

It's pretty much common knowledge that Americans as a whole aren't saving enough to transition the economic responsibilities for their current lifestyles from employment days to thereafter. With only around 50% of small (<100 employees) employers offering a 401(k) plan, participation rates in all 401(k) plans stuck at around 70%, and combined employee+employer saving rates around 10% of current pay, this is just one more reason America's wealth gap won't be closing anytime soon. For America as a whole, the problem is dire and the realistic fix, frankly impossible to conceive let alone execute. But specific to each of us as individuals, this is one of those problems for which the list of cures is so extensive that it's hard to believe that America *can't* overcome this challenge – if by no other way but one by one by one by one!

We see this problem in a very different frame than the majority of our financial services industry colleagues. In our view, their sales pitch needs to dangle a fresh carrot. The obstacle to Americans' excitement for long term savings is far more one of mindset than lack of methods. More specifically, the old-line concept of retirement that's been sold by the industry for over a generation is increasingly impossible to perceive for a quickly growing portion of Americans, both young and old. Drivers of this sea change in perception abound. We'll pick up on the tangential ones as we unroll our thoughts here. But the big one is this: Retirement security as an end-game goal for most Americans is just not sufficiently realistic, “touchable”, probable or compelling enough to overcome our psychological tendency toward shorter term gratifications that instantly (albeit momentarily) quiet our here-and-now insecurities.

Consider most Americans' perception of a traditional retirement – the second act of a two-act play of working until you don't anymore, then kicking back and doing nothing. As a motivator for sacrificing the immediately-available good things in our lives by spending every dollar we earn this pitch is, to be blunt, pretty abysmal. For younger Americans the complexities of personal finance in their new independence are so complicated that there's slim prospect of emotional pleasure to be gained from finding room for sacrificing now for an elusively risky goal 50 years out. For many older Americans, contemplating the abrupt lifestyle change of traditional retirement is just too scary or amorphous to be attractive.

What we're proposing is nothing short of an attitude adjustment. That is, enhancing the message into one that promotes the idea that spending significantly less than you make will make you feel good - now. That's radically different than the distant reward of traditional retirement savings message. Add to that “feel good now” message the notion that our own human capital accumulated over our lifetimes can be additive to - and thereby even more valuable than – our accumulated financial capital. That is, by spending significantly less than we earn, funds can be available to enhance our human capital through continuing education, avocational and civic pursuits, and more rewarding family time. Our new-found thrift will lessen the psychological stresses of a hand-to-mouth financial existence. Work can be far more rewarding day-to-day when its monetary compensation fulfills more than just the material necessities of life. And later in our lives, our less expensive lifestyles will require that much less accumulated financial capital to sustain. Talk about a great way to save for retirement!

Saving for our future independence and security can take many forms. Balancing spending on immediate necessities with enhancements to our human capital and additions to our financial reserves will result in a far more personalized, adaptable, rewarding and lifelong “retirement plan”. Add to that just feeling better about your choices while stacking your odds against the vagaries of fate at every phase of your life. That's a “W” you'll be flying for the rest of your life.

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan

Compensation & Capital's June 30, 2023

Retirement Saving and Investing "Action Points"

Making Sense of the Dept of Labor's Required Annual Lifetime Income Disclosure:

In its second annual edition, the 2019 SECURE 1.0 Act's Lifetime Income Illustration disclosure (aka "LII") comes front-and-center to your mailbox once again this month. You may recall last year's Q223 "Action Points" discussion of the first edition of the LII in July, 2022. If not, it's available on the Plans' website at www.planspecs.com/dhc under the Tools and Links tab. It's recommended reading as a refresher to what is a complex and often misunderstood option for retirement distributions from 401(k) plans.

This year we decided to take a deeper dive into the notice's actual content. It's important to stress our clearly objective perspective on Congress's decision to formally endorse annuities for 401(k) plans. In short, we believe that a straight-forward, low fee, single payment immediate annuity [SPIA] could be a credible payout choice for some plan participants. That said, annuities are clearly neither the "silver bullet" for all participants' entire account balance, nor an option to be chosen without securing a comprehensive understanding of its mostly irrevocable provisions. With those cautions in mind, here's our take on the LII.

- LII: "estimated monthly payments... are not a guarantee." Close reading of the LII's stated computation assumptions allows us to more accurately assess the informational and planning value of its estimated monthly payments. Be sure to consider the following:
 - ✓ To keep things simpler for both Plan sponsors tasked with creating the LII's estimates and for participants expected to learn something useful from the LII's information, the estimates are generally computed assuming that you (and your spouse if married) are age 67 as of the LII's issue date, June 30 each year. If this is indeed your age, the estimates are reasonably accurate except that they are absent any consideration of fees normally assessed by an issuing annuity provider. Further,
 - ✓ The estimates are computed without consideration of the participant's gender, termed "gender neutral mortality assumptions" in the LII. That's important since annuities paid to female participants are incrementally smaller than those to a male. That's actuarially founded in the fact most that females live longer than males. Since the annuity provider will therefore likely need to make more payments to a female, then the female's monthly dollar payments must be lower than the estimate.
 - ✓ The estimates are based upon your current Plan account balance. Once again, if you are 67 and plan to retire very soon, then the estimate's useful. But if you are even a few years younger than 67 and/or plan to work beyond that age thereby adding to your Plan account balance, then the estimate is of decreasing utility, trending toward potentially misrepresentative and even misleading.
 - ✓ The LII states: "Following your death, no further payments would be made to your spouse or heirs." It's important to realize that if you die before normal mortality age (approx. 83 for males, 86 for females) then you "lose" allowing the insurance company to pool your remaining Plan account value to help pay longer-lived annuitants. In the big picture, the insurance company must price its annuities so that it "wins" more than it "loses." So the longer you live, the more you win!
 - ✓ The LII's last two bullet points are particularly packed full of "gotchas" which can seriously undercut the estimates' planning value. Of specific concern are: ► "Estimated monthly payments do not increase each year with a cost-of-living adjustment." The purchasing power of a \$2k monthly annuity may seem a comfortable offset to your retirement cost of living. But 25 years hence, an average 3% annual inflation rate would reduce the purchasing power of that \$2k to only \$1k! Though inflation riders can be purchased, they significantly reduce the initial monthly annuity payment. ► "Estimated payments are based on prevailing market conditions." Until you close on the annuity contract your Plan's account balance continues to fluctuate as do the market forces by which the insurance company providing the annuity computes its monthly payments. No doubt that all those market forces can have very significant impacts on the ultimate monthly annuity from your Plan balance.

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

Page 3

(All for periods ended June 30, 2023)

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(1) A fund with a 16th Ranking outperformed 84% of its peers.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile (1) Ranking Past		OER (2)	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TREASURY MONEY MARKET - VUSXX	Money Market	16th	2nd	0.09%	1.2%	3.7%	1.3%	1.5%	0.9%	0.7%
<i>Money Market Funds >></i>		<i>Category Median >></i>		0.41%	1.1%	3.5%	1.2%	1.3%	0.7%	0.6%
TOTAL BOND MARKET INDEX ADMIRAL - VBTXX	Bonds	48th	39th	0.05%	-0.9%	-0.9%	-4.0%	0.8%	1.5%	2.7%
<i>Intermediate Core Bond Funds >></i>		<i>Category Median >></i>		0.62%	-0.8%	-0.9%	-3.8%	0.6%	1.4%	2.7%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	70th	17th	0.10%	-1.6%	-1.8%	-0.2%	2.4%	2.0%	2.7%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Median >></i>		0.63%	-1.5%	-1.3%	0.1%	2.2%	1.7%	2.3%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	33rd	11th	0.17%	4.2%	10.0%	8.0%	7.8%	8.4%	8.0%
<i>Moderate Allocation Funds >></i>		<i>Category Median >></i>		0.80%	3.7%	9.0%	6.7%	6.2%	7.0%	6.5%
WINDSOR II ADMIRAL - VWNAX	Stocks	12th	13th	0.26%	6.0%	16.2%	16.5%	11.1%	10.6%	9.5%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Median >></i>		0.97%	3.6%	10.8%	14.6%	8.1%	9.1%	8.4%
500 INDEX ADMIRAL - VFIAX	Stocks	26th	10th	0.04%	8.7%	19.5%	14.6%	12.3%	12.8%	10.9%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Median >></i>		0.87%	7.2%	16.9%	13.4%	10.7%	11.4%	9.7%
SELECTED VALUE - VASVX	Stocks	6th	27th	0.38%	6.3%	19.9%	21.2%	8.6%	9.5%	10.0%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Median >></i>		1.04%	4.0%	11.9%	16.9%	7.1%	8.6%	8.6%
U.S GROWTH ADMIRAL - VWUAX	Stocks	19th	30th	0.25%	13.3%	28.2%	5.8%	11.4%	14.1%	11.5%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.00%	11.0%	22.9%	9.5%	11.4%	13.0%	10.7%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	23rd	80th	0.35%	7.0%	21.1%	5.1%	7.1%	9.4%	9.1%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.12%	5.8%	17.3%	7.0%	8.4%	10.6%	9.3%
EXPLORER ADMIRAL - VEXRX	Stocks	37th	18th	0.34%	4.8%	16.8%	10.7%	8.7%	11.1%	10.4%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.19%	5.3%	15.2%	7.5%	6.7%	9.8%	9.5%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	63rd	5th	0.34%	0.9%	14.8%	3.5%	6.6%	9.1%	6.4%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Median >></i>		1.07%	2.5%	15.9%	4.3%	4.5%	6.2%	4.2%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	81st	41st	0.14%	1.1%	1.2%	3.4%	2.1%	3.2%	1.9%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Median >></i>		1.23%	2.2%	5.4%	3.4%	1.5%	2.9%	1.9%
ENERGY ADMIRAL - VGELX	Energy Stocks	52nd	42nd	0.38%	1.6%	14.5%	17.1%	-0.6%	0.9%	-0.7%
<i>Energy Sector Stock Funds >></i>		<i>Category Median >></i>		1.33%	0.2%	14.4%	33.9%	-0.2%	-2.2%	-2.6%

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

Page 4

(All for periods ended June 30, 2023)

(1) A fund with a 37th Ranking outperformed 94% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile ⁽¹⁾ Ranking Past		OER ⁽²⁾	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date Retire Income	37th	33rd	0.08%	1.4%	4.5%	1.7%	3.5%	4.1%	4.5%
<i>Retirement Income Funds >></i>		<i>Category Median >></i>		0.66%	1.4%	4.6%	1.7%	3.1%	3.7%	4.0%
TARGET RETIREMENT 2020 - VTWNX	Target Date 2020	40th	25th	0.08%	2.2%	6.6%	3.9%	4.6%	6.0%	5.8%
<i>Target Date 2020 Funds >></i>		<i>Category Median >></i>		0.61%	2.1%	6.6%	3.8%	4.3%	5.6%	5.5%
TARGET RETIREMENT 2025 - VTTVX	Target Date 2025	26th	17th	0.08%	3.0%	8.6%	5.0%	5.3%	6.7%	6.2%
<i>Target Date 2025 Funds >></i>		<i>Category Median >></i>		0.66%	2.4%	7.3%	4.4%	4.7%	5.9%	5.6%
TARGET RETIREMENT 2030 - VTHRX	Target Date 2030	34th	24th	0.08%	3.6%	10.0%	6.0%	5.8%	7.2%	6.6%
<i>Target Date 2030 Funds >></i>		<i>Category Median >></i>		0.67%	3.0%	8.9%	5.8%	5.4%	6.7%	6.1%
TARGET RETIREMENT 2035 - VTTHX	Target Date 2035	38th	30th	0.08%	4.1%	11.3%	7.2%	6.4%	7.8%	7.0%
<i>Target Date 2035 Funds >></i>		<i>Category Median >></i>		0.68%	3.9%	10.9%	7.3%	6.1%	7.4%	6.5%
TARGET RETIREMENT 2040 - VFORX	Target Date 2040	39th	31st	0.08%	4.6%	12.6%	8.4%	6.9%	8.3%	7.4%
<i>Target Date 2040 Funds >></i>		<i>Category Median >></i>		0.69%	4.5%	12.3%	8.5%	6.7%	7.9%	6.9%
TARGET RETIREMENT 2045 - VTIVX	Target Date 2045	30th	23rd	0.08%	5.1%	13.9%	9.5%	7.5%	8.7%	7.6%
<i>Target Date 2045 Funds >></i>		<i>Category Median >></i>		0.70%	5.0%	13.6%	9.3%	7.1%	8.1%	6.9%
TARGET RETIREMENT 2050 - VFIFX	Target Date 2050	27th	28th	0.08%	5.4%	14.6%	9.7%	7.6%	8.8%	7.7%
<i>Target Date 2050 Funds >></i>		<i>Category Median >></i>		0.70%	5.2%	14.2%	9.6%	7.2%	8.3%	7.0%
TARGET RETIREMENT 2055 - VFFVX	Target Date 2055	33rd	28th	0.08%	5.4%	14.6%	9.7%	7.6%	8.7%	N/A
<i>Target Date 2055 Funds >></i>		<i>Category Median >></i>		0.70%	5.3%	14.4%	9.7%	7.3%	8.3%	N/A
TARGET RETIREMENT 2060 - VTTSX	Target Date 2060	33rd	1st	0.08%	5.4%	14.6%	9.8%	7.6%	8.7%	N/A
<i>Target Date 2060 Funds >></i>		<i>Category Median >></i>		0.70%	5.3%	14.5%	9.9%	7.3%	8.5%	N/A
TARGET RETIREMENT 2065 - VLXVX	Target Date 2065+	70th	n/a	0.08%	5.3%	14.6%	9.8%	7.6%	N/A	N/A
<i>Target Date 2065+ Funds >></i>		<i>Category Median >></i>		0.70%	5.5%	15.0%	10.1%	7.5%	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	39th	22nd	0.12%	2.0%	6.0%	2.1%	3.9%	4.9%	4.8%
<i>Moderately Conservative Allocation Funds >></i>		<i>Category Median >></i>		0.96%	1.8%	5.4%	3.2%	3.6%	4.3%	4.7%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	29th	27th	0.14%	4.7%	12.7%	8.1%	6.8%	8.0%	6.9%
<i>Moderately Aggressive Allocation Funds >></i>		<i>Category Median >></i>		1.00%	4.1%	10.9%	8.8%	6.1%	7.2%	6.5%