



## Watertown Contributory Retirement System

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### Quarterly Investment Review - Fourth Quarter 2023

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# Fiducient Advisors Update

## Retirement Plans

### Featured Insights

- Blog: Trends in Corporate Retirement Plan Offerings
- Blog: Public Plans Rally in Fiscal Year 2023

### Coming Soon

- Pension Pulse Newsletter
- Plan Sponsor Newsletter
- Annual Target Date Update

## Research Insights

- Monthly Market Recaps
- Monthly Market Updates
- 2024 Outlook – Prepare Not Predict
- Essential Economic Update Webcast
- Fiducient Speaker Series: Private Markets Update

## Endowments & Foundations

### Featured Insights

- Nonprofit Investment Stewards Podcast

### Coming Soon

- Cultural Institutions Study
- Steward Newsletter
- Mission-Aligned Investing Update

## Firm News

- On December 19, 2023, Fiducient Advisor's joint-venture partner, NFP, signed an agreement to be acquired by Aon. Post close, NFP will be a wholly owned subsidiary and an independent but connected platform within Aon.
- We anticipate no changes in services or service team.
- The transaction is subject to customary regulatory approvals.

## The Wealth Office®

### Featured Insights

- 2024 Financial Planning Guide
- Blog: 10 Crucial Steps to Take After Identity Theft
- Blog: Take Control of Your Finances: Essential Year-End Planning Opportunities

### Coming Soon

- Financial Planning Considerations Webcast



**Save the Date!**  
**2024 Investor Conference**

*Chicago Marriott Downtown  
Magnificent Mile*  
**September 26**



**New Associates – Welcome!**

**Catherine Guanci**  
Consulting Analyst

**Liam McLaughlin**  
Consulting Analyst

**Zhee Sarabia**  
Consultant

**BethAnn Woolcock**  
Senior RFP Specialist

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Section 3	Fiduciary Governance Calendar



## Capital Markets Overview



# Market Themes

1. The “Recession of 2023” that was widely forecasted failed to materialize. This does not mean we are out of the woods on recession, but trying to time it is a fool’s errand. A focus on constructing a resilient portfolio is one of the most effective ways to prepare.
2. Inflation has moderated, but likely remains in a “messy middle” range of 2% to 5%. Softer inflation and the current environment affords some room for a pause or even easing by the Fed if warranted.
3. The narrow market leadership of U.S. technology stocks during 2023 has created potential opportunities in other segments such as U.S. small cap and non-U.S. equities.

## Preparing Not Predicting - Frequency of Market Events Since 1950

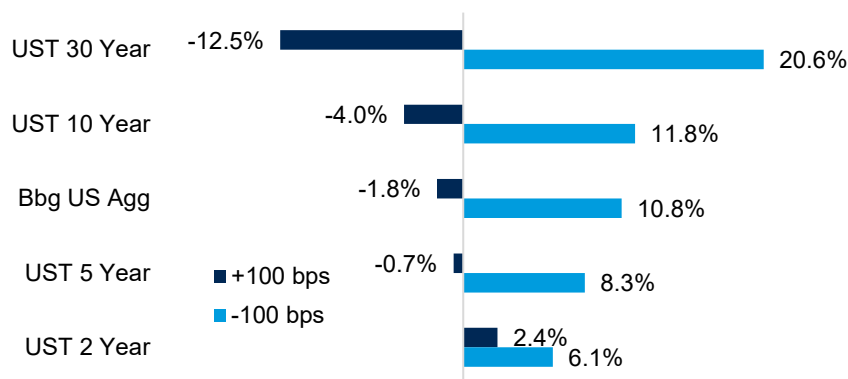
Market volatility and recessions are a normal part of investing. Recessions, on average, since 1980 occur every six and a half years. As long-term investors we should not seek to predict and avoid them, but prepare for their inevitable arrival.

Environment	-5% or more	-10% or more	-15% or more	-20% or more	Recession <sup>1</sup>
Average Frequency	About 3 times per year	About 1 time per year	About every 3 years	About every 6 years	About every 6.5 years
Average Length	43 days	109 days	251 days	370 days	317 days

Source: Capital Group. 1) National Bureau of Economic Research as of May 2022.

## Potential Impact of +/- 1% Move in Interest Rates

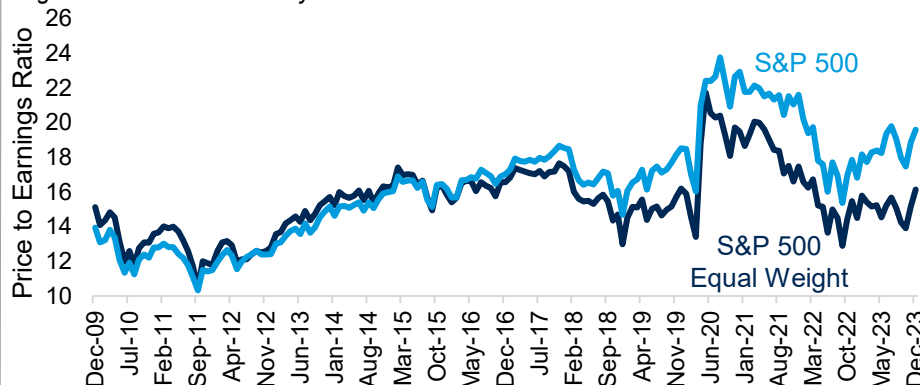
Rangebound inflation increases the probability of rates moving lower. This creates an attractive risk/reward for intermediate duration fixed income.



Source: FactSet as of December 31, 2023. Total potential return based on a parallel move in interest rates up or down by 100 basis points. Data based on respective Bloomberg Bellwether Treasury Indices and Bloomberg US Agg Bond Index.

## S&P 500 vs S&P 500 Equal Weight Valuations

Concentrated leadership of the Magnificent 7, which on average were up over 100% in 2023, was the driver of U.S. large cap returns and pushed valuations higher. The valuation spread between the market cap and equal weight S&P 500 is one of the highest seen in the last 15 years.



Source: FactSet. As of December 31, 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.

Indices cannot be invested in directly.



# Economic Review

## Real U.S. Federal Funds Rate

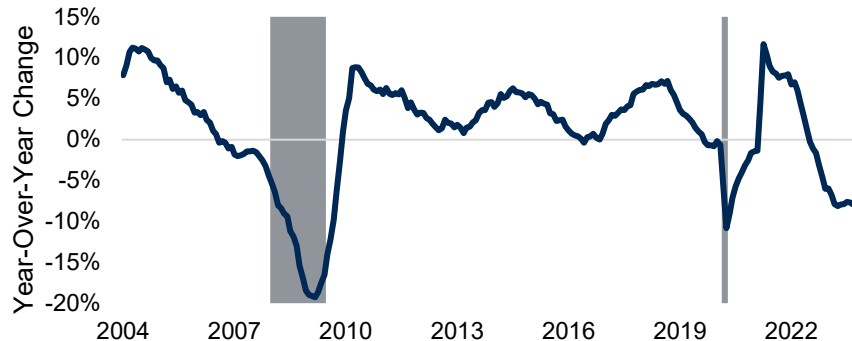
On a real basis, the Fed moved into restrictive policy territory in April 2023. Even with the market implied rate cuts this year, at current inflation levels, the central bank's policy rate would remain restrictive.



Sources: FactSet, Federal Reserve, BEA. As of November 30, 2023. Real federal funds rate is the effective rate minus the 12-month core PCE inflation rate.

## U.S. Leading Economic Indicator Index

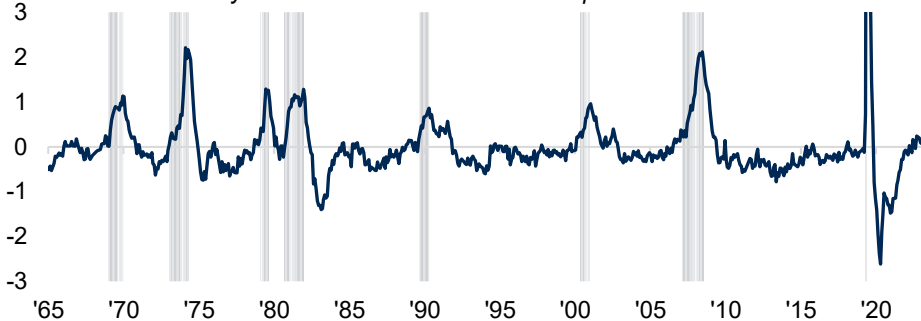
While some economic data remains positive the LEI Index has remained in negative territory since July 2022 signaling the potential for an economic slowdown.



Sources: FactSet, Conference Board, ECRI. As of November 30, 2023. Grey bars indicate recession period.

## U.S. Unemployment vs. 12-Month Moving Average

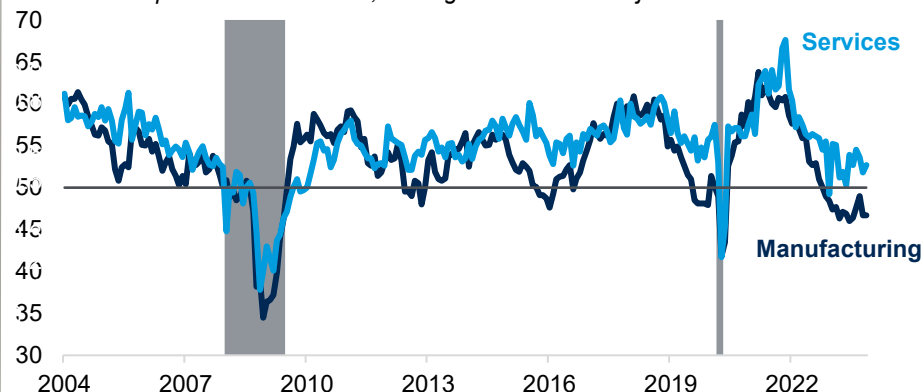
The U.S. labor market remains on solid foundation. However, the current level of unemployment is above the 12-month moving average. This has historically preceded a period of economic weakness; however, the timing of the onset has varied considerably and there are instances of false positives.



Sources: FactSet, BLS. As of December 31, 2023. Data is monthly U.S. unemployment rate less the 12 month moving average of the U.S. unemployment rate. Note, axis scale cuts off the extreme values in April and May of 2020, 10.3 and 7.9 respectively. Grey bars indicate U.S. recession.

## U.S. Manufacturing and Services PMI Levels

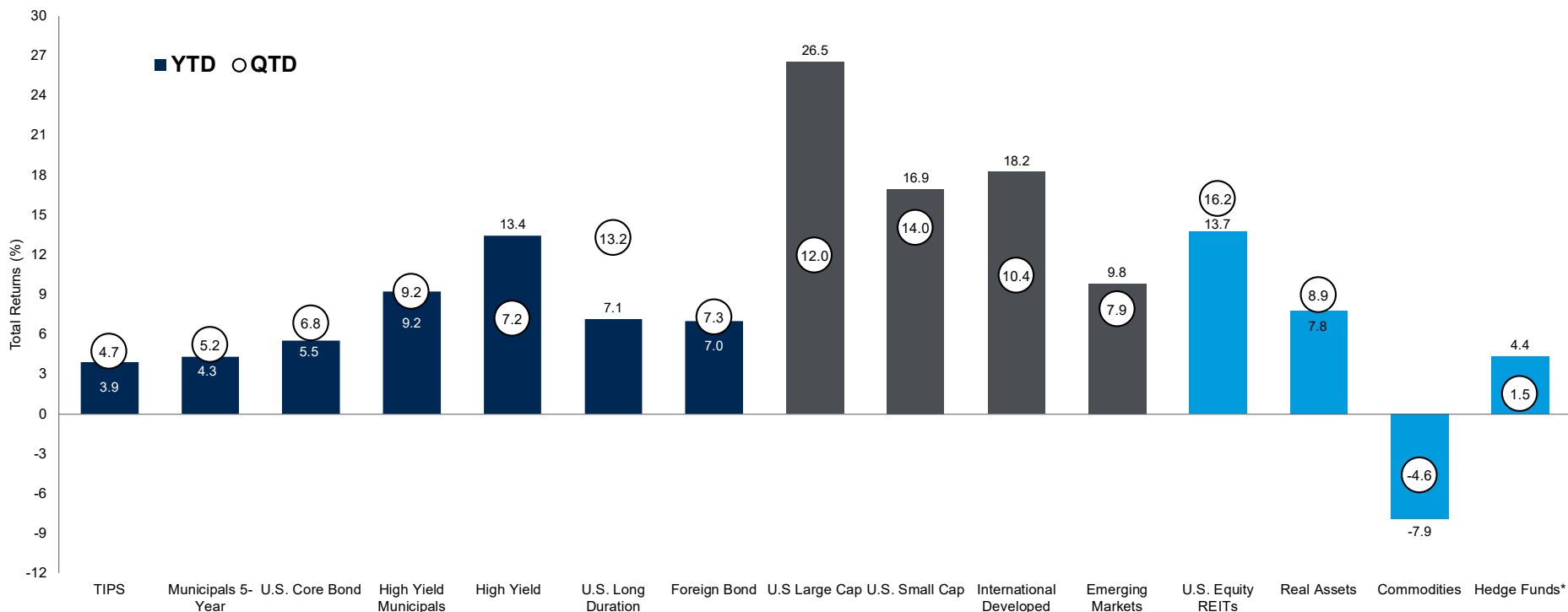
While the manufacturing sector has been in contraction territory (below 50), the services sector has remained resilient. Personal consumption expenditures on services represent 45% of GDP, while goods account for just 23%.



Sources: FactSet, ISM, ECRI. As of November 30, 2023. Grey bars indicate recession period. A level over 50 indicates expansion.



# Asset Class Returns



Source: Morningstar Direct. As of December 31, 2023. \*Hedge fund returns as of November 30, 2023.

## Fixed Income (4Q)

- + It was a strong quarter for fixed income as interest rates continued to move lower and the Federal Reserve's tone became more dovish on moderating inflation. The year-to-date return for the Bloomberg Agg moved into positive territory.
- + The high yield market was a standout for both the quarter and the year. Investor appetite for riskier segments of fixed income persist as corporate fundamentals remain favorable.
- + Long duration, the most interest rate sensitive fixed income sector, posted a double digit gain in the quarter.

## Equity (4Q)

- + Equity markets were widely positive in the fourth quarter. The "risk-on" environment was fueled by the prospect that the "higher for longer" environment may moderate in 2024. U.S. small cap was a particular benefactor and was a standout in the quarter.
- + Developed non-U.S. had a double digit return in the quarter. Europe was particularly strong and a falling U.S. dollar was an added benefit.
- + Emerging markets equity produced a positive return but lagged developed regions. China continues to be a drag on the segment.

## Real Asset / Alternatives (4Q)

- + REITs were one of the top performing areas in the quarter, benefitting from the sharp decline in interest rates.
- Commodities were weak in the fourth quarter and ended the year as one of the few asset classes in negative territory. Falling commodity prices were the primary source of weakness.
- + Hedge funds (reported on a month lag) posted a modest return for the first two months of the quarter. Relative value strategies were a top segment in the period.

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Indices cannot be invested in directly.

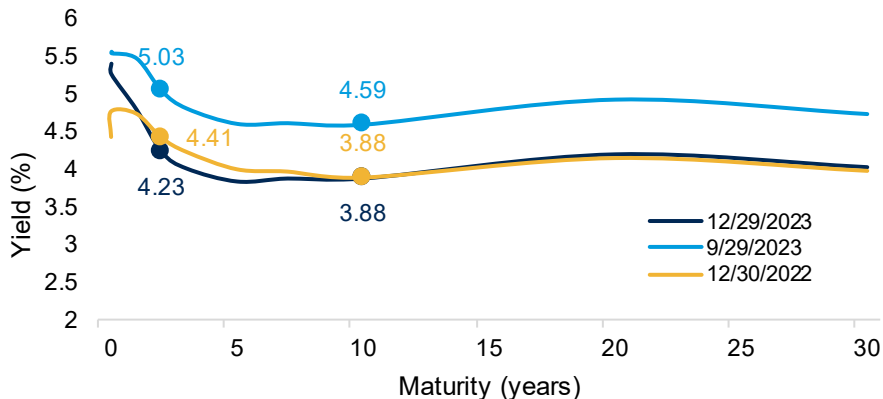




# Fixed Income Market Update

## U.S. Treasury Yield Curve

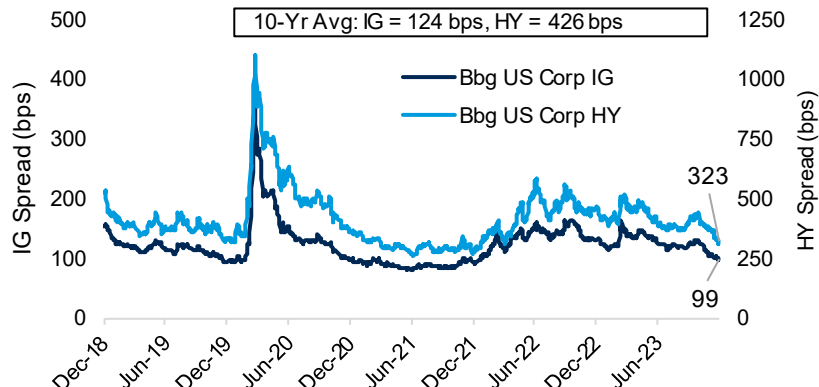
Interest rates fell across the yield curve during the quarter, maintaining an inverted curve, with short maturities ending slightly lower than in 2022. Notably, the 10-year contracted 71 basis points during the quarter. Signs of slowing inflation fueled expectations of 2024 rate cuts which relieved pressure on rates.



Source: FactSet. As of December 29, 2023.

## Corporate Market Spreads – Trailing 5 Years

Credit spreads continued tightening during the quarter and are well below their 10-year averages. This was driven by continued resilience in fundamentals.

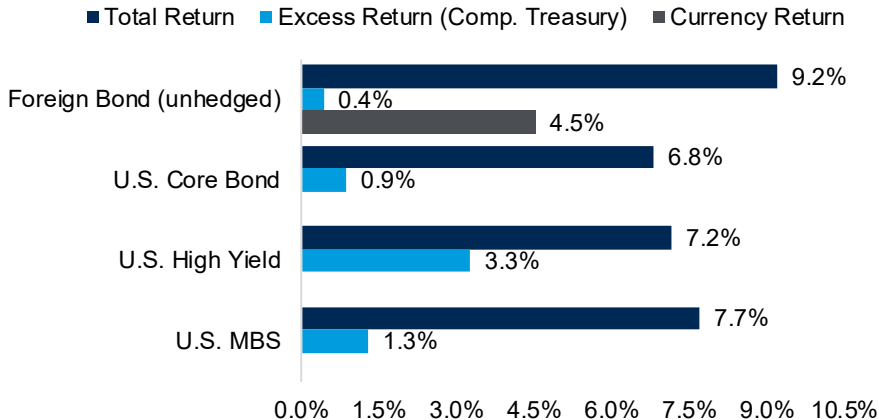


Source: FactSet. As of December 29, 2023.

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## Index Performance Attribution (4Q 2023)

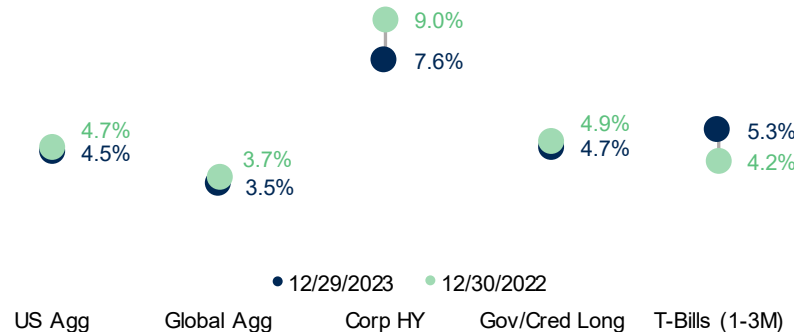
Fixed income markets rose across the board, with narrowing credit spreads and declining rates causing all sectors to surpass U.S. Treasuries on a duration-adjusted basis. Foreign bonds had strong additional tailwinds from a declining U.S. Dollar.



Source: FactSet. As of December 29, 2023.

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

Short dated yields ended the year higher while other sectors ended the year lower than where they began. High Yield was a notable standout as spreads contracted.



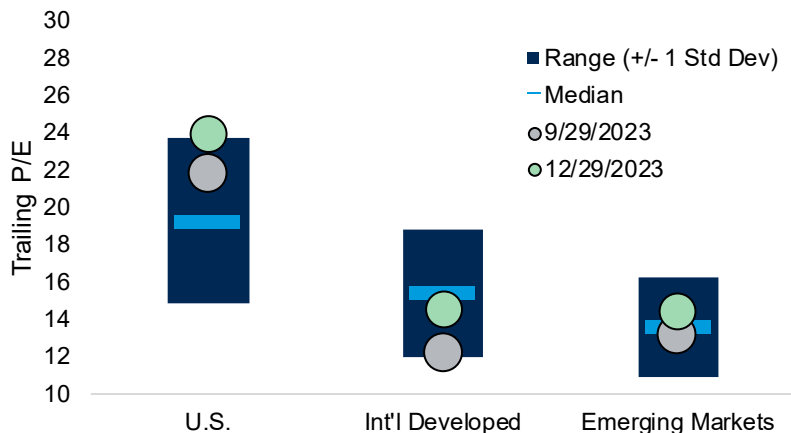
Source: FactSet. As of December 29, 2023. Based on respective Bloomberg Index.



# Equity Market Update

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

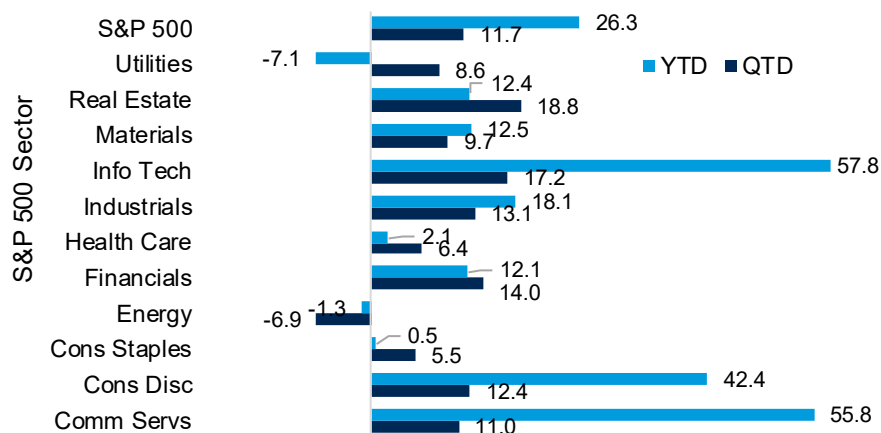
Strong results in the fourth quarter propelled valuations higher across regions. The U.S. trades around one standard deviation above average. Much of the move higher over the course of the year can be attributed to the “Mag 7” stocks.



Source: FactSet. As of December 29, 2023.

## U.S. Equities – Return by Sector

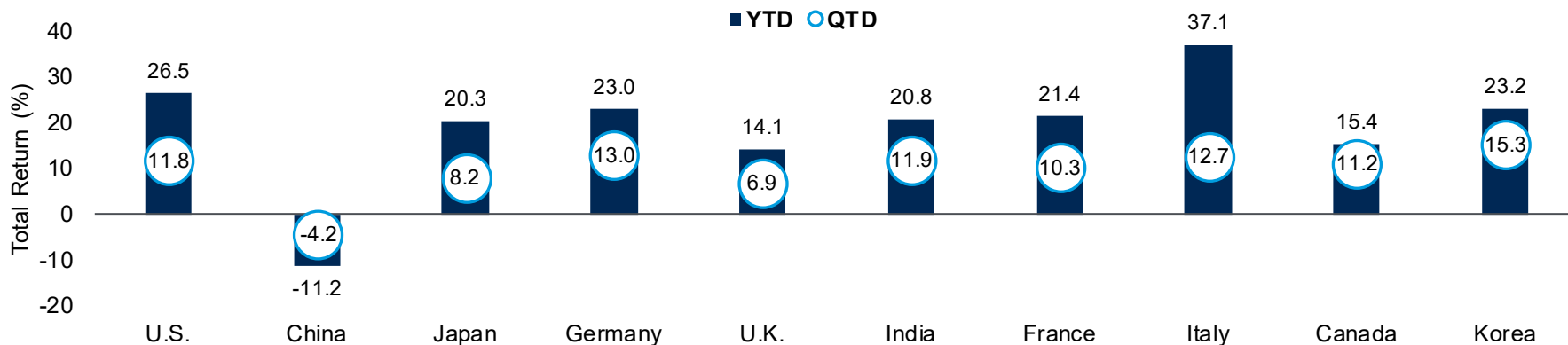
Domestic equity markets had both a strong quarter and calendar year 2023. The notable standouts of technology, consumer discretionary, and communication services was driven by the narrow market leadership of the “Magnificent 7”.



Source: Morningstar Direct. As of December 31, 2023. Total Returns.

## Country Total Returns (%) – Select Largest Economies

Most global equity markets saw positive returns during the fourth quarter, and still remain positive year to date. A moderating interest rate environment prompted much of the gains for developed markets as investors weighed the possibility of falling rates in 2024. However, China continues to struggle amid growing geopolitical tensions between Taiwan.



Source: Morningstar Direct. As of December 31, 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.

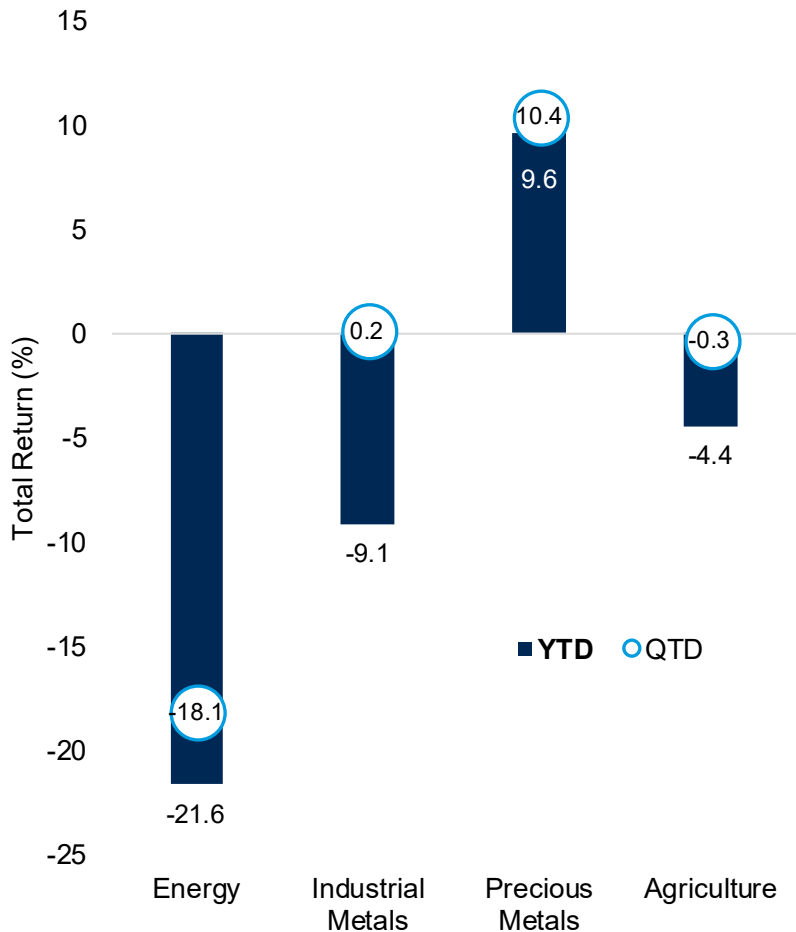
Indices cannot be invested in directly.



# Real Assets Market Update

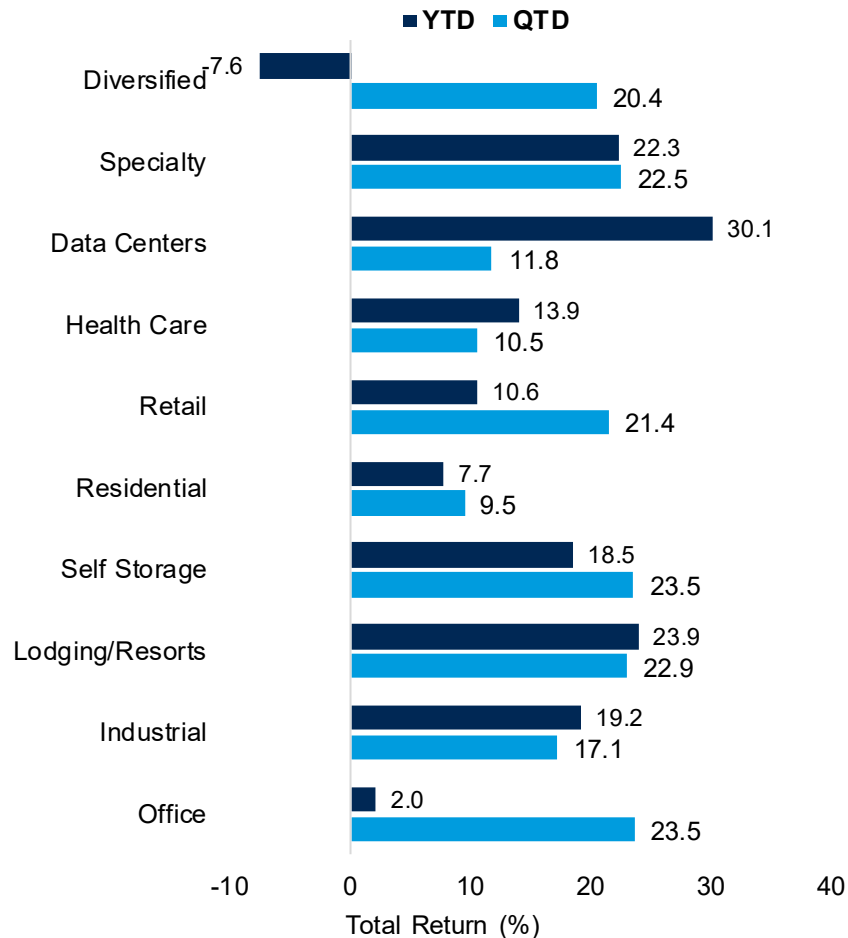
## Commodity Performance

Commodities underperformed during the quarter, primarily driven by a sharply falling energy sector. The persistent decline in oil prices had a negative impact on overall performance, influenced by weakening demand and increased supply.



## REIT Sector Performance

REITs broadly benefitted from declining rates during the quarter. Office space rebounded sharply off of prior lows and ended the year on a modestly positive note. Despite these gains, vacancy rates and payment delinquencies persist at historically high levels.

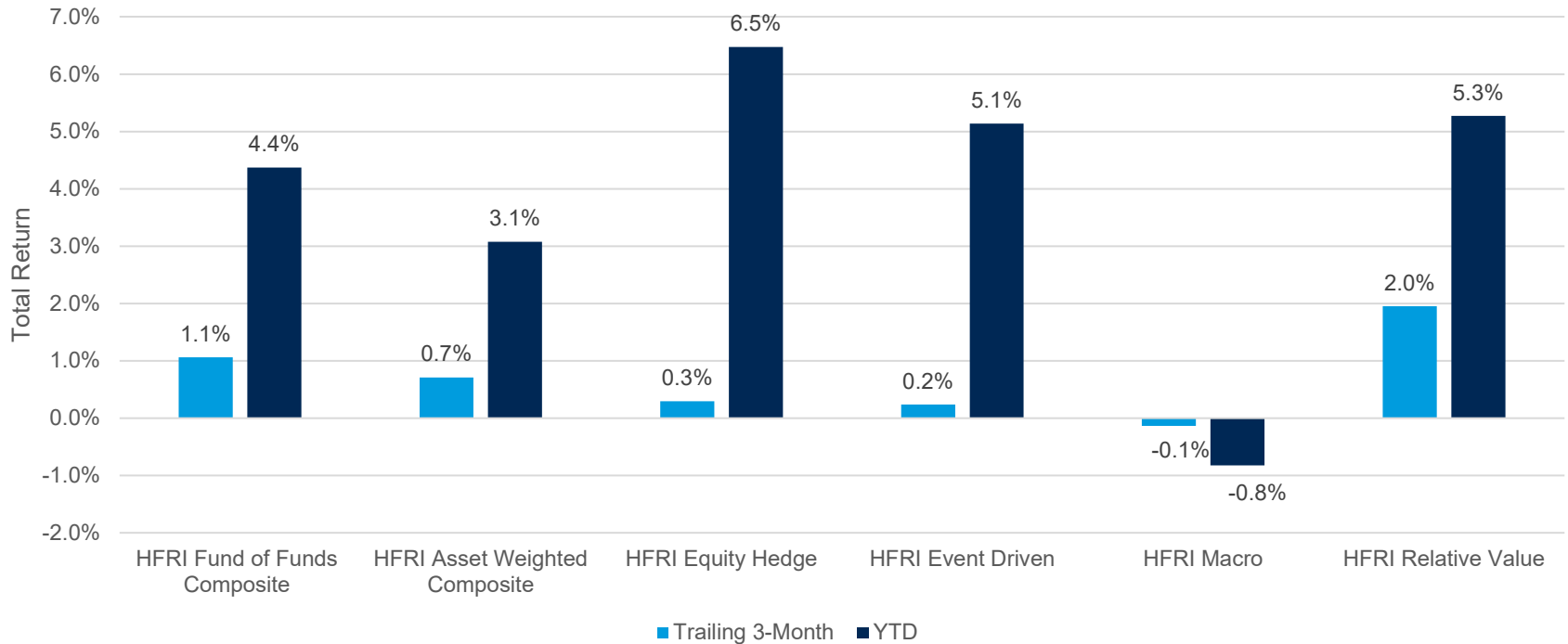


Source: Morningstar Direct. As of December 31, 2023.

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# Marketable Alternatives



Source: Morningstar Direct. As of November 30, 2023.

## Fund of Funds / Asset Weighted (4Q)

+ The HFRI Fund of Funds Composite returned 1.1 percent over the trailing 3-month period, bringing its year-to-date return to 4.4 percent.

+ The HFRI Asset Weighted Composite returned 0.7 percent over the trailing 3-month period, bringing its year-to-date return to 3.1 percent.

+/- Marketable alternatives lagged equity markets but outpaced fixed income markets over the trailing 3-month period.

## Equity Hedge / Event Driven (4Q)

+ Equity Hedge strategies returned 0.3 percent over the period, benefitting from a strong rebound in November. Equity Market Neutral strategies were top performers for the period.

+ Event Driven strategies returned 0.2 percent over the period with Credit Arbitrage strategies notable contributors.

- Activist strategies returned some gains from earlier in the year and were notable detractors over the period.

## Macro / Relative Value (4Q)

- Macro strategies returned -0.1 percent over the period and remain in negative territory year-to-date.

+/- Within Macro, discretionary managers generally outpaced their systematic peers.

+ Relative Value strategies returned 2.0 percent over the period with Fixed Income Sovereign strategies a notable bright spot.



# Private Equity Market Update

## U.S. Private Equity Deal Activity

U.S. Private Equity deal activity in the first three quarters of the year has moderated from a record 2021 and 2022 years.



Source: Pitchbook. As of September 30, 2023.

## Private Equity Performance (As of June 30, 2023)

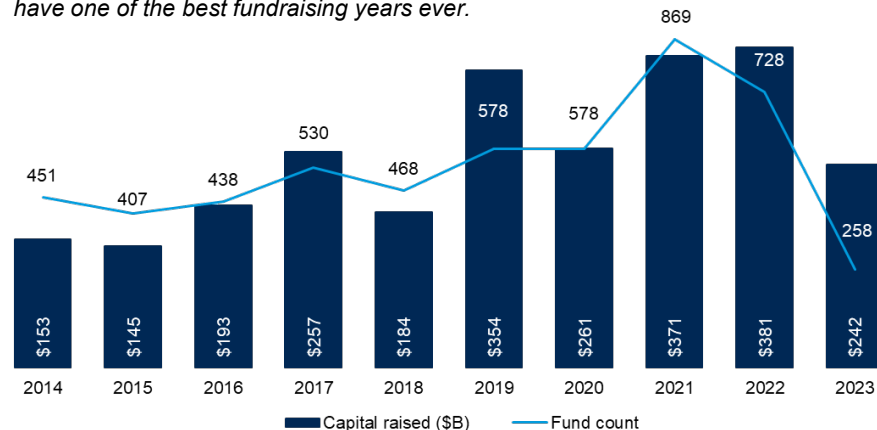
Private equity performance was dispersed during the first half of 2023 with US Venture posting negative returns while US Buyout and US Growth were modestly positive. Significant dispersion on a one-year basis has brought three-year returns in line.

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity Index	6.5%	22.6%	17.8%	16.9%	13.3%
US Buyout Index	8.5%	22.8%	17.1%	16.6%	12.9%
US Growth Equity Index	1.1%	22.0%	20.0%	18.1%	14.9%
US Venture Capital Index	-10.3%	22.1%	20.1%	17.9%	12.9%
S&P 500 Index	19.6%	14.6%	12.3%	12.9%	10.9%

Source: Cambridge Associates. As of June 30, 2023. Returns presented as horizon pooled return, net of fees. S&P 500 Index as of June 30, 2023. Indices cannot be invested in directly.

## U.S. Private Equity Fundraising Activity

Following 2021 and 2022, the fundraising market moderated in the first three quarters of 2023. However, the middle market, funds \$100MM - \$5BN, is on track to have one of the best fundraising years ever.



Source: Pitchbook. As of September 30, 2023.



# The Case for Diversification

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	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	U.S. Large Cap 26.5	U.S. Large Cap 11.8
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	International Developed 18.2	U.S. Equity REITs 7.6
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	U.S. Small Cap 16.9	U.S. Small Cap 7.2
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	U.S. Equity REITs 13.7	High Yield Municipals 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	High Yield 13.4	Balanced 4.7
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	Balanced 12.8	High Yield 4.6
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	EM Debt (unhedged) 12.7	International Developed 4.3
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 Municipals -13.1	Emerging Markets 9.8	Hedge Funds 3.2
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	High Yield Municipals 9.2	Emerging Markets 2.7
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	Foreign Bond 7.0	TIPS 2.4
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. Core Bond 5.5	Municipals 5-Year 1.9
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	Hedge Funds 4.4	U.S. Core Bond 1.8
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 4.3	Foreign Bond 1.0
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	TIPS 3.9	EM Debt (unhedged) 0.1
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 -7.9	Commodities -1.1

Sources: Morningstar, FactSet. As of December 31, 2023. \*Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of November 30, 2023.

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# Financial Markets Performance

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

<b>Global Fixed Income Markets</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg 1-3-Month T-Bill	1.4%	5.1%	5.1%	2.2%	1.9%	1.7%	1.2%	0.8%
Bloomberg U.S. TIPS	4.7%	3.9%	3.9%	-1.0%	3.2%	2.5%	2.4%	3.5%
Bloomberg Municipal Bond (5 Year)	5.2%	4.3%	4.3%	-0.3%	1.7%	1.9%	1.9%	2.7%
Bloomberg High Yield Municipal Bond	9.2%	9.2%	9.2%	0.8%	3.5%	4.5%	5.0%	7.2%
Bloomberg U.S. Aggregate	6.8%	5.5%	5.5%	-3.3%	1.1%	1.3%	1.8%	2.7%
Bloomberg U.S. Corporate High Yield	7.2%	13.4%	13.4%	2.0%	5.4%	4.6%	4.6%	9.2%
Bloomberg Global Aggregate ex-U.S. Hedged	5.4%	8.3%	8.3%	-1.2%	1.5%	1.9%	2.8%	3.1%
Bloomberg Global Aggregate ex-U.S. Unhedged	9.2%	5.7%	5.7%	-7.2%	-1.6%	0.0%	-0.8%	0.6%
Bloomberg U.S. Long Gov / Credit	13.2%	7.1%	7.1%	-8.7%	1.1%	1.6%	3.2%	4.3%
<b>Global Equity Markets</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	11.7%	26.3%	26.3%	10.0%	15.7%	13.4%	12.0%	14.0%
Dow Jones Industrial Average	13.1%	16.2%	16.2%	9.4%	12.5%	12.1%	11.1%	12.9%
NASDAQ Composite	13.8%	44.6%	44.6%	6.0%	18.8%	16.9%	14.8%	17.4%
Russell 3000	12.1%	26.0%	26.0%	8.5%	15.2%	12.8%	11.5%	13.8%
Russell 1000	12.0%	26.5%	26.5%	9.0%	15.5%	13.2%	11.8%	14.0%
Russell 1000 Growth	14.2%	42.7%	42.7%	8.9%	19.5%	17.7%	14.9%	16.7%
Russell 1000 Value	9.5%	11.5%	11.5%	8.9%	10.9%	8.3%	8.4%	11.1%
Russell Mid Cap	12.8%	17.2%	17.2%	5.9%	12.7%	10.1%	9.4%	13.6%
Russell Mid Cap Growth	14.5%	25.9%	25.9%	1.3%	13.8%	12.5%	10.6%	14.7%
Russell Mid Cap Value	12.1%	12.7%	12.7%	8.4%	11.2%	7.8%	8.3%	12.4%
Russell 2000	14.0%	16.9%	16.9%	2.2%	10.0%	7.3%	7.2%	11.3%
Russell 2000 Growth	12.7%	18.7%	18.7%	-3.5%	9.2%	8.1%	7.2%	12.1%
Russell 2000 Value	15.3%	14.6%	14.6%	7.9%	10.0%	6.1%	6.8%	10.3%
MSCI ACWI	11.0%	22.2%	22.2%	5.8%	11.7%	10.0%	7.9%	10.2%
MSCI ACWI ex. U.S.	9.8%	15.6%	15.6%	1.5%	7.1%	6.3%	3.8%	6.7%
MSCI EAFE	10.4%	18.2%	18.2%	4.0%	8.2%	6.9%	4.3%	6.9%
MSCI EAFE Growth	12.7%	17.6%	17.6%	0.3%	8.8%	8.0%	5.2%	7.6%
MSCI EAFE Value	8.2%	19.0%	19.0%	7.6%	7.1%	5.5%	3.2%	6.0%
MSCI EAFE Small Cap	11.1%	13.2%	13.2%	-0.7%	6.6%	6.0%	4.8%	9.2%
MSCI Emerging Markets	7.9%	9.8%	9.8%	-5.1%	3.7%	5.0%	2.7%	6.6%
<b>Alternatives</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Consumer Price Index*	0.1%	3.0%	3.1%	5.7%	4.0%	3.5%	2.8%	2.5%
FTSE NAREIT Equity REITs	16.2%	13.7%	13.7%	7.2%	7.4%	5.3%	7.6%	10.5%
S&P Real Assets	8.9%	7.8%	7.8%	3.9%	5.9%	4.8%	3.9%	6.9%
FTSE EPRA NAREIT Developed	15.6%	10.9%	10.9%	2.2%	3.8%	3.6%	4.5%	8.2%
FTSE EPRA NAREIT Developed ex U.S.	15.1%	7.1%	7.1%	-3.9%	0.2%	2.0%	1.6%	6.1%
Bloomberg Commodity Total Return	-4.6%	-7.9%	-7.9%	10.8%	7.2%	3.6%	-1.1%	-0.2%
HFRI Fund of Funds Composite*	1.5%	4.4%	4.7%	2.9%	4.4%	4.0%	3.2%	3.6%
HFRI Asset Weighted Composite*	-0.4%	3.1%	3.3%	4.9%	4.0%	4.0%	3.5%	4.9%

Sources: Morningstar, FactSet. As of December 31, 2023. \*Consumer Price Index and HFRI indexes as of November 30, 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.

Indices cannot be invested in directly.



## Portfolio and Manager Review



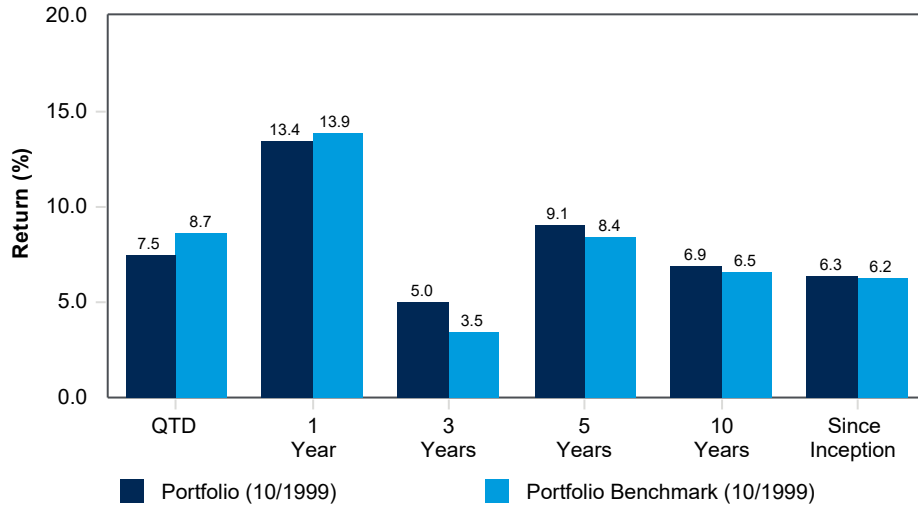


# Portfolio Dashboard

Total Fund Composite

As of December 31, 2023

## Historical Performance



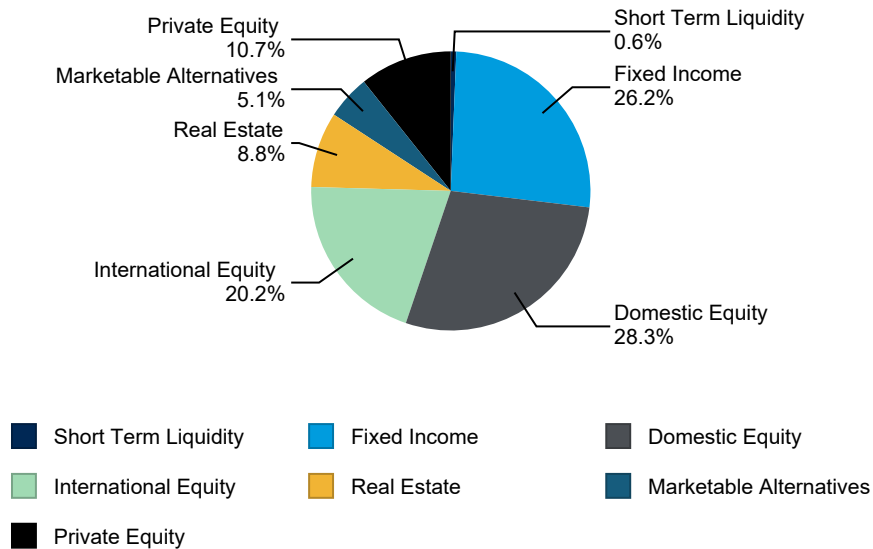
## Summary of Cash Flows

	QTD	1 Year	3 Years	5 Years	10 Years
Beginning Market Value	243,638,787	239,661,484	249,822,639	183,203,912	123,256,305
Net Contributions	-3,325,979	-12,568,162	-28,377,568	-24,183,305	2,453,451
Gain/Loss	17,857,820	31,077,307	36,725,557	99,150,022	132,460,872
Ending Market Value	258,170,629	258,170,629	258,170,629	258,170,629	258,170,629

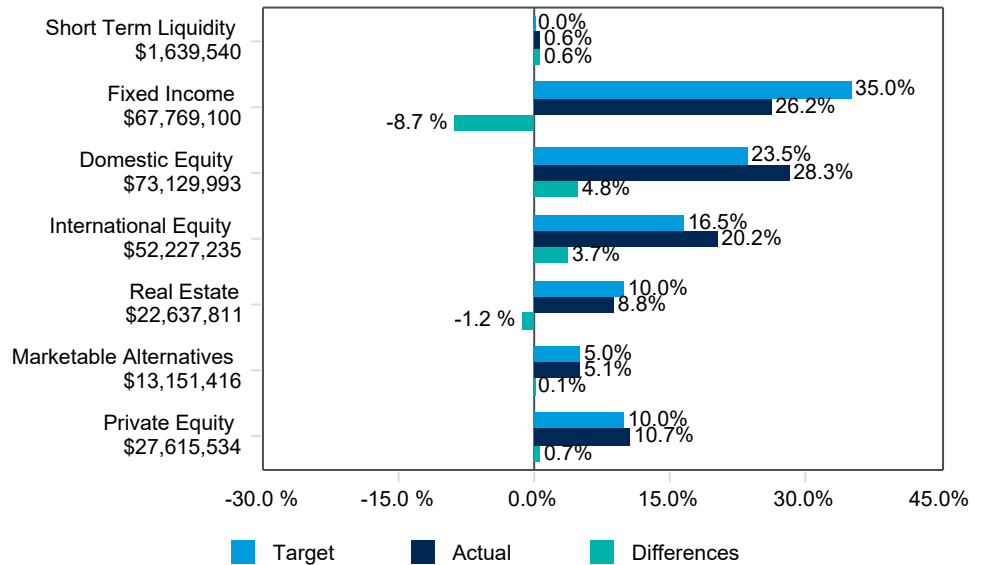
## Current Benchmark Composition

From Date	To Date	Composition
07/2023	Present	24.50% Blmbg. U.S. Aggregate, 2.00% ICE BofAML US High Yield Master II Constrained, 2.50% Blmbg. Global Aggregate, 36.00% Russell 3000 Index, 20.00% MSCI AC World ex USA (Net), 10.00% PRIM Custom Total RE Benchmark, 5.00% HFRI Fund of Funds Composite Index

## Portfolio Allocation



## Actual vs. Target Allocations



Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees.

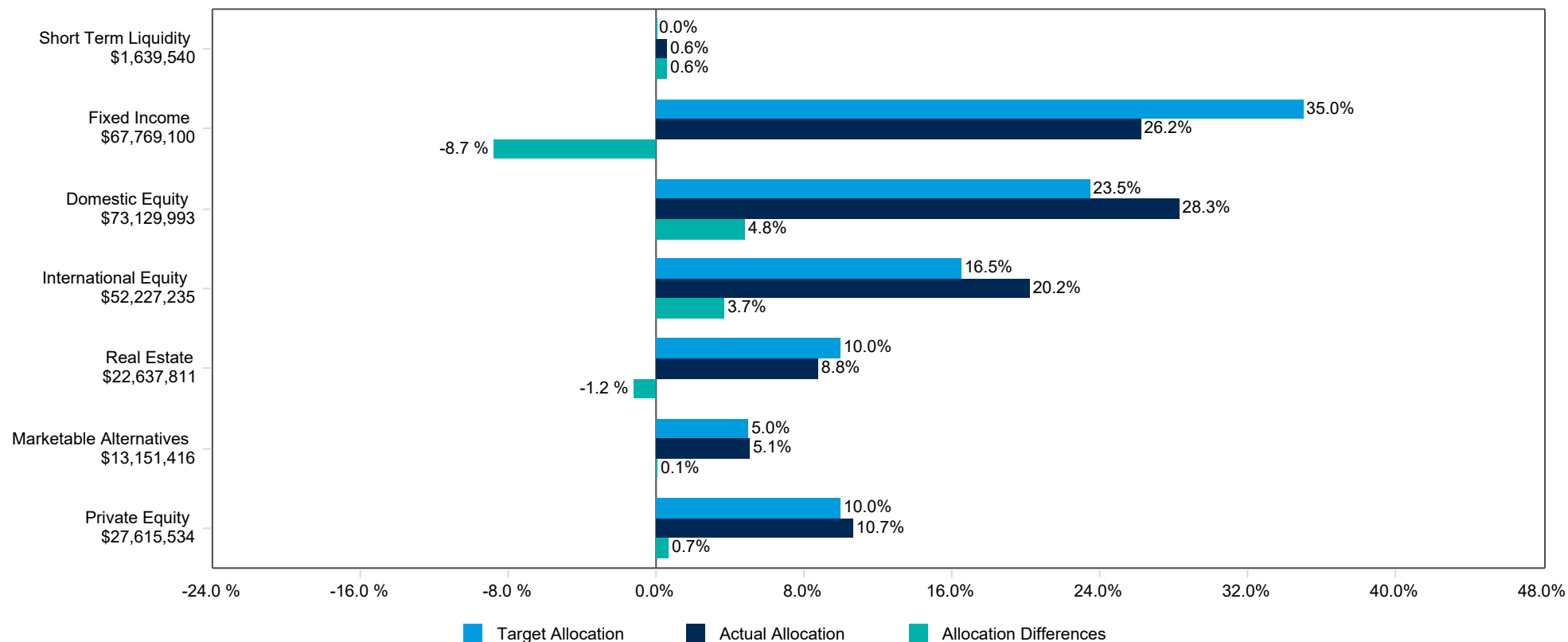


# Asset Allocation

Total Fund Composite

As of December 31, 2023

Actual vs. Target



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Short Term Liquidity	1,639,540	0.6	0.0	0.6
Fixed Income	67,769,100	26.2	35.0	-8.7
Domestic Equity	73,129,993	28.3	23.5	4.8
International Equity	52,227,235	20.2	16.5	3.7
Real Estate	22,637,811	8.8	10.0	-1.2
Marketable Alternatives	13,151,416	5.1	5.0	0.1
Private Equity	27,615,534	10.7	10.0	0.7
<b>Total Fund Composite</b>	<b>258,170,629</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>



# Asset Allocation

Total Fund Composite

As of December 31, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Fund Composite</b>	<b>258,170,629</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>1,639,540</b>	<b>0.6</b>	<b>0.0</b>	<b>0.6</b>
Collective US Govt STIF Fund	1,639,540	0.6	0.0	0.6
<b>Fixed Income</b>	<b>67,769,100</b>	<b>26.2</b>	<b>35.0</b>	<b>-8.7</b>
IRM Core Bond Fund LLC	40,800,555	15.8	23.5	-7.7
Blackrock Strategic Income Opportunities K	15,818,790	6.1	7.0	-0.9
Eaton Vance Trust CIT High Yield Fund	4,427,685	1.7	2.0	-0.3
Brandywine Global Opportunistic Fixed Income	6,722,070	2.6	2.5	0.1
<b>Domestic Equity</b>	<b>73,129,993</b>	<b>28.3</b>	<b>23.5</b>	<b>4.8</b>
PRIT Domestic Equity	29,159,284	11.3	10.0	1.3
Columbia US Contrarian Core Equity Fund	28,831,045	11.2	8.5	2.7
Wellington Small Cap 2000	15,139,663	5.9	5.0	0.9
<b>International Equity</b>	<b>52,227,235</b>	<b>20.2</b>	<b>16.5</b>	<b>3.7</b>
Aristotle International Equity Collective Trust - Class B	17,185,702	6.7	4.8	1.9
MFS Instl International Equity Fund	17,468,132	6.8	4.8	2.0
Acadian Intl Small Cap Fund	5,311,268	2.1	1.5	0.6
Acadian Emerging Markets Equity	5,762,133	2.2	2.8	-0.5
ABS Emerging Markets MA Fund LP	6,500,000	2.5	2.8	-0.2
<b>Real Estate</b>	<b>22,637,811</b>	<b>8.8</b>	<b>10.0</b>	<b>-1.2</b>
PRIT Real Estate Fund	13,765,565	5.3	7.0	-1.7
TA Realty Core Property Fund, LP	5,583,250	2.2	1.5	0.7
American Strategic Value Realty Fund	2,390,559	0.9	1.0	-0.1
TerraCap Partners IV	898,437	0.3	0.5	-0.2
<b>Marketable Alternatives</b>	<b>13,151,416</b>	<b>5.1</b>	<b>5.0</b>	<b>0.1</b>
PRIT Hedge Funds	13,151,416	5.1	5.0	0.1
<b>Private Equity</b>	<b>27,615,534</b>	<b>10.7</b>	<b>10.0</b>	<b>0.7</b>
ETG Co- Invest Opportunities Fund LP	729,736	0.3	-	-
RCP Fund IV	23,875	0.0	-	-
<b>PRIT VY Investments</b>	<b>26,861,922</b>	<b>10.4</b>	<b>0.0</b>	<b>10.4</b>
PRIT Vintage 2011	709,124	0.3	-	-
PRIT Vintage 2012	638,925	0.2	-	-
PRIT Vintage 2013	979,148	0.4	-	-



## Asset Allocation

Total Fund Composite

As of December 31, 2023

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
PRIT Vintage 2014	1,482,978	0.6	-	-
PRIT Vintage 2015	1,950,110	0.8	-	-
PRIT Vintage 2016	994,805	0.4	-	-
PRIT Vintage 2017	4,015,503	1.6	-	-
PRIT Vintage 2018	3,578,095	1.4	-	-
PRIT Vintage 2019	3,665,029	1.4	-	-
PRIT Vintage 2020	3,192,224	1.2	-	-
PRIT Vintage 2021	4,105,254	1.6	-	-
PRIT Vintage 2022	1,366,654	0.5	-	-
PRIT Vintage 2023	184,073	0.1	-	-



## Performance Overview

### Total Fund Composite

As of December 31, 2023

#### Trailing Performance Summary

	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Fund Composite</b>	<b>7.5</b>	<b>13.4</b>	<b>5.0</b>	<b>9.1</b>	<b>7.9</b>	<b>6.9</b>	<b>6.3</b>	<b>10/1999</b>
<i>Policy Index</i>	8.7	13.9	3.5	8.4	7.4	6.5	6.2	10/1999

#### Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-12.2</b>	<b>16.2</b>	<b>12.6</b>	<b>18.7</b>	<b>-4.9</b>	<b>15.6</b>	<b>6.6</b>	<b>1.0</b>	<b>6.6</b>	<b>15.6</b>
<i>Policy Index</i>	-13.3	12.2	13.1	19.5	-4.9	15.8	7.4	0.4	6.1	16.7

#### Plan Reconciliation

	QTD	1 Year	3 Years	5 Years	10 Years	Jan-2007 To Dec-2023
<b>Total Fund Composite</b>						
Beginning Market Value	243,638,787	239,661,484	249,822,639	183,203,912	123,256,305	89,230,180
Net Contributions	-3,325,979	-12,568,162	-28,377,568	-24,183,305	2,453,451	7,066,040
Gain/Loss	17,857,820	31,077,307	36,725,557	99,150,022	132,460,872	161,874,408
Ending Market Value	258,170,629	258,170,629	258,170,629	258,170,629	258,170,629	258,170,629

#### Benchmark Composition

	Weight (%)
<b>Jul-2023</b>	
Blmbg. U.S. Aggregate	24.5
ICE BofAML US High Yield Master II Constrained	2.0
Blmbg. Global Aggregate	2.5
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	20.0
PRIM Custom Total RE Benchmark	10.0
HFRI Fund of Funds Composite Index	5.0

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees.

\*\* Historical market values and flows prior to 1/1/2007 were not provided by previous consultant. The stated inception date of 10/1/1999 is the plan's performance inception date.



# Manager Status Commentary

As of December 31, 2023

Manager	Recommendation	Comments
IRM Core Bond Fund LLC	Maintain	
Blackrock Strategic Income Opportunities K	Maintain	
Eaton Vance Trust CIT High Yield Fund	Maintain	
Brandywine Global Opportunistic Fixed Income	Maintain	
PRIT Domestic Equity	Maintain	
Columbia US Contrarian Core Equity Fund	Maintain	
Wellington Small Cap 2000	Maintain	
Aristotle International Equity Collective Trust - Class B	Maintain	
MFS Instl International Equity Fund	Maintain	
Acadian Intl Small Cap Fund	Maintain	
Acadian Emerging Markets Equity	Maintain	
ABS Emerging Markets MA Fund LP	Maintain	
PRIT Real Estate Fund	Maintain	
TA Realty Core Property Fund, LP	Maintain	
American Strategic Value Realty Fund	Maintain	
TerraCap Partners IV	Maintain	
PRIT Hedge Funds	Maintain	
ETG Co- Invest Opportunities Fund LP	Maintain	
RCP Fund IV	Illiquid Inherited	
PRIT VY Investments	Maintain	

Commentary produced upon change of status.



# Manager Performance

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Total Fund Composite</b>	<b>258,170,629</b>	<b>100.0</b>	<b>7.5</b>	<b>13.4</b>	<b>5.0</b>	<b>9.1</b>	<b>6.9</b>	<b>6.3</b>	<b>10/1999</b>	
<i>Policy Index</i>			8.7	13.9	3.5	8.4	6.5	6.2		
<b>PRIT General Allocation Fund **</b>			<b>6.2</b>	<b>11.2</b>	<b>5.7</b>	<b>9.0</b>	<b>7.5</b>	<b>8.9</b>	<b>02/1985</b>	
<i>PRIT Benchmark</i>			5.9	9.8	5.3	8.8	7.3	9.5		
<b>Short Term Liquidity</b>	<b>1,639,540</b>	<b>0.6</b>	<b>1.3</b>	<b>4.7</b>	<b>2.2</b>	<b>1.8</b>	<b>1.1</b>	<b>1.3</b>	<b>03/2004</b>	
<i>90 Day U.S. Treasury Bill</i>			1.4	5.0	2.2	1.9	1.2	1.4		
<b>Collective US Govt STIF Fund</b>	<b>1,639,540</b>	<b>0.6</b>	<b>1.3</b>	<b>4.7</b>	<b>2.2</b>	<b>1.8</b>	<b>1.1</b>	<b>1.3</b>	<b>03/2004</b>	
<i>90 Day U.S. Treasury Bill</i>			1.4	5.0	2.2	1.9	1.2	1.4		
<b>Fixed Income</b>	<b>67,769,100</b>	<b>26.2</b>	<b>7.0</b>	<b>7.4</b>	<b>-2.7</b>	<b>2.0</b>	<b>2.4</b>	<b>3.4</b>	<b>04/2007</b>	
<i>Fixed Income Benchmark</i>			7.0	6.2	-3.1	1.4	1.9	3.2		
<b>IRM Core Bond Fund LLC</b>	<b>40,800,555</b>	<b>15.8</b>	<b>6.9</b>	<b>6.4</b>	<b>-3.0</b>	<b>1.7</b>	<b>2.2</b>	<b>4.3</b>	<b>07/2000</b>	<b>Maintain</b>
<i>Blmbg. U.S. Aggregate</i>			6.8	5.5	-3.3	1.1	1.8	4.0		
IM U.S. Broad Market Core Fixed Income (MF) Median			6.8	5.8	-3.4	1.2	1.8	3.9		
IRM Core Bond Fund LLC Rank			37	25	19	18	13	14		
<b>Blackrock Strategic Income Opportunities K</b>	<b>15,818,790</b>	<b>6.1</b>	<b>5.5</b>	<b>7.4</b>	<b>0.8</b>	<b>3.5</b>	<b>2.8</b>	<b>5.7</b>	<b>04/2023</b>	<b>Maintain</b>
<i>Blmbg. U.S. Aggregate</i>			6.8	5.5	-3.3	1.1	1.8	2.5		
IM Alternative Credit Focus (MF) Median			4.6	7.3	0.3	2.5	1.8	5.2		
Blackrock Strategic Income Opportunities K Rank			37	49	40	31	19	42		
<b>Eaton Vance Trust CIT High Yield Fund</b>	<b>4,427,685</b>	<b>1.7</b>	<b>6.1</b>	<b>11.5</b>	<b>2.1</b>	<b>5.1</b>	<b>-</b>	<b>4.1</b>	<b>04/2018</b>	<b>Maintain</b>
<i>ICE BofAML US High Yield Master II Constrained</i>			7.1	13.5	2.0	5.2	4.5	4.3		
IM U.S. High Yield Bonds (MF) Median			6.6	12.2	1.6	4.7	3.7	3.7		
Eaton Vance Trust CIT High Yield Fund Rank			77	66	34	34	-	30		

\*\* PRIT General Allocation Fund performance is provided net of fees for comparative purposes only.

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees. 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

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Brandywine Global Opportunistic Fixed Income</b>	<b>6,722,070</b>	<b>2.6</b>	<b>12.4</b>	<b>7.4</b>	<b>-5.1</b>	<b>0.8</b>	<b>1.3</b>	<b>2.0</b>	<b>06/2011</b>	<b>Maintain</b>
<i>Blmbg. Global Aggregate</i>			8.1	5.7	-5.5	-0.3	0.4	0.5		
IM Global Fixed Income (MF) Median			7.4	6.7	-3.6	0.8	1.1	1.3		
Brandywine Global Opportunistic Fixed Income Rank			1	32	65	50	42	32		
<b>Domestic Equity</b>	<b>73,129,993</b>	<b>28.3</b>	<b>12.7</b>	<b>27.4</b>	<b>8.5</b>	<b>15.4</b>	<b>11.0</b>	<b>9.8</b>	<b>04/2007</b>	
<i>Domestic Equity Benchmark</i>			12.1	26.0	8.5	15.2	11.5	9.3		
<b>PRIT Domestic Equity</b>	<b>29,159,284</b>	<b>11.3</b>	<b>11.8</b>	<b>24.9</b>	<b>9.1</b>	<b>15.3</b>	<b>11.4</b>	<b>13.8</b>	<b>07/2010</b>	<b>Maintain</b>
<i>PRIT Equity Benchmark</i>			12.1	24.6	8.9	15.0	11.4	13.8		
IM U.S. Large Cap Core Equity (MF) Median			11.7	24.8	8.8	14.6	10.9	13.1		
PRIT Domestic Equity Rank			46	50	42	35	36	27		
<b>Columbia US Contrarian Core Equity Fund</b>	<b>28,831,045</b>	<b>11.2</b>	<b>12.9</b>	<b>32.2</b>	<b>10.3</b>	<b>17.0</b>	<b>-</b>	<b>12.0</b>	<b>01/2015</b>	<b>Maintain</b>
<i>Russell 1000 Index</i>			12.0	26.5	9.0	15.5	11.8	11.6		
IM U.S. Large Cap Core Equity (MF) Median			11.7	24.8	8.8	14.6	10.9	10.9		
Columbia US Contrarian Core Equity Fund Rank			16	5	18	3	-	14		
<b>Wellington Small Cap 2000</b>	<b>15,139,663</b>	<b>5.9</b>	<b>13.4</b>	<b>21.1</b>	<b>2.9</b>	<b>13.2</b>	<b>9.8</b>	<b>11.8</b>	<b>04/1991</b>	<b>Maintain</b>
<i>Russell 2000 Index</i>			14.0	16.9	2.2	10.0	7.2	9.3		
IM U.S. Small Cap Core Equity (MF) Median			12.9	16.0	7.3	10.9	7.2	10.4		
Wellington Small Cap 2000 Rank			38	11	85	11	3	1		

\*\* PRIT General Allocation Fund performance is provided net of fees for comparative purposes only.

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees. 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

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>International Equity</b>	<b>52,227,235</b>	<b>20.2</b>	<b>10.7</b>	<b>18.4</b>	<b>2.8</b>	<b>8.4</b>	<b>4.9</b>	<b>4.7</b>	<b>04/2007</b>	
<i>International Equity Benchmark</i>			9.8	15.4	1.3	7.1	4.0	3.2		
<b>Aristotle International Equity Collective Trust - Class B</b>	<b>17,185,702</b>	<b>6.7</b>	<b>10.2</b>	<b>18.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3.1</b>	<b>01/2022</b>	<b>Maintain</b>
<i>MSCI EAFE (Net)</i>			10.4	18.2	4.0	8.2	4.3	0.6		
IM International Large Cap Core Equity (MF) Median			10.4	17.2	3.0	7.9	3.4	-0.2		
Aristotle International Equity Collective Trust - Class B Rank			56	27	-	-	-	86		
<b>MFS Instl International Equity Fund</b>	<b>17,468,132</b>	<b>6.8</b>	<b>12.0</b>	<b>19.0</b>	<b>5.3</b>	<b>10.7</b>	<b>6.2</b>	<b>7.6</b>	<b>12/2010</b>	<b>Maintain</b>
<i>MSCI EAFE (Net)</i>			10.4	18.2	4.0	8.2	4.3	5.8		
IM International Large Cap Core Equity (MF) Median			10.4	17.2	3.0	7.9	3.4	5.0		
MFS Instl International Equity Fund Rank			15	22	5	9	1	3		
<b>Acadian Intl Small Cap Fund</b>	<b>5,311,268</b>	<b>2.1</b>	<b>10.5</b>	<b>14.1</b>	<b>3.3</b>	<b>9.0</b>	<b>6.5</b>	<b>7.6</b>	<b>02/2011</b>	<b>Maintain</b>
<i>MSCI EAFE Small Cap (Net)</i>			11.1	13.2	-0.7	6.6	4.8	5.8		
IM International Small Cap Equity (SA+CF+MF) Median			10.8	14.1	-0.3	7.0	4.5	6.3		
Acadian Intl Small Cap Fund Rank			59	51	24	19	10	17		
<b>Acadian Emerging Markets Equity</b>	<b>5,762,133</b>	<b>2.2</b>	<b>8.3</b>	<b>23.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.3</b>	<b>10/2022</b>	<b>Maintain</b>
<i>MSCI Emerging Markets (Net)</i>			7.9	9.8	-5.1	3.7	2.7	16.1		
IM Emerging Markets Equity (MF) Median			7.7	10.9	-5.6	4.0	2.4	16.9		
Acadian Emerging Markets Equity Rank			37	4	-	-	-	5		
<b>ABS Emerging Markets MA Fund LP</b>	<b>6,500,000</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>01/2024</b>	<b>Maintain</b>
<i>MSCI Emerging Markets Index</i>			7.9	10.3	-4.7	4.1	3.0	-		
IM Emerging Markets Equity (MF) Median			7.7	10.9	-5.6	4.0	2.4	-		
ABS Emerging Markets MA Fund LP Rank			-	-	-	-	-	-		

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# Manager Performance

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Real Estate</b>	<b>22,637,811</b>	<b>8.8</b>	<b>-3.4</b>	<b>-7.5</b>	<b>7.9</b>	<b>7.1</b>	<b>8.3</b>	<b>3.1</b>	<b>04/2007</b>	
<i>Real Estate Benchmark</i>			2.0	-4.5	5.6	5.4	7.1	6.2		
<b>PRIT Real Estate Fund</b>	<b>13,765,565</b>	<b>5.3</b>	<b>-2.6</b>	<b>-6.2</b>	<b>8.5</b>	<b>7.3</b>	<b>8.2</b>	<b>8.7</b>	<b>06/2011</b>	<b>Maintain</b>
<i>PRIM Custom Total RE Benchmark</i>			2.0	-4.5	5.6	5.4	7.1	8.0		
<b>TA Realty Core Property Fund, LP</b>	<b>5,583,250</b>	<b>2.2</b>	<b>-5.4</b>	<b>-8.8</b>	<b>8.7</b>	<b>8.0</b>	<b>-</b>	<b>9.3</b>	<b>04/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	4.6		
<b>American Strategic Value Realty Fund</b>	<b>2,390,559</b>	<b>0.9</b>	<b>-4.2</b>	<b>-10.4</b>	<b>4.3</b>	<b>4.6</b>	<b>-</b>	<b>4.7</b>	<b>07/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	4.5		
<b>TerraCap Partners IV</b>	<b>898,437</b>	<b>0.3</b>	<b>0.0</b>	<b>-8.9</b>	<b>6.2</b>	<b>7.1</b>	<b>-</b>	<b>8.5</b>	<b>07/2018</b>	<b>Maintain</b>
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	4.5		
<b>Marketable Alternatives</b>	<b>13,151,416</b>	<b>5.1</b>	<b>5.1</b>	<b>10.4</b>	<b>5.8</b>	<b>5.2</b>	<b>4.0</b>	<b>4.7</b>	<b>07/2010</b>	
<i>HFRI Fund of Funds Composite Index</i>			3.4	6.4	2.3	5.1	3.3	3.5		
<b>PRIT Hedge Funds</b>	<b>13,151,416</b>	<b>5.1</b>	<b>5.1</b>	<b>10.4</b>	<b>5.8</b>	<b>5.2</b>	<b>4.0</b>	<b>4.7</b>	<b>07/2010</b>	<b>Maintain</b>
<i>HFRI Fund of Funds Composite Index</i>			3.4	6.4	2.3	5.1	3.3	3.5		
<b>Private Equity</b>	<b>27,615,534</b>	<b>10.7</b>	<b>1.3</b>	<b>6.4</b>	<b>19.4</b>	<b>18.9</b>	<b>20.1</b>	<b>14.3</b>	<b>04/2007</b>	
<b>ETG Co- Invest Opportunities Fund LP</b>	<b>729,736</b>	<b>0.3</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>09/2023</b>	<b>Maintain</b>
<b>RCP Fund IV</b>	<b>23,875</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.9</b>	<b>60.6</b>	<b>26.5</b>	<b>25.8</b>	<b>21.0</b>	<b>01/2007</b>	<b>No Status</b>
<i>S&amp;P 500 + 5%</i>			13.1	32.6	15.5	21.5	17.6	15.0		

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# Manager Performance

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>PRIT VY Investments</b>	<b>26,861,922</b>	<b>10.4</b>	<b>1.3</b>	<b>6.4</b>	<b>19.4</b>	<b>19.2</b>	<b>18.8</b>	<b>7.0</b>	<b>04/2011</b>	<b>Maintain</b>
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	12.3		
<b>PRIT Vintage 2011</b>	<b>709,124</b>	<b>0.3</b>	<b>-5.5</b>	<b>-2.6</b>	<b>24.6</b>	<b>18.4</b>	<b>21.4</b>	<b>8.9</b>	<b>04/2011</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	12.3		
<b>PRIT Vintage 2012</b>	<b>638,925</b>	<b>0.2</b>	<b>-1.6</b>	<b>2.6</b>	<b>2.9</b>	<b>10.1</b>	<b>12.8</b>	<b>-8.0</b>	<b>06/2012</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	13.6		
<b>PRIT Vintage 2013</b>	<b>979,148</b>	<b>0.4</b>	<b>-2.1</b>	<b>-3.1</b>	<b>18.3</b>	<b>21.8</b>	<b>16.8</b>	<b>13.2</b>	<b>07/2013</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	12.6		
<b>PRIT Vintage 2014</b>	<b>1,482,978</b>	<b>0.6</b>	<b>0.0</b>	<b>1.9</b>	<b>16.7</b>	<b>17.6</b>	<b>-</b>	<b>11.2</b>	<b>06/2014</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	11.5		
<b>PRIT Vintage 2015</b>	<b>1,950,110</b>	<b>0.8</b>	<b>1.1</b>	<b>6.5</b>	<b>16.0</b>	<b>20.1</b>	<b>-</b>	<b>15.8</b>	<b>04/2015</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	11.5		
<b>PRIT Vintage 2016</b>	<b>994,805</b>	<b>0.4</b>	<b>-1.2</b>	<b>-2.1</b>	<b>14.0</b>	<b>15.1</b>	<b>-</b>	<b>3.8</b>	<b>04/2016</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	13.1		
<b>PRIT Vintage 2017</b>	<b>4,015,503</b>	<b>1.6</b>	<b>3.8</b>	<b>11.0</b>	<b>22.3</b>	<b>19.9</b>	<b>-</b>	<b>15.5</b>	<b>05/2017</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	12.4		
<b>PRIT Vintage 2018</b>	<b>3,578,095</b>	<b>1.4</b>	<b>0.6</b>	<b>11.2</b>	<b>21.1</b>	<b>16.3</b>	<b>-</b>	<b>11.3</b>	<b>06/2018</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	11.9		
<b>PRIT Vintage 2019</b>	<b>3,665,029</b>	<b>1.4</b>	<b>-1.4</b>	<b>3.4</b>	<b>23.9</b>	<b>-</b>	<b>-</b>	<b>18.5</b>	<b>04/2019</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	12.9		
<b>PRIT Vintage 2020</b>	<b>3,192,224</b>	<b>1.2</b>	<b>3.0</b>	<b>6.1</b>	<b>14.7</b>	<b>-</b>	<b>-</b>	<b>13.9</b>	<b>03/2020</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	14.6		

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# Manager Performance

Total Fund Composite

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>PRIT Vintage 2021</b>	<b>4,105,254</b>	<b>1.6</b>	<b>4.1</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>04/2021</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	6.9		
<b>PRIT Vintage 2022</b>	<b>1,366,654</b>	<b>0.5</b>	<b>2.7</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.0</b>	<b>03/2022</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	5.8		
<b>PRIT Vintage 2023</b>	<b>184,073</b>	<b>0.1</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.4</b>	<b>04/2023</b>	
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	17.5		

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# Calendar Year Performance

Total Fund Composite

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund Composite</b>	<b>-12.2</b>	<b>16.2</b>	<b>12.6</b>	<b>18.7</b>	<b>-4.9</b>	<b>15.6</b>	<b>6.6</b>	<b>1.0</b>	<b>6.6</b>	<b>15.6</b>
<i>Policy Index</i>	-13.3	12.2	13.1	19.5	-4.9	15.8	7.4	0.4	6.1	16.7
<b>PRIT General Allocation Fund **</b>	<b>-11.4</b>	<b>19.9</b>	<b>12.2</b>	<b>16.3</b>	<b>-2.3</b>	<b>17.2</b>	<b>7.5</b>	<b>0.7</b>	<b>7.7</b>	<b>14.8</b>
<i>PRIT Benchmark</i>	-9.5	17.6	12.8	15.8	-1.2	15.9	8.5	0.1	7.0	13.9
<b>Short Term Liquidity</b>	<b>1.9</b>	<b>0.0</b>	<b>0.4</b>	<b>2.0</b>	<b>1.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0
<b>Collective US Govt STIF Fund</b>	<b>1.9</b>	<b>0.0</b>	<b>0.4</b>	<b>2.0</b>	<b>1.3</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0
<b>Fixed Income</b>	<b>-13.2</b>	<b>-1.2</b>	<b>9.4</b>	<b>9.6</b>	<b>-1.2</b>	<b>5.1</b>	<b>5.3</b>	<b>-1.3</b>	<b>6.2</b>	<b>-0.4</b>
<i>Fixed Income Benchmark</i>	-13.1	-1.2	7.7	9.0	-0.3	4.3	4.0	-0.4	5.0	-1.3
<b>IRM Core Bond Fund LLC</b>	<b>-13.2</b>	<b>-1.2</b>	<b>9.2</b>	<b>9.1</b>	<b>-0.2</b>	<b>3.7</b>	<b>3.3</b>	<b>0.3</b>	<b>6.8</b>	<b>-1.4</b>
<i>Blmbg. U.S. Aggregate</i>	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0	-2.0
IM U.S. Broad Market Core Fixed Income (MF) Median	-13.7	-1.3	8.2	8.8	-0.6	3.6	2.9	0.0	5.5	-2.0
IRM Core Bond Fund LLC Rank	27	41	22	38	26	47	39	36	9	31
<b>Blackrock Strategic Income Opportunities K</b>	<b>-5.6</b>	<b>1.0</b>	<b>7.3</b>	<b>7.8</b>	<b>-0.5</b>	<b>5.0</b>	<b>3.6</b>	<b>-0.6</b>	<b>3.6</b>	<b>3.0</b>
<i>Blmbg. U.S. Aggregate</i>	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5	6.0	-2.0
IM Alternative Credit Focus (MF) Median	-7.6	1.9	3.9	7.3	-1.9	4.5	4.9	-1.6	1.0	-0.1
Blackrock Strategic Income Opportunities K Rank	41	58	17	43	29	43	64	25	21	31
<b>Eaton Vance Trust CIT High Yield Fund</b>	<b>-9.5</b>	<b>5.3</b>	<b>5.6</b>	<b>14.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>ICE BofAML US High Yield Master II Constrained</i>	-11.2	5.3	6.1	14.4	-2.3	7.5	17.5	-4.6	2.5	7.4
IM U.S. High Yield Bonds (MF) Median	-11.0	4.9	5.4	13.8	-3.0	6.6	13.8	-4.0	1.5	6.7
Eaton Vance Trust CIT High Yield Fund Rank	24	42	45	45	-	-	-	-	-	-
<b>Brandywine Global Opportunistic Fixed Income</b>	<b>-16.1</b>	<b>-5.3</b>	<b>11.7</b>	<b>9.4</b>	<b>-5.2</b>	<b>12.9</b>	<b>5.2</b>	<b>-8.4</b>	<b>6.3</b>	<b>-3.6</b>
<i>Blmbg. Global Aggregate</i>	-16.2	-4.7	9.2	6.8	-1.2	7.4	2.1	-3.2	0.6	-2.6
IM Global Fixed Income (MF) Median	-14.7	-2.7	8.3	8.1	-1.8	6.8	2.9	-3.8	1.9	-2.5
Brandywine Global Opportunistic Fixed Income Rank	67	80	13	23	96	3	20	96	12	71

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# Calendar Year Performance

Total Fund Composite

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Domestic Equity</b>	<b>-19.3</b>	<b>24.1</b>	<b>21.9</b>	<b>31.7</b>	<b>-8.8</b>	<b>20.2</b>	<b>12.1</b>	<b>0.9</b>	<b>11.9</b>	<b>34.4</b>
<i>Domestic Equity Benchmark</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Domestic Equity</b>	<b>-18.6</b>	<b>27.8</b>	<b>20.2</b>	<b>30.6</b>	<b>-5.2</b>	<b>20.7</b>	<b>12.8</b>	<b>0.1</b>	<b>11.6</b>	<b>33.6</b>
<i>PRIT Equity Benchmark</i>	-18.1	26.6	18.9	30.8	-5.5	20.8	13.1	0.5	12.4	33.3
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5	31.8
PRIT Domestic Equity Rank	50	36	35	52	45	61	13	57	49	23
<b>Columbia US Contrarian Core Equity Fund</b>	<b>-18.5</b>	<b>24.5</b>	<b>22.3</b>	<b>33.4</b>	<b>-8.3</b>	<b>21.7</b>	<b>9.3</b>	<b>3.5</b>	<b>-</b>	<b>-</b>
<i>Russell 1000 Index</i>	-19.1	26.5	21.0	31.4	-4.8	21.7	12.1	0.9	13.2	33.1
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5	31.8
Columbia US Contrarian Core Equity Fund Rank	48	78	20	16	89	46	58	11	-	-
<b>Wellington Small Cap 2000</b>	<b>-22.2</b>	<b>15.4</b>	<b>28.5</b>	<b>33.1</b>	<b>-10.7</b>	<b>20.1</b>	<b>19.5</b>	<b>-2.6</b>	<b>9.3</b>	<b>43.0</b>
<i>Russell 2000 Index</i>	-20.4	14.8	20.0	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8
IM U.S. Small Cap Core Equity (MF) Median	-15.8	25.1	9.9	23.9	-12.7	12.1	21.7	-4.3	4.7	36.8
Wellington Small Cap 2000 Rank	94	88	2	2	27	5	73	28	6	12
<b>International Equity</b>	<b>-18.6</b>	<b>12.7</b>	<b>10.9</b>	<b>24.5</b>	<b>-13.7</b>	<b>29.2</b>	<b>2.9</b>	<b>-1.9</b>	<b>-4.8</b>	<b>18.3</b>
<i>International Equity Benchmark</i>	-16.6	8.1	10.9	21.9	-14.6	27.8	4.3	-4.1	-4.0	17.0
<b>Aristotle International Equity Collective Trust - Class B</b>	<b>-20.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>MSCI EAFE (Net)</i>	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8
IM International Large Cap Core Equity (MF) Median	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9	-6.0	20.4
Aristotle International Equity Collective Trust - Class B Rank	94	-	-	-	-	-	-	-	-	-
<b>MFS Instl International Equity Fund</b>	<b>-14.8</b>	<b>15.2</b>	<b>11.1</b>	<b>28.3</b>	<b>-10.7</b>	<b>28.0</b>	<b>0.3</b>	<b>0.0</b>	<b>-4.2</b>	<b>18.6</b>
<i>MSCI EAFE (Net)</i>	-14.5	11.3	7.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8
IM International Large Cap Core Equity (MF) Median	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9	-6.0	20.4
MFS Instl International Equity Fund Rank	46	4	35	2	7	21	47	18	20	70

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## Calendar Year Performance

### Total Fund Composite

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Acadian Intl Small Cap Fund</b>	<b>-19.2</b>	<b>19.7</b>	<b>13.3</b>	<b>22.9</b>	<b>-19.2</b>	<b>37.9</b>	<b>2.7</b>	<b>12.9</b>	<b>-5.6</b>	<b>31.7</b>
<i>MSCI EAFE Small Cap (Net)</i>	-21.4	10.1	12.3	25.0	-17.9	33.0	2.2	9.6	-4.9	29.3
IM International Small Cap Equity (SA+CF+MF) Median	-22.1	12.7	13.4	23.4	-19.3	33.6	-0.2	6.4	-4.8	27.2
Acadian Intl Small Cap Fund Rank	38	5	51	55	50	21	34	13	58	23
<b>Acadian Emerging Markets Equity</b>	-	-	-	-	-	-	-	-	-	-
<i>MSCI Emerging Markets (Net)</i>	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6
IM Emerging Markets Equity (MF) Median	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7	-3.0	-1.5
Acadian Emerging Markets Equity Rank	-	-	-	-	-	-	-	-	-	-
<b>ABS Emerging Markets MA Fund LP</b>	-	-	-	-	-	-	-	-	-	-
<i>MSCI Emerging Markets Index</i>	-19.7	-2.2	18.7	18.9	-14.2	37.8	11.6	-14.6	-1.8	-2.3
IM Emerging Markets Equity (MF) Median	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7	-3.0	-1.5
ABS Emerging Markets MA Fund LP Rank	-	-	-	-	-	-	-	-	-	-
<b>Real Estate</b>	<b>7.3</b>	<b>26.6</b>	<b>1.7</b>	<b>10.0</b>	<b>6.7</b>	<b>7.1</b>	<b>4.6</b>	<b>11.1</b>	<b>19.2</b>	<b>5.7</b>
<i>Real Estate Benchmark</i>	7.1	15.2	0.7	9.5	4.7	7.8	8.4	11.3	12.2	10.4
<b>PRIT Real Estate Fund</b>	<b>7.0</b>	<b>27.2</b>	<b>0.6</b>	<b>10.6</b>	<b>5.0</b>	<b>8.4</b>	<b>7.2</b>	<b>11.3</b>	<b>13.9</b>	<b>10.2</b>
<i>PRIM Custom Total RE Benchmark</i>	7.1	15.2	0.7	9.5	4.7	7.8	8.5	10.8	12.3	9.8
<b>TA Realty Core Property Fund, LP</b>	<b>8.8</b>	<b>29.6</b>	<b>5.5</b>	<b>8.5</b>	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>American Strategic Value Realty Fund</b>	<b>6.8</b>	<b>18.6</b>	<b>2.3</b>	<b>8.0</b>	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>TerraCap Partners IV</b>	<b>8.6</b>	<b>21.2</b>	<b>7.4</b>	<b>9.2</b>	-	-	-	-	-	-
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>Marketable Alternatives</b>	<b>-2.0</b>	<b>9.5</b>	<b>1.3</b>	<b>7.7</b>	<b>-1.6</b>	<b>8.2</b>	<b>4.3</b>	<b>-1.9</b>	<b>5.6</b>	<b>12.5</b>
<i>HFRI Fund of Funds Composite Index</i>	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3	3.4	9.0
<b>PRIT Hedge Funds</b>	<b>-2.0</b>	<b>9.5</b>	<b>1.3</b>	<b>7.7</b>	<b>-1.6</b>	<b>8.2</b>	<b>4.3</b>	<b>-1.9</b>	<b>5.6</b>	<b>12.5</b>
<i>HFRI Fund of Funds Composite Index</i>	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3	3.4	9.0

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## Calendar Year Performance

Total Fund Composite

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Private Equity</b>	-3.0	65.1	23.5	12.7	23.6	21.0	18.7	19.2	24.9	22.7
<b>ETG Co- Invest Opportunities Fund LP</b>	-	-	-	-	-	-	-	-	-	-
<b>RCP Fund IV</b>	<b>686.6</b>	<b>-46.4</b>	<b>-28.0</b>	<b>8.5</b>	<b>26.4</b>	<b>18.8</b>	<b>34.0</b>	<b>18.4</b>	<b>29.1</b>	<b>26.6</b>
<i>S&amp;P 500 + 5%</i>	-14.0	35.1	24.3	38.1	0.4	27.9	17.6	6.5	19.4	39.0
<b>PRIT VY Investments</b>	-3.0	65.2	25.0	13.1	23.5	21.6	14.1	16.2	16.2	4.9
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2011</b>	<b>-4.5</b>	<b>107.9</b>	<b>14.3</b>	<b>5.4</b>	<b>27.5</b>	<b>23.4</b>	<b>20.2</b>	<b>28.6</b>	<b>22.3</b>	<b>5.8</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2012</b>	<b>-26.3</b>	<b>44.2</b>	<b>40.1</b>	<b>6.0</b>	<b>16.2</b>	<b>28.2</b>	<b>13.6</b>	<b>12.2</b>	<b>8.6</b>	<b>5.3</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2013</b>	<b>-12.1</b>	<b>94.4</b>	<b>30.5</b>	<b>24.3</b>	<b>18.7</b>	<b>20.4</b>	<b>8.8</b>	<b>2.7</b>	<b>9.8</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2014</b>	<b>-1.0</b>	<b>57.3</b>	<b>22.6</b>	<b>15.6</b>	<b>35.6</b>	<b>20.5</b>	<b>9.6</b>	<b>-1.9</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2015</b>	<b>-11.8</b>	<b>66.1</b>	<b>28.1</b>	<b>24.8</b>	<b>35.2</b>	<b>17.1</b>	<b>6.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2016</b>	<b>-3.5</b>	<b>56.8</b>	<b>30.6</b>	<b>4.3</b>	<b>10.8</b>	<b>-3.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2017</b>	<b>4.4</b>	<b>57.8</b>	<b>17.7</b>	<b>15.1</b>	<b>2.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2018</b>	<b>0.3</b>	<b>59.3</b>	<b>23.6</b>	<b>-3.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2019</b>	<b>0.5</b>	<b>82.9</b>	<b>19.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6

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## Calendar Year Performance

Total Fund Composite

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PRIT Vintage 2020</b>	<b>5.2</b>	<b>35.3</b>	-	-	-	-	-	-	-	-
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2021</b>	<b>-5.7</b>	-	-	-	-	-	-	-	-	-
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2022</b>	<b>-</b>	-	-	-	-	-	-	-	-	-
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6
<b>PRIT Vintage 2023</b>	<b>-</b>	-	-	-	-	-	-	-	-	-
<i>Russell 3000 Index</i>	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5	12.6	33.6

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# The Watertown Retirement System Investment Mandates - Procurement Review

Updated as of February 2024

Color legend:

Near term expirations - Extend or Issue RFP in next 6 months
Issue RFP in next 12 months

Asset Class	Style	Manager/Mandate	RFP Last Issued (Mo/Yr)	Most Recent IMA/Contract/Side Letter Date (Mo/Yr)	Current Length of Term (Yrs)	Current Term/Contract Expiration (Mo/Yr)	Status of Extensions	New Term/Contract Expiration (Mo/Yr)	Anticipated RFP/Search Date
Fixed Income	Core/Core Plus	IRM Core Bond Fund (CF)	Feb-21	Nov-21	7	Nov-28	N/A	Nov-28	May-27
	Opportunistic/Dynamic Bond	BlackRock Strategic Income Opportunities Fund (MF)	Oct-22	Apr-23	7	Apr-30	N/A	Apr-30	Oct-29
	High Yield	Eaton Vance Trust High Yield Fund (CF)	Jun-17	Feb-18	7	Feb-25	N/A	Feb-25	Aug-24
	Global Bonds	Brandywine Global Opportunistic Bond Fund (CF)	May-17	Jul-17	7	Jul-24	N/A	Jul-24	Feb-24
Domestic Equity	Core Equity	PRIT Domestic Equity Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Core Equity	Columbia Contrarian Core Equity Private Fund (CF)	Jul-21	Feb-22 (Pending)	7	Feb-29	N/A	Feb-29	Aug-28
	Small Cap	Wellington Small Cap 2000 Portfolio (CF)	Feb-17	Jul-17	7	Jul-24	N/A	Jul-24	Feb-24
International Equity	International Equity	Aristotle International Equity (CF)	Apr-21	Dec-21	7	Dec-28	N/A	Dec-28	Jun-28
	International Equity	MFS Instl International Equity (MF)	Apr-21	Sep-21	7	Sep-28	N/A	Sep-28	Mar-28
	International Small Cap	Acadian Int'l Small Cap (CF)	Feb-17	Jun-17	7	Jun-24	N/A	Jun-24	Dec-23
	International Emerging Markets	Acadian Emerging Markets Equity Fund (CF)	Dec-21	Sep-22	7	Sep-29	N/A	Sep-29	Mar-29
Real Estate	Real Estate	PRIT Real Estate Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Real Estate	American Realty Advisors Strategic Value Realty	Dec-17	Jun-18	7	Jun-25	N/A	Jun-25	Dec-24
	Real Estate	TA Realty Core Property Fund	Sep-17	Mar-18	7	Mar-25	N/A	Mar-25	Sep-24
	Real Estate (Illiquid)	TerraCap Management TerraCap Partners IV	Dec-17	N/A	Closed End	N/A	N/A	N/A	N/A
	Real Estate (Winding Down)	Arsenal Real Estate	Illiquid Inherited	N/A	Closed End	N/A	N/A	N/A	N/A

**The Watertown Retirement System  
Investment Mandates - Procurement Review**

Updated as of February 2024

Color legend:

Near term expirations - Extend or Issue RFP in next 6 months
Issue RFP in next 12 months

Asset Class	Style	Manager/Mandate	RFP Last Issued (Mo/Yr)	Most Recent IMA/Contract/Side Letter Date (Mo/Yr)	Current Length of Term (Yrs)	Current Term/Contract Expiration (Mo/Yr)	Status of Extensions	New Term/Contract Expiration (Mo/Yr)	Anticipated RFP/Search Date
Hedge Funds	Hedge Funds	PRIT Hedge Funds Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Equity	Private Equity (Illiquid)	RCP IV	Illiquid Inherited	N/A	Closed End	N/A	N/A	N/A	N/A
	Private Equity (Illiquid)	EnTrust Global Special Opportunities Fund V (Illiquid)	Mar-22	Nov-22	Closed End	N/A	N/A	N/A	N/A
	Private Equity (Illiquid)	PRIT Vintage Year	N/A	N/A	Closed End	N/A	N/A	N/A	N/A
Other Investment Related Vendors	Custodian	People's United Bank	Apr-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25
	Investment Consultant	Fiduciary Investment Advisors	Jan-22	Mar-22	5	Mar-27	2 year Option	March-29	Sep-26
	Actuarial Services	Sherman Actuarial Services	Nov-19	Mar-20	4	Mar-24	N/A	Mar-24	May-24
	Legal Services	Attorney Thomas Gibson	Sep-18	Nov-18	7	Nov-25	N/A	Nov-25	May-25



## Investment Gain/Loss Summary

Total Fund Composite

1 Quarter Ending December 31, 2023

	Market Value as of 10/01/2023	Net Contributions	Gain/Loss	Market Value As of 12/31/2023
<b>Total Fund Composite</b>	<b>243,638,787</b>	<b>-3,325,979</b>	<b>17,857,820</b>	<b>258,170,629</b>
<b>Short Term Liquidity</b>	<b>1,460,775</b>	<b>154,170</b>	<b>24,595</b>	<b>1,639,540</b>
Collective US Govt STIF Fund	1,460,775	154,170	24,595	1,639,540
<b>Fixed Income</b>	<b>63,307,078</b>	<b>-</b>	<b>4,462,022</b>	<b>67,769,100</b>
IRM Core Bond Fund LLC	38,166,259	-	2,634,296	40,800,555
Blackrock Strategic Income Opportunities K	14,990,204	-	828,587	15,818,790
Eaton Vance Trust CIT High Yield Fund	4,172,581	-	255,104	4,427,685
Brandywine Global Opportunistic Fixed Income	5,978,034	-	744,036	6,722,070
<b>Domestic Equity</b>	<b>70,456,895</b>	<b>-5,780,000</b>	<b>8,453,098</b>	<b>73,129,993</b>
PRIT Domestic Equity	26,082,343	-	3,076,941	29,159,284
Columbia US Contrarian Core Equity Fund	31,020,277	-5,780,000	3,590,768	28,831,045
Wellington Small Cap 2000	13,354,274	-	1,785,389	15,139,663
<b>International Equity</b>	<b>45,876,682</b>	<b>1,630,000</b>	<b>4,720,553</b>	<b>52,227,235</b>
Aristotle International Equity Collective Trust - Class B	17,577,735	-2,170,000	1,777,967	17,185,702
MFS Instl International Equity Fund	17,283,420	-1,870,000	2,054,712	17,468,132
Acadian Intl Small Cap Fund	5,695,521	-830,000	445,747	5,311,268
Acadian Emerging Markets Equity	5,320,006	-	442,127	5,762,133
ABS Emerging Markets MA Fund LP	-	6,500,000	-	6,500,000
<b>Real Estate</b>	<b>23,425,906</b>	<b>-</b>	<b>-788,095</b>	<b>22,637,811</b>
PRIT Real Estate Fund	14,127,617	-	-362,052	13,765,565
TA Realty Core Property Fund, LP	5,903,380	-	-320,129	5,583,250
American Strategic Value Realty Fund	2,496,472	-	-105,913	2,390,559
TerraCap Partners IV	898,437	-	-	898,437
<b>Marketable Alternatives</b>	<b>12,512,718</b>	<b>-</b>	<b>638,698</b>	<b>13,151,416</b>
PRIT Hedge Funds	12,512,718	-	638,698	13,151,416
<b>Private Equity</b>	<b>26,598,733</b>	<b>669,851</b>	<b>346,949</b>	<b>27,615,534</b>
ETG Co- Invest Opportunities Fund LP	160,361	569,375	-	729,736
RCP Fund IV	23,875	-	-	23,875
<b>PRIT VY Investments</b>	<b>26,414,497</b>	<b>100,476</b>	<b>346,949</b>	<b>26,861,922</b>
PRIT Vintage 2011	758,219	-7,016	-42,079	709,124
PRIT Vintage 2012	650,424	-1,429	-10,071	638,925
PRIT Vintage 2013	1,013,747	-13,535	-21,063	979,148

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. 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



## Investment Gain/Loss Summary

Total Fund Composite

1 Quarter Ending December 31, 2023

	Market Value as of 10/01/2023	Net Contributions	Gain/Loss	Market Value As of 12/31/2023
PRIT Vintage 2014	1,561,691	-78,336	-377	1,482,978
PRIT Vintage 2015	2,015,318	-86,506	21,297	1,950,110
PRIT Vintage 2016	1,016,327	-9,178	-12,343	994,805
PRIT Vintage 2017	3,963,795	-95,110	146,818	4,015,503
PRIT Vintage 2018	3,576,975	-21,232	22,352	3,578,095
PRIT Vintage 2019	3,693,651	21,778	-50,400	3,665,029
PRIT Vintage 2020	2,996,015	103,651	92,558	3,192,224
PRIT Vintage 2021	3,848,158	93,548	163,549	4,105,254
PRIT Vintage 2022	1,203,058	128,415	35,182	1,366,654
PRIT Vintage 2023	117,119	65,426	1,527	184,073

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees. 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



## Portfolio Statistics

Total Fund Composite

As of December 31, 2023

	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	7.5	13.4	5.0	9.1	6.9	6.3	10/1999
Standard Deviation	3.2	9.6	10.0	11.0	8.9	10.5	
Upside Risk	3.9	2.7	7.7	8.9	7.2	8.5	
Downside Risk	1.1	4.4	6.6	7.0	5.7	6.5	
<b>vs. Policy Index</b>							
Alpha	0.1	1.4	1.8	1.4	0.9	1.3	
Beta	0.8	0.9	0.9	0.9	0.9	0.8	
Information Ratio	-0.6	-0.3	0.7	0.3	0.2	0.0	
Tracking Error	0.7	1.7	1.9	1.9	1.5	6.7	
<b>vs. 90 Day U.S. Treasury Bill</b>							
Sharpe Ratio	0.6	0.9	0.3	0.7	0.7	0.5	

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiduciant Advisors' fees. Calculation based on monthly periodicity.

## Estimated Fee Analysis

As of December 31, 2023

Manager	Target Allocation	Market Value	Fee Schedule <sup>2</sup>	Estimated Annualized Totals <sup>1</sup>
IRM Core Bond Fund	23.5%	40,800,555	0.25%	\$102,001
BlackRock Strategic Income Opportunities K	7.0%	15,818,790	0.67%	\$105,986
Eaton Vance Trust CIT High Yield Fund	2.0%	4,427,685	0.50%	\$22,138
Brandywine Global Opportunistic Fixed Income	2.5%	6,722,070	0.45%	\$30,249
PRIT Domestic Equity	10.0%	29,159,284	0.16%	\$46,655
Columbia U.S. Contrarian Core Equity Private Fund	8.5%	28,831,045	0.50%	\$144,155
Wellington Small Cap 2000 Portfolio <sup>3</sup>	5.0%	15,139,663	0.90% on first \$25 Mil; 0.80% on next \$25 Mil; 0.70% on next \$50 Mil; negotiable thereafter	\$136,257
Aristotle International Equity	4.75%	17,185,702	0.49%	\$84,210
MFS Institutional International Equity	4.75%	17,468,132	0.71%	\$124,024
Acadian International Small Cap Equity	1.5%	5,311,268	0.75%	\$39,835
Acadian Emerging Markets Equity	2.75%	5,762,133	0.75%	\$43,216
ABS Emerging Markets MA Fund LP	2.75%	6,500,000	0.87%	\$56,550
PRIT Core Real Estate <sup>4</sup>	7.0%	13,765,565	1.06%	\$145,915
TA Realty Core Property Fund, LP	1.5%	5,583,250	0.70%	\$39,083
American Strategic Value Realty Fund <sup>5</sup>	1.0%	2,390,559	1.25% on first \$10 Mil; 1.20% on next \$15 Mil; 1.10% on next \$25 Mil; 1.00% thereafter	\$29,882
TerraCap Partners IV <sup>6</sup>	0.5%	898,437	1.50%	\$13,477
PRIT Hedge Funds <sup>4</sup>	5.0%	13,151,416	1.05%	\$138,090
RCP Fund IV	10.0%	23,875	0.75% of contributions	No longer charging management fee
ETG Co-Invest Opportunities Fund LP <sup>7</sup>		729,736	1.00% of net asset value	\$7,297
PRIT Vintage Year Portfolios <sup>4</sup>		26,861,922	1.00%	\$268,619
<b>Average Weighted Investment Management Fee</b>			<b>0.61%</b>	<b>Approximately \$1,575,000</b>

Footnotes: <sup>1</sup>Estimated Annualized Totals does not include applicable incentive fees. <sup>2</sup>Management fees for commingled funds may not include additional underlying fund expenses such as custody, audit, legal and administrative expenses that are typically deducted from the net asset value of the fund. <sup>3</sup>Wellington has waived minimum annual fee for the Small Cap 2000 portfolio. <sup>4</sup>PRIT Investments reflect expense ratios as of most recent fiscal year end (FY 2022 CAFR) and will vary year-to-year depending on performance incentive fees paid out to managers. Fees for Vintage Year portfolios vary widely; the estimated fee of 1.00% is expected as the management fee over the life of the investments. <sup>5</sup>American Strategic Value Realty Fund fee reflects base fee not including carried interest of 20% after 10% preferred return. <sup>6</sup>TerraCap Partners IV fee reflects base fee not including carried interest of 20% after 8% preferred return and 30% after 15% secondary preferred return. <sup>7</sup>ETG Co-Invest Opportunities Fund LP fee reflects base fee not including carried interest of 10% after 7.5% high water mark and after-tax clawback.

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

## Liquidity Analysis

As of December 31, 2023

Investment	Initial Lock-up Period	Terms	Investment Date
IRM Core Bond Fund	None	Daily liquidity: requires 5 business days notice	Jul-00
BlackRock Strategic Income Opportunities Fund K	None	Daily Liquidity	Apr-23
Eaton Vance Trust CIT High Yield Fund	None	Daily Liquidity	Mar-18
Brandywine Global Opportunistic Fund	None	Daily liquidity: contributions require 24 hours notice; redemptions require 10 days notice	Jun-11
PRIT Domestic Equity Account	None	Monthly liquidity for contributions and withdrawals on first business day; redemptions require 5 days notice	Jul-10
Columbia U.S. Contrarian Core Equity Fund	None	Monthly liquidity for contributions; withdrawals on first business day with wire T+10 business days; 30 days notice required	Jan-15
Wellington Small Cap 2000 Portfolio	None	Daily liquidity	Oct-99
Aristotle International Equity	None	Daily liquidity	Dec-21
MFS Institutional International Equity Fund	None	Daily liquidity	Dec-10
Acadian International Small Cap Fund	None	Daily liquidity for contributions and withdrawals, 7 business days requested	Feb-11
Acadian Emerging Markets Equity	None	Daily liquidity for contributions and withdrawals, 10 business days requested	Sep-22
ABS Emerging Markets MA Fund LP	One-year early withdrawal charge: 2%	Monthly liquidity for contributions and withdrawals on first and last day of month respectively; 5 days' and 60 days' notice required for contributions and withdrawals respectively.	Jan-24
PRIT Real Estate Fund	None	Monthly liquidity for contributions and withdrawals on first business day; 5 days notice required	Jun-11
TA Realty Core Property Fund, LP	Reducing percentage over 3 year period	Quarterly liquidity for withdrawals on first business day; 45 days notice required.	Apr-18
American Strategic Value Realty Fund	One-year	Quarterly liquidity for withdrawals on first business day subject to liquidity restraints due to fund activity; 30 days notice required	Jul-18
TerraCap Partners IV	8 year term plus two one-year extension options	Not applicable	Aug-18
PRIT Hedge Funds	None	Quarterly liquidity for contributions and withdrawals on first business day; 30 days notice required	Jul-10
RCP Fund IV	Term expires 12/31/18 and is subject to three one-year extensions	Not applicable	Jan-07
ETG Co-Invest Opportunities Fund LP	Illiquid Generally 7-10 Years	Not applicable	Aug-23
PRIT Vintage Year Funds	Illiquid Generally 10-15 Years	Commitments must be made annually in December. Drawdowns occur monthly on first business day.	Apr-11





## Fiduciary Governance Calendar



# Fiduciary Governance Calendar

The fiduciary governance calendar is designed to create a disciplined framework around governance, which helps ensure that over the course of a calendar year key fiduciary obligations and responsibilities are being met.



\*Liquidity analysis is provided only for portfolios with marketable alternatives and/or private equity.



# 2024 Allocation Updates

Y / Y  
Change

Context

	Y / Y Change	Context
Fixed Income	U.S. Bonds ▲▲	Increased yields, attractive return potential relative to global equity and a Fed policy path that has increasing potential to moderate or move lower makes intermediate investment-grade bonds more attractive.
	TIPS ▼	High real yields and inflation forecasts above the Fed's target of 2% make TIPS compelling, but higher yields and less overall interest rate risk make U.S. Bonds more so, therefore we are reducing TIPS modestly year over year.
	Dynamic Bonds --	Given broader interest rate volatility and the potential for more credit relative events in the future, flexibility remains an attractive trait but we are not compelled to shift allocations at this time.
	High Yield Bonds ▼	While yields are high relative to recent history, spreads (the yield above Treasuries) are modest. Coupled with our view that credit risk will rise in the coming years, we are reducing our allocation to credit risk broadly.
	Global Bonds ▼	The outlook for global bonds remains attractive, but on a risk-adjusted basis slightly less than U.S. Therefore, we are modestly reducing the position.
Global Equity	U.S. Large Cap ▲	We remain underweight U.S. large cap stocks based on the relative opportunity to U.S. small and international equities. However, we have reduced that underweight based on the significant percentage increase in U.S. equities in global indices.
	U.S. Mid/Small Cap ▼	We remain overweight U.S. small cap securities. The dispersion between U.S. large and small cap stocks driven by a handful of securities has produced near-all time relative valuation differences. Additionally, small cap securities may benefit from easing rate policies. However, we have reduced that overweight based on the significant percentage increase in U.S. large cap equities in U.S. indices.
	Int'l Developed Equity ▼	Non-U.S. equity remains attractive and an overweight within portfolios, but risk management compels us to temper how far to extend that view. Therefore, we are reducing our overweight slightly to non-U.S. equities. Valuations remain compelling both relative to both the U.S. and their own 20-year history. However, geopolitical risks remain elevated and in some way have expanded over the course of 2023.
	Emerging Markets ▼	
Real Assets & Alternatives	Real Estate ▼	Our overall level to real assets will remain the same year over year give our view of inflation remaining in the "messy middle". A 2% - 5% range offers compelling opportunities within the overall category. However, our mix is shifting away modestly from real estate and toward assets that can benefit from a wider variety of factors.
	Broad Real Assets ▲	



# 2024-2033 Ten-Year Outlook

		2024	2023	Y / Y Change	
Fixed Income	The Federal Reserve continued its battle with inflation in 2023 and the market began to believe the rhetoric of "higher for longer". Yields rose across much of fixed income, improving forward long-term return assumptions.	U.S. Bonds	5.7%	5.0%	0.6%
		TIPS	5.2%	4.6%	0.6%
	Credit, specifically high yield, was one of the best performing fixed income asset classes in 2023. 2024 projections rose solely based on higher Treasury rates as spreads (the additional yield above Treasuries) fell over the year.	Dynamic Bonds <sup>1</sup>	6.5%	5.6%	0.9%
		High Yield Bonds	7.7%	7.1%	0.6%
		Global Bonds	5.6%	5.1%	0.5%
	Municipal bond forecasts rose as well based on higher rates, but so did interest rate risk given the structure of the market.	Muni Bond <sup>2</sup>	6.3%	5.8%	0.5%
		Muni High Yield <sup>2</sup>	10.2%	9.9%	0.3%
Global Equity	U.S. equity forecasts are nearly flat year over year driven by higher valuations and very modest earnings growth for 2023. International forecasts fell on a similar accord, but to a larger degree also driven by higher anticipated volatility outside of the U.S. Valuations outside the U.S. remain below their 20-year averages while U.S. valuations remain above 20-year averages.	U.S. All Cap	6.5%	6.7%	-0.2%
		Intl Developed Equity	8.2%	8.9%	-0.7%
		Emerging Markets	10.1%	10.8%	-0.7%
Real Assets & Alternatives	Real assets broadly struggled to keep up with equity markets as inflation fell throughout 2023. On the backs of lower prices and inflation remaining elevated, forecasts across real asset categories rose.	Real Estate	7.0%	6.4%	0.6%
		Broad Real Assets <sup>3</sup>	7.5%	6.8%	0.7%
	Marketable alternatives forecasts benefited from higher base rates of returns earned in Treasuries and higher expected volatility within and across asset classes.	Marketable Alts	8.4%	8.1%	0.3%
		Private Equity	9.5%	9.7%	-0.2%

1) Dynamic bonds are a blend of 33% Cash, 33% Corp HY, and 34% Global Bonds. 2) Tax Equivalent yield based on highest marginal Federal tax rate (37%). 3) Broad Real Assets is 20% REITS, 20% Global Infrastructure, 20% Commodities, 20% US Bonds, 15% Corp High Yield, 5% TIPS Outputs and opinions are as of the date referenced and are subject to change based on market or economic conditions. Information is intended for general information purposes only and does not represent any specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. There is no guarantee that any of these expectations will become actual results. For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary slide at the end of this presentation for summary of indices used to represent each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information.



## Portfolio Implications

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- Our 10-year return forecasts show increased opportunity across fixed income and real assets with a modest reduction in equity return expectations.
  - *This makes for one of the more attractive risk-adjusted returns for fixed income relative to equity we have seen in several years.*
- We believe range-bound inflation opens multiple paths to lower rates, creating opportunities for tailwinds in fixed income and more rate-sensitive assets.
- Narrow market leadership in U.S. equities creates fragility within, and opportunity outside of, U.S. technology stocks.
  - *Exposure to large cap U.S. equity remains appropriate, but we also believe long-term investors will benefit from exposure to U.S. small and mid capitalization and non-U.S. stocks.*
- The most predicted recession in history has not yet come to pass. We believe investor mindsets should shift from **predict** to **prepare**, as risks remain acute and market timing futile.
  - *The best way to prepare for uncertainty is by building a well-diversified portfolio.*



# Asset Allocation Analysis

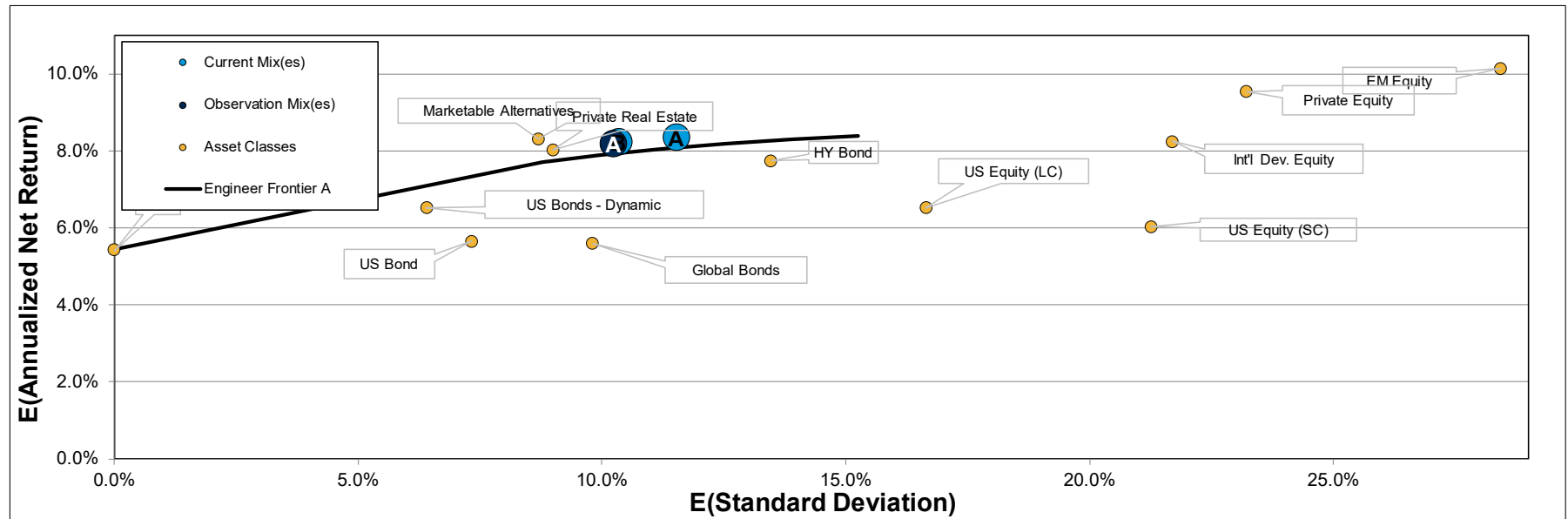
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- We believe **Asset Allocation** is the primary determinant of long-term investment results.
- Our propriety **Frontier Engineer**<sup>®</sup> system is the cornerstone of asset allocation decisions.
- Our Capital Markets Group develops **Capital Market Assumptions** (CMAs) for each major asset class at least annually.
  - ✓ The Capital Markets Group considers and analyzes a wide variety of factors that we believe will have the greatest impact on future returns and risks for each asset class studied.
  - ✓ Our CMAs are not intended to predict the future return in any single year, but rather to reflect our median expected outcome over the next ten years.
  - ✓ Our forecasting efforts center on a **ten-year horizon**. Any adjustments made to extend the forecast horizon to **twenty years** or beyond are grounded in our expectation that asset classes ultimately mean revert towards longer term historical averages.
  - ✓ Fiducient Advisors' Capital Markets Team develop our CMAs based on a “building block” approach outlined in our white paper “Capital Market Forecasts”. (Copies are available upon requested.)
- **Correlations** (how asset classes behave in reference to one another) also significantly impact asset allocation analysis.
- **Fat Tails** (non-normal return elements of skewness & kurtosis) also meaningfully impact our asset allocation analysis.

# Frontier Engineer® Analysis



12/31/2023	Asset Allocation																Forecasts				Past (1/88-12/23)	
	Fixed Income	Equity	Real Assets	Alternatives	Cash	US Bond	US Bonds - Dynamic	HY Bond	Global Bonds	US Equity (LC)	US Equity (SC)	Int'l Dev. Equity	EM Equity	Private Real Estate	Marketable Alternatives	Private Equity	Annualized Return	Annualized Volatility	Normal 100 Year Flood*	Non-Normal 100 Year Flood**	Annualized Net Return	Annualized Volatility
Current Mix (A)	27%	49%	9%	16%	0.6%	15.8%	6.1%	1.7%	2.6%	20.8%	7.5%	15.6%	4.7%	8.8%	5.1%	10.7%	8.3%	11.5%	-18%	-24%	9.2%	9.5%
Target Mix (B)	35%	40%	10%	15%		23.5%	7.0%	2.0%	2.5%	17.0%	6.5%	11.0%	5.5%	10.0%	5.0%	10.0%	8.2%	10.3%	-15%	-22%	9.0%	8.6%
Observation Mix (A)	35.0%	40.0%	10.0%	15.0%		24.0%	7.0%	2.0%	2.0%	19.5%	5.0%	10.5%	5.0%	10.0%	5.0%	10.0%	8.2%	10.2%	-15%	-22%	9.0%	8.5%



\*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

\*\*The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing. Please refer to the Capital Markets Assumptions Slide for the hypothetical alpha and hypothetical fee inputs used in the calculation methodology.



# Modeled Portfolio Changes

<b>Watertown Retirement System</b>		
<b>Investment Name</b>	<b>Current Target Allocation</b>	<b>Modeled Target Allocation</b>
<i>Cash</i>		
Cash	0.0%	0.0%
<i>Fixed Income</i>		
IRM Core Bond Fund LLC	23.5%	24.0%
BlackRock Strategic Income Opportunities K	7.0%	7.0%
Eaton Vance Trust CITY Yield Yield Fund	2.0%	2.0%
Brandywine Global Opportunistic Fixed Income	2.5%	2.0%
<i>Domestic Equity</i>		
PRIT Domestic Equity	10.0%	10.0%
Columbia US Contrarian Core Equity Fund	8.5%	11.0%
Wellington Small Cap 2000	5.0%	3.5%
<i>International Equity</i>		
Aristotle International Equity Collective Trust	4.75%	4.5%
MFS Instl International Equity Fund	4.75%	4.5%
Acadian Intl Small Cap Fund	1.5%	1.5%
Acadian Emerging Markets Equity	2.75%	2.5%
ABS Emerging Markets MA Fund LP	2.75%	2.5%
<i>Real Estate</i>		
Real Estate Portfolio	10.0%	10.0%
<i>Marketable Alternatives</i>		
PRIT Hedge Funds	5.0%	5.0%
<i>Private Equity</i>		
Private Equity Portfolio	10.0%	10.0%
<b>Investment Portfolio Total</b>	<b>100.0%</b>	<b>100.0%</b>





Watertown Retirement System		
	<u>1/1/2023</u>	<u>1/1/2022</u>
Actuarial Value of Assets	264,785,388	260,164,732
Total Accrued Liability	261,264,676	251,018,257
Funded Ratio	101.3%	103.6%
Actuarial Return Assumption	7.65%	7.70%

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Appendix:  
Frontier Engineer®  
Disclosures



# Historical Annual Total Return

<i>Annualized net returns as of 12/31/2023</i>	Fixed Income	Equity	Real Assets	Alternatives	Past 3 Months (Not Annualized)	1-Year Return	3-Year Return	5-Year Return	7-Year Return	10-Year Return	15-Year Return	20-Year Return	25-Year Return	30-Year Return	36-Year Return
Current Mix (A)	27%	49%	9%	16%	8.9%	14.0%	4.2%	9.0%	8.0%	7.3%	9.4%	7.8%	7.5%	8.5%	9.2%
Target Mix (B)	35%	40%	10%	15%	8.7%	12.8%	3.3%	8.0%	7.2%	6.7%	8.7%	7.5%	7.4%	8.2%	9.0%
Observation Mix (A)	35%	40%	10%	15%	8.6%	13.0%	3.6%	8.2%	7.3%	6.9%	8.8%	7.5%	7.4%	8.2%	9.0%
Cash	100%				1.4%	5.3%	2.2%	1.9%	1.8%	1.3%	0.9%	1.4%	1.8%	2.4%	3.0%
TIPS	100%				4.7%	3.9%	-1.0%	3.2%	2.5%	2.4%	3.5%	3.6%	4.8%	4.8%	5.8%
US Bond	100%				6.8%	5.5%	-3.3%	1.1%	1.3%	1.8%	2.7%	3.2%	3.9%	4.4%	5.4%
US Bonds - Dynamic	100%				4.9%	8.6%	0.8%	3.0%	2.7%	2.8%	4.4%	3.9%	4.1%	4.6%	5.6%
For. Dev. Bond	100%				7.9%	6.9%	-6.1%	-1.0%	0.3%	0.7%	1.4%	2.4%	3.0%	4.0%	4.7%
Global Bonds	100%				8.1%	5.7%	-5.5%	-0.3%	0.6%	0.4%	1.5%	2.4%	3.0%	3.9%	5.0%
HY Bond	100%				7.2%	13.4%	2.0%	5.4%	4.6%	4.6%	9.2%	6.6%	6.3%	6.7%	7.6%
EM Bond	100%				8.1%	12.7%	-3.2%	1.1%	1.9%	0.1%	2.7%	4.7%	6.6%	6.7%	7.7%
Global Equity		100%			11.1%	22.8%	6.2%	12.3%	10.6%	8.5%	10.8%	8.1%	6.4%	7.8%	8.1%
US Equity (AC)		100%			12.1%	26.0%	8.5%	15.2%	12.8%	11.5%	13.8%	9.7%	7.7%	10.0%	10.9%
US Equity (LC)		100%			11.7%	26.3%	10.0%	15.7%	13.4%	12.0%	14.0%	9.7%	7.6%	10.1%	10.9%
US Equity (MC)		100%			12.8%	17.2%	5.9%	12.7%	10.1%	9.4%	13.6%	9.8%	9.3%	10.6%	11.6%
US Equity (SC)		100%			14.0%	16.9%	2.2%	10.0%	7.3%	7.2%	11.3%	8.1%	7.9%	8.6%	9.7%
Non-US Equity (ACWI)		100%			9.8%	16.2%	2.0%	7.6%	6.8%	4.3%	7.2%	6.2%	5.2%	5.7%	5.9%
Int'l Dev. Equity		100%			10.5%	18.9%	4.5%	8.7%	7.4%	4.8%	7.4%	6.1%	4.9%	5.6%	5.8%
EM Equity		100%			7.9%	10.3%	-4.7%	4.1%	5.4%	3.0%	6.9%	7.2%	7.9%	4.8%	9.5%
Real Estate			100%		18.0%	11.4%	5.7%	7.6%	6.0%	8.0%	10.9%	8.3%	9.5%	9.5%	9.9%
Broad Real Assets			100%		8.9%	7.8%	3.9%	5.9%	4.8%	3.9%	6.9%	6.5%	8.4%	7.6%	6.6%
Marketable Alternatives				100%	3.1%	6.0%	2.1%	5.1%	4.1%	3.2%	3.8%	3.3%	4.4%	4.7%	6.9%
Private Equity				100%	0.0%	-0.2%	6.8%	13.3%	13.6%	12.6%	13.4%	13.0%	13.0%	15.1%	14.6%

<sup>1</sup>The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

<sup>2</sup>The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing.



# Calendar Year Total Return

Calendar Net Year Returns	Fixed Income	Equity	Real Assets	Alternatives	YTD 12/31/2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	
	Current Mix (A)	27%	49%	9%	16%	14%	-15%	17%	13%	20%	-3%	15%	8%	1%	8%	16%	13%	1%	15%	25%	-27%	7%	18%	10%	16%	25%	-8%	-5%	0%	25%	10%	17%	16%	21%	2%	20%	7%	24%	-6%	19%	18%
Target Mix (B)	35%	40%	10%	15%	13%	-15%	15%	13%	18%	-3%	13%	8%	1%	9%	13%	12%	2%	14%	23%	-24%	7%	17%	9%	15%	23%	-5%	-3%	2%	22%	8%	16%	15%	21%	2%	19%	8%	24%	-5%	18%	17%	
Observation Mix (A)	35%	40%	10%	15%	13%	-15%	15%	13%	19%	-3%	13%	8%	1%	9%	13%	12%	3%	14%	23%	-24%	7%	17%	9%	15%	23%	-6%	-3%	2%	22%	9%	17%	16%	21%	2%	19%	8%	23%	-4%	19%	17%	
Cash	100%				5%	2%	0%	1%	2%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	2%	5%	5%	3%	1%	1%	2%	4%	6%	5%	5%	5%	5%	6%	4%	3%	4%	6%	8%	9%	7%	
TIPS	100%				4%	-12%	6%	11%	8%	-1%	3%	5%	-1%	4%	-9%	7%	14%	6%	11%	-2%	12%	0%	3%	8%	8%	17%	8%	13%	2%	4%	3%	4%	18%	-3%	10%	7%	16%	9%	15%	8%	
US Bond	100%				6%	-13%	-2%	8%	9%	0%	4%	3%	1%	6%	-2%	4%	8%	7%	6%	5%	7%	4%	2%	4%	4%	10%	8%	12%	-1%	9%	10%	4%	18%	-3%	10%	7%	16%	9%	15%	8%	
US Bonds - Dynamic	100%				9%	-7%	1%	5%	8%	1%	4%	7%	-1%	3%	2%	7%	4%	7%	19%	-7%	4%	7%	3%	6%	10%	3%	6%	3%	3%	6%	9%	8%	14%	0%	10%	9%	21%	1%	15%	8%	
For. Dev. Bond	100%				7%	-18%	-6%	8%	7%	1%	6%	3%	-2%	4%	-2%	4%	5%	4%	3%	9%	8%	5%	-2%	9%	10%	14%	1%	4%	-1%	15%	3%	8%	19%	1%	14%	6%	14%	9%	0%	6%	
Global Bonds	100%				6%	-16%	-5%	9%	7%	-1%	7%	2%	-3%	1%	-3%	4%	6%	6%	7%	5%	9%	7%	-4%	9%	13%	17%	2%	3%	-5%	14%	4%	5%	20%	0%	11%	6%	16%	11%	15%	8%	
HY Bond	100%				13%	-11%	5%	7%	14%	-2%	8%	17%	-4%	2%	7%	16%	5%	15%	58%	-28%	2%	12%	3%	11%	29%	-1%	5%	-6%	2%	2%	13%	11%	19%	-1%	17%	16%	46%	-10%	1%	13%	
EM Bond	100%				13%	-12%	-9%	3%	13%	-6%	15%	10%	-15%	-6%	-9%	17%	-2%	16%	22%	-5%	18%	15%	6%	23%	17%	14%	10%	13%	20%	-8%	11%	38%	27%	-19%	17%	16%	46%	-10%	1%	13%	
Global Equity		100%			23%	-18%	19%	17%	27%	-9%	25%	8%	-2%	5%	23%	17%	-7%	13%	35%	-42%	12%	22%	11%	16%	35%	-19%	-16%	-14%	27%	22%	15%	13%	19%	5%	25%	-4%	20%	-16%	18%	24%	
US Equity (AC)		100%			26%	-19%	26%	21%	31%	-5%	21%	13%	0%	13%	34%	16%	1%	17%	28%	-37%	5%	16%	6%	12%	31%	-22%	-11%	-7%	21%	24%	32%	22%	37%	0%	11%	10%	34%	-5%	29%	18%	
US Equity (LC)		100%			26%	-18%	29%	18%	31%	-4%	22%	12%	1%	14%	32%	16%	2%	15%	26%	-37%	5%	16%	5%	11%	29%	-22%	-12%	-9%	21%	29%	33%	23%	38%	1%	10%	8%	30%	-3%	32%	17%	
US Equity (MC)		100%			17%	-17%	23%	17%	31%	-9%	19%	14%	-2%	13%	35%	17%	-2%	25%	40%	-41%	6%	15%	13%	20%	40%	-16%	-6%	8%	18%	10%	29%	19%	34%	-2%	14%	16%	42%	-11%	26%	20%	
US Equity (SC)		100%			17%	-20%	15%	20%	26%	-11%	15%	21%	-4%	5%	39%	16%	-4%	27%	27%	-34%	-2%	18%	5%	18%	47%	-20%	2%	-3%	21%	-3%	22%	16%	28%	-2%	19%	18%	46%	-19%	16%	25%	
Non-US Equity (ACWI)		100%			16%	-16%	8%	11%	22%	-14%	28%	5%	-5%	-3%	16%	17%	-13%	12%	42%	-45%	17%	27%	17%	21%	41%	-15%	-19%	-15%	31%	14%	2%	7%	10%	7%	35%	-11%	14%	-23%	12%	28%	
Int'l Dev. Equity		100%			19%	-14%	12%	8%	23%	-13%	26%	2%	0%	-4%	23%	18%	-12%	8%	32%	-43%	12%	27%	14%	21%	39%	-16%	-21%	-14%	27%	20%	2%	6%	12%	8%	33%	-12%	12%	-23%	11%	29%	
EM Equity		100%			10%	-20%	-2%	19%	19%	-14%	38%	12%	-15%	-2%	19%	-18%	19%	79%	-53%	40%	33%	35%	26%	56%	-6%	-2%	-31%	66%	-25%	-12%	6%	-5%	-7%	75%	11%	60%	-11%	65%	40%		
Real Estate			100%		11%	-25%	41%	-5%	29%	-4%	9%	3%	28%	3%	20%	8%	28%	28%	-38%	-16%	35%	12%	32%	37%	4%	14%	26%	-5%	-18%	20%	35%	15%	3%	20%	15%	36%	-15%	9%	13%		
Broad Real Assets			100%		8%	-10%	15%	1%	17%	-6%	11%	11%	-10%	5%	4%	14%	3%	15%	33%	-28%	11%	23%	10%	20%	26%	25%	-3%	38%	10%	-14%	2%	14%	14%	4%	4%	4%	4%	4%	-6%	2%	3%
Marketable Alternatives				100%	6%	-5%	6%	11%	8%	-4%	8%	1%	0%	3%	9%	5%	-6%	6%	11%	-21%	10%	10%	7%	7%	12%	1%	3%	4%	26%	-5%	16%	14%	11%	-3%	26%	12%	14%	18%	23%	19%	
Private Equity				100%	0%	-12%	40%	32%	16%	13%	16%	9%	8%	15%	23%	12%	12%	18%	10%	-20%	18%	25%	21%	22%	14%	-16%	-21%	10%	125%	21%	32%	33%	32%	14%	23%	14%	14%	4%	9%	9%	

Historical Returns for each Mix based on back-tested return calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns used are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. For additional information on forecast methodologies, please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing.



# Capital Market Assumptions

Return & Risk Assumptions (Forecasts)	Arithmetic Return	Geometric Return	Standard Deviation	Skewness	Kurtosis
Cash	5.4%	5.4%	0.0%	0	0
US Bond	5.9%	5.7%	7.3%	-0.50	1.68
US Bonds - Dynamic	6.7%	6.5%	6.4%	-0.96	6.34
HY Bond	8.6%	7.7%	13.5%	-1.10	8.35
Global Bonds	6.1%	5.6%	9.8%	-0.27	1.12
US Equity (LC)	7.9%	6.5%	16.6%	-0.55	0.79
US Equity (SC)	8.3%	6.0%	21.3%	-0.44	1.10
Int'l Dev. Equity	10.6%	8.2%	21.7%	-0.52	1.25
EM Equity	14.2%	10.1%	28.4%	-0.61	1.96
Private Real Estate	8.4%	8.0%	9.0%	-0.75	6.78
Marketable Alternatives	8.7%	8.3%	8.7%	-0.81	5.02
Private Equity	12.2%	9.5%	23.2%	0.00	0.00

Correlation Assumptions (Forecasts)	Cash	US Bond	US Bonds - Dynamic	HY Bond	Global Bonds	US Equity (LC)	US Equity (SC)	Int'l Dev. Equity	EM Equity	Private Real Estate	Marketable Alternatives	Private Equity
Cash	1	0	0	0	0	0	0	0	0	0	0	0
US Bond	0	1.00	0.57	0.33	0.74	0.22	0.13	0.19	0.11	0.23	0.12	-0.08
US Bonds - Dynamic	0	0.57	1.00	0.94	0.53	0.61	0.59	0.56	0.57	0.61	0.50	0.18
HY Bond	0	0.33	0.94	1.00	0.34	0.62	0.64	0.56	0.59	0.62	0.53	0.22
Global Bonds	0	0.74	0.53	0.34	1.00	0.29	0.19	0.45	0.32	0.37	0.18	-0.02
US Equity (LC)	0	0.22	0.61	0.62	0.29	1.00	0.84	0.70	0.66	0.61	0.59	0.36
US Equity (SC)	0	0.13	0.59	0.64	0.19	0.84	1.00	0.63	0.66	0.66	0.63	0.36
Int'l Dev. Equity	0	0.19	0.56	0.56	0.45	0.70	0.63	1.00	0.71	0.52	0.59	0.32
EM Equity	0	0.11	0.57	0.59	0.32	0.66	0.66	0.71	1.00	0.46	0.67	0.30
Private Real Estate	0	0.23	0.61	0.62	0.37	0.61	0.66	0.52	0.46	1.00	0.38	0.19
Marketable Alternatives	0	0.12	0.50	0.53	0.18	0.59	0.63	0.59	0.67	0.38	1.00	0.50
Private Equity	0	-0.08	0.18	0.22	-0.02	0.36	0.36	0.32	0.30	0.19	0.50	1.00

October 31, 2023 Ten-Year Forecasted CMAs

\*Historical mix return calculations assume a weighted average excess return assumption of 0.5% with a Fiducient Advisors' hypothetical fee of 0.25%.

For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary slide at the end of this presentation for summary of indexes used to represent each asset class. Past performance does not indicate future performance. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information.



# Indices for Past Return & Risk Metrics

Indices used to generate historical risk and return metrics	Most Recent Index	Index Dates			Linked Index 1	Index Dates			Linked Index 2	Index Dates			Linked Index 2	Index Dates		
Cash	FTSE Treasury Bill 3 Mon USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Bond	Bloomberg US Agg Bond TR USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Bonds - Dynamic	*Custom Blend of Indices	12/23	-	2/90	Bloomberg US Agg Bond TR USD	1/90	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
HY Bond	Bloomberg US Corporate High Yield TR USD	12/23	-	7/83	Bloomberg US Agg Bond TR USD	6/83	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Global Bonds	Bloomberg Global Aggregate TR USD	12/23	-	2/90	Bloomberg US Agg Bond TR USD	1/90	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Equity (LC)	S&P 500 TR USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Equity (SC)	Russell 2000 TR USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Int'l Dev. Equity	MSCI EAFE GR USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
EM Equity	MSCI EM GR USD	12/23	-	1/88	MSCI EAFE GR USD	12/87	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Private Real Estate	Wilshire US RESI TR USD	12/23	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Marketable Alternatives	HFRI Fund of Funds Composite USD	12/23	-	1/90	HFN Hedge Fund Aggregate Average	12/89	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Private Equity	Cambridge PE 67% Buy out v.s. 33% Venture	12/23	-	4/86	Russell 2000 TR USD	3/86	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.

\*US Bonds - Dynamic Index - 1/3 Bloomberg Gbl Agg Ex USD TR Hdg USD, 1/3 FTSE Treasury Bill 3 Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD

Note: Private Equity Index is frequently 3-6 months behind the other indices. For historical return calculation purposes, it is given 0% returns during the most recent period where gaps may exist. Past performance, actual or hypothetical, is no guarantee of future results and there is a possibility of a loss. Please see Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class.



# Frontier Engineer® Hypothetical Performance Disclosures

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The historical performance information derived from the Frontier Engineer and used or presented in charts, tables, or graphs represent simulated historical performance, which has been derived by retroactively applying an asset allocation modeling process in its most recently developed form with its most recently derived ten-year (forward-looking) capital market assumptions. Such historical return simulations (or back testing) was performed by simulating the combination of actual index returns for the historical period with a buy and hold strategy effective January 1, 1988 through the most recently available month-end date with simulated rebalancing occurring every month-end (with the reinvestment of dividends and capital gains from each index).

Back tested performance is hypothetical and does not reflect actual trades or actual client performance. As with all models, there are inherent limitations which are derived from the retroactive application developed with the benefit of hindsight, including the risk that certain factors such as material economic and market conditions could have contributed to materially different (either higher or lower) performance results than those depicted, or that certain material factors may have been included or excluded from consideration. As such, actual results during the applicable back tested period would have been different than those depicted.

The asset allocation modeling process currently used was initially developed in 2002, and was not offered as a strategy prior to that time. The output of a forward-looking model (or process) is a representation of allocation percentages among specific asset classes. Clients cannot invest directly in a target allocation, but rather, in underlying securities within designated asset classes. Advisor may change its models from time to time, and regularly updates its model as additional capital market assumption information becomes available or to increase or decrease relative weightings or emphasis on certain factors. Consequently, the Advisor may choose to deviate from a stated model over time as the model itself is revised, which could have a materially positive or negative impact on performance.

During the period represented, numerous modelling changes were made, including the regular changes in (ten-year) forward-looking expected returns, expected volatilities, expected non-normal return distribution assumptions, as well as tracking-error assumptions and risk budgets. Furthermore, such assumptions can be modified client-by-client depending on certain preferences, priorities, constraints or unique considerations applicable to each client.

Other economic and market factors may have impacted decision-making when using the model to manage client funds, including the list of approved asset classes by a client or client type as well as any client-directed or Advisor implemented constraints.

All investments bear the risk of loss, including the loss of principal. Past performance, actual or hypothetical, is no guarantee of future results.

The hypothetical annual Fiducient Advisors' fee is divided by 12 and subtracted from the historical monthly (index) returns. The hypothetical excess return assumption is divided by 12 and added to the historical monthly (index) returns. Furthermore, for forecasted total portfolio (index-based) annual returns based on capital market assumptions, the annual Fiducient Advisors' fee assumption is subtracted from the hypothetical annual manager excess return assumption. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.



## **INDEX DEFINITIONS**

**FTSE Treasury Bill 3 Month** measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

**Bloomberg Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

**Bloomberg Muni 5 Year Index** is the 5 year (4-6) component of the Municipal Bond index.

**Bloomberg High Yield Municipal Bond Index** covers the universe of fixed rate, non-investment grade debt.

**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.

**FTSE World Government Bond Index (WGBI) (Unhedged)** provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries,

**FTSE World Government Bond Index (WGBI) (Hedged)** is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

**Bloomberg US Corporate High Yield TR USD** 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 Index (GBI-EMI)** 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.

**JPMorgan EMBI Global Diversified** is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

**MSCI ACWI** is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.

**The S&P 500** is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**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 Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.

**Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.

**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. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

**MSCI Emerging Markets** captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country

**The Wilshire US Real Estate Securities Index (Wilshire US RESI)** is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.

**Alerian MLP Index** is a 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.

**Bloomberg Commodity Index (BCI)** 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.

**Treasury Inflation-Protected Securities (TIPS)** are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.

**HFRI Fund of Funds Composite** is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.

**Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture)** 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.

**HFN Hedge Fund Aggregate Average** is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.

**Goldman Sachs Commodity Index (GSCI)** is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.



# 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 ACWI ex 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.
- **Market 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 the 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 it by 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 Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or settlement 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 correlations 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 Fiducient 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 impact 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 borrow.

**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 you 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.