



For Immediate Release | August 1, 2023

# Q2 2023 AmericanTCS 401(k) Composite Benchmark

The AmericanTCS 401(k) Composite Benchmark returned 4.66% in the second quarter of 2023. Following a challenging market in 2022 that delivered a decline of -16.70% to the 401(k) benchmark, 2023 has been a welcome change with a YTD return of 10.28%.

Because 401(k) participants are long-term investors it is important to take a step back and observe the hypothetical 401(k) participant's journey over longer time periods. Over the last 5-year period, the AmericanTCS 401(k) Benchmark achieved a solid return of 6.42% despite negative returns in 2018 and 2022 calendar years. This reaffirms the experts' advice to 401(k) participants on the importance of staying the course even in the most turbulent of market conditions. History tells us that good markets often follow bad ones. To achieve long-term financial success and stability, 401(k) participants must maintain a committed approach to their 401(k) portfolio.

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	3 Mo	YTD	1 YR	3 YR	5 YR
<b>AmericanTCS 401(k) Benchmark</b>	<b>4.66%</b>	<b>10.28%</b>	<b>12.02%</b>	<b>7.77%</b>	<b>6.42%</b>
Dow Jones	3.97%	4.94%	14.23%	12.61%	9.58%
Balanced Index	4.91%	10.97%	11.38%	7.17%	7.69%
Bloomberg U.S. Agg Bond Index	-0.84%	2.09%	-0.94%	-3.96%	0.77%
S&P 500	8.74%	16.89%	19.59%	14.60%	12.31%



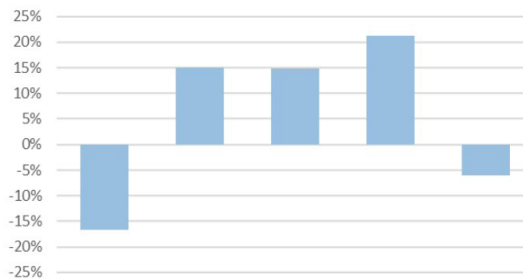
The S&P 500 Index (large cap U.S. stocks) returned 8.74% during the second quarter, as lower inflation and AI enthusiasm helped drive markets higher. Domestic stocks continued their strong start to the year as the U.S. economy remained more resilient despite higher interest rates. Markets, especially mega cap growth stocks, benefited from moderating inflation, which seems to be firmly in a downward trend as the annual inflation rate fell to 3.0% in June, the lowest level in two years. The Bloomberg U.S. Aggregate Bond Index (taxable U.S. bonds) returned -0.84% in the second quarter, while the Balanced Index returned 4.91%. The bond market saw volatility drop significantly over the quarter with yields trending higher as investors reevaluated the upside on the federal funds rate.

# AmericanTCS 401(k) Composite Benchmark

AS OF JUNE 30, 2023

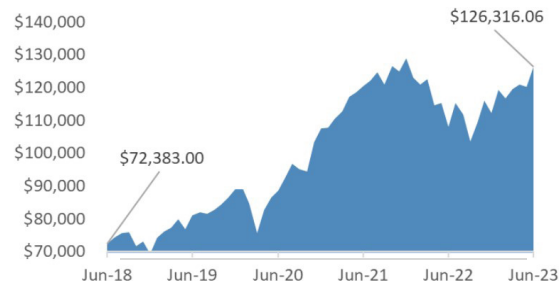
AmericanTCS is a leading financial services organization that provides a wide array of brokerage, advisory, and trust services to a diverse national client base of financial advisors and institutions, asset managers, and benefits administrators through its various affiliated companies. Because we provide these services, AmericanTCS has plan investment data on over 100,000 401(k) plans representing approximately \$125 billion in assets. In response to requests from our institutional clients, we have created the AmericanTCS 401(k) Composite Benchmark. Using data from plans serviced by AmericanTCS with assets of at least \$100,000 at the beginning and ending of the month, the AmericanTCS 401(k) Composite Benchmark is designed to reflect the portfolio performance across 401(k) plans serviced, in any capacity, by AmericanTCS. See the "Methodology" section of this report for details on how the composite benchmark is calculated.

## Annual Returns

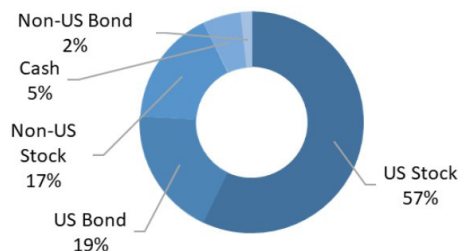


2022	2021	2020	2019	2018
-16.70%	14.92%	14.85%	21.24%	-6.01%

## Participant Balance



## Asset Allocation



## Return Rankings

Our return rankings show rankings based on a wide range of plan sizes, industries, and participant risk tolerance levels. This information is provided as a reference point only and should not be used to draw a conclusion on the overall effectiveness of an individual plan. For instance, a company plan with a concentration of older, highly compensated, individuals may have a lower return ranking due to the employees, collectively, taking on a lower risk tolerance profile to achieve their goals. In contrast, a

firm that employs many younger workers might have a higher return ranking due to the employees taking on a higher risk tolerance profile. We are providing this benchmark to aid fiduciaries in understanding where a given plan falls within this spectrum.

Plan Rankings	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
Top 20% >	5.44%	5.62%	12.19%	14.31%	9.49%	7.82%
Top 40% >	4.89%	4.84%	10.85%	12.73%	8.23%	6.96%
Bottom 40% <	4.40%	4.24%	9.69%	11.36%	7.21%	6.24%
Bottom 20% <	3.76%	3.52%	8.20%	9.66%	5.93%	5.29%

Plan Rankings	2022	2021	2020	2019	2018
Top 20% >	-14.34%	17.79%	18.44%	25.10%	-4.32%
Top 40% >	-16.08%	15.51%	16.20%	23.01%	-5.49%
Bottom 40% <	-17.21%	13.70%	14.21%	21.09%	-6.44%
Bottom 20% <	-18.65%	11.67%	11.59%	18.47%	-7.55%

# AmericanTCS 401(k) Composite Benchmark

## METHODOLOGY & DISCLOSURES

### Methodology

For the benchmark trailing and annual returns, American Trust Custody, calculates a monthly rate of return (using the Modified Dietz method) for each 401(k) plan with assets of at least \$100,000 at the beginning and ending of the month. We then calculate the composite return based on a market value weighted average for all plans within three standard deviations of the mean. For periods over one month, we geometrically link the monthly returns. For periods over one year, we annualize those returns.

For the percentile rankings, American Trust Custody, calculates a monthly rate of return (using the Modified Dietz method) for each 401(k) plan with assets of at least \$100,000 at the beginning and end of the period. We then geometrically link those monthly returns for each period and annualize them for periods over one year. We then calculate the percentiles based on all plans in the period that are within three standard deviations of the mean.

For the hypothetical participant balances, we used a starting balance based on the average 401(k) participant balance provided by the Investment Company Institute for the year of the starting balance. In our calculation, we assumed a starting annual salary of \$50,000, a combined employee/employer 9% annual contribution rate, and a 3% annual salary increase and applied the monthly rate of return of the benchmark.

The asset allocation is based on the reporting date for all fund positions where we were able to ascertain the underlying asset types.

Let's talk.

Ready to learn more about AmericanTCS? Get in touch today!

**Nathan Friday**

AmericanTCS

Phone: 800-693-7800

Email: [info@americantcs.com](mailto:info@americantcs.com)

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### Disclosure

This benchmark is provided for informational purposes only and should not be relied upon to make investment decisions. This benchmark reflects overall plan investment performance and is not indicative of the performance achieved by individual plan participants, a single investment advisor or investment strategy. Many factors affect overall plan investment performance, including: participant risk tolerance and investment selection, concentrations in participant investment selections, performance of the investment options made available to participants, expenses of the investment options made available to participants, etc. While this benchmark is inclusive of all investment management fees, other fees (such as advisor, recordkeeping, custody, etc.) are not consistently applied across all plans as Mid Atlantic is reliant on the intermediary to code those flows correctly and Mid Atlantic does not review that coding. However, we believe generally those additional fees are excluded from performance.

