

FOSTER & WOOD

Santé Operations LLC

► 401(k)

Profit Sharing Plan and Trust

Spring 2025 Update

Investment Return Information as of 03/31/2025

Welcome to the Santé Operations 401(k) Plan

- ▶ Congratulations on taking your first steps towards a secure life when you retire!
- ▶ Foster & Wood bring over 46 years of combined experience in managing retirement plans.
- ▶ Because they do not allow commissions or any other conflicts of interest in the plans they manage you can confidently ask them questions or seek their advice without worrying about “what’s in it for them.”

Investment Questions

- ▶ Tim Wood | 971-266-3134 | tim@fosterandwood.com

Form, Distributions, Password Resets, Etc.

- ▶ Jeremy Six | 971-366-3513 | jeremy@fosterandwood.com

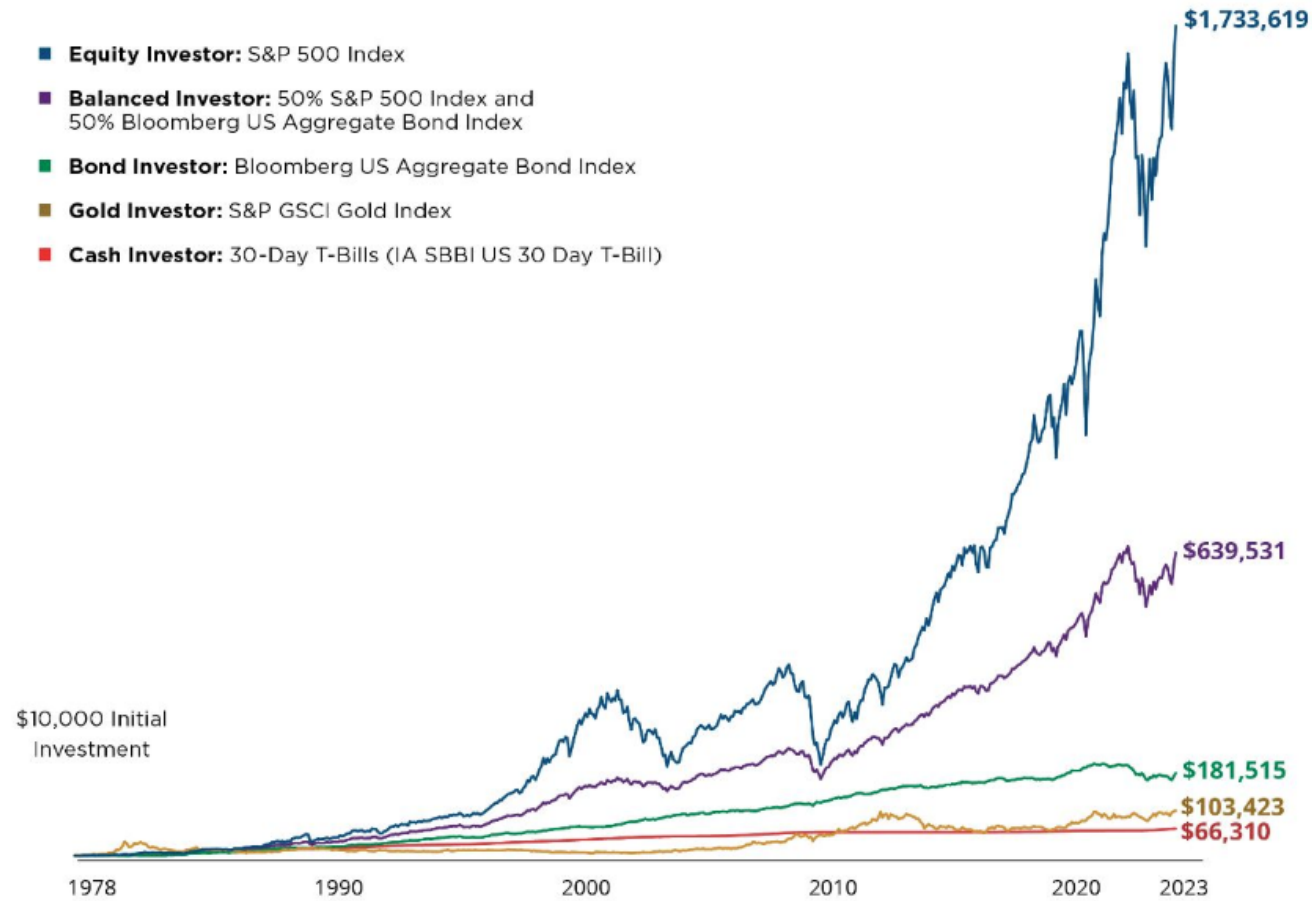
Agenda

- ▶ Given the markets are so volatile and everything seems so overvalued, are bonds a better option?
- ▶ Good days are going to occur during the worst times.
- ▶ Updated data on the importance of remaining invested, even in retirement.
- ▶ Review the rules of your plan including automatic enrollment and escalation and Sante/Alumus matching program.
- ▶ Did you already file your tax return without taking advantage of the saver's credit?
- ▶ Review the Target Date Funds and Portfolios.
- ▶ How do I update my beneficiaries?
- ▶ Answer your questions.

Over the Long Term, Stocks Still Have the Edge

Long-Term Returns for Different Asset Classes

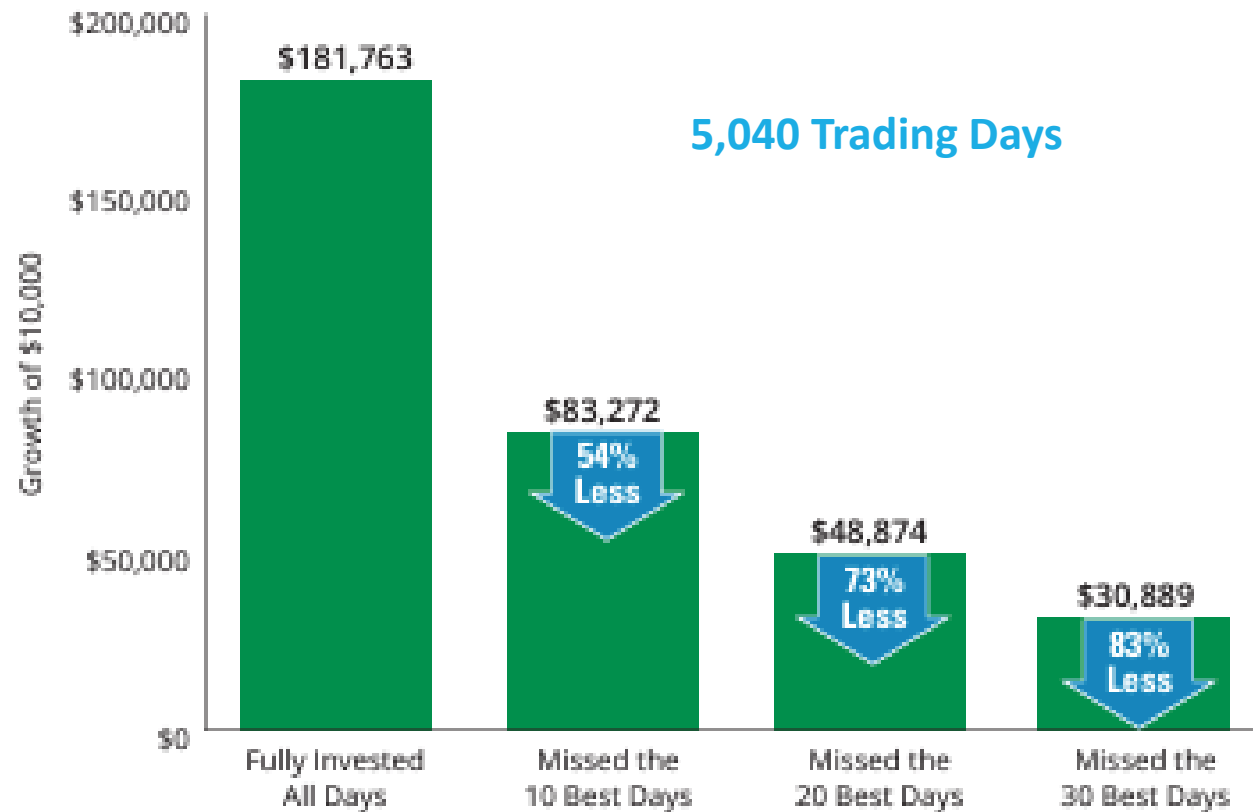
Growth of \$10,000 (1978-2023)



Time In the Market Rather Than Timing the Market

Missing the Market's Best Days Has Been Costly

S&P 500 Index Average Annual Total Returns: 1994–2023

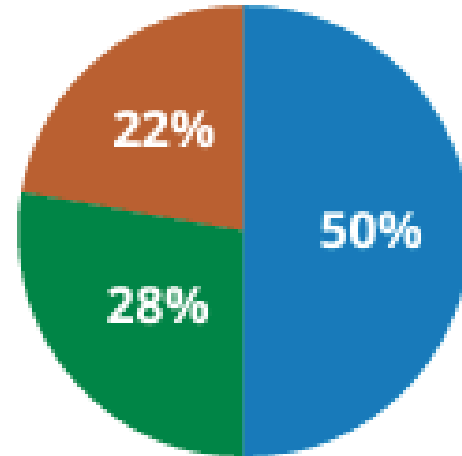


0.006% of all days
created most of
the 20 years of
returns.

The Market is Not Predictable

Good Days Happen in Bad Markets

S&P 500 Index Best Days: 1994–2023



50 Best Days

- During a Bear Market
- During the First Two Months of a Bull Market
- During the Rest of a Bull Market

Even in the Mid-Term, Almost Everything Works

Risk-and-Reward Trade-Off for Asset Classes

Rolling Returns (1978-2023)

| | Stocks | 50% Stock/ 50% Bonds | Bonds | Gold | Cash |
|----------------------------|--------|-------------------------|--------|--------|-------|
| Rolling 1-Year Return (%) | | | | | |
| Best | 61.18 | 45.04 | 35.21 | 192.35 | 15.20 |
| Worst | -43.32 | -21.20 | -15.68 | -36.27 | 0.01 |
| % Positive | 82% | 86% | 86% | 57% | 100% |
| Rolling 5-Year Return (%) | | | | | |
| Best | 29.63 | 22.78 | 20.28 | 22.64 | 11.13 |
| Worst | -6.63 | -0.69 | -0.54 | -15.96 | 0.03 |
| % Positive | 90% | 100% | 99% | 64% | 100% |
| Rolling 10-Year Return (%) | | | | | |
| Best | 19.49 | 16.31 | 14.68 | 19.97 | 9.17 |
| Worst | -3.43 | 1.75 | 0.74 | -5.98 | 0.27 |
| % Positive | 94% | 100% | 100% | 70% | 100% |
| Rolling 20-Year Return (%) | | | | | |
| Best | 18.26 | 14.63 | 11.16 | 9.51 | 7.29 |
| Worst | 4.79 | 5.46 | 2.81 | -4.14 | 1.14 |
| % Positive | 100% | 100% | 100% | 84% | 100% |

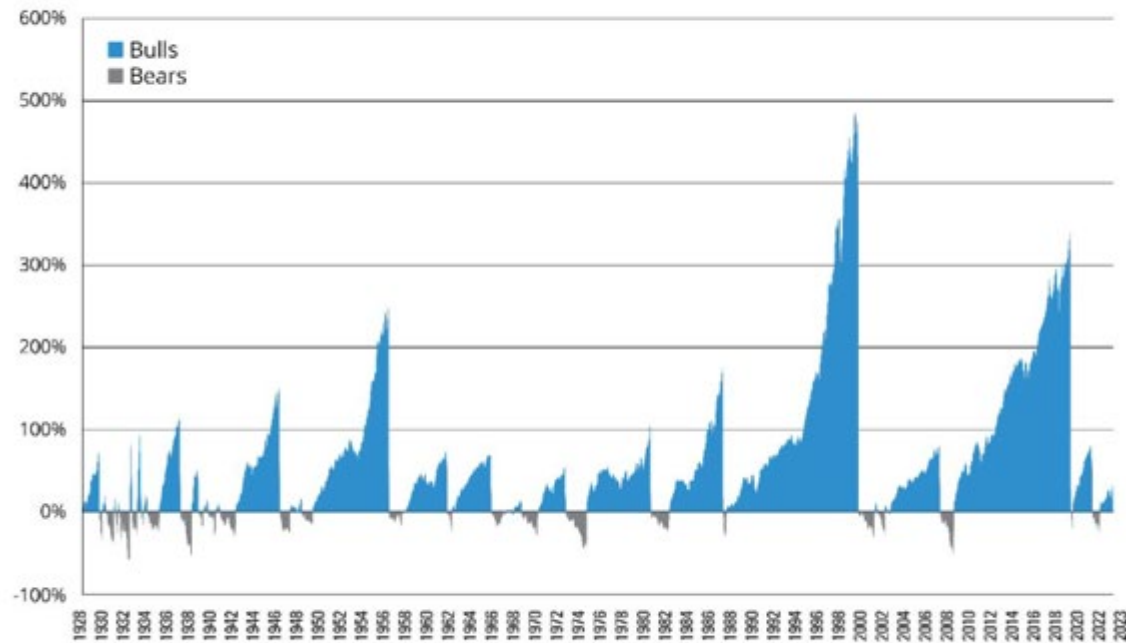
I'm Concerned That The Market is So Overvalued

| New S&P 500 Index All-Time Highs | Returns (%) One Year Later |
|-------------------------------------|----------------------------|
| 9/22/1954 | 42.82 |
| 9/24/1958 | 12.64 |
| 1/27/1961 | 12.40 |
| 9/3/1963 | 13.50 |
| 5/4/1967 | 5.05 |
| 3/6/1972 | 4.40 |
| 7/17/1980 | 9.00 |
| 11/3/1982 | 19.91 |
| 1/21/1985 | 21.20 |
| 7/26/1989 | 7.00 |
| 2/14/1995 | 37.20 |
| 5/30/2007 | -7.90 |
| 3/28/2013 | 18.33 |
| 7/11/2016 | 14.00 |
| 3/28/2024 | ? |
| Avg Annualized Return (%) | 15.00 |

The Good Times Tend to Outweigh the Bad

Bull Markets Tend to Outlast and Outweigh Bear Markets

S&P 500 Index Rolling Returns (1928-2023)



As of 12/31/23. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Source: Morningstar Direct, 1/24.

Bulls go bigger — Both bull and bear markets are normal and common. The S&P 500 Index has experienced 27 of each since 1928 (**FIGURE 1**), although bulls have tended to be stronger and longer. On average, bull markets have gained 115% over 2.7 years while bear markets have lost 35% and lasted less than a year.

S&P 500 Index Bull Markets By the Numbers

- Since 1928, there have been 27 bull markets
- Average gain: 114.9%
- Average length: 992 days or 2.7 years
- Longest bull: 1987–2000 (582% gain); second longest; 2009–2020 (400% gain)
- The first half of a bull has outperformed the second half 74% of the time (20 out of 27 bulls) by an average of 9%
- The average gain during the first month of a new bull market: 13.6%
 - During the first 3 months: 25.3%
 - During the first 6 months: 27.4%

As of 12/31/23. Past performance does not guarantee future results. Source: Ned Davis Research, 1/24.

Plan Highlights – Basic Rules

▶ Contribution Maximums

- ▶ Maximum annual contribution is \$23,500, not to exceed 95% of pay
- ▶ A catch-up contribution of \$7,500 is available to those over 50 years old
- ▶ **A “super catch-up” contribution of \$11,250 is available for people ages 60-63.**
- ▶ **For employees earning in excess of \$150k, please contact F&W for advice on eligible contribution levels.**

▶ Eligibility

- ▶ Age 18 or over
- ▶ 2 months of service for salary deferrals. 1 year of service for profit sharing
- ▶ Plan entry is 1st of the calendar quarter after service requirement is met

In service distributions are available to employees who are at least 59 ½

▶ Rollovers of previous 401k plan balances are allowed at any time

- ▶ Don't need to wait for the eligibility listed on the left
- ▶ Call Foster & Wood if you have questions

▶ Loans are available

- ▶ Under federal rules, the minimum loan balances is \$1,000 and the maximum is \$50,000
- ▶ Can't exceed 50% of your vested balance

▶ Opting Out

- ▶ Since there is an automatic enrollment process, members have option to “Opt Out” of the Plan by contacting Empower.

Plan Highlights

Portability

- ▶ You don't lose your account balance if you leave.
- ▶ You keep 100% of your contributions, plus or minus investment gain or loss.
- ▶ If you spend the money before age 59 ½, you pay a 10% penalty, plus income tax.
- ▶ No penalty to move the money as long as it stays in retirement accounts.

Investments

- ▶ All mutual funds are low cost, no commission funds.
- ▶ Four Ways to Invest in the Plan
 - ▶ Five risk-based model portfolios are available.
 - ▶ Age-based Target Date Funds from Vanguard are available.
 - ▶ **MyTotalRetirement – a customized strategy predicated on your situation.**
 - ▶ Choose your own mix of the asset class mutual funds available.

Automatic Enrollment

Once you are eligible, if you do nothing, you will be automatically enrolled, unless you Opt Out of the Plan.

1% of your pay (pre-tax) and your savings will be invested for you in the Qualified Default Investment Alternative.

It is your right to request not to be enrolled

You have 45 days after a contribution has been made to request a distribution.

AFTER THIS PERIOD, ANY INVESTED FUNDS MUST REMAIN IN THE PLAN UNTIL RETIREMENT OR YOU CHANGE EMPLOYERS UNDER FEDERAL LAW.

Automatic Escalation

Every January 1 your contribution increases by 1% of your pay

Maxes out at up to 10% of your pay

It is your right to request not to be enrolled if you prefer and you have 45 days after a contribution has been made to request a distribution. AFTER THIS PERIOD, ANY INVESTED FUNDS MUST REMAIN IN THE PLAN UNTIL RETIREMENT OR YOU CHANGE EMPLOYERS UNDER FEDERAL LAW.

Plan Highlights – Roth 401(k)

- ▶ Traditional 401(k)
 - ▶ Tax deduction when you contribute
 - ▶ Reduces the tax you pay every pay period
 - ▶ In the future, withdrawals are taxed as income
- ▶ Roth 401(k)
 - ▶ No tax deduction when you contribute
 - ▶ Money comes out tax free
 - ▶ “Seasoning Requirement” Account must be established for 5 years prior to distribution without penalty.
- ▶ Company contributions are never Roth. Matching and Profit Sharing are always counted as Traditional, even if your contributions are Roth contributions
- ▶ You can make traditional contributions, Roth contributions, or a mixture of both, subject to the maximums

Plan Highlights – Company Matching!!

- ▶ Sante will match 25% on the first 4% you contribute.
- ▶ Accelerated vesting schedule:
- ▶ Year One or less – 0%
- ▶ Year 2 – 40%
- ▶ Year 3 – 60%
- ▶ Year 4 – 80%
- ▶ Year 5 and more – 100%
- ▶ Vesting begins the day you start employment with Sante, not the day you enter the plan.

Can I Save Even More On Taxes?

2025 Saver's Credit eligibility

| Saver's Credit rate | Married filing jointly | Head of household | Single filers ² |
|-------------------------------|------------------------------|------------------------------|------------------------------|
| 50% of eligible contributions | AGI of no more than \$47,500 | AGI of no more than \$35,625 | AGI of no more than \$23,750 |
| 20% of eligible contributions | \$47,501 - \$51,000 | \$35,626 - \$38,250 | \$23,751 - \$25,500 |
| 10% of eligible contributions | \$51,001 - \$79,000 | \$38,251 - \$59,250 | \$25,501 - \$39,500 |
| 0% of eligible contributions | More than \$79,000 | More than \$59,250 | More than \$39,500 |

Source: "2025 Amounts Relating to Retirement Plans and IRAs, as Adjusted for Changes in Cost-of-Living," IRS.gov. AGI is an abbreviation for adjusted gross income.

**To receive the credit, taxpayers must file form 8880 with their tax return.
Federal free filing offers will NOT file the additional schedule.**

**Beginning in 2027 – Actual cash payment to
the plan that earned you the credit.**

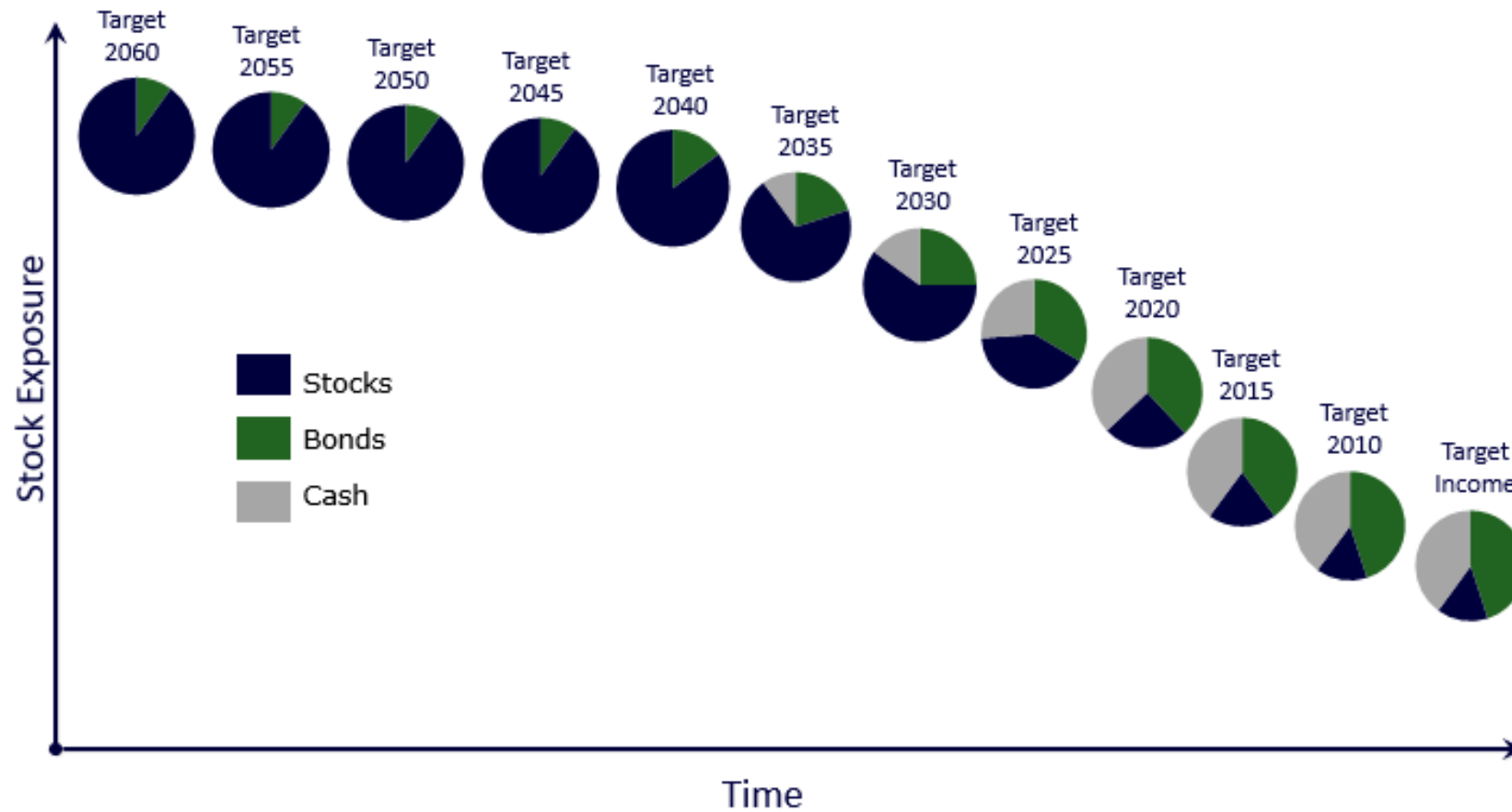
What is a QDIA?

- ▶ A Qualified Default Investment Alternative (QDIA) is the default fund for the plan and is only used when an employee does not make an affirmative investment selection. If you end up in the QDIA, you can change it any time.
- ▶ The QDIA for the Santé Operations 401(k) Plan for those under 50 is the Vanguard Target Date Funds
- ▶ For employees 50 or older, the QDIA is Empower's My Total Retirement – **a managed account that charges an additional 0.49% annually.**

My Total Retirement™

- ▶ Sante employees 50 and over will automatically default into MTR™, yet anyone can choose the service.
- ▶ Predicated on your age, income, years to retire, and other factors, My Total Retirement will create a unique actively managed account for you.
- ▶ Empower charges all MTR™ investors 0.49% annually with a 90-day free “test drive.”
- ▶ You can choose to either adopt or decline My Total Retirement at any time.
- ▶ Those 50 and over will receive program specific information via the USPS about the program. It may look like a solicitation, but it is information about your participation in the program, we encourage you to read it and call F&W with any questions.
- ▶ Those under 50 will default into a Vanguard Target Date fund which corresponds to their anticipated retirement date.

Target Date Funds



Target date funds become more conservative as you age by reducing your exposure to stock market investments.

2024 Vanguard Target Date Fund Returns

| | | Total Return | | Total Annualized Return | | | |
|--|--------|--------------|-------|-------------------------|---------|---------|----------|
| | Ticker | 3 months | YTD | 1 year | 3 years | 5 years | 10 years |
| Vanguard Target Retirement 2020 Fund | VTWNX | 1.13 | 1.13 | 5.97 | 3.50 | 7.40 | 5.47 |
| Vanguard Target Retirement 2025 Fund | VTTVX | 0.64 | 0.64 | 6.10 | 4.08 | 8.77 | 6.16 |
| Vanguard Target Retirement 2030 Fund | VTHRX | 0.21 | 0.21 | 6.03 | 4.51 | 9.94 | 6.70 |
| Vanguard Target Retirement 2035 Fund | VTTHX | 0.04 | 0.04 | 6.26 | 5.01 | 11.15 | 7.26 |
| Vanguard Target Retirement 2040 Fund | VFORX | -0.21 | -0.21 | 6.42 | 5.47 | 12.36 | 7.80 |
| Vanguard Target Retirement 2045 Fund | VTIVX | -0.40 | -0.40 | 6.57 | 5.90 | 13.56 | 8.27 |
| Vanguard Target Retirement 2050 Fund | VFIFX | -0.56 | -0.56 | 6.65 | 6.22 | 13.84 | 8.40 |
| Vanguard Target Retirement 2055 Fund | VFFVX | -0.56 | -0.56 | 6.67 | 6.23 | 13.84 | 8.38 |
| Vanguard Target Retirement 2060 Fund | VTTSX | -0.57 | -0.57 | 6.65 | 6.23 | 13.83 | 8.38 |
| Vanguard Target Retirement 2065 Fund | VLXVX | -0.54 | -0.54 | 6.67 | 6.24 | 13.84 | N/A |
| Vanguard Target Retirement 2070 Fund | VSVNX | -0.56 | -0.56 | 6.61 | N/A | N/A | N/A |
| Vanguard Target Retirement Income Fund | VTINX | 1.37 | 1.37 | 5.82 | 3.11 | 5.14 | 4.15 |

All returns as of 03/31/2025

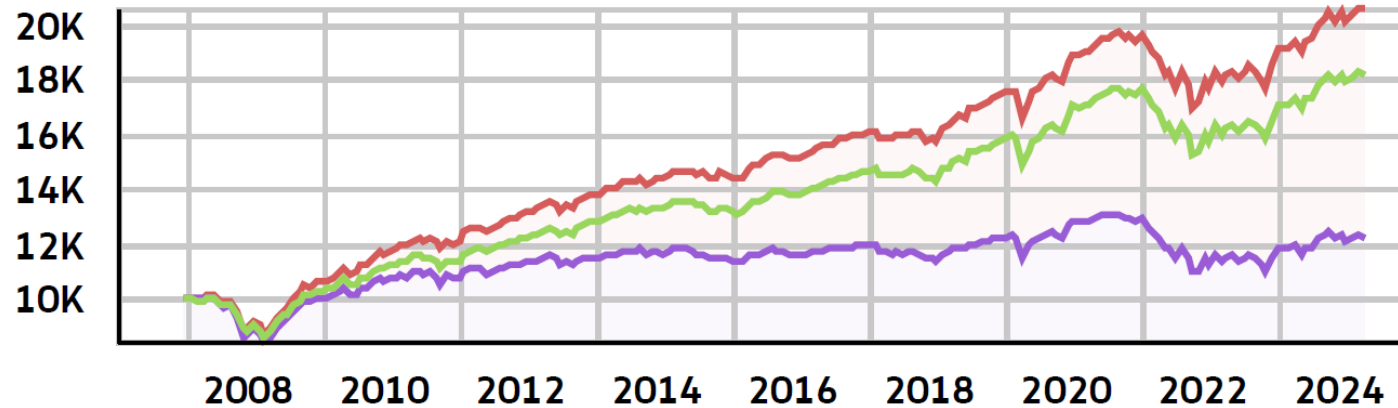
Conservative – 20% Equity / 80% Fixed Income

Model Portfolio Report

Investment Data as of 03/31/2025.

SANTE EMPOWER CONSERVATIVE

PERFORMANCE - USING HISTORICAL ALLOCATIONS



| | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR | SINCE INCEPT. |
|----------------------------|------|------|------|------|------|-------|---------------|
| Model | 2.14 | 2.14 | 5.86 | 3.12 | 4.34 | 3.45 | 4.27 |
| Model Net of 3.00% Max Fee | 1.38 | 1.38 | 2.73 | 0.08 | 1.26 | 0.39 | 1.19 |
| Peer Group Benchmark | 1.65 | 1.65 | 5.3 | 2.62 | 4.19 | 3.03 | 3.54 |

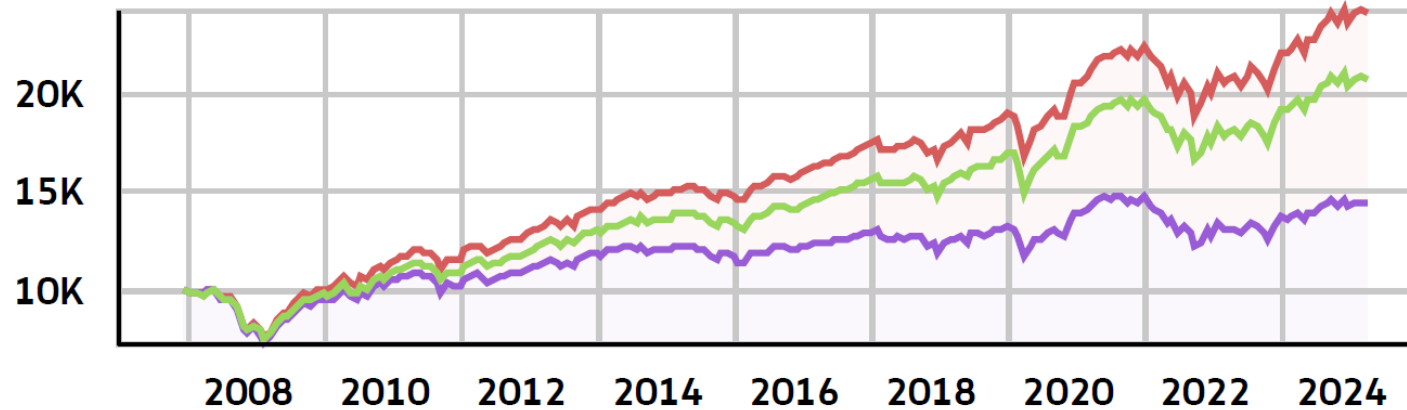
Moderate Cons. 40% Equity / 60% Fixed Income

Model Portfolio Report

Investment Data as of 03/31/2025.

SANTE EMPOWER MODERATE CONSERVATIVE

PERFORMANCE - USING HISTORICAL ALLOCATIONS



| | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR | SINCE INCEPT. |
|----------------------------|------|------|------|------|------|-------|---------------|
| Model | 1.92 | 1.92 | 5.9 | 3.92 | 7.42 | 4.72 | 5.22 |
| Model Net of 3.00% Max Fee | 1.16 | 1.16 | 2.77 | 0.85 | 4.25 | 1.63 | 2.11 |
| Peer Group Benchmark | 1.35 | 1.35 | 5.27 | 3.18 | 6.74 | 4.11 | 4.3 |

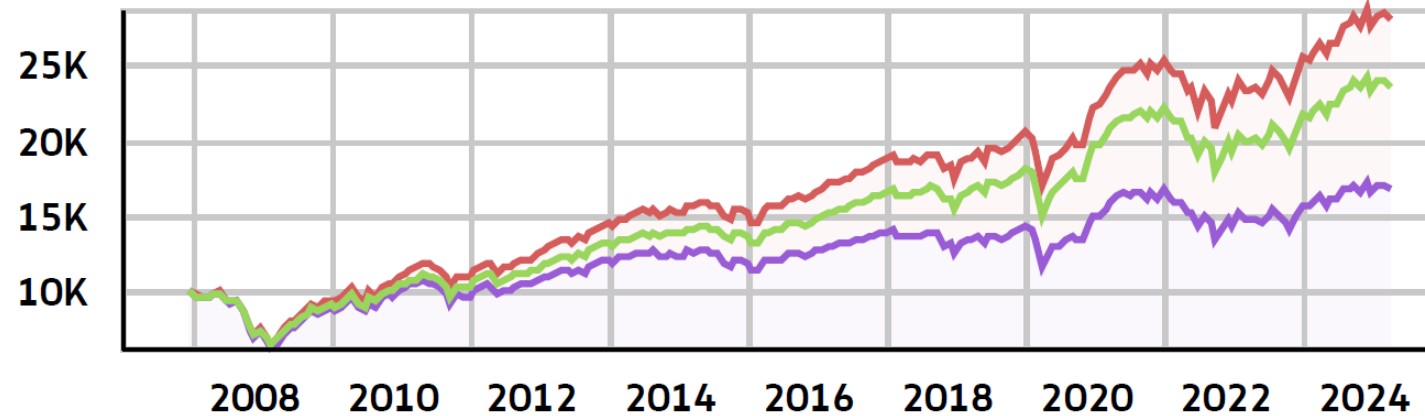
Moderate – 60% Equity / 40% Fixed Income

Model Portfolio Report

Investment Data as of 03/31/2025.

SANTE EMPOWER MODERATE

PERFORMANCE - USING HISTORICAL ALLOCATIONS



| | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR | SINCE INCEPT. |
|----------------------------|------|------|------|------|-------|-------|---------------|
| Model | 1.28 | 1.28 | 5.65 | 4.6 | 10.56 | 5.96 | 6.14 |
| Model Net of 3.00% Max Fee | 0.52 | 0.52 | 2.53 | 1.51 | 7.3 | 2.83 | 3.01 |
| Peer Group Benchmark | 0.63 | 0.63 | 4.89 | 3.58 | 9.35 | 5.18 | 5.08 |

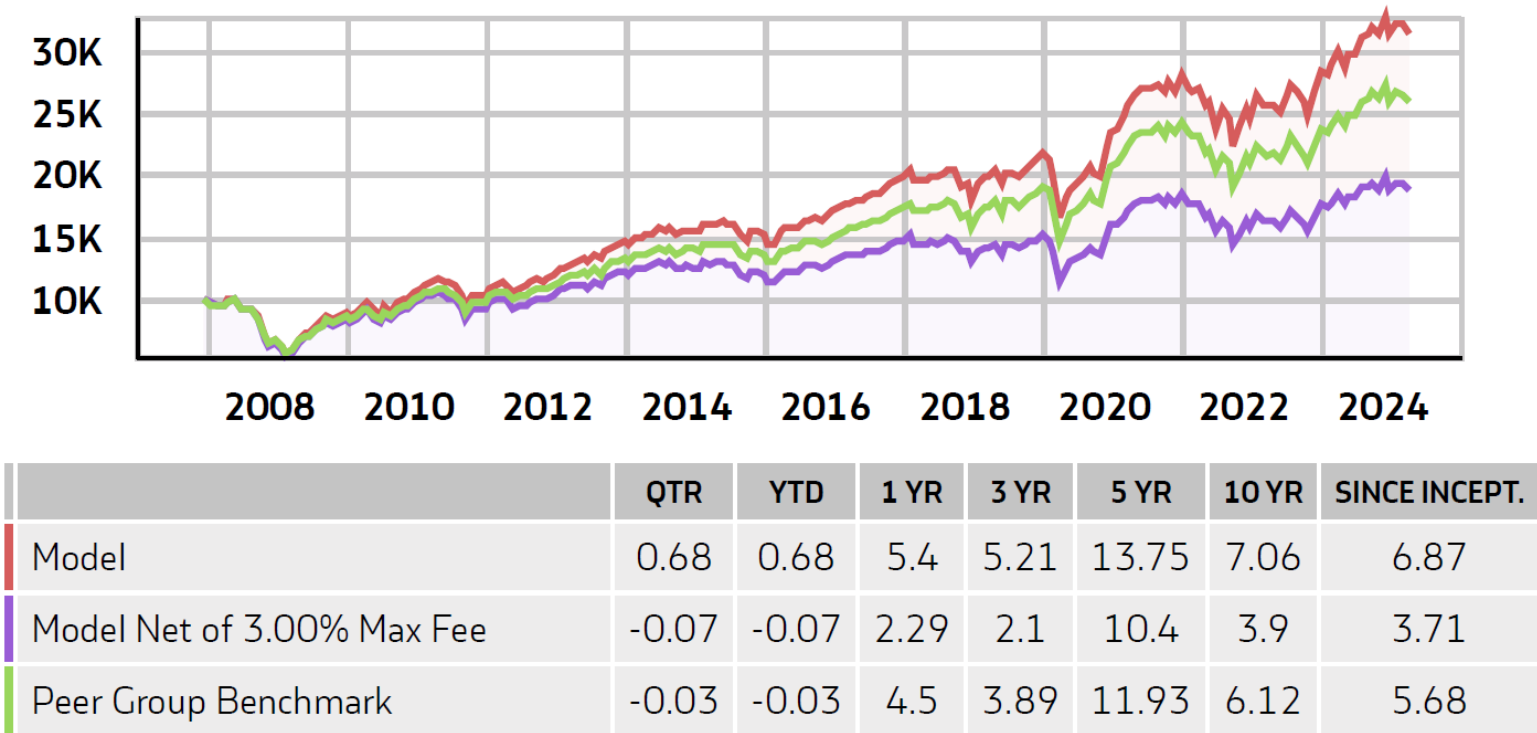
Mod. Aggressive – 80% Equity / 20% Fixed Income

Model Portfolio Report

Investment Data as of 03/31/2025.

SANTE EMPOWER MODERATE AGGRESSIVE

PERFORMANCE - USING HISTORICAL ALLOCATIONS



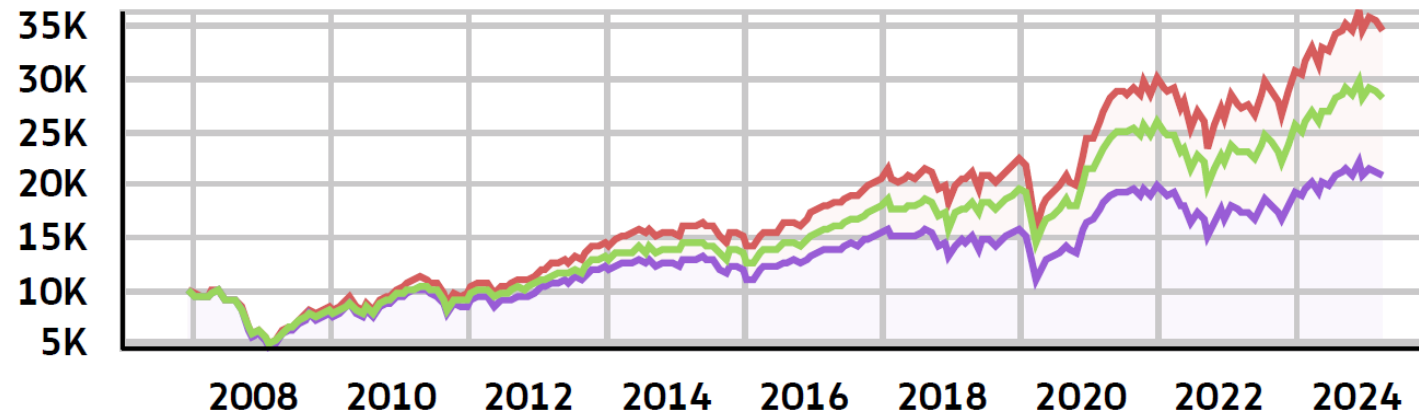
Aggressive – 100% Equity / 0% Fixed Income

Model Portfolio Report

Investment Data as of 03/31/2025.

SANTE EMPOWER AGGRESSIVE

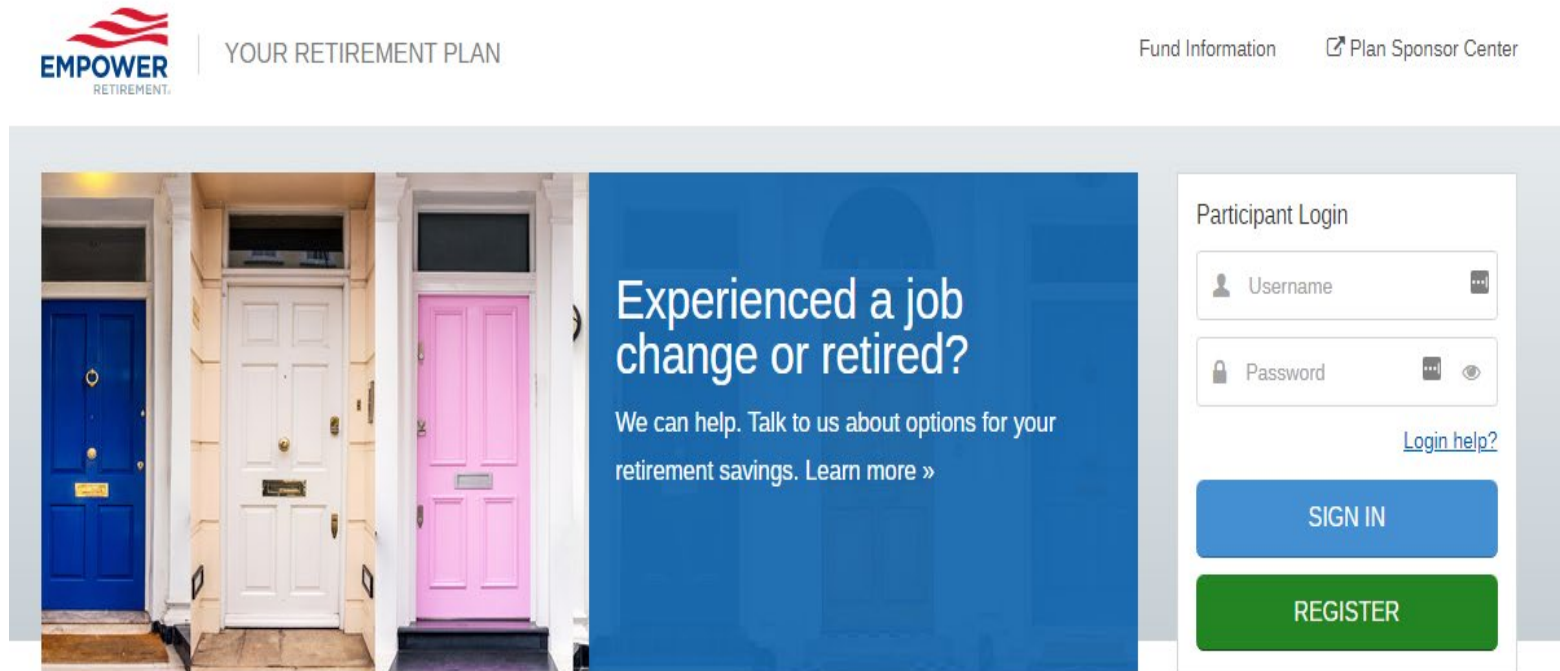
PERFORMANCE - USING HISTORICAL ALLOCATIONS



| | QTR | YTD | 1 YR | 3 YR | 5 YR | 10 YR | SINCE INCEPT. |
|----------------------------|-------|-------|------|------|-------|-------|---------------|
| Model | 0.25 | 0.25 | 5.27 | 5.81 | 16.94 | 8.09 | 7.45 |
| Model Net of 3.00% Max Fee | -0.5 | -0.5 | 2.16 | 2.69 | 13.5 | 4.9 | 4.28 |
| Peer Group Benchmark | -0.53 | -0.53 | 4.32 | 4.27 | 14.55 | 7.03 | 6.16 |

Plan Website – First Time Login Set Up

- ▶ <https://sante401k.fosterandwood.com/> will link to Foster & Wood website that also links to Empower.
- ▶ <https://participant.empower-retirement.com/participant/#/login>
Please select “Register”



Empower Retirement

Account verification

Enter the information below to verify your account.

☐ I do not have a PIN ☐ I have a PIN ☐ I have a plan enrollment code

SOCIAL SECURITY NUMBER

ZIP / POSTAL CODE

LAST NAME (GENERALLY INCLUDES SUFFIX: E.G., JR, SR, III)

DATE OF BIRTH MM/DD/YYYY

NUMERIC PORTION OF STREET ADDRESS OR P.O. BOX

CONTINUE

We found you!

Verification codes for enhanced security will be sent to the email address or phone number you provide below.

Provide contact information

PERSONAL EMAIL ADDRESS

PHONE NUMBER

UNITED STATES

+

(555) 555-5555

Create username and password

USERNAME

PASSWORD

RE-ENTER PASSWORD

REGISTER



WELCOME TO YOUR RETIREMENT DEMO EXPERIENCE

Please enter your Username and Password

Username:

Password:

[Reset Password?](#)

Empower Retirement

If you don't want to participate, you need to enroll and "Decline Participation."

☒ Quick enrollment - Pre-selected enrollment options

CONTRIBUTION RATE

6%

[app.enrollment.planDetails.companyContrib](#)

The estimated Before tax deferral amount to be deducted from your paycheck is based on the salary provided times your contribution rate.

COMPANY MATCH

3%

Investment matches up to:

- 50% on the first 6%.

The estimated match amount is based on your plan terms, subject to eligibility.

INVESTMENT OPTION

XYZ Fund

[View Details](#)

Your plan has chosen a way to help you take the guesswork out of managing your investments with a personalized approach that provides you with a professionally managed account to meet your goals through every stage of your life. [Learn more.](#)

By clicking "I Agree, Enroll Now", you confirm you have reviewed and agree to the [Participation Agreement for Online Enrollment.](#)

☐ Customize enrollment - Choose enrollment options

☐ Decline participation

Empower Mobile Apps

You can not enroll in the app, you must use the plan website on a computer or mobile phone browser to enroll, Once you have enrolled, you can manage your future participation in the plan on the app

Empower®

Empower Retirement, LLC

4.3★
12.4K reviews

1M+
Downloads

E
Everyone

Install

Add to wishlist

Google PlayStore:

https://play.google.com/store/apps/details?id=com.participantmobileapp&hl=en_US&gl=US



Empower® 4+

Retirement accounts

Empower Retirement, LLC

Designed for iPad

#42 in Finance

★★★★★ 4.7 • 138.7K Ratings

Free

Appstore:

<https://apps.apple.com/us/app/empower/id1001257338>

How Do I Update My Beneficiaries?

Welcome!

From budgeting to net worth to retirement planning, your dashboard provides personalized insights that help you make informed financial decisions. The more accounts you link, the more helpful the dashboard tools will be.

[Link my first account](#)

You are enrolled in My Total Retirement

The more we know about you, the more we can help.

Be sure to personalize your experience and notify us if your situation changes.

[Personalize my account](#)

ACCOUNT BALANCE Sante Operations, LLC 401(k) Profit Sharing Plan and Trust **\$7,870.34**

| | | |
|-------------------------------|--------------------------|--------------------|
| Rate of return > | Your YTD contributions > | Last transaction > |
| 7.62% (5/17/2022 - 3/24/2025) | \$324.85 | Dividend |

In retirement starting 2025

Estimated monthly income

\$2,833 ▾

58%
of my goal

[View statements and documents](#)

[Upload a document](#)

[View/edit beneficiary information](#)

[Go To My Total Retirement](#)

[View/manage investments](#)

[More...](#)

Designate beneficiary

You must designate at least one primary beneficiary.

Are you married?

My beneficiary is

Spouse ▾

Spouse

| | | | |
|---------------------------------|-------------------------------|----------------------|----------------------|
| First | Middle | Last | Suffix |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Date of birth MM/DD/YYYY | Social Security Number | Phone number | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | |

☒ Use [my address](#) for this beneficiary.

[Continue](#)

There are several hundred employees
WITHOUT a named beneficiary.

You should name both a primary and secondary or
contingent beneficiaries.

Call or Email Anytime!

- ▶ Website at fosterandwood.com
- ▶ Jeremy Six | 971-366-3513
jeremy@fosterandwood.com
 - ▶ General Help
 - ▶ Website assistance
- ▶ Tim Wood | 971-266-3134
tim@fosterandwood.com
 - ▶ Update your retirement plan
 - ▶ Help with your contribution level or Traditional vs. Roth contributions.
 - ▶ Help picking your investment portfolio
 - ▶ Investment Questions





▶ Foster & Wood, Inc.