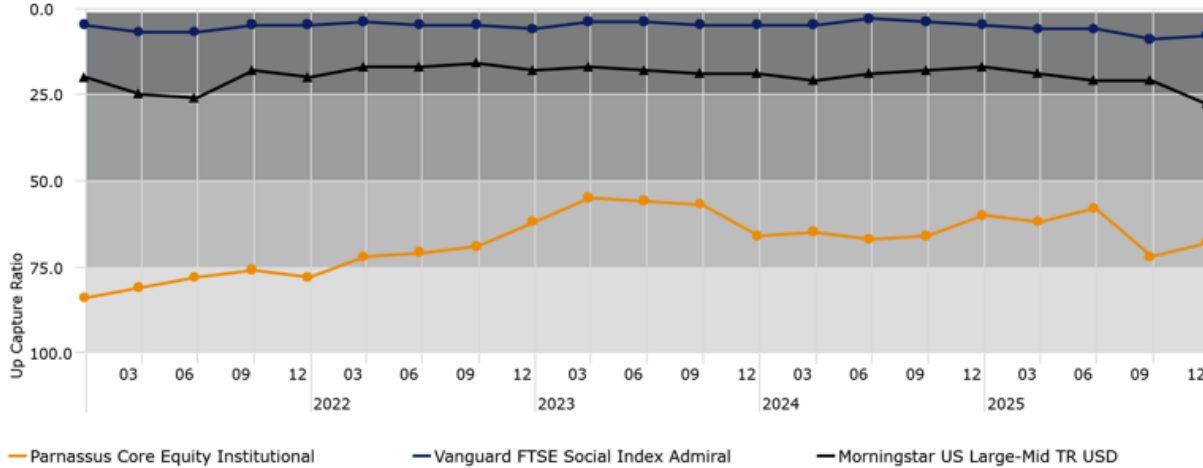
Consistency

Rolling Up Capture(Descending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile

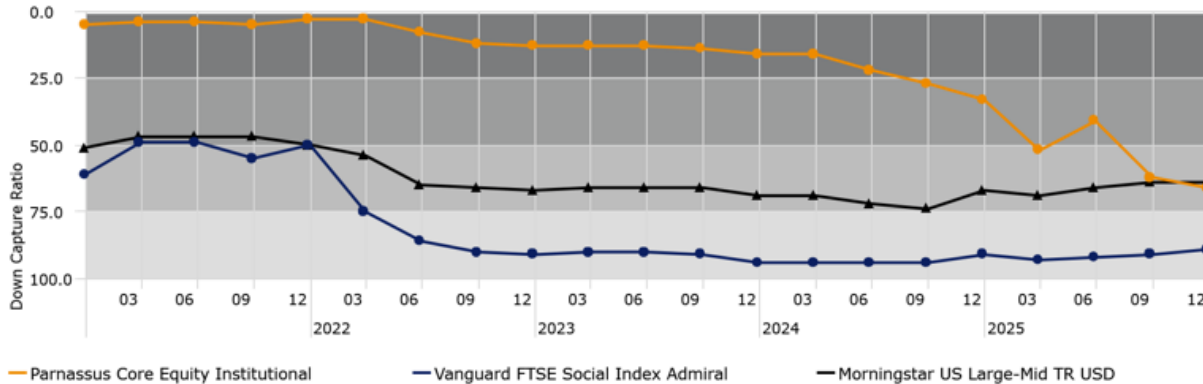


Rolling Down Capture (Ascending Rank)

Time Period: 1/1/2016 to 12/31/2025

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 5 Years 3 Months shift Calculation Benchmark: Morningstar US Large-Mid TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



Source: Morningstar Direct

