

FINANCIAL STATEMENTS

Morley Stable Value Fund
Year Ended December 31, 2023
With Report of Independent Auditors

Morley Stable Value Fund
Financial Statements
Year Ended December 31, 2023

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Ernst & Young LLP
Suite 500
700 Nicollet Mall
Minneapolis, MN 55402

Tel: +1 612 343 1000
ey.com

Report of Independent Auditors

To the Board of Directors of
Principal Global Investors Trust Company

Opinion

We have audited the financial statements of the Morley Stable Value Fund (the “Fund”), which comprise the statement of assets and liabilities, including the portfolio of investments, as of December 31, 2023, and the related statements of operations and changes in net assets and the financial highlights for the year then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2023, and the results of its operations, changes in its net assets and its financial highlights for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

March 28, 2024

Morley Stable Value Fund
Statement of Assets and Liabilities
December 31, 2023

Assets

Investments at fair value (contract value \$13,616,293,153)	\$	12,804,194,269
Receivable for fund units issued		9,158,791
Interest receivable		1,332,078
Total assets		12,814,685,138

Liabilities

Payable for fund units redeemed		19,377,132
Accrued audit fees		52,719
Accrued custody and administration fees		255,056
Accrued management fees		1,177,046
Accrued service fees		278,548
Accrued Trustee fees		190,038
Total liabilities		21,330,539
Net assets at fair value		12,793,354,599

Adjustment from fair value to contract value for fully benefit-responsive contracts		812,098,884
Net assets at contract value	\$	13,605,453,483

See accompanying notes.

Morley Stable Value Fund
Statement of Assets and Liabilities (continued)
December 31, 2023

Class	Net assets at contract value	Units outstanding	Net asset value per unit at contract value
125	\$ 3,394,119,809	118,056,450	\$ 28.7500
1402	10,673,619	371,180	28.7559
150	464,423,194	17,069,360	27.2080
155	56,753,345	2,096,033	27.0765
160	37,834,688	1,396,891	27.0849
171	29,801,542	1,118,906	26.6345
175	110,108,482	4,268,090	25.7981
3913	234,281	9,075	25.8169
180	14,623,419	567,766	25.7561
185	27,973,371	1,088,799	25.6920
100	23,228,937	940,799	24.6907
220	1,640,583,545	56,494,753	29.0396
230	19,128,449	655,887	29.1643
245	70,180,503	2,544,124	27.5853
250	31,468,859	1,148,317	27.4043
252	26,660,128	915,171	29.1313
310	5,254,855	240,513	21.8485
315	781,491,385	26,631,799	29.3443
335	8,377,993	295,352	28.3661
370	4,091,340	166,978	24.5023
412	647,781,989	21,797,848	29.7177
518	24,042,575	809,665	29.6945
0bps	6,176,617,175	204,425,206	30.2146
	<u>\$ 13,605,453,483</u>	<u>463,108,962</u>	

Morley Stable Value Fund
Statement of Operations
Year Ended December 31, 2023

Investment income

Interest income from Conventional Guaranteed Investment Contracts	\$ 18,254,107
Interest income from Synthetic Investment Contracts	368,662,487
Interest income from Short-Term Investments	<u>18,673,430</u>
Total investment income	405,590,024

Expenses

Management fees	15,065,346
Audit fees	57,990
Custody and administration fees	1,084,640
Service fees	3,355,387
Trustee fees	<u>2,433,202</u>
Total expenses	<u>21,996,565</u>
Net investment income (loss)	<u>383,593,459</u>

Net increase (decrease) in net assets resulting from operations \$ 383,593,459

See accompanying notes.

Morley Stable Value Fund
Statement of Changes in Net Assets
Year Ended December 31, 2023

Net increase (decrease) in net assets resulting from operations

Net increase (decrease) in net assets resulting from operations \$ 383,593,459

Unitholder Transactions

Net increase (decrease) in unitholder transactions (2,366,842,878)

Net increase (decrease) in net assets (1,983,249,419)

Net assets at contract value

Beginning of year 15,588,702,902

End of year \$ 13,605,453,483

Morley Stable Value Fund
Statement of Changes in Net Assets (continued)
Year Ended December 31, 2023

Class	Proceeds from units issued	Transferred dollars	Payments for units redeemed	Net increase (decrease) in unitholder transactions
125	\$ 933,490,358	\$ 716,866	\$ (1,413,960,888)	\$ (479,753,664)
1402	2,610,242	—	(2,498,084)	112,158
150	120,947,768	(334,637)	(243,147,855)	(122,534,724)
155	17,277,848	—	(29,124,556)	(11,846,708)
160	8,180,903	(1,138,737)	(16,704,118)	(9,661,952)
171	10,970,807	—	(24,389,781)	(13,418,974)
175	41,485,255	—	(65,410,323)	(23,925,068)
3913	39,053	—	(14,834)	24,219
180	6,868,152	—	(7,202,418)	(334,266)
185	7,281,858	—	(13,025,780)	(5,743,922)
100	5,713,809	—	(13,715,563)	(8,001,754)
220	399,073,486	756,508	(884,988,435)	(485,158,441)
230	2,474,484	—	(5,761,937)	(3,287,453)
245	28,647,012	—	(43,825,107)	(15,178,095)
250	5,617,864	—	(11,655,955)	(6,038,091)
252	3,367,280	—	(5,096,851)	(1,729,571)
310	858,854	—	(2,890,654)	(2,031,800)
315	284,487,915	—	(454,737,002)	(170,249,087)
335	5,351,269	—	(4,592,704)	758,565
370	232,233	—	(176,426)	55,807
412	233,459,824	—	(269,969,923)	(36,510,099)
518	5,224,122	—	(8,704,368)	(3,480,246)
Obps	253,815,370	—	(1,222,725,082)	(968,909,712)
	<u>\$ 2,377,475,766</u>	<u>\$ —</u>	<u>\$ (4,744,318,644)</u>	<u>\$ (2,366,842,878)</u>

Morley Stable Value Fund
Statement of Changes in Net Assets (continued)
Year Ended December 31, 2023

Class	Beginning of year units	Units issued	Units transferred	Units redeemed	Net increase (decrease)	End of year units
125	134,910,647	32,916,237	25,410	(49,795,844)	(16,854,197)	118,056,450
1402	366,984	92,090	—	(87,894)	4,196	371,180
150	21,633,369	4,498,836	(12,473)	(9,050,372)	(4,564,009)	17,069,360
155	2,538,750	644,983	—	(1,087,700)	(442,717)	2,096,033
160	1,757,555	305,473	(42,878)	(623,259)	(360,664)	1,396,891
171	1,631,225	416,706	—	(929,025)	(512,319)	1,118,906
175	5,206,776	1,624,644	—	(2,563,330)	(938,686)	4,268,090
3913	8,130	1,529	—	(584)	945	9,075
180	580,311	268,753	—	(281,298)	(12,545)	567,766
185	1,314,618	286,613	—	(512,432)	(225,819)	1,088,799
100	1,267,359	233,354	—	(559,914)	(326,560)	940,799
220	73,391,072	13,931,811	26,679	(30,854,809)	(16,896,319)	56,494,753
230	769,739	85,967	—	(199,819)	(113,852)	655,887
245	3,091,672	1,056,567	—	(1,604,115)	(547,548)	2,544,124
250	1,372,192	206,999	—	(430,874)	(223,875)	1,148,317
252	975,505	116,872	—	(177,206)	(60,334)	915,171
310	333,920	39,703	—	(133,110)	(93,407)	240,513
315	32,504,576	9,820,652	—	(15,693,429)	(5,872,777)	26,631,799
335	268,084	191,433	—	(164,165)	27,268	295,352
370	164,710	9,564	—	(7,296)	2,268	166,978
412	23,047,072	7,962,690	—	(9,211,914)	(1,249,224)	21,797,848
518	928,572	178,984	—	(297,891)	(118,907)	809,665
Obps	236,914,660	8,549,972	—	(41,039,426)	(32,489,454)	204,425,206
	<u>544,977,498</u>	<u>83,440,432</u>	<u>(3,262)</u>	<u>(165,305,706)</u>	<u>(81,868,536)</u>	<u>463,108,962</u>

See accompanying notes.

Morley Stable Value Fund
Financial Highlights
Year Ended December 31, 2023

Net asset value at contract value
Per unit data (for a unit outstanding throughout the period)

Class	Beginning of period	Net investment income (loss)	End of period	Total return ^(a)	Ratio of expenses to average net assets at contract value ^(b)	Ratio of net investment income (loss) to average net assets at contract value	Blended net crediting rating ^(c)	Spot yield to maturity ^(d)
125	\$28.0397	\$0.7103	\$28.7500	2.53%	0.26%	2.50%	2.76%	4.87%
1402	28.0876	0.6683	28.7559	2.38	0.41	2.35	2.76	4.87
150	26.6024	0.6056	27.2080	2.28	0.51	2.25	2.76	4.87
155	26.4871	0.5894	27.0765	2.23	0.56	2.20	2.76	4.87
160	26.5086	0.5763	27.0849	2.17	0.61	2.15	2.76	4.87
171	26.0939	0.5406	26.6345	2.07	0.71	2.05	2.76	4.87
175	25.2870	0.5111	25.7981	2.02	0.76	2.00	2.76	4.87
3913	25.3051	0.5118	25.8169	2.02	0.76	2.00	2.76	4.87
180	25.2583	0.4978	25.7561	1.97	0.81	1.95	2.76	4.87
185	25.2082	0.4838	25.6920	1.92	0.86	1.90	2.76	4.87
100	24.2622	0.4285	24.6907	1.77	1.01	1.75	2.76	4.87
220	28.3080	0.7316	29.0396	2.58	0.21	2.55	2.76	4.87
230	28.4580	0.7063	29.1643	2.48	0.31	2.45	2.76	4.87
245	26.9576	0.6277	27.5853	2.33	0.46	2.30	2.76	4.87
250	26.7942	0.6101	27.4043	2.28	0.51	2.25	2.76	4.87
252	28.4827	0.6486	29.1313	2.28	0.51	2.25	2.76	4.87
310	21.4801	0.3684	21.8485	1.72	1.06	1.70	2.76	4.87
315	28.5908	0.7535	29.3443	2.64	0.16	2.60	2.76	4.87
335	27.6930	0.6731	28.3661	2.43	0.36	2.41	2.76	4.87
370	24.0047	0.4976	24.5023	2.07	0.71	2.05	2.76	4.87
412	28.9459	0.7718	29.7177	2.67	0.13	2.63	2.76	4.87
518	28.9406	0.7539	29.6945	2.60	0.19	2.57	2.76	4.87
0bps	29.3945	0.8201	30.2146	2.79	0.01	2.75	2.76	4.87

^(a) The total return calculation is based on the traded value of a single unit of participation outstanding throughout the year, which may be different than reported net asset value. It represents the change in net asset value per unit between the beginning and end of the year. The calculation includes only expenses charged to the Fund. Individual unitholder results may be reduced by any administrative or other fees which are incurred in the management or maintenance of the unit class and may vary from this return based on the timing of unitholder activities. The total return calculated using the traded net asset value is consistent with the total return calculated using the reported net asset value unless otherwise noted.

^(b) The calculation includes only those expenses charged directly to the Fund, and does not include expenses charged to the investments in which the Fund invests, including wrap fees and sub-advisory fees, which are offset against interest income.

^(c) Calculated based on weighted average crediting rate of all investment contracts and short-term income at year end.

^(d) Calculated based on weighted average yield to maturity of all underlying investments at year end.

See accompanying notes.

Morley Stable Value Fund
Portfolio of Investments
December 31, 2023

Investment/Contract Description, Crediting Rate	Issuer Ratings (Unaudited)		Par Value	Investments at Fair Value	Adjustment From Fair Value to Contract Value	Investments at Contract Value
	Moody's	S&P				
Investment Contracts (97.828%)						
Conventional Guaranteed Investment Contracts (2.002%)						
Metropolitan Life Insurance Co., 2.200%, 05/15/2024	Aa3	AA-	\$ 20,700,000	\$ 21,349,906	\$ 242,847	\$ 21,592,753
Metropolitan Tower Life Ins Co., 2.560%, 02/25/2025	Aa3	AA-	26,250,000	26,791,965	786,465	27,578,430
Metropolitan Tower Life Ins Co., 4.220%, 08/09/2024	Aa3	AA-	19,750,000	21,254,473	134,508	21,388,981
Metropolitan Tower Life Ins Co., 5.180%, 12/05/2025	Aa3	AA-	24,450,000	25,939,805	(103,665)	25,836,140
Metropolitan Tower Life Ins Co., 5.420%, 06/17/2024	Aa3	AA-	25,279,000	26,879,404	(6,702)	26,872,702
Metropolitan Tower Life Ins Co., 5.580%, 10/22/2024	Aa3	AA-	49,450,000	52,853,060	(76,224)	52,776,836
New York Life Insurance Co., 3.600%, 05/05/2025	Aaa	AA+	45,275,000	47,316,629	928,718	48,245,347
New York Life Insurance Co., 4.120%, 12/24/2025	Aaa	AA+	45,225,000	47,709,658	619,831	48,329,489
Total Conventional Guaranteed Investment Contracts				270,094,900	2,525,778	272,620,678
Investment/Contract Description, Crediting Rate (Underlying Investments)	Issuer Ratings (Unaudited)		Fair Value of Underlying Securities	Adjustment From Fair Value to Contract Value	Investments at Contract Value	
	Moody's	S&P				
Synthetic Investment Contracts – Participating ^(a) (95.826%)						
American General Life Insurance Co. Wrap, 2.704%	Aa3	AA+	\$ 1,212,876,697	\$ 77,083,968	\$ 1,289,960,665	
Actively Managed Fund ^(b)			485,100,316			
Morley Income Fund I ^(b)			497,112,464			
Morley Income Fund III ^(b)			230,663,913			
SSgA Government Short-Term Investment Fund			4			
Massachusetts Mutual Life Insurance Co. Wrap, 2.550%	Aa3	AA+	1,423,681,811	81,520,094	1,505,201,905	
MassMutual Life Commingled Separate Account			348,894,542			
MassMutual Life Commingled Separate Account			1,074,787,269			
Metropolitan Tower Life Insurance Co. Wrap, 2.650%	Aa3	AA-	1,751,660,577	136,371,359	1,888,031,936	
Morley Income Fund III ^(b)			703,752,192			
Morley Income Fund IV ^(b)			1,047,908,385			
New York Life Insurance Co. Wrap, 2.340%	Aaa	AA+	909,538,965	65,433,695	974,972,660	
New York Life Commingled Separate Account 45-004			909,538,965			
Pacific Life Insurance Co. Wrap, 2.790%	Aa3	AA-	1,214,267,446	77,287,511	1,291,554,957	
Morley Income Fund I ^(b)			479,216,061			
Morley Income Fund III ^(b)			418,133,305			
Morley Stable Income Bond Fund ^(b)			316,918,080			
Prudential Insurance Co. Wrap, 2.682%	Aa3	AA-	1,923,812,062	140,030,077	2,063,842,139	
Morley Income Fund II ^(b)			92,157,121			
Morley Stable Income Bond Fund ^(b)			937,064,592			
Prudential Trust Co. Collective Trust			894,590,349			
RGA Reinsurance Co. Wrap, 2.733%	A1	AA-	1,212,577,601	79,061,598	1,291,639,199	
Morley Income Fund I ^(b)			463,809,292			
Morley Income Fund III ^(b)			365,216,265			
Morley Stable Income Bond Fund ^(b)			383,552,044			
State Street Multi-Asset Wrap, 2.736%	Aa3	AA+	1,228,071,609	78,361,707	1,306,433,316	
Morley Income Fund I ^(b)			403,341,757			
Morley Income Fund III ^(b)			633,171,080			
Morley Stable Income Bond Fund ^(b)			191,558,772			
Transamerica Life Insurance Co. Wrap, 2.770%	A1	A+	1,361,931,067	74,423,097	1,436,354,164	
Morley Income Fund II ^(b)			107,888,628			
Morley Income Fund III ^(b)			1,107,337,579			
Morley Stable Income Bond Fund ^(b)			146,704,860			
Total Synthetic Investment Contracts - Participating			12,238,417,835	809,573,106	13,047,990,941	
Total Investment Contracts			12,508,512,735	812,098,884	13,320,611,619	
Short-Term Investments (2.172%)		Shares Held	Cost			
SSgA Government Short-Term Investment Fund		295,681,534	295,681,534	295,681,534	295,681,534	
Total Investments (94.036% of fair value; 100% of contract value)			\$ 12,804,194,269		\$ 13,616,293,153	

^(a) As of December 31, 2023, the related wrap contracts are valued at zero.

^(b) Investment is an affiliated investment.

Percentages shown are based on the investments at contract value.

See accompanying notes.

Morley Stable Value Fund

Notes to Financial Statements

December 31, 2023

1. Organization

The Morley Stable Value Fund (the “Fund”) commenced operations in January 1993, and is an investment fund offered by the Principal Global Investors Trust Company (the “Trustee”). The Trustee is an Oregon Trust company providing fiduciary services, primarily administration of collective trust funds. The Fund is designed for retirement trusts exempt from federal income tax under Section 501(a) of the Internal Revenue Code (“IRC”) of 1986, as amended. The Fund is governed by the Trust Agreement for the Fund (“Declaration of Trust”) as amended January 2, 2018.

The objective of the Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.

The Fund is not registered under the Investment Company Act of 1940, and the units of the Fund are not registered with the Securities Exchange Commission (“SEC”) under the Securities Act of 1933. Unitholders may redeem units, but the units may not otherwise be transferred without the consent of the Trustee. There is no public market for the units.

The Trustee is authorized to employ the services of an investment advisor for the Fund, which is Morley Capital Management (the “Investment Advisor”), a specialized investment team of Principal Global Investors, LLC. The Investment Advisor is an affiliate of the Trustee.

Investments held by the Fund, including investment contracts, are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets of the Fund attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the underlying defined-contribution plans. The accompanying Statement of Assets and Liabilities and Portfolio of Investments reflect both the fair value as well as the adjustment to contract value for each investment contract deemed fully benefit-responsive. The Statement of Operations and Statement of Changes in Net Assets were prepared on a contract value basis.

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The Fund is an investment company based on the characteristics defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services - Investment Companies*. These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), including accounting and reporting guidance set forth in ASC 946. Financial statements prepared in conformity with U.S. GAAP require management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. These estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in the financial statements and accompanying notes.

Investment Valuation

Investments in contracts are presented in the Portfolio of Investments at contract value, which represents invested principal plus accrued interest thereon. The contracts are nontransferable but provide for benefit-responsive withdrawals and participant transfers to noncompeting options by plan participants at contract value. In the event facts and circumstances provide evidence that contract value is impaired, the contracts would be presented at fair value. In determining contract value, the Trustee considers such factors as the benefit-responsiveness of the contracts, the ability of the parties to the contracts to perform in accordance with the terms of the contracts and the likelihood of default by the issuer of an investment security.

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The fair value of conventional investment contracts is determined using a discounted cash flow methodology where the individual contract cash flows are discounted at the prevailing interpolated yield curve rate as of year end.

Underlying investments of the synthetic investment contracts are generally valued as follows: domestic and foreign fixed income securities are valued at fair value based on market values obtained from independent pricing services, quotes by dealers who are market makers in these securities, or by a methodology approved by the Trustee. Accrued interest, if any, on the underlying investments is added to the fair value of the investments for presentation purposes. Commercial paper and other investment securities with less than 60 days to maturity when purchased are valued at amortized cost, which approximates fair value. Investments in regulated investment companies, collective investment trusts and separate accounts are valued at the NAV per share/unit. The fair value of the wrap contracts is determined using the market approach discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated yield curve as of year end.

Investment Contracts

Investment contracts can be structured as nonparticipating, participating or a combination thereof. Conventional Guaranteed Investment Contracts (“GICs”) issued by insurance companies are primarily nonparticipating, wherein the contract holder does not participate in any gains and losses incurred due to performance of the underlying portfolio relative to the book value at times of withdrawals. Conversely, synthetic investment contracts and stable value separate account contracts, issued by insurance companies or banks, are primarily participating, wherein the contract holder participates in gains and losses incurred due to the performance of the underlying portfolio relative to book value at times of withdrawals. Gains and losses are amortized through future crediting rate resets. Participating structures are the most common structure utilized in the Fund. Certain synthetic investment contracts have underlying investments which are sub-advised by managers affiliated with the synthetic issuers.

GICs are typically issued with a fixed crediting rate and a fixed maturity date that does not change over the life of the contract. Crediting rates on wrap contracts typically reset on a monthly or quarterly basis as negotiated with the wrap issuer and wrap contracts do not have a final stated maturity date. The wrap contracts in this Fund are predominately reset on a monthly basis with a one month look back for the portfolio statistics. The wrap contract issuer guarantees a minimum 0% crediting rate; however, a wrap does not absorb any loss for credit defaults in an underlying portfolio.

The gross crediting rate formula is negotiated in the wrap contract and is typically represented as:

$$CR = (MV/BV)^{(1/D)} * (1 + YTM) - 1 \text{ where:}$$

MV = market value of portfolio

BV = book value of portfolio

D = weighted average duration of portfolio

YTM = annualized dollar weighted yield to maturity of the portfolio

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The net crediting rate is equal to the gross crediting rate minus the wrap fee due to the contract issuer and if applicable, minus the sub-advisor fees for specific investment strategies. Crediting rates reflect the amortization of realized and unrealized gains and losses in the underlying portfolio over the duration of the portfolio and, in consequence, may not reflect the actual returns achieved in the portfolio. From time to time, the crediting rate may be significantly greater or less than current market interest rates.

A number of factors can influence future crediting rates, which may include but are not limited to: portfolio cash flows, underlying portfolio performance, current market interest rates for reinvestment, duration posture, change in crediting rates, default or bankruptcy by an asset or wrap issuer, the unexpected receipt of principal and interest payments, extraordinary withdrawals and certain wrap contract terms, including wrap fees.

The gross crediting rate formula is also subject to re-negotiation by the contract issuer and/or the contract holder. Events which may warrant the use of a different crediting rate formula or variables utilized in the formula illustrated previously include, but are not limited to, depressed market value to book value ratios, credit events or pricing pressures within the wrapped portfolio that impacts market valuation.

Synthetic investment contracts are comprised of both investment and contractual components. The investment component consists of securities or shares or units of a pooled portfolio of fixed-income securities, referred to as the underlying investments. Underlying investments may include, but are not limited to:

- Asset-backed securities
- Corporate bonds
- Mortgage-backed securities
- Securities issued or backed by U.S. government agencies, government sponsored enterprises or similar U.S. government entities or instrumentalities
- Shares of mutual funds primarily invested in the above
- Units of commingled pools primarily invested in the above
- Money market funds

This investment component is “wrapped” by contracts issued by third-party financial institutions. This wrap becomes the contractual component and provides for benefit withdrawals and investment exchanges at the full contract value of the synthetic investment contracts (i.e., principal plus accrued interest) notwithstanding the actual fair value of the underlying investments (i.e., fair value of security plus accrued interest). In this manner, wrap contracts are designed to smooth out the impact of normal market fluctuations associated with the performance of the underlying investments.

Wrap contract issuers place restrictions on minimum/maximum portfolio durations and on the minimum credit quality of the underlying investments.

Most of the investments underlying the synthetic contracts have expected average lives. That is, they have a target maturity date that is subject to change depending on market conditions. Should the expected average life of the investments shorten or extend, the crediting rate on the contract is normally reset to reflect the investments’ net yield to maturity. If the underlying investments prepay prior to their expected maturity, the cash flows from the investments are typically reinvested in new investments.

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

At December 31, 2023, the Fund held various synthetic investment contracts in which the underlying investment consisted of units of various collective trust funds sponsored by the Trustee and managed by the Investment Advisor. Below is a summary of these affiliated collective trust funds:

Actively Managed Fund

The Fund is 3.79% invested in the Actively Managed Fund through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: Dodge & Cox

Investment Strategy: Actively managed fixed income portfolio of short to intermediate maturities consisting of a low risk blend of asset classes, focusing on and providing diversified exposure to investment grade debt from the government, credit and structured sectors of the bond market.

Benchmark: Bloomberg U.S. 3-year Treasury Bellwether + 75 basis points (“bps”)

Morley Income Fund I

The Fund is 14.41% invested in the Morley Income Fund I through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: not applicable

Investment Strategy: A blend of asset classes from within the Bloomberg U.S. Aggregate Bond Index, focusing on short to intermediate maturities and providing diversified exposure to investment grade debt from the government, credit and structured sectors of the bond market.

Benchmark: Bloomberg Intermediate U.S. Government/Credit Index

Morley Income Fund II

The Fund is 1.56% invested in the Morley Income Fund II through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: not applicable

Investment Strategy: A blend of asset classes from within the Bloomberg U.S. Aggregate Bond Index, focusing on short to intermediate maturities and providing diversified exposure to investment grade debt from the government, credit and structured sectors of the bond market.

Benchmark: Bloomberg 1-3 Year Government/Credit Index

Morley Income Fund III

The Fund is 27.03% invested in the Morley Income Fund III through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: not applicable

Investment Strategy: A blend of asset classes from within the Bloomberg U.S. Aggregate Bond Index, focusing on short to intermediate maturities and providing diversified exposure to investment grade debt from the government, credit and structured sectors of the bond market.

Benchmark: Bloomberg Stable Income Market Index

Morley Stable Value Fund Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Morley Income Fund IV

The Fund is 8.19% invested in the Morley Income Fund IV through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: Pacific Investment Management Company LLC

Investment Strategy: The investment strategy is to generate a total investment return consisting of current income and capital appreciation through investment primarily in a blend of assets focusing on short to intermediate-term maturities while providing diversified exposure to investment grade debt from the government, credit, and structured sectors of the bond market.

Benchmark: Bloomberg Intermediate U.S. Aggregate Index

Morley Stable Income Bond Fund

The Fund is 15.44% invested in the Morley Stable Income Bond Fund through synthetic investment contracts as disclosed in the Portfolio of Investments.

Sub-Advisor: not applicable

Investment Strategy: A low risk blend of asset classes from within the Bloomberg U.S. Aggregate Bond Index, focusing on short to intermediate-term maturities and providing diversified exposure to debt from the government, credit and structured sectors of the bond market.

Benchmark: Bloomberg Stable Income Market Index

At December 31, 2023, the Fund also held synthetic investment contracts for which the underlying investments are sub-advised by managers affiliated with the synthetic contract issuers. The sub-advisors are Massachusetts Mutual Life Insurance Co., New York Life Insurance Co. and Prudential Insurance Co..

The following tables are intended to show the hypothetical impacts to the Fund's crediting rate over the next four quarterly periods as a result of changes in yields on the underlying investments, and changes in yields on underlying investments combined with a significant redemption from the Fund.

December 31, 2023	Assumptions
Portfolio Weighted Average Gross Crediting Rate	3.004%
Current Market Interest Rate	4.873
% Market Rate Change per Interval	25
Participant Cash Flows	(10)

		% Market Rate Change:					
		(50)%	(25)%	No Change	25%	50%	
Participant Cash Flows:	None	12/31/2023	3.004%	3.004%	3.004%	3.004%	3.004%
		3/31/2024	3.066	3.131	3.144	3.100	2.995
		6/30/2024	3.018	3.171	3.273	3.323	3.314
		9/30/2024	2.974	3.208	3.395	3.531	3.614
		12/31/2024	2.932	3.242	3.507	3.724	3.891

Morley Stable Value Fund
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

		% Market Rate Change:					
		(50)%	(25)%	No Change	25%	50%	
Participant Cash Flows:	(10)%	12/31/2023	3.004%	3.004%	3.004%	3.004%	3.004%
		3/31/2024	3.118	3.053	2.924	2.726	2.455
		6/30/2024	3.066	3.098	3.070	2.977	2.813
		9/30/2024	3.018	3.141	3.206	3.211	3.149
		12/31/2024	2.974	3.180	3.333	3.428	3.461

The above is illustrative only and based on the assumptions given below. The crediting rate on the portfolio and total returns actually achieved by investors in the future may vary significantly from the above illustration due to market, plan and cash flow events.

- Basis for current market interest rate is the actual yield to maturity of underlying assets.
- The above represents an estimate based on current crediting rate calculation conventions.
- The illustrative crediting rate calculations are gross of wrap fees which typically average 15 bps at the Fund level.
- Assumptions used in crediting rate calculation:
 - MV/BV ratio = 94.05%, initial gross crediting rate = 3.004%, duration = 3.30 years
 - Participant cash flow example will reflect the manager's methodology in paying benefits and managing overall portfolio allocations.
 - Immediate one time hypothetical 10% decrease in net assets due to participant transfers occur after the interest rate change.
 - One quarter increase of current yield equals the current yield multiplied by 1.25.
 - Effect on crediting rate as of the date of the latest statement and at the end of the next four quarters assumes the portfolio rate resets quarterly.
 - Reset rate based on interest rate impact on the portfolio market value and underlying investments yield to maturity. Assume market value grows by interest earnings over next reset periods.

At December 31, 2023 and 2022, all investment contracts held by the Fund were deemed fully benefit-responsive. The change in the difference between the fair value and contract value of the Fund's fully benefit-responsive investment contracts during 2023 is reflected below:

	December 31,		Change
	2023	2022	
Investment contracts at fair value	\$12,508,512,735	\$13,861,874,120	\$ (1,353,361,385)
Adjustments to contract value	812,098,884	1,124,255,900	(312,157,016)
Investment contracts at contract value	13,320,611,619	14,986,130,020	(1,665,518,401)

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Events Limiting Contract Value Treatment

Market value events may limit the ability of the Fund to transact at contract value with the issuer. Market value events are events or conditions that occur which are outside of the normal operation of the Fund and lead to any Fund disbursements which have or will have a material adverse effect on the operations of the Fund and a financial effect on the investment contract or wrap issuers' interest hereunder. Such events may include but are not limited to: Fund administration amendments or changes, merger or consolidation of investors, group terminations or layoffs, implementation of an early retirement program, termination or partial termination of the Fund, failure to meet certain tax qualifications, participant communication that is designed to influence participants not to invest in the Fund, transfers to competing options without meeting the equity wash provisions of the Fund, and plan sponsor withdrawals without the appropriate notice to the Fund and /or issuer.

In the normal course of business, such events or conditions would not limit the ability of the Fund to transact at contract value with the participants in the Fund. The Fund is managed to maintain a certain amount of liquidity to provide for the day to day liquidity needs of participants as well as the occasional market value event.

Termination Events by the Issuer

An issuer can terminate an investment contract upon the event of default by the contract holder, Investment Advisor or Trustee if the issuer determines in its reasonable discretion, such event has had, or is likely to have, a material adverse effect on the issuer's interest with respect to the contract.

Such events may include but are not limited to: management of the portfolio is not in accordance with investment guidelines, a breach of any material obligation under the wrap agreement, any representation or warranty made by the contract holder becomes untrue in any material way, a replacement of the Investment Advisor without prior consent of the issuer, the Fund is terminated or ceases to qualify as a group trust or plans cease to meet the appropriate tax qualifications, or the wrap becomes a prohibited transaction within the meaning of Section 406 of Employee Retirement Income Security Act of 1974.

Investment Income

Investment income is accrued as earned. Investment income earned daily by the SSgA Government Short-Term Investment Fund is recorded on the accrual basis. Income from GICs is recorded at the contract rate. In the case of synthetic investment contracts, the contract rate is also referred to as the crediting rate. Crediting rates on synthetic contracts are net of fees to the issuer of the wrap contract (wrap fees). For fully benefit-responsive synthetic investment contracts, earnings on the underlying assets are factored into the next computation of the crediting rate reset. The Fund allocates all income on a daily basis to each class of units based on the relative portion of the value of units outstanding of each class.

Investment Transactions

The Fund records investment transactions on a trade date basis and underlying investment transactions in synthetic investment contracts on a trade date basis. The cost of investments sold is determined by the specific identification method.

Morley Stable Value Fund
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

For the year ended December 31, 2023, the cost of investments acquired and the proceeds from investments sold, matured or redeemed were as follows (balances below include any interest accrued at time of transaction):

	Cost	Proceeds
Conventional Guaranteed Investment Contracts	\$ 18,254,108	\$ 472,384,996
Synthetic Investment Contracts	368,662,487	1,580,050,000
Short-Term Investments	2,113,164,111	2,432,806,389
	\$ 2,500,080,706	\$ 4,485,241,385

Expenses

In accordance with the Declaration of Trust, expenses charged to the Fund on a daily basis include audit fees, as well as custody and administration fees, which may include fund accounting, transfer agency, custody, legal, and miscellaneous expenses. The Investment Advisor was paid directly by the Trustee and those fees were not expenses of the Fund.

In addition to audit and custody and administration fees, unit classes are charged management fees, service fees, and Trustee fees based on average daily net assets as detailed below:

Class	Management Fee	Service Fee	Trustee Fee
125	0.22%	N/A%	0.03%
1402	0.22	0.15	0.03
150	0.22	0.25	0.03
155	0.22	0.30	0.03
160	0.22	0.35	0.03
171	0.22	0.45	0.03
175	0.22	0.50	0.03
3913	0.22	0.50	0.03
180	0.22	0.55	0.03
185	0.22	0.60	0.03
100	0.22	0.75	0.03
220	0.17	N/A	0.03
230	0.17	0.10	0.03
245	0.17	0.25	0.03
250	0.17	0.30	0.03
252	0.17	0.30	0.03
310	0.12	0.90	0.03
315	0.12	N/A	0.03
335	0.12	0.20	0.03
370	0.12	0.55	0.03
412	0.09	N/A	0.03
518	0.15	N/A	0.03
0bps	0.00	0.00	0.00

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Fees paid to sub-advisors hired to provide specific investment strategies as described in the Investment Contracts section of this report are accrued daily and paid directly from the earnings of that strategy and not the fees assessed by the Trustee. Sub-advisory fees are anticipated to be between 4-7 bps of the average net assets but are subject to change. There were no affiliated sub-advisory fees paid by the Fund for the year ended December 31, 2023.

In addition, the expenses paid to issuers for providing benefit-responsive wrap agreements for the Fund will be allocated against the earnings of the Fund. The financial institutions issuing the wrap agreements assess fees based upon the book value of the contract. Wrap fees are currently between 15-19 bps of the average net assets, depending upon issuer, but are subject to change. These fees are netted against the gross crediting rates for the Fund's applicable investment contracts.

The wrap fees, sub-advisory fees and other expenses are collectively referred to as fund level expenses. Fund level expenses are variable and will fluctuate daily based on factors such as total Fund assets, assets associated with specific wrap contracts or sub-advisors, and the utilization and cost of applicable services. Fund level expenses have already been factored into the Fund's crediting rate. In contrast, the Trustee and management fees are generally static and are only altered by direct action from the Trustee.

Federal Income Taxes

The Fund is exempt from federal income tax pursuant to Section 501(a) of the IRC of 1986 in accordance with Revenue Ruling 81-100.

The Fund recognizes a tax benefit or liability from an uncertain position only if it is more-likely-than-not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's administrative practices. If this threshold is met, the Fund would measure the tax benefit or liability as the largest amount of benefit or liability that is greater than fifty percent likely of being realized upon ultimate settlement. There were no uncertain tax positions for which amounts were accrued during the year ended December 31, 2023, and the Fund expects the likelihood of future accruals to be remote. Generally, the tax authorities can examine tax returns filed for the last three years. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense on the Statement of Operations.

Guarantees

In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Morley Stable Value Fund

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (“ASU”) No. 2020-04, *Reference Rate Reform (Topic 848); Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform. The guidance is applicable to contracts referencing London Interbank Offered Rate (“LIBOR”) or another reference rate that is expected to be discontinued due to reference rate reform. The ASU is effective as of March 12, 2020 and generally can be applied through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06 *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* which updates and clarifies ASU No. 2020-04. The amendments in this ASU defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024. Management expects these ASUs will not have a material impact on the Fund’s financial statements.

3. Unitholder Transactions and Distribution of Income

The Trustee determines the NAV at the contract value of the Fund each business day (valuation date) by dividing total assets less liabilities by the number of outstanding units. No distributions are made to unitholders as net investment income and net realized capital gains are reinvested into the Fund in accordance with the Fund’s investment objectives. Unitholder transactions are processed daily, or as applicable, by the Fund at the current NAV at contract value and are considered as made immediately after the daily valuation. Withdrawals from the Fund for benefit payments and participant transfers to noncompeting options to be paid to plan participants shall be made as soon as practicable after the date the Trustee receives a notice of withdrawal from the Participating Trust and are considered as made immediately after the next valuation date subsequent to the Trustee’s approval.

Withdrawals, other than for benefit payments and participant transfers to noncompeting options, require a twelve month advance written notice. Included in this advance written notice requirement are full or partial withdrawals of assets invested in the Fund resulting from plan sponsor directed actions. Such plan sponsor directed actions include, but are not limited to: (i) trustee or plan sponsor directed reallocation of investments; (ii) company sponsored layoffs/termination of groups of employees; (iii) disposing of or selling a component of the business which involves the transfer or termination of employees; (iv) terminating the Fund as an investment option of the plan; and (v) terminating the plan. Plan sponsors are prohibited from intentionally and specifically advising participants, or releasing participant communication, that is intended to encourage participants to not contribute to the Fund, or to withdraw part or all of their contributions from the Fund.

All plan sponsor-directed requests for full or partial withdrawals must be submitted to the Trustee in writing certifying the reason for the withdrawal request. All such requests are subject to the twelve-month advance written notice requirement. The Trustee may choose to disburse withdrawals in less than the required twelve-month period if, in the Trustee’s discretion, it determines that such a disbursement is in the best interest of the Fund as a whole.

At December 31, 2023, 45% of the Fund’s net assets was held by collective investment funds sponsored by the Trustee.

Morley Stable Value Fund

Notes to Financial Statements (continued)

4. Fair Value Measurement

Valuation Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels.

- **Level 1** — Unadjusted quoted prices in active markets for identical investments.
- **Level 2** — Inputs other than quoted prices within Level 1 that are observable for the investment, either directly or indirectly.
- **Level 3** — At least one significant unobservable input for the investments.

Determination of Fair Value

The following discussion describes the valuation techniques and inputs used for assets measured at fair value on a recurring basis.

Fair value estimates are made based on available market information and judgments about the financial instrument at a specific point in time. The disclosed fair value may not be realized in the immediate settlement of the financial instrument. The Fund evaluates fair value estimates through various methods. One method is oversight of pricing vendors, which includes an analysis of their pricing methodologies. In addition, the Fund validates prices through an investment analyst review process, which includes validation through direct interaction with external sources, review of recent trade activity, or use of internal models. There were no significant changes made to the Fund's valuation processes during 2023.

Investment Contracts

The fair value of GICs is determined using a discounted cash flow methodology where the individual contract cash flows are discounted at the prevailing interpolated yield curve rate as of year end. These are reflected in Level 2.

Individual assets of the synthetic investment contracts may include domestic and foreign fixed income securities and investments in insurance company commingled accounts or collective investment trusts. When available, the fair value of securities is based on quoted prices of identical assets in active markets. When quoted prices are not available, the first priority is to obtain prices from third-party pricing methodologies and to confirm they are utilizing observable market information. Their methodologies vary by asset class and include inputs such as estimated cash flows, benchmark yields, reported trades, broker quotes, credit quality, industry events and economic events. These are generally reflected in Level 2.

Wrap Contracts

The wrap fair value is determined using a market approach discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated yield curve as of year end. These are reflected in Level 3. As of December 31, 2023, the related wrap contracts are valued at zero.

Morley Stable Value Fund
Notes to Financial Statements (continued)

4. Fair Value Measurement (continued)

Short-Term Investments

Short-term investments consist of money market funds which are priced at NAV. The NAV of money market funds represents the price at which the Fund believes it would be able to initiate a transaction. Investments in money market funds for which the NAV is published are reflected in Level 1.

Investments Measured at Fair Value

Investments measured at fair value on a recurring basis are summarized in the following table.

	As of December 31, 2023			
	Investments	<u>Fair Value Hierarchy Level</u>		
	Measured at	Level 1	Level 2	Level 3
Assets	Fair Value			
Investment Contracts:				
Conventional Guaranteed				
Investment Contracts	\$ 270,094,900	\$ —	\$ 270,094,900	\$ —
Synthetic Investment Contracts	12,238,417,835	—	12,238,417,835	—
Short-Term Investments	295,681,534	295,681,534	—	—
Total assets	\$12,804,194,269	\$ 295,681,534	\$ 12,508,512,735	\$ —

As of December 31, 2023, the related wrap contracts are valued at zero and included in Level 3. In addition, there were no material purchases, sales or transfers into/out of Level 3.

5. Subsequent Events

Management has evaluated events and transactions that have occurred through March 28, 2024, the date the financial statements were available to be issued, that would merit recognition or disclosure in the financial statements. There were no items requiring adjustment of the financial statements or additional disclosure.