

For Immediate Release | June 1, 2023

# 2023 Q1 AmericanTCS 401(k) Benchmark

The AmericanTCS 401(k) benchmark generated a return of 5.37% in the first quarter of 2023. Although it trailed the Nasdaq and the S&P 500, the AmericanTCS 401(k) benchmark greatly outperformed the Dow Jones Industrial average. This solid performance is a testament to the effectiveness of a well-diversified retirement savings plan and highlights the potential for 401(k) plans to provide a reliable avenue for retirement savings. This is good news for 401(k) participants as they work toward their long-term financial goals. Although the hypothetical 401(k) investor suffered a 16.7% decline in 2022, after declines in the first three quarters, the AmericanTCS 401(k) benchmark rallied back in the fourth quarter with

a 7.03% return. When we zoom out and look at a hypothetical 401(k) participant over a period of five years, the numbers look much better. During three of the last five years, the AmericanTCS 401(k) Benchmark has generated annual returns greater than 14%, with 2018 posting a -6% return, and 2022 with a -16.70% return. As a final note of success for the hypothetical 401(k) investor, only Dow Jones outperformed the AmericanTCS 401(k) Benchmark when comparing the major indices during a rollercoaster of a year in 2022. This is why experts always recommend 401(k) participants to “stay the course” even during the most turbulent of markets.

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Comparison with Major Indices	Q1 23	Q4 22	Q3 22	Q2 22	2022 Return	2021 Return
Dow Jones Industrial Average	0.93%	16.01%	-6.20%	-11.30%	-6.86%	18.70%
S&P 500	7.48%	7.55%	-4.90%	-16.5%	-18.13%	26.90%
<b>AmericanTCS 401(k) Benchmark</b>	<b>5.37%</b>	<b>7.03%</b>	<b>-5.10%</b>	<b>-12.96%</b>	<b>-16.70%</b>	<b>14.90%</b>
Nasdaq Composite	17.05%	-0.78%	-3.90%	-22.40%	-32.51%	21.40%



# AmericanTCS 401(k) Composite Benchmark

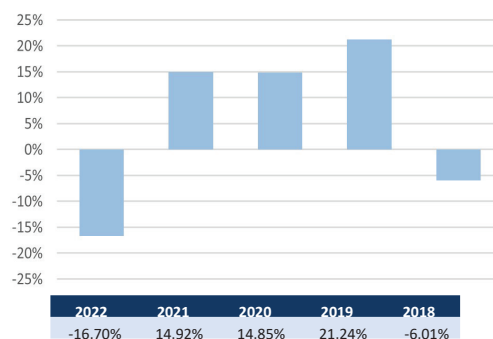
AS OF MARCH 31, 2023

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.

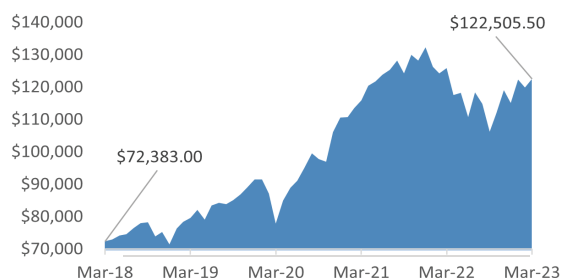
## Trailing Returns



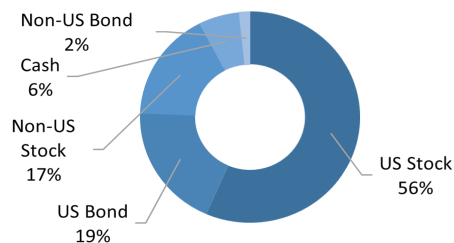
## Annual Returns



## Participant Balance



## Asset Allocation



Most of the major stock indices rebounded to start the year of 2023, after coming off a very difficult 2022. Data indicating inflation is cooling was a major factor driving market gains in January 2023. That decline in price pressures was coupled with surprisingly resilient economic data, especially on the labor market.

During Q1 2023 the S&P 500 outperformed the Dow Jones Industrial Average, recording a return of 7.48% in the first quarter of 2023. The S&P 500's outlook remains optimistic, with expectations of continued growth supported by improving economic conditions, corporate profitability, and investor confidence.



The Dow Jones Industrial Average experienced a modest return of 0.93% during the same time period lagging the other major indices. The Nasdaq Composite had a robust return of 17.05%. This exceptional growth can be attributed to the strong performance of technology-related stocks and innovative companies listed on the Nasdaq

exchange. The outlook for the Nasdaq remains positive, as technological advancements, digital transformation, and investor interest in the tech sector are expected to continue driving its growth. The Fed's indication that their rate hike campaign may come to an end helped offset two rate increases and the largest bank failures since the financial crisis.

### 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 contrary, 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% >	2.63%	6.37%	6.37%	-5.32%	13.75%	7.04%
Top 40% >	2.32%	5.75%	5.75%	-6.27%	12.15%	6.24%
Bottom 40% <	1.94%	5.13%	5.13%	-6.98%	10.72%	5.53%
Bottom 20% <	1.43%	4.27%	4.27%	-7.77%	8.84%	4.56%

Plan Rankings	2022	2021	2020	2019	2018
Top 20% >	-14.00%	17.58%	18.28%	24.90%	-4.06%
Top 40% >	-15.93%	15.34%	16.02%	22.83%	-5.37%
Bottom 40% <	-17.09%	13.48%	14.00%	20.83%	-6.35%
Bottom 20% <	-18.52%	11.27%	11.14%	17.98%	-7.46%

# AmericanTCS 401(k) Composite Benchmark

## METHODOLOGY & DISCLOSURES

### Methodology

For the benchmark trailing and annual returns, Mid Atlantic Trust Company, DBA American Trust Custody, an AmericanTCS business, 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!

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### Disclosures

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 American Trust Custody is reliant on the intermediary to code those flows correctly and American Trust Custody does not review that coding. However, we believe generally those additional fees are excluded from performance.

