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Helping Clients Prosper

## City of Burlington Employees Retirement System

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### Monthly Performance Update - March 2023

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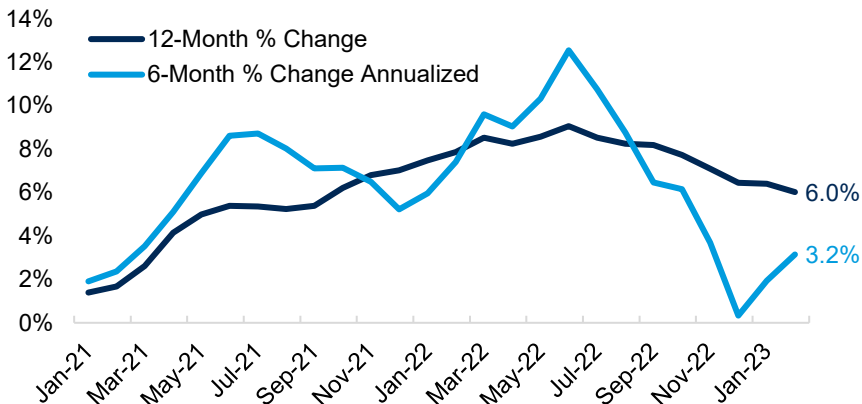


# Market Themes

1. As highlighted in our 2023 Outlook, volatility has persisted across all segments of the market. Uncertainty surrounding Fed policy, angst in the banking sector, and oscillating fears of recession kept volatility elevated.
2. We headed into 2023 with the notion that inflation will trend lower, but the path of reduction would not be smooth. This has been the trajectory thus far. We continue to see inflation measures contract, but the route remains unsettled.
3. Since the onset of Covid-19, investors have experienced incredible bouts of volatility, which we believe may continue. Staying disciplined, even when uncomfortable, has rewarded investors over the long-run.

## Inflation Perspectives

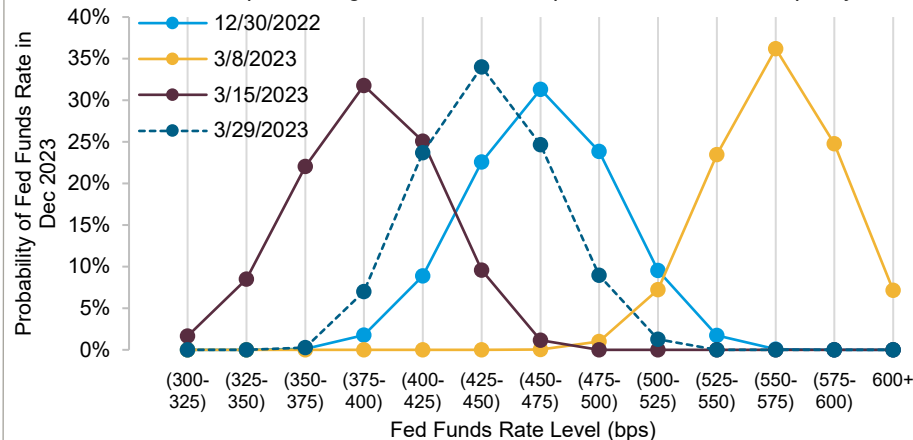
Headline inflation has been moderating, but more recent trends show further slowing. Additionally, housing, which is incorporated into CPI on a lagged basis, points to further softening as we head into summer.



Sources: FactSet, BLS, Fiducient Advisors calculations. As of February 2023. US Consumer Price Index All Items, not seasonally adjusted.

## Market Implied Probability for December 2023 Fed Fund Rate

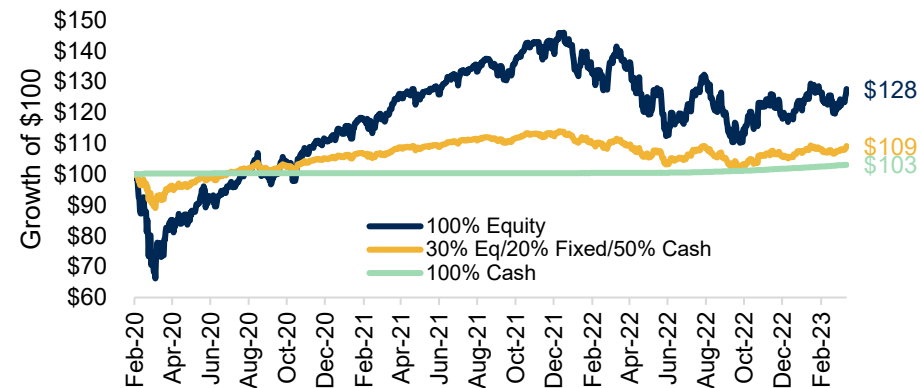
Wavering markets, inflation volatility, and uncertainty surrounding the economy's direction has led to rapid and significant shifts in expectations for Fed rate policy.



Sources: CME FedWatch Tool. As of March 29, 2023.

## Staying Invested - Growth of \$100 since Pre-Covid Peak

Despite volatility and bear markets, staying invested since the onset of the global Covid-19 pandemic has rewarded investors compared to shifting to cash.



Source: Morningstar Direct. Growth of \$100 from February 19, 2020 to March 31, 2023. Equity = S&P 500 Index, Fixed = Bloomberg US Agg Bond Index, Cash = Bloomberg US Tbill 1-3M Index. Blends are rebalanced monthly at listed weights.

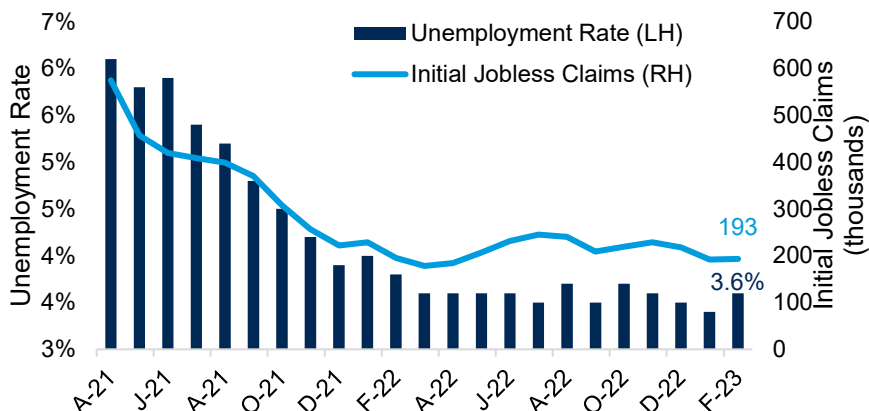
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



# Economic Review

## Labor Market Remains Resilient

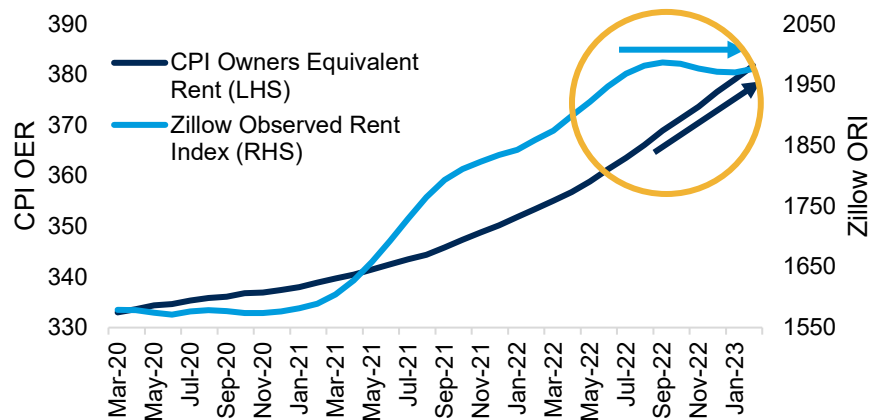
The consumer is the bedrock of the U.S. economy. Strong financial positions for consumers and a resilient job market have helped mitigate the risk of an extreme recession.



Sources: FactSet, DOL. As of February 28, 2023.

## Rents - Surveyed vs. Reality?

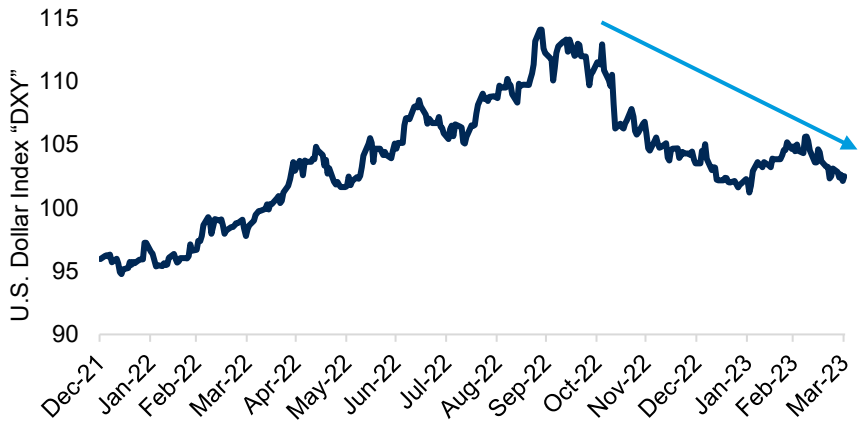
Owners equivalent rent, a key component in the CPI calculation, continues to climb. However, recent "market" data shows rents may have plateaued last summer and, with a softening housing market, may help drive inflation lower.



Sources: FactSet, BLS, Zillow. As of February 28, 2023.

## U.S. Dollar Continues to Fall

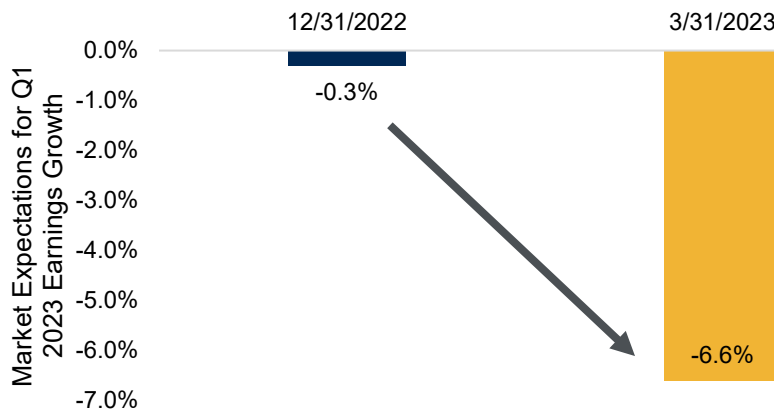
Falling rates in the U.S., slowing inflation and shifting expectations for Federal Reserve rate cuts later in the year put further pressure on the U.S. dollar relative to other major currencies. The dollar index fell 1.0 percent in the first quarter.



Source: FactSet. As of March 31, 2023.

## Shifting Earnings Sentiment

Market expectations for corporate earnings have shifted significantly since the end of 2022. As we've highlighted, earnings are likely "the next shoe to drop" in this cycle following 2022's decline in prices across asset classes.



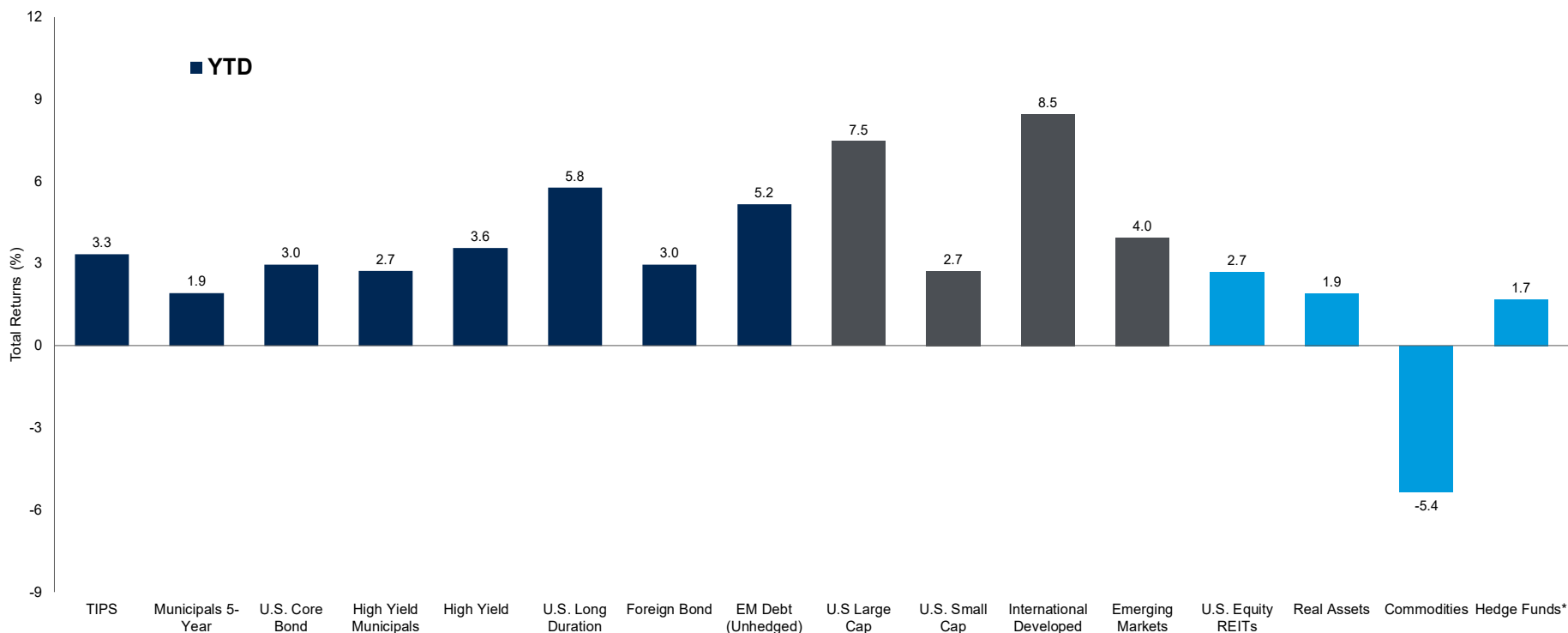
Source: FactSet Earnings Insight. As of March 31, 2023.

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Indices cannot be invested in directly.



# Asset Class Returns



Source: Morningstar Direct. As of March 31, 2023. \*Hedge fund returns as of February 28, 2023.

## Fixed Income (1Q)

- + Interest rate markets were highly volatile in the first quarter, as investors grappled with Fed policy action and banking sector uncertainty. Ultimately, rates ended lower, providing a tailwind for bond investors.
- + Credit sectors generally fared well, even with spreads widening at the end of the quarter with the turmoil stemming from the banking sector.
- + Inflation expectations were volatile during the quarter, rising sharply in February before settling back in March. TIPS outpaced Core Bonds in the quarter as a result.

## Equity (1Q)

- + Despite volatility caused from the fallout of SVB, equity markets overall fared well in the first quarter. Swift action from policy makers helped instill confidence to calm markets.
- + Non-U.S. developed led equity markets during the quarter. Strength in Europe early on helped pave the way despite volatility picking up in March. A falling dollar provided an added tailwind.
- + Emerging market equity posted a modest positive return. Mexico was a key driver, gaining over 20% in the quarter.

## Real Asset / Alternatives (1Q)

- + U.S. REITs had a modest gain, with strength in industrial, self storage and data centers. However, clouds still linger over the office market.
- Commodity markets took a step back in the quarter, largely driven by a pullback in the energy sector due to concerns of falling demand from economic contraction.
- + Hedge Funds saw modest gains for the first two months of the year. Equity hedge strategies have been the noticeable standout thus far.

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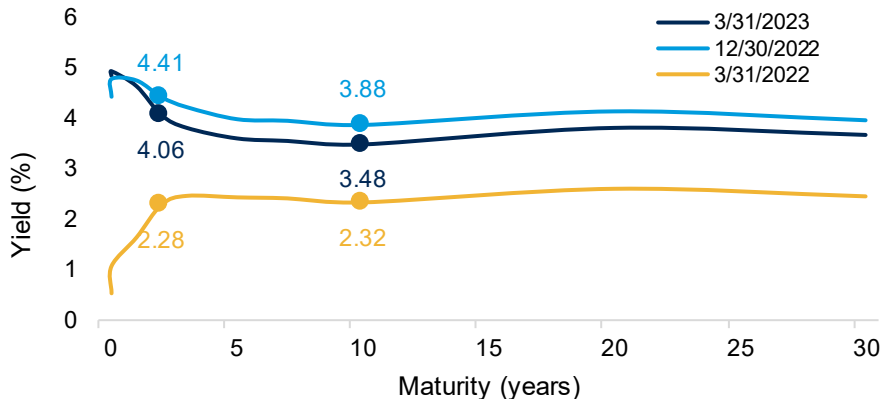
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# Fixed Income Market Update

## U.S. Treasury Yield Curve

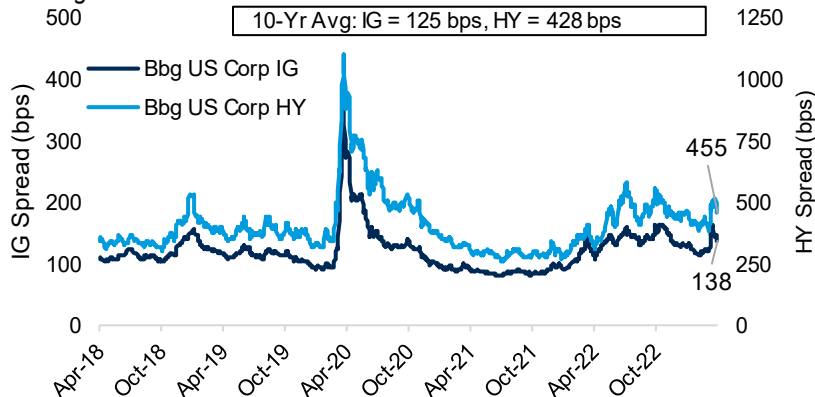
Interest rate volatility was elevated during the quarter. The Fed raised its target rate by 25 bps in both February and March, pushing yields on the front end of the curve higher. However, disruption in the banking sector and uncertainty about economic growth pushed longer dated yields lower.



Source: FactSet. As of March 31, 2023.

## Corporate Market Spreads – Trailing 5 Years

Disruption in the banking sector in March pushed corporate credit spreads wider at the end of the quarter as investors grappled with the potential for further contagion.

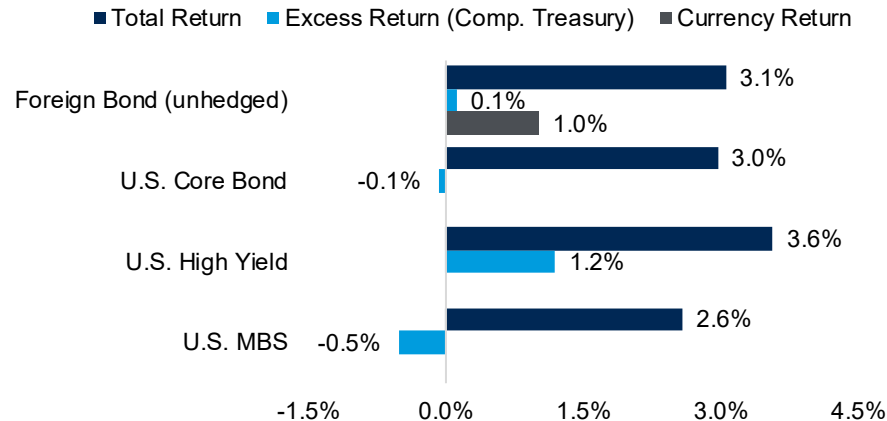


Source: FactSet. As of March 31, 2023.

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## Index Performance Attribution (1Q 2023)

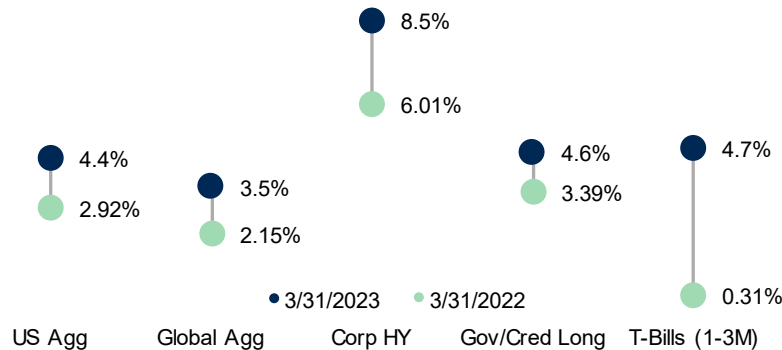
Non-government sectors, relative to similar duration Treasuries, were mixed in the quarter. Corporate high yield strength early on overcame volatility and concerns stemming from the March banking sector crisis, while mortgages modestly lagged as interest rate volatility weighed on the sector.



Source: FactSet. As of March 31, 2023.

## Current Yield-to-Worst vs. 1 Year Ago

Fixed income yields have seen a large jump from one year ago on the back of higher interest rates. While performance has suffered over the last year, the prospect for fixed income going forward looks more attractive at these yield levels.



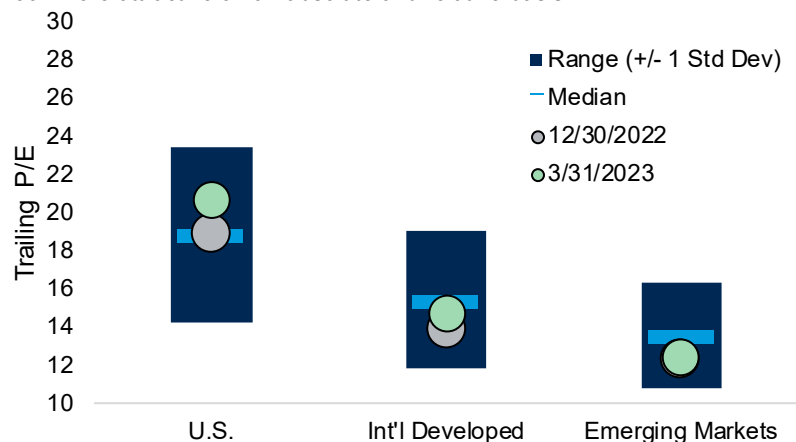
Source: FactSet. As of March 31, 2023. Based on respective Bloomberg Index.



# Equity Market Update

## Equity Valuations (Trailing PE – Last 15 Years)

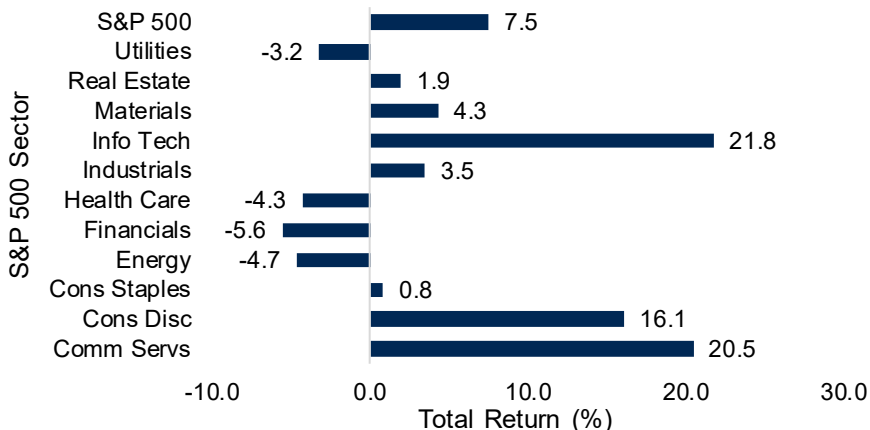
Valuations edged higher as prices rose and earnings fell. The U.S. market ends near median levels compared to the last 15 years, while international and EM look more attractive on an absolute and relative basis.



Source: FactSet. As of March 31, 2023.

## U.S. Equities – Return by Sector (1Q 2023)

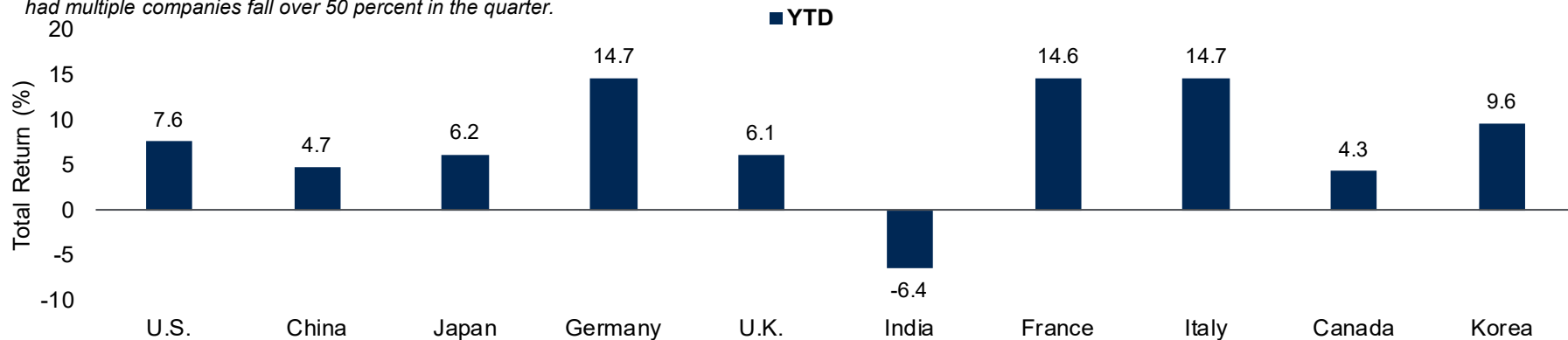
Equities were narrowly driven by growth related stocks in the information technology and consumer sectors. Constituents such as NVIDIA, Tesla and Meta saw strong rebounds, while financials struggled in the wake of the banking sector disruption.



Source: Morningstar Direct. As of March 31, 2023.

## Country Total Returns (%) – Top 10 Largest Economies

Global equity markets saw a strong rebound following disappointing 2022 results. Europe was the standout for the quarter compared to both the U.S. and emerging markets. Areas such as Germany, France, and Italy saw strong rallies as the warmer than expected winter alleviated concerns over Russia's grip on commodity supplies in the region. China saw positive gains as the country continues to benefit from the re-opening trade while India struggled; Adani Group, a large Indian conglomerate, had multiple companies fall over 50 percent in the quarter.



Source: Morningstar Direct. As of March 31, 2023.

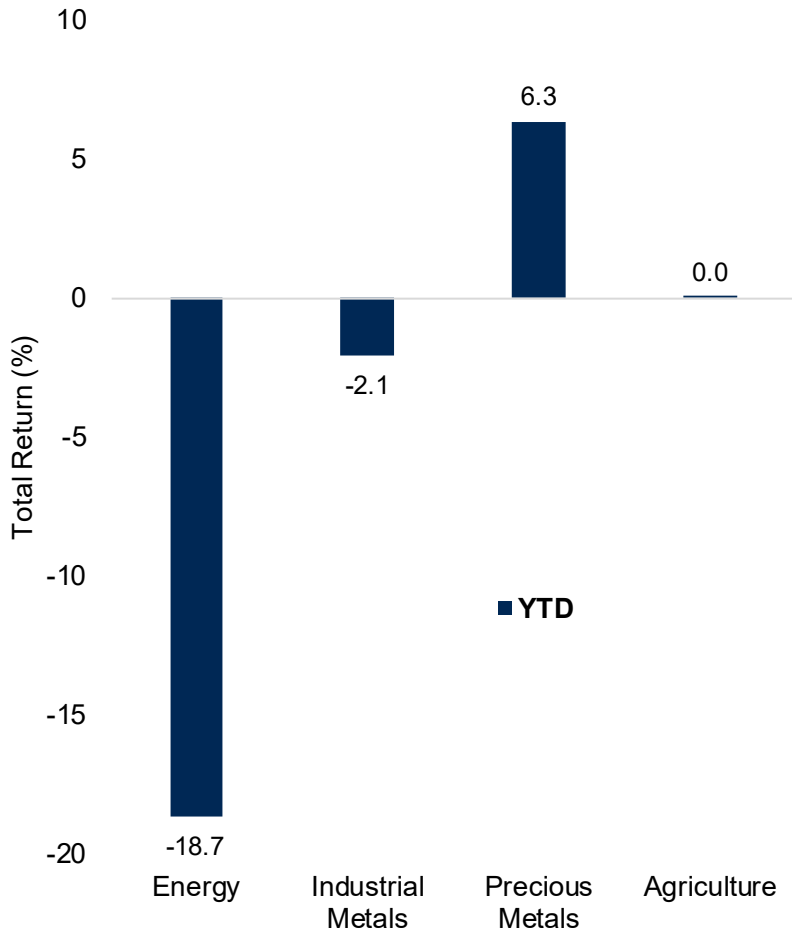
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# Real Assets Market Update

## Commodity Performance

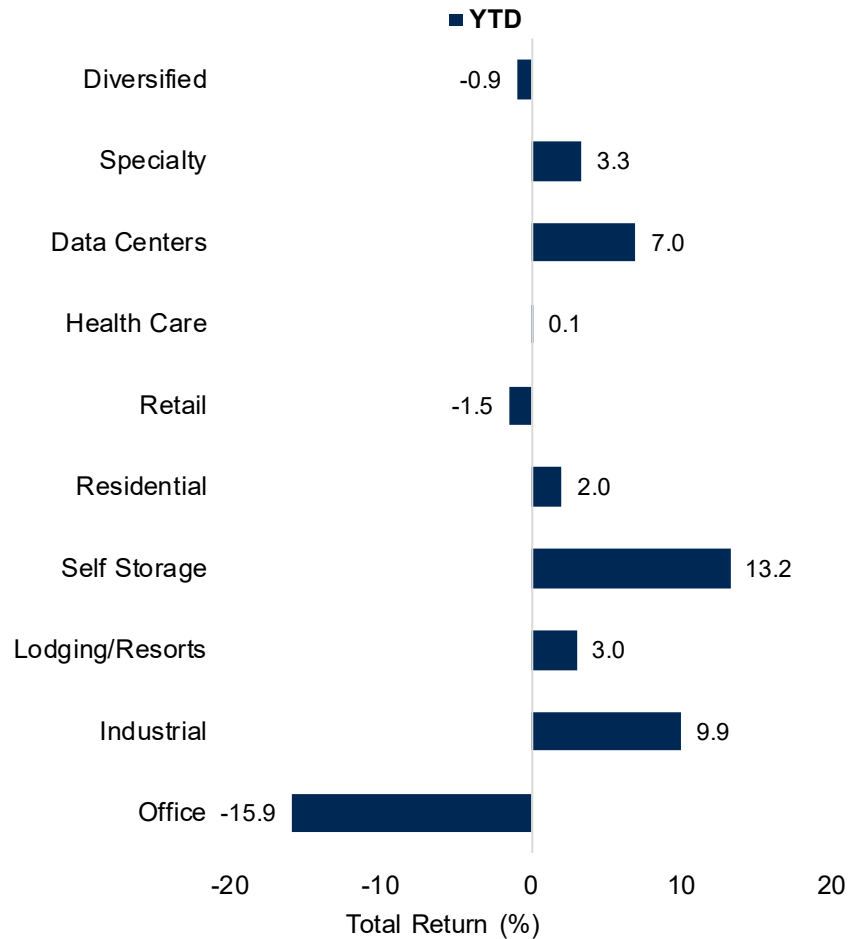
Commodities struggled in the quarter. Demand for natural gas amid a warmer than anticipated winter resulted in prices falling 37 percent, the key drag within energy. A flight to “safe haven” gold amid the volatility in the markets drove precious metals higher.



Source: Morningstar Direct. As of March 31, 2023.

## REIT Sector Performance

There was wide disparity in property type performance for the quarter. Segments with lower debt and strong cashflow streams fared best (industrial, self-storage and data centers). The office market continues to be plagued by the “new” hybrid work environment and subsequent lower demand for office space.



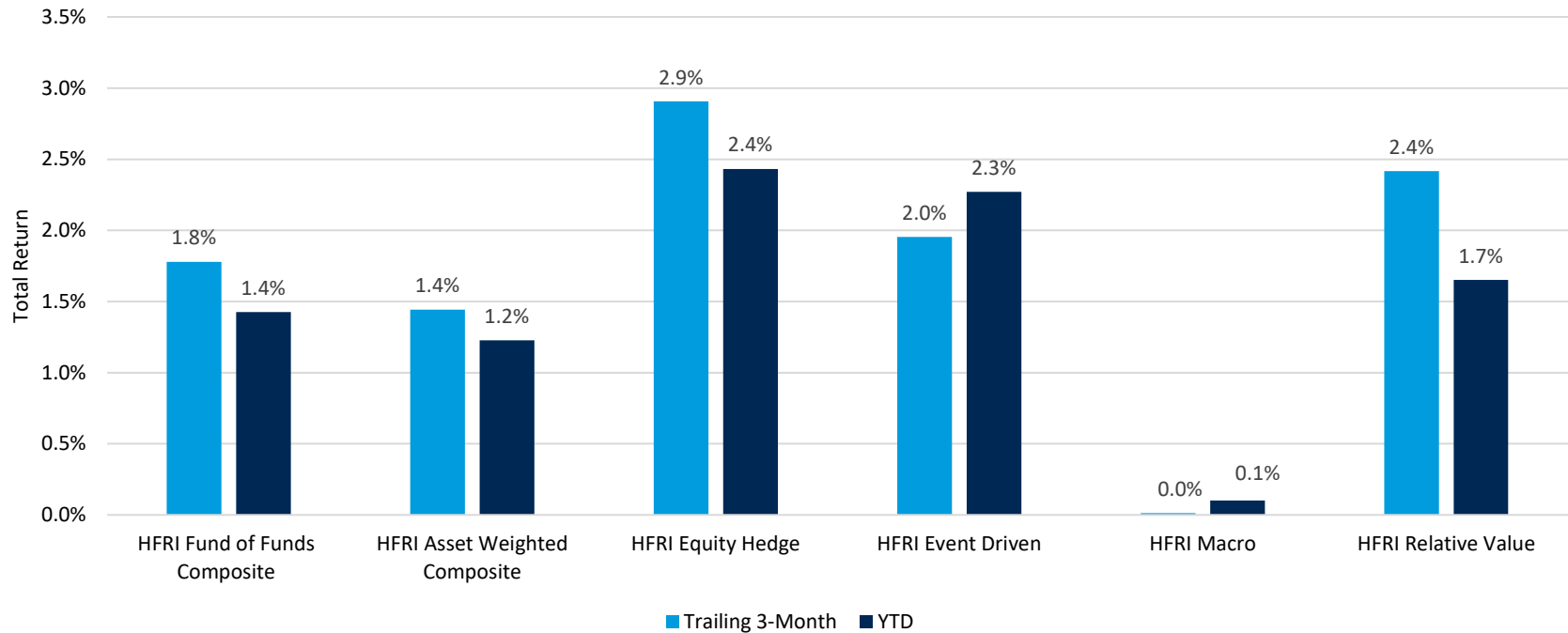
Source: Morningstar Direct. As of March 31, 2023.

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# Marketable Alternatives



Source: Morningstar Direct. As of February 28, 2023.

## Fund of Funds / Asset Weighted (1Q)

+ The HFRI Fund of Funds Composite returned 1.8 percent over the trailing 3-month period.

+ The HFRI Asset Weighted Composite returned 1.4 percent over the trailing 3-month period.

+ Marketable alternatives generally outpaced equities and fixed income markets over the trailing 3-month period as, on average, they protected capital better in December and February.

## Equity Hedge / Event Driven (1Q)

+ Equity hedge strategies returned 2.9 percent over the period, buoyed by a strong equity market in January. Fundamental Value strategies were a notable contributor.

+ Event driven strategies returned 2.0 percent over the period, led by Credit Arbitrage and Activist strategies.

+ Special Situations and Event Driven Directional strategies also provided strong relative performance during the period.

## Macro / Relative Value (1Q)

+/- Macro strategies were flat over the period. Systematic strategies were the notable detractors, as other major strategy groups generated positive performance.

+ Relative Value strategies returned 2.4 percent over the period. Fixed Income Sovereign and Fixed Income Convertible Arbitrage strategies were the primary contributors over the period.

- Volatility strategies detracted modestly during the period.

Benchmark Return Indices cannot be invested in directly. HFRI benchmarks are net of fees. Past performance does not indicate future performance and there is a possibility of a loss. See disclosures for list of indices representing each asset class.

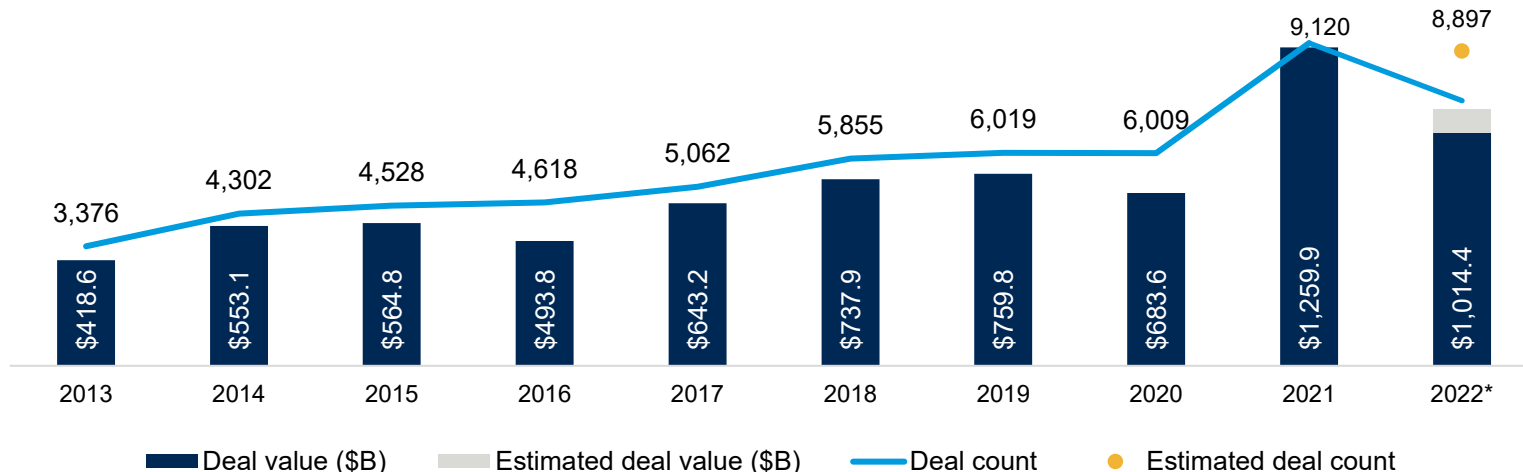




# Private Equity Market Update

## U.S. Private Equity Deal Activity

U.S. Private Equity deal activity, while still high historically, moderated during 2022 relative to the frantic environment that consumed investors throughout 2021.



Source: Pitchbook. As of December 31, 2022.

## Private Equity Performance (As of September 30, 2022)

Private equity performance was relatively flat during the third quarter of 2022 with US Growth and Venture continuing to lead the decline on a one-year basis. Over longer time periods, performance remains strong with dispersion between asset classes normalizing in recent quarters.

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity Index	0.2%	22.2%	19.6%	17.5%	12.6%
US Buyout Index	3.6%	20.9%	18.4%	17.0%	12.1%
US Growth Equity Index	-8.1%	26.3%	23.7%	19.1%	14.9%
US Venture Capital Index	-8.5%	30.1%	24.5%	19.2%	13.4%
S&P 500 Index	-15.5%	8.2%	9.2%	11.7%	8.0%

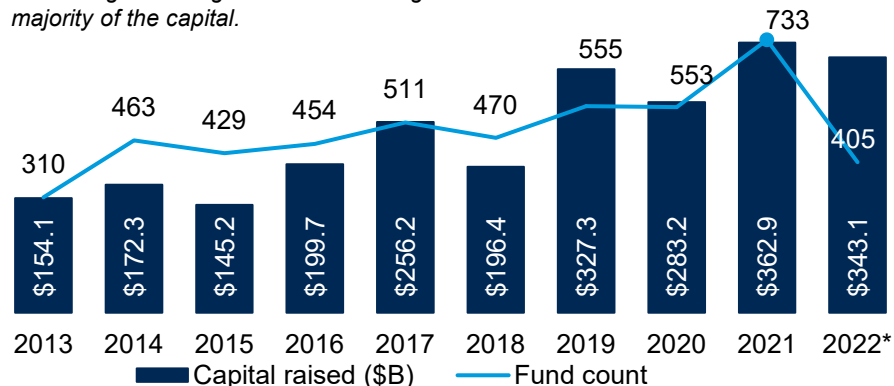
Source: Cambridge Associates. As of September 30, 2022. Returns presented as horizon pooled return, net of fees. S&P 500 Index as of September 30, 2022. Indices cannot be invested in directly.

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## U.S. Private Equity Fundraising Activity

The fundraising market cooled in 2022 but remained strong by historical standards as the denominator effect and commitments from the previous two years began to create some fatigue among investors. The largest funds in market continued to raise the majority of the capital.



Source: Pitchbook. As of December 31, 2022.



# The Case for Diversification

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	10 Years (Ann)
U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 16.1	International Dev. 8.5	U.S. Large Cap 12.0
U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	Municipals 5-Year -5.3	U.S. Large Cap 7.5	U.S. Small Cap 8.0
International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Hedge Funds -5.6	EM Debt (unhedged) 5.2	U.S. Equity REITs 6.0
Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	High Yield -11.2	Balanced 4.6	International Dev. 5.0
Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	EM Debt (unhedged) -11.7	Emerging Markets 4.0	Balanced 4.5
High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	TIPS -11.8	High Yield 3.6	High Yield 4.1
U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	U.S. Core Bond -13.0	TIPS 3.3	High Yield Municipal 3.6
Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	High Yield Municipal -13.1	U.S. Core Bond 3.0	Hedge Funds 3.4
Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Foreign Bond -14.2	Foreign Bond 3.0	Emerging Markets 2.0
Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	International Dev. -14.5	U.S. Small Cap 2.7	Municipals 5-Year 1.6
Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Balanced -14.9	U.S. Equity REITs 2.7	TIPS 1.5
High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	U.S. Large Cap -19.1	High Yield Municipal 2.7	U.S. Core Bond 1.4
TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	Emerging Markets -20.1	Municipals 5-Year 1.9	Foreign Bond 0.6
EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	U.S. Small Cap -20.4	Hedge Funds 1.7	EM Debt (unhedged) -1.5
Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Equity REITs -24.4	Commodities -5.4	Commodities -1.7

Sources: Morningstar, FactSet. As of March 31, 2023. \*Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of February 28, 2023.

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# Financial Markets Performance

**Total Return as of March 31, 2023**  
**Periods greater than one year are annualized**  
**All returns are in U.S. dollar terms**

	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
<b>Global Fixed Income Markets</b>								
Bloomberg 1-3-Month T-Bill	1.1%	1.1%	2.6%	0.9%	1.4%	1.2%	0.8%	0.7%
Bloomberg U.S. TIPS	3.3%	3.3%	-6.1%	1.8%	2.9%	2.4%	1.5%	2.9%
Bloomberg Municipal Bond (5 Year)	1.9%	1.9%	1.8%	0.7%	1.7%	1.4%	1.6%	2.8%
Bloomberg High Yield Municipal Bond	2.7%	2.7%	-4.5%	2.7%	3.1%	3.7%	3.6%	4.8%
Bloomberg U.S. Aggregate	3.0%	3.0%	-4.8%	-2.8%	0.9%	0.9%	1.4%	2.7%
Bloomberg U.S. Corporate High Yield	3.6%	3.6%	-3.3%	5.9%	3.2%	5.1%	4.1%	6.6%
Bloomberg Global Aggregate ex-U.S. Hedged	2.9%	2.9%	-3.3%	-1.8%	0.9%	1.3%	2.3%	3.1%
Bloomberg Global Aggregate ex-U.S. Unhedged	3.1%	3.1%	-10.7%	-4.1%	-3.2%	-1.3%	-1.0%	0.1%
Bloomberg U.S. Long Gov / Credit	5.8%	5.8%	-13.4%	-6.3%	0.6%	1.3%	2.3%	4.7%
JPMorgan GBI-EM Global Diversified	5.2%	5.2%	-0.7%	0.9%	-2.4%	0.8%	-1.5%	1.7%
<b>Global Equity Markets</b>								
S&P 500	7.5%	7.5%	-7.7%	18.6%	11.2%	12.4%	12.2%	10.1%
Dow Jones Industrial Average	0.9%	0.9%	-2.0%	17.3%	9.0%	12.0%	11.1%	9.6%
NASDAQ Composite	17.0%	17.0%	-13.3%	17.6%	12.6%	15.2%	15.3%	13.0%
Russell 3000	7.2%	7.2%	-8.6%	18.5%	10.5%	12.0%	11.7%	9.9%
Russell 1000	7.5%	7.5%	-8.4%	18.6%	10.9%	12.2%	12.0%	10.0%
Russell 1000 Growth	14.4%	14.4%	-10.9%	18.6%	13.7%	15.0%	14.6%	12.1%
Russell 1000 Value	1.0%	1.0%	-5.9%	17.9%	7.5%	9.0%	9.1%	7.7%
Russell Mid Cap	4.1%	4.1%	-8.8%	19.2%	8.1%	9.9%	10.1%	9.5%
Russell Mid Cap Growth	9.1%	9.1%	-8.5%	15.2%	9.1%	11.2%	11.2%	10.1%
Russell Mid Cap Value	1.3%	1.3%	-9.2%	20.7%	6.5%	8.3%	8.8%	8.7%
Russell 2000	2.7%	2.7%	-11.6%	17.5%	4.7%	8.6%	8.0%	8.1%
Russell 2000 Growth	6.1%	6.1%	-10.6%	13.4%	4.3%	8.7%	8.5%	8.7%
Russell 2000 Value	-0.7%	-0.7%	-13.0%	21.0%	4.5%	7.9%	7.2%	7.2%
MSCI ACWI	7.3%	7.3%	-7.4%	15.4%	6.9%	9.2%	8.1%	6.0%
MSCI ACWI ex. U.S.	6.9%	6.9%	-5.1%	11.8%	2.5%	5.9%	4.2%	2.6%
MSCI EAFE	8.5%	8.5%	-1.4%	13.0%	3.5%	6.2%	5.0%	3.0%
MSCI EAFE Growth	11.1%	11.1%	-2.8%	11.0%	4.9%	7.0%	6.0%	3.9%
MSCI EAFE Value	5.9%	5.9%	-0.3%	14.6%	1.7%	5.1%	3.7%	1.9%
MSCI EAFE Small Cap	4.9%	4.9%	-9.8%	12.1%	0.9%	5.3%	5.9%	4.6%
MSCI Emerging Markets	4.0%	4.0%	-10.7%	7.8%	-0.9%	4.9%	2.0%	1.7%
<b>Alternatives</b>								
Consumer Price Index*	0.9%	0.9%	6.0%	5.2%	3.9%	3.5%	2.6%	2.4%
FTSE NAREIT Equity REITs	2.7%	2.7%	-19.2%	12.1%	6.0%	4.1%	6.0%	6.3%
S&P Real Assets	1.9%	1.9%	-9.7%	10.5%	3.9%	4.8%	3.4%	4.1%
FTSE EPRA NAREIT Developed	1.0%	1.0%	-20.6%	7.6%	1.8%	2.1%	3.4%	3.4%
FTSE EPRA NAREIT Developed ex U.S.	-1.5%	-1.5%	-22.4%	1.8%	-2.5%	0.4%	0.9%	1.2%
Bloomberg Commodity Total Return	-5.4%	-5.4%	-12.5%	20.8%	5.4%	5.6%	-1.7%	-3.5%
HFRI Fund of Funds Composite*	1.7%	1.7%	-0.6%	4.7%	3.2%	4.1%	3.4%	1.9%
HFRI Asset Weighted Composite*	1.2%	1.2%	2.4%	4.7%	3.5%	4.4%	3.9%	3.5%
Alerian MLP	4.1%	4.1%	14.7%	47.1%	7.4%	5.6%	0.6%	6.2%

Sources: Morningstar, FactSet. As of March 31, 2023. \*Consumer Price Index and HFRI indexes as of February 28, 2023.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



# Fiduciary Governance Calendar



\*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.



# Portfolio Expense Analysis

	Estimated Annual Cost
Investment Portfolio (Weighted Average)	0.15%
US Bank (Base cost)	0.0125% on assets \$720 annual fee per private market fund (4)
Fiducient	Flat Fee Subject to Escalator. Approximate 2022 Fees Paid: \$67,000

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information. A breakdown of investment management fees are detailed in the main report.

## Estimated Fee Analysis

Total Invested Assets

As of March 31, 2023

	Market Value (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)	Fee Schedule Details (Ex. Mutual Fund Investments)
<b>Total Invested Assets</b>	<b>217,287,722</b>	<b>333,958</b>	<b>0.15</b>	
<b>Short Term Liquidity</b>	<b>527,775</b>	-	-	
Key Bank Cash Portfolio	496,438	-	-	
First American Govt Oblig Fund Z	31,337	-	-	
<b>Fixed Income</b>	<b>55,444,448</b>	<b>194,354</b>	<b>0.35</b>	
JIC Core Bond Fund I	39,049,368	97,623	0.25	
BlackRock Strategic Income Opportunities K	16,395,080	96,731	0.59	
<b>Equity</b>	<b>149,993,862</b>	<b>33,200</b>	<b>0.02</b>	
<b>Domestic Equity</b>	<b>88,921,789</b>	<b>9,077</b>	<b>0.01</b>	
Mellon Large Cap Core	70,466,908	7,047	0.01	0.01 % of Assets
Mellon Smid Cap Core	18,454,881	2,030	0.01	0.01 % of Assets
<b>International Equity</b>	<b>60,321,217</b>	<b>16,614</b>	<b>0.03</b>	
Mellon EAFE Fund	45,153,736	9,031	0.02	0.02 % of Assets
Mellon Emerging Markets	15,167,481	7,584	0.05	0.05 % of Assets
<b>Private Equity</b>	<b>750,856</b>	<b>7,509</b>	<b>1.00</b>	
Hamilton Lane II	24,774	248	1.00	1.00 % of Assets
Hamilton Lane VII A	507,323	5,073	1.00	1.00 % of Assets
Hamilton Lane VII B	218,759	2,188	1.00	1.00 % of Assets
<b>Real Assets</b>	<b>11,321,638</b>	<b>106,404</b>	<b>0.94</b>	
UBS Trumbull Property Fund	11,321,638	106,404	0.94	0.96 % of First \$10 M 0.83 % Thereafter

The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.

Fee calculations for mutual funds represent fees at the net expense level. Fee calculations for commingled funds and/or alternative investments reflect base management fees and exclude underlying fund expenses captured at the NAV level, any applicable performance-based fees, or incentive fees. Fees for fund of funds are shown at the fund of fund level and do not include fees charged by underlying investment managers/funds.

## Liquidity Schedule

### Total Invested Assets

As of March 31, 2023

Investments	Subscriptions	Redemptions	Market Value (\$)	Liquid (\$)	Semi Liquid (\$)	Illiquid (\$)
Key Bank Cash Portfolio	Daily	Liquid	496,438	496,438	-	-
First American Govt Oblig Fund Z	Daily	Liquid	31,337	31,337	-	-
JIC Core Bond Fund I	Daily	Liquid	39,049,368	39,049,368	-	-
BlackRock Strategic Income Opportunities K	Daily	Liquid	16,395,080	16,395,080	-	-
Mellon Large Cap Core	Daily	Liquid	70,466,908	70,466,908	-	-
Mellon Smid Cap Core	Daily	Liquid	18,454,881	18,454,881	-	-
Mellon EAFE Fund	Daily	Liquid	45,153,736	45,153,736	-	-
Mellon Emerging Markets	Daily	Liquid	15,167,481	15,167,481	-	-
Hamilton Lane II	Illiquid	Illiquid	24,774	-	-	24,774
Hamilton Lane VII A	Illiquid	Illiquid	507,323	-	-	507,323
Hamilton Lane VII B	Illiquid	Illiquid	218,759	-	-	218,759
UBS Trumbull Property Fund	Quarterly	Semi Liquid	11,321,638	-	11,321,638	-
<b>Total (\$)</b>			<b>217,287,722</b>	<b>205,215,229</b>	<b>11,321,638</b>	<b>750,856</b>

Liquid – daily to monthly | Semi-Liquid – greater than monthly and up to one year | Illiquid – greater than one year

The figures on this page have been obtained from sources we deem to be reliable. Fiduciant Advisors has not independently verified this information.

## Liquidity Schedule

Total Invested Assets

As of March 31, 2023

Redemptions	Market Value (\$)	% of Total Plan
Illiquid	750,856	0.4
Semi Liquid	11,321,638	5.2
Liquid	205,215,229	94.4
<b>Total</b>	<b>217,287,722</b>	<b>100.0</b>

Liquid – daily to monthly | Semi-Liquid – greater than monthly and up to one year | Illiquid – greater than one year

The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.





## Asset Allocation

Total Plan

As of March 31, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Plan</b>	<b>213,413,206</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
Prepaid Pension Benefits	-3,874,516	-1.8	0.0	-1.8
<b>Total Invested Assets</b>	<b>217,287,722</b>	<b>101.8</b>	<b>100.0</b>	<b>1.8</b>
<b>Short Term Liquidity</b>	<b>527,775</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
Key Bank Cash Portfolio	496,438	0.2	0.0	0.2
First American Govt Oblig Fund Z	31,337	0.0	0.0	0.0
<b>Fixed Income</b>	<b>55,444,448</b>	<b>26.0</b>	<b>25.0</b>	<b>1.0</b>
JIC Core Bond Fund I	39,049,368	18.3	17.5	0.8
BlackRock Strategic Income Opportunities K	16,395,080	7.7	7.5	0.2
<b>Equity</b>	<b>149,993,862</b>	<b>70.3</b>	<b>69.0</b>	<b>1.3</b>
<b>Domestic Equity</b>	<b>88,921,789</b>	<b>41.7</b>	<b>41.0</b>	<b>0.7</b>
Mellon Large Cap Core	70,466,908	33.0	32.0	1.0
Mellon Smid Cap Core	18,454,881	8.6	9.0	-0.4
<b>International Equity</b>	<b>60,321,217</b>	<b>28.3</b>	<b>27.5</b>	<b>0.8</b>
Mellon EAFE Fund	45,153,736	21.2	20.5	0.7
Mellon Emerging Markets	15,167,481	7.1	7.0	0.1
<b>Private Equity</b>	<b>750,856</b>	<b>0.4</b>	<b>0.5</b>	<b>-0.1</b>
Hamilton Lane II	24,774	0.0	-	-
Hamilton Lane VII A	507,323	0.2	-	-
Hamilton Lane VII B	218,759	0.1	-	-
<b>Real Assets</b>	<b>11,321,638</b>	<b>5.3</b>	<b>6.0</b>	<b>-0.7</b>
UBS Trumbull Property Fund	11,321,638	5.3	6.0	-0.7

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance. Asset Allocation weightings may not add up to 100% due to rounding.

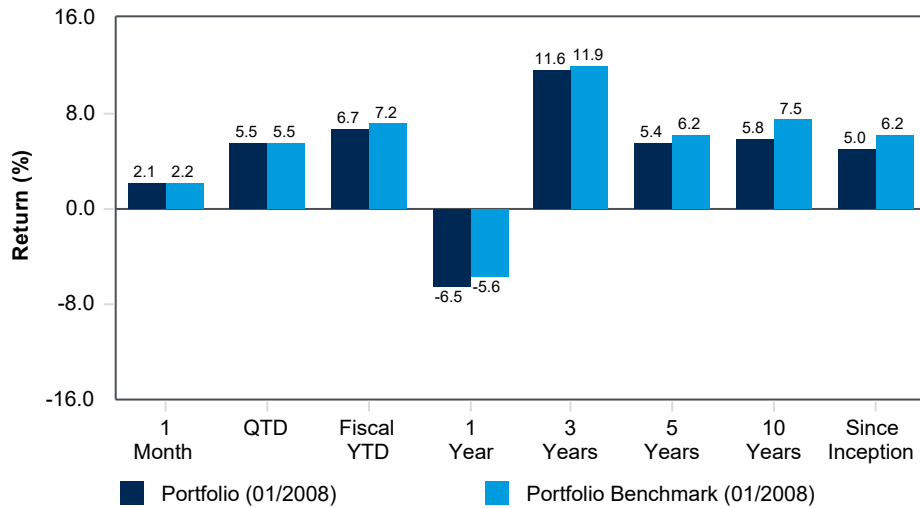


# Portfolio Dashboard

Total Invested Assets

As of March 31, 2023

## Historical Performance



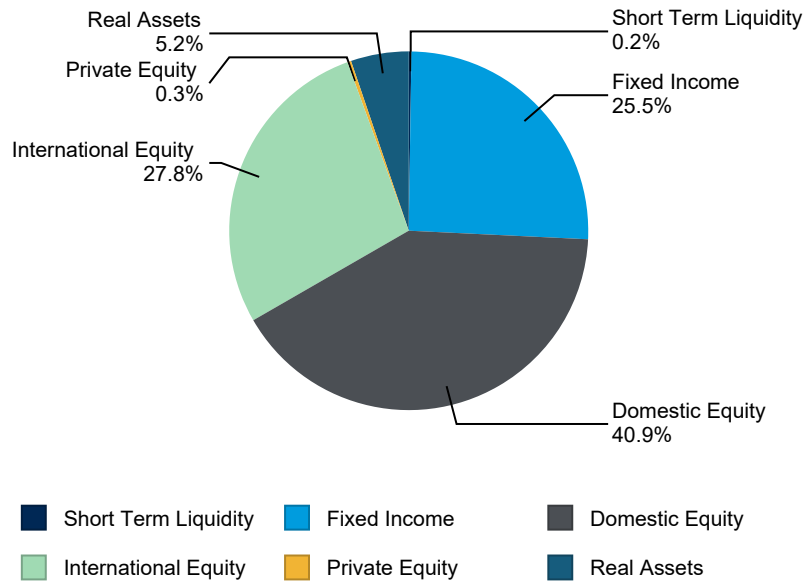
## Summary of Cash Flows

	1 Month	QTD	Fiscal YTD	1 Year
<b>Total Invested Assets</b>				
Beginning Market Value	217,552,195	210,577,242	213,971,670	244,080,606
Net Contributions	-4,802,487	-4,745,559	-10,532,390	-10,532,390
Gain/Loss	4,538,013	11,456,039	13,848,442	-16,260,494
Ending Market Value	217,287,722	217,287,722	217,287,722	217,287,722

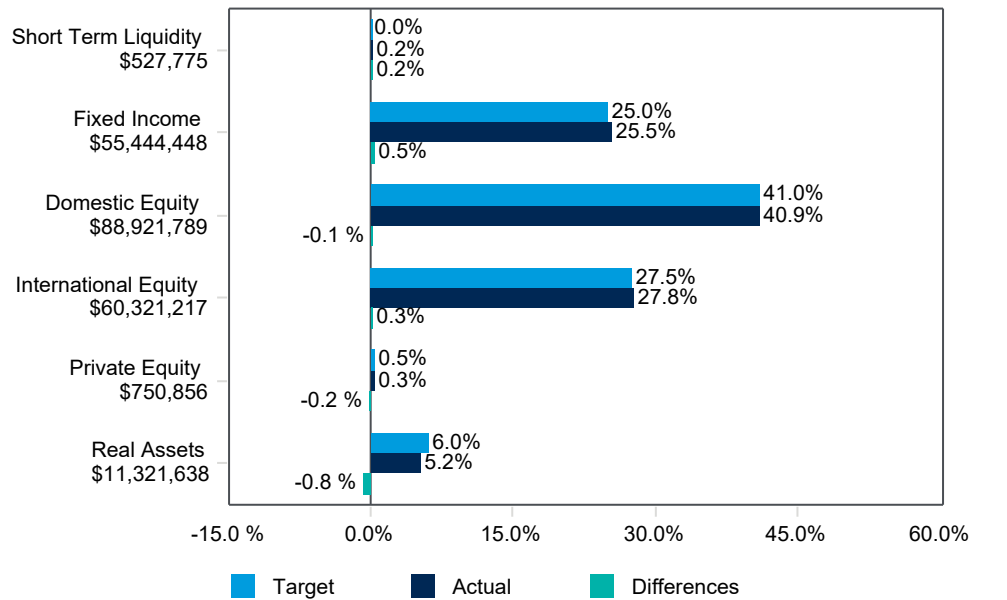
## Current Benchmark Composition

From Date	To Date	Composition
01/2023	Present	25.00% Blmbg. U.S. Aggregate, 32.50% S&P 500, 9.00% Russell 2500 Index, 20.50% MSCI EAFE (Net), 7.00% MSCI Emerging Markets (Net), 6.00% NCREIF Fund Index - ODCE (net)

## Portfolio Allocation



## Actual vs. Target Allocations





# Asset Allocation

Total Invested Assets

As of March 31, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Invested Assets</b>	<b>217,287,722</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>527,775</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
Key Bank Cash Portfolio	496,438	0.2	0.0	0.2
First American Govt Oblig Fund Z	31,337	0.0	0.0	0.0
<b>Fixed Income</b>	<b>55,444,448</b>	<b>25.5</b>	<b>25.0</b>	<b>0.5</b>
JIC Core Bond Fund I	39,049,368	18.0	17.5	0.5
BlackRock Strategic Income Opportunities K	16,395,080	7.5	7.5	0.0
<b>Equity</b>	<b>149,993,862</b>	<b>69.0</b>	<b>69.0</b>	<b>0.0</b>
<b>Domestic Equity</b>	<b>88,921,789</b>	<b>40.9</b>	<b>41.0</b>	<b>-0.1</b>
Mellon Large Cap Core	70,466,908	32.4	32.0	0.4
Mellon Smid Cap Core	18,454,881	8.5	9.0	-0.5
<b>International Equity</b>	<b>60,321,217</b>	<b>27.8</b>	<b>27.5</b>	<b>0.3</b>
Mellon EAFE Fund	45,153,736	20.8	20.5	0.3
Mellon Emerging Markets	15,167,481	7.0	7.0	0.0
<b>Private Equity</b>	<b>750,856</b>	<b>0.3</b>	<b>0.5</b>	<b>-0.2</b>
Hamilton Lane II	24,774	0.0	-	-
Hamilton Lane VII A	507,323	0.2	-	-
Hamilton Lane VII B	218,759	0.1	-	-
<b>Real Assets</b>	<b>11,321,638</b>	<b>5.2</b>	<b>6.0</b>	<b>-0.8</b>
UBS Trumbull Property Fund	11,321,638	5.2	6.0	-0.8



# Manager Performance

As of March 31, 2023

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Month	QTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Total Invested Assets (excluding Prepaid)</b>	<b>217,287,722</b>	<b>100.0</b>	<b>2.1</b>	<b>5.5</b>	<b>6.7</b>	<b>-6.5</b>	<b>11.6</b>	<b>5.4</b>	<b>5.8</b>	<b>5.0</b>	<b>01/2008</b>
Policy Benchmark			2.2	5.5	7.2	-5.6	11.9	6.2	7.5	6.2	
Secondary Benchmark			2.2	5.5	7.0	-6.1	11.5	5.8	7.3	6.0	
<b>Short Term Liquidity</b>	<b>527,775</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>01/2021</b>
90 Day U.S. Treasury Bill			0.4	1.1	2.4	2.5	0.9	1.4	0.9	1.1	
<b>Key Bank Cash Portfolio</b>	<b>496,438</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>01/2021</b>
90 Day U.S. Treasury Bill			0.4	1.1	2.4	2.5	0.9	1.4	0.9	1.1	
<b>First American Govt Oblig Fund Z</b>	<b>31,337</b>	<b>0.0</b>	<b>0.3</b>	<b>0.9</b>	<b>2.0</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>02/2022</b>
90 Day U.S. Treasury Bill			0.4	1.1	2.4	2.5	0.9	1.4	0.9	2.2	
<b>Fixed Income</b>	<b>55,444,448</b>	<b>25.5</b>	<b>2.2</b>	<b>2.8</b>	<b>0.3</b>	<b>-4.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5.5</b>	<b>01/2021</b>
Blmbg. U.S. Aggregate			2.5	3.0	-0.1	-4.8	-2.8	0.9	1.4	-5.4	
<b>JIC Core Bond Fund I</b>	<b>39,049,368</b>	<b>18.0</b>	<b>2.9</b>	<b>3.4</b>	<b>0.3</b>	<b>-5.0</b>	<b>-3.0</b>	<b>1.2</b>	<b>1.7</b>	<b>-2.7</b>	<b>03/2020</b>
Blmbg. U.S. Aggregate			2.5	3.0	-0.1	-4.8	-2.8	0.9	1.4	-2.9	
IM U.S. Broad Market Core Fixed Income (MF) Median			2.3	3.1	0.0	-5.3	-1.9	0.8	1.3	-2.8	
JIC Core Bond Fund I Rank			3	23	31	33	93	25	15	49	
<b>BlackRock Strategic Income Opportunities K</b>	<b>16,395,080</b>	<b>7.5</b>	<b>0.6</b>	<b>1.5</b>	<b>1.4</b>	<b>-1.3</b>	<b>3.4</b>	<b>2.1</b>	<b>2.4</b>	<b>-2.7</b>	<b>02/2022</b>
Blmbg. U.S. Aggregate			2.5	3.0	-0.1	-4.8	-2.8	0.9	1.4	-7.3	
IM Alternative Credit Focus (MF) Median			0.6	2.3	3.2	-2.3	3.8	1.4	1.3	-3.8	
BlackRock Strategic Income Opportunities K Rank			46	72	68	37	57	28	23	32	

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



## Manager Performance

As of March 31, 2023

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Month	QTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Equity</b>	<b>149,993,862</b>	<b>69.0</b>	<b>2.3</b>	<b>6.9</b>	<b>10.3</b>	<b>-6.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>01/2021</b>
<i>MSCI AC World Index (Net)</i>			3.1	7.3	9.7	-7.4	15.4	6.9	8.1	1.7	
<b>Domestic Equity</b>	<b>88,921,789</b>	<b>40.9</b>	<b>2.0</b>	<b>6.7</b>	<b>9.7</b>	<b>-8.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.4</b>	<b>01/2021</b>
<i>Domestic Equity Benchmark</i>			2.1	6.7	9.7	-8.2	19.7	10.0	11.3	4.5	
<b>Mellon Large Cap Core</b>	<b>70,466,908</b>	<b>32.4</b>	<b>3.7</b>	<b>7.5</b>	<b>10.0</b>	<b>-7.7</b>	<b>18.6</b>	<b>11.2</b>	<b>-</b>	<b>12.4</b>	<b>04/2016</b>
<i>S&amp;P 500</i>			3.7	7.5	10.0	-7.7	18.6	11.2	12.2	12.4	
IM U.S. Large Cap Core Equity (MF) Median			3.1	6.6	9.3	-7.8	17.5	10.3	11.3	11.6	
Mellon Large Cap Core Rank			29	31	37	49	19	23	-	20	
<b>Mellon Smid Cap Core</b>	<b>18,454,881</b>	<b>8.5</b>	<b>-3.7</b>	<b>3.5</b>	<b>8.1</b>	<b>-10.2</b>	<b>19.6</b>	<b>6.8</b>	<b>-</b>	<b>9.6</b>	<b>04/2016</b>
<i>Russell 2500 Index</i>			-3.7	3.4	7.9	-10.4	19.4	6.6	9.1	9.5	
IM U.S. SMID Cap Equity (MF) Median			-2.6	4.0	9.4	-9.0	18.3	6.5	9.0	9.4	
Mellon Smid Cap Core Rank			71	62	68	62	44	43	-	44	
<b>International Equity</b>	<b>60,321,217</b>	<b>27.8</b>	<b>2.7</b>	<b>7.4</b>	<b>11.6</b>	<b>-3.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2.0</b>	<b>01/2021</b>
<i>International Equity Benchmark</i>			2.6	7.3	11.7	-3.5	12.5	2.5	4.1	-1.6	
<b>Mellon EAFE Fund</b>	<b>45,153,736</b>	<b>20.8</b>	<b>2.5</b>	<b>8.6</b>	<b>15.6</b>	<b>-1.0</b>	<b>13.5</b>	<b>4.0</b>	<b>-</b>	<b>6.7</b>	<b>04/2016</b>
<i>MSCI EAFE (Net)</i>			2.5	8.5	15.4	-1.4	13.0	3.5	5.0	6.2	
IM International Large Cap Core Equity (MF) Median			3.1	8.5	14.1	-1.2	12.5	3.0	4.3	5.5	
Mellon EAFE Fund Rank			65	49	24	49	40	24	-	22	
<b>Mellon Emerging Markets</b>	<b>15,167,481</b>	<b>7.0</b>	<b>3.1</b>	<b>4.2</b>	<b>0.9</b>	<b>-11.0</b>	<b>7.7</b>	<b>-1.0</b>	<b>-</b>	<b>4.8</b>	<b>04/2016</b>
<i>MSCI Emerging Markets (Net)</i>			3.0	4.0	0.8	-10.7	7.8	-0.9	2.0	4.9	
IM Emerging Markets Equity (MF) Median			3.0	5.0	2.8	-9.3	7.9	-1.1	1.8	4.7	
Mellon Emerging Markets Rank			45	70	69	68	54	47	-	45	

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



## Manager Performance

As of March 31, 2023

	Allocation		Performance(%)								
	Market Value (\$)	%	1 Month	QTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Private Equity	750,856	0.3	0.0	0.0	-6.3	-11.5	-	-	-	1.9	01/2021
Hamilton Lane II	24,774	0.0	0.0	0.0	3.5	3.6	-8.6	8.0	11.3	14.1	03/2009
Hamilton Lane VII A	507,323	0.2	0.0	0.0	-7.5	-12.4	8.2	10.5	12.2	11.3	07/2011
Hamilton Lane VII B	218,759	0.1	0.0	0.0	-4.5	-11.1	-1.5	4.1	8.0	8.4	07/2011
<b>UBS Trumbull Property Fund</b>	<b>11,321,638</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.3</b>	<b>-4.9</b>	<b>3.6</b>	<b>2.4</b>	<b>-</b>	<b>3.4</b>	<b>07/2016</b>
<i>NCREIF Fund Index - ODCE (net)</i>			<i>0.0</i>	<i>0.0</i>	<i>-4.9</i>	<i>-0.6</i>	<i>8.7</i>	<i>7.3</i>	<i>8.8</i>	<i>7.3</i>	

### Valuations data as of:

Hamilton Lane VII, Hamilton Lane II - 09/30/2022

UBS Trumbull Property Fund - 12/31/2022

All private equity and real estate assets are adjusted for any capital activity.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.



## Benchmark History

Total Invested Assets

As of March 31, 2023

Account Name	From Date	To Date	Benchmark
<b>Total Invested Assets</b>	<b>01/2023</b>	<b>Present</b>	<b>25.0% Blmbg. U.S. Aggregate, 32.5% S&amp;P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net)</b>
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	01/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% NCREIF Timberland Index
	01/2008	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
<b>Secondary Benchmark</b>	<b>01/2023</b>	<b>Present</b>	<b>25.0% Blmbg. U.S. Aggregate, 32.5% S&amp;P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund</b>
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	07/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	01/2016	07/2016	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	03/2009	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% Molpus SWF II
	01/2008	03/2009	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index



# Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

## REGULATORY DISCLOSURES

**Offer of ADV Part 2A:** Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to [compliance@fiducient.com](mailto:compliance@fiducient.com).

## INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.





- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
  - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index, 15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: U.S. Treasury Inflation Notes Total Return Index
  - **PIMCO Inflation Response Multi Asset Fund:** 45% Bloomberg U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
  - **Principal Diversified Real Assets:** 35% BbgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
  - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Bloomberg US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Agg Flt Adj Index:** Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Long Gov/Cr Flt Adj Index:** Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.



- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

#### **Additional:**

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with \$100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

#### **DEFINITION OF KEY STATISTICS AND TERMS**

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.



- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

#### DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment:** Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

#### VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

#### REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.



Custodian reports are the reports that govern the account. There will be different account values between Fiduciant Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiduciant Advisors are described in Part 2 of the Form ADV.

## **MATERIAL RISKS & LIMITATIONS**

**Fixed Income** securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.  
-Liability Driven Investing (LDI) Assets

**Cash** may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.  
-Short Term Liquidity

**Domestic Equity** can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

**International Equity** can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impacted by currency and/or country specific risks which may result in lower liquidity in some markets.

**Real Assets** can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

**Private Equity** involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

**Private Credit** involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

**Private Real Estate** involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrower.

**Marketable Alternatives** involves higher risk and is suitable only for sophisticated investors. Along with traditional market risks, marketable alternatives are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility or the potential for loss of capital. Additionally, short selling involved certain risks including, but not limited to additional costs, and the potential for unlimited loss on certain short sale positions.

## **OTHER**

By regulation, closed-end funds utilizing debt for leverage must report their interest expense, as well as their income tax expense, as part of their total expense ratio. To make for a useful comparison between closed-end funds and both open-end funds and exchange-traded funds, adjusted expense ratios excluding interest and income tax expenses are utilized for closed-end funds within this report. See disclosure on closed-end fund fact sheets for information regarding the total expense ratio of each closed-end fund.

Please advise us of any changes in your objectives or circumstances.

## **CUSTODIAN STATEMENTS**

Please remember to review the periodic statements you receive from your custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact FA or your custodian immediately.