Retirement Board

Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom

Please click the link below to join the webinar:
https://zoom.us/j/99989086762
Or Telephone: +1 309 205 3325 US
Webinar ID: 999 8908 6762

1. Agenda

Subject	**1.1. Motion to adopt agenda**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	1. Agenda
Department	Retirement Administration
Type	Action Procedural
Recommended Action	Motion to adopt agenda

2. Public Forum

Subject	**2.1. Verbal Comments**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	2. Public Forum
Department	Retirement Administration
Type	Action Procedural

3. Approve Minutes from December 18, 2023

Subject	**3.1. Approve Minutes from December 18, 2023**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	3. Approve Minutes from December 18, 2023
Department	Retirement Administration
Type	Action Information Minutes

4. Approve Return of Contributions

Subject	**4.1. Bartlet, Sherman, Class B $575.90, Effective Date of Benefit: 01/01/2024**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Bartlet, Sherman
Subject	**4.2. Kenneth Cs Martel, Class B $363.91, Effective Date of Benefit: 02/01/2024**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Kenneth Cs Martel
Subject	**4.3. Malik A. Mines, Class B $6,064.02, Effective Date of Benefit: 02/01/2024**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Malik A. Mines
Subject	**4.4. Clayton D. Ellwood, Class B $7,757.98, Effective Date of Benefit: 02/01/2024**

Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Clayton D. Ellwood

Subject	**4.5. Corey Souza, Class A $27,732.56, Effective Date of Benefit: 02/01/2024**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Corey Souza

Subject	**4.6. Jeffrey Padgett, Class B $14,965.30, Effective Date of Benefit: 12/01/2023**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Corey Souza

5. Approve Retirement Applications

Subject	**5.1. Chris A. Charbonneau, Class B $2,972.88, Effective Date of Benefit: 12/01/2023, Payment Date: 12/15/2023**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Chris A. Charbonneau

Subject	**5.2. Lisa Craver, Class B $90.63. Effective Date of Benefit: 02/01/2024, Payment Date: 02/15/2024**

Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Lisa Craver

Subject	**5.3. Richard W. Haesler, Class B $1,810.05, Effective Date of Benefit: 02/01/2024, Payment Date: 02/15/2024**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Richard Haesler

6. Administrative Update

Subject	**6.1. Linda Tang pension benefit calculation**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	6. Administrative Update
Department	Retirement Administration
Type	Discussion Information

7. Fiducient

Subject	**7.1. Investment Review as of 12/31/2023**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	7. Fiducient
Department	Retirement Administration
Type	Information Discussion

Subject	**7.2. Fiducient's 2024 Outlook & Capital Market Assumptions**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	7. Fiducient
Department	Retirement Administration

Type	Discussion Information

8. Adjournment

Subject	**8.1. Motion to adjourn**
Meeting	January 22, 2024 - Retirement Board Meeting - Monday, January 22, 2024, 9:30 AM, City Hall, 149 Church Street, 1st Floor, Bushor Conference Room or via Zoom
Category	8. Adjournment
Department	Retirement Administration
Type	Action Procedural
Recommended Action	Motion to adjourn

BURLINGTON RETIREMENT BOARD
CITY HALL, 1ST FLOOR BUSHOR CONF ROOM
OR
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
December 18, 2023

MEMBERS PRESENT:	Robert Hooper (Chair) Munir Kasti (Vice Chair) Kyle Blake Tom Chenette David Mount Katherine Schad Matt Dow
MEMBERS ABSENT:	Patrick Robins
OTHERS PRESENT:	Hayley McClenahan Kate Pizzi Chris Rawlins

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:30 AM.

MOTION by Kyle Blake, SECOND by David Mount, to adopt the agenda.

VOTING: unanimous; motion carries (Matt Dow absent for vote).

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None.

3.0 APPROVE MINUTES

3.1 November 20, 2023

MOTION by Kyle Blake, SECOND by David Mount, to approve the minutes of November 20, 2023 with corrections to the start and end times of the meeting.

VOTING: unanimous; motion carries (Matt Dow absent for vote).

4.0 APPROVE RETURN OF CONTRIBUTIONS

4.1 Kyle Clauss, Class B, $3,360.11, Effective Date of Benefit: 12/01/2023

MOTION by Munir Kasti, SECOND by Kyle Blake, to approve the return of contributions for Kyle Clauss.

VOTING: unanimous; motion carries (Matt Dow absent for vote).

5.0 APPROVE RETIREMENT APPLICATIONS

5.1 Benjamin R. O'Brien, Class A $7,774.34, Effective Date of Benefit: 12/01/2023, Payment Date: 12/15/2023

MOTION by Munir Kasti, SECOND by David Mount, to approve the retirement application for Benjamin R. O'Brien.

VOTING: unanimous; motion carries.

6.0 ADMINISTRATIVE UPDATE

6.1 Hooker & Holcombe/USI Consulting Group final 2023 Experience Study Report
Chief Administrative Officer Schad noted that the City has received the official copy of the Experience Study Report, but that there is one more decision before the BERS Board prior to accepting the report. She noted that at the November meeting, all changes recommended through the Experience Study Report were accepted except for the rate of return. She asked whether the Board would like to discuss further or whether the Board is ready for a motion.

Chair Hooper noted that the BERS Board had previously adopted a 5-year rate of return assumption that would drop the rate of return down to 7.0% in 2023, but that the Experience Study is now recommending that the rate of return be 7.1% for 2023. Mr. Blake noted that if they drop the rate of return down to 7.0%, they will experience a notable increase in cost that will be felt across the board. Chief Administrative Officer Schad said that she can see the benefits of staying with the 5-year rate of return plan, but that she also sees the benefit of using updated assumptions from the experience study, which shows that the market can support an assumed 7.1% rate of return. She said that she would be supportive of staying at 7.1%. Mr. Blake expressed concern that if the market underperforms, then the burden will be shouldered by employees. Ms. Pizzi noted that the expected rate of return for 2023 was 8% (at the 50th percentile), and said that going back to 2008, on average, the annual return has been 5% per year. She said that they have seen public plans pausing on reducing their rate of return assumptions and exploring resetting the baseline for them, since the rate of return has been higher than anticipated over the last ten years. She said that from her perspective, the investment returns can support that 7.1%, though there could be implications with the actuaries in deviating from the 5-year plan which would decrease the assumption to 7.0%. She noted that the goal is to ensure that the expected rate of return is as close as possible to the actual rate of return.

MOTION by Kyle Blake, SECOND by Katherine Schad, to pause the expected rate of return assumption at 7.1% for 2023.
DISCUSSION:

- **Mr. Kasti asked whether the rate of employee contribution would stay the same as it is right now, if the assumption is paused at 7.1% rate of return. Ms. Pizzi replied that the difference between the current ($13.06) and the proposed ($12.97) contributions at a 7.1% assumed rate of return is that the mortality assumption has been updated in the proposed, which carried through to the contribution calculation.**
- **Mr. Blake said that it sounds like a number of municipalities are also pausing their decreases in rate of return assumptions for their plans.**
- **Mr. Mount clarified that this is the year that the rate of return would have decreased to 7.0%, based on the five-year plan adopted five years ago, and that next year they will need to revisit the rate of return assumption again.**

VOTING: 6-1; motion carries (Mr. Kasti dissenting).

7.0 FIDUCIENT FLASH REPORT

7.1 Fiducient Flash Report
Mr. Rawlins began by speaking about November market performance. He said that for context, much of the fall saw that fixed income and equities were being sold off in September and October, anticipating a longer rate profile and a potential rate hike at the end of the quarter. He said that in the first week of November, interest rates dropped sharply as the Federal Reserved deemed inflation to be under control, which led to rallying in fixed-income and equities markets. He noted strong performance in the U.S. core bond, high yield municipals, and U.S. long duration bonds. He also noted strong performance in equities, specifically in U.S. large cap, U.S. small cap, international developed, and emerging markets. He noted that December will also likely be a low interest rate environment as well. He then went into further detail about each asset class.

Ms. Pizzi then spoke about how this capital market performance translated to the BERS portfolio specifically. She noted that the portfolio's total value at the end of November was $223.67 million, representing a monthly gain of 7.3% or $15.2 million and a fiscal year-to-date increase of 1.0%. She spoke about total allocations and benchmark allocations, noting some rebalancing in September, and said that they are in line with target allocations in everything except for real assets, and speaking briefly about the UBS Trumbell redemption pool. She spoke in more detail about the allocations within each asset class. She noted that two thirds of the allocation for fixed income is in core bonds and the remaining third is in the BlackRock Strategic Income Opportunities Manager, which has been performing extremely well this year (despite inflation volatility). She spoke in more detail about equities, noting that domestic and global equities are indexed, and spoke briefly about the decreasing allocation to the UBS Trumbell Property Fund. She spoke further about manager performance after fees, noting how they have performed and where they have protected the portfolio during more volatile months. She also noted that as of December 15, the portfolio has further increased to $231 million or 3.5%, as the rally continues.

Mr. Blake asked whether employees have the ability to buy in to the pension. Assistant City Attorney McClenahan replied that the pension plan does not allow for buying in, either through ordinance or through the various union contracts. She noted that the State pension plan does allow for buy-in, but there is no provision for buying credit or rolling in other pension funds within the BERS plan. Mr. Blake said he would like to explore how other systems do that and whether the BERS system could potentially do that in future. Chief Administrative Officer Schad said that they could ask their contracted actuaries to run some initial analyses on this. Mr. Blake asked whether employees have the ability to refuse participating in the pension, and Chief Administrative Officer Schad replied that no, it is mandatory. Assistant City Attorney McClenahan noted that the ordinance has provisions for a pension waiver at the City Council level, but to her knowledge, it hasn't been exercised. Mr. Blake expressed interest in exploring this option as well. He noted that both of these questions have come up as the Fire Department is exploring how to recruit and attract more talent and executives.

8.0 ADJOURN

8.1 Motion to Adjourn

The meeting adjourned at 10:30 AM.

RScty: AACoonradt

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Bartlet Sherman

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	**Bartlet Sherman**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	06/01/2022	Post-Tax Employee Contributions:	$0.00
Date of Termination:	08/02/2022	Normal Retirement Date (NRD):	08/23/2051
Beneficiary Date of Birth:		Payment Start Date:	01/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2022	Contributions	$225.72	$225.72
06/30/2022	Interest at 2%	$0.00	$225.72
08/02/2022	Contributions	$340.99	$566.71
06/30/2023	Interest at 2%	$4.51	$571.22
12/31/2023	Interest at 2%	$5.68	$576.90

(1)	Pre-Tax Employee Contributions (Taxable):	$566.71
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$10.19
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$576.90}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$576.90	$576.90	0.00

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Information Used in Determination

Participant Name:	**Kenneth Cs Martel**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	12/07/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	03/12/2021	Normal Retirement Date (NRD):	01/28/2058
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
03/12/2021	Contributions	$345.76	$345.76
06/30/2021	Interest at 2%	$0.00	$345.76
06/30/2022	Interest at 2%	$6.92	$352.68
06/30/2023	Interest at 2%	$7.05	$359.73
01/31/2024	Interest at 2%	$4.18	$363.91

(1)	Pre-Tax Employee Contributions (Taxable):	$345.76
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$18.15
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$363.91}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$363.91	$363.91	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Malik A. Mines

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Information Used in Determination

Participant Name:	**Malik A. Mines**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	07/07/2020	Post-Tax Employee Contributions:	$0.00
Date of Participation:	08/10/2020	Normal Retirement Date (NRD):	04/13/2060
Date of Termination:	10/20/2023	Payment Start Date:	02/01/2024
Beneficiary Date of Birth:	N/A	Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2021	Contributions	$1,409.98	$1,409.98
06/30/2021	Interest at 2%	$0.00	$1,409.98
06/30/2022	Contributions	$1,445.18	$2,855.16
06/30/2022	Interest at 2%	$28.20	$2,883.36
06/30/2023	Contributions	$2,418.00	$5,301.36
06/30/2023	Interest at 2%	$57.67	$5,359.03
10/20/2023	Contributions	$642.73	$6,001.76
01/31/2024	Interest at 2%	$62.26	$6,064.02

(1) Pre-Tax Employee Contributions (Taxable): $5,915.89

(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter): $148.13

(3) Total Return of Employee Contributions with Interest: $6,064.02

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$6,064.02	$6,064.02	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Clayton D. Ellwood

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Information Used in Determination

Participant Name:	**Clayton D. Ellwood**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	07/22/2019	Post-Tax Employee Contributions:	$0.00
Date of Termination:	09/21/2023	Normal Retirement Date (NRD):	10/22/2061
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2020	Contributions	$1,568.64	$1,568.64
06/30/2020	Interest at 2%	$0.00	$1,568.64
06/30/2021	Contributions	$1,741.93	$3,310.57
06/30/2021	Interest at 2%	$31.37	$3,341.94
06/30/2022	Contributions	$1,776.83	$5,118.77
06/30/2022	Interest at 2%	$66.84	$5,185.61
06/30/2023	Contributions	$1,955.74	$7,141.35
06/30/2023	Interest at 2%	$103.71	$7,245.06
09/21/2023	Contributions	$428.74	$7,673.80
01/31/2024	Interest at 2%	$84.18	$7,757.98

(1)	Pre-Tax Employee Contributions (Taxable):	$7,471.88
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$286.10
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$7,757.98}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$7,757.98	$7,757.98	0.00

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Information Used in Determination

Participant Name:	**Corey Souza**	Class:	A
Date of Birth:		Department:	Fire Union
Date of Hire:	03/16/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	11/04/2023	Normal Retirement Date (NRD):	03/16/2045
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2020	Contributions	$1,579.06	$1,579.06
06/30/2020	Interest at 2%	$0.00	$1,579.06
06/30/2021	Contributions	$6,074.44	$7,653.50
06/30/2021	Interest at 2%	$31.58	$7,685.08
06/30/2022	Contributions	$7,618.34	$15,303.42
06/30/2022	Interest at 2%	$153.70	$15,457.12
06/30/2023	Contributions	$8,257.65	$23,714.77
06/30/2023	Interest at 2%	$309.14	$24,023.91
11/04/2023	Contributions	$3,429.53	$27,453.44
01/31/2024	Interest at 2%	$279.12	$27,732.56

(1)	Pre-Tax Employee Contributions (Taxable):	$26,959.02
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$773.54
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$27,732.56}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$27,732.56	$27,732.56	0.00

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Information Used in Determination

Participant Name:	**Jeffrey Padgett**	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	07/13/2020	Post-Tax Employee Contributions:	$0.00
Date of Termination:	08/29/2023	Normal Retirement Date (NRD):	11/26/2034
Beneficiary Date of Birth:		Payment Start Date:	12/01/2023
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2021	Contributions	$3,805.20	$3,805.20
06/30/2021	Interest at 2%	$0.00	$3,805.20
06/30/2022	Contributions	$5,169.48	$8,974.68
06/30/2022	Interest at 2%	$76.10	$9,050.78
06/30/2023	Contributions	$4,896.93	$13,947.71
06/30/2023	Interest at 2%	$181.02	$14,128.73
08/29/2023	Contributions	$719.51	$14,848.24
11/30/2023	Interest at 2%	$117.06	$14,965.30

(1)	Pre-Tax Employee Contributions (Taxable):	$14,591.12
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$374.18
(3)	Total Return of Employee Contributions with Interest:	$14,965.30

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$14,965.30	$14,965.30	0.00

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - School — Chris A. Charbonneau

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	**Chris A. Charbonneau**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	10/25/1993	Vesting Percentage:	100.0000%
Date of Termination:	11/20/2023	Normal Retirement Date (NRD):	03/14/2025
Beneficiary Date of Birth:		Payment Start Date:	12/01/2023
		Employee Contribution Balance w/ Interest as of 12/01/2023:	$35,510.86

Earnings

Average Final Compensation*: $61,303.92

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)			30.08333
(2)	Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]			12.66667
(3)	Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]			12.33333
(4)	Years of CS in excess of 25 years			5.08333
	COLA Option	Full COLA	Half COLA	No COLA
(5)	Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6)	Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7)	Accrual Rate in excess of 25 years	0.500%	0.500%	0.500%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	42.5417%	48.8083%	55.0750%
(9)	Monthly Vested Benefit Payable at NRD *= (8) x Average Final Compensation/12 x Vesting Percentage*	$2,173.31	$2,493.45	$2,813.59
(10)	Early Retirement Reduction Factor	0.9733	0.9733	0.9733
(11)	Monthly Vested Benefit Payable at Payment Start Date = (9) x (10)	$2,115.28	$2,426.87	$2,738.47

Benefit Options Available

		Full COLA		Half COLA		No COLA	
Form of Payment	Option Factor	Initial Benefit	Survivor's Benefit(1)	Initial Benefit	Survivor's Benefit(1)	Initial Benefit	Survivor's Benefit(1)
Straight Life Annuity	1.0856	$2,296.35	**	$2,634.61	**	$\boxed{\$2,972.88}$	**
10 Year Certain & Life Annuity	1.0000	$2,115.28	$2,115.28	$2,426.87	$2,426.87	$2,738.47	$2,738.47
100% Joint & Survivor Annuity	0.8655	$1,830.77	$1,830.77	$2,100.46	$2,100.46	$2,370.15	$2,370.15
50% Joint & Survivor Annuity	0.9631	$2,037.23	$1,018.62	$2,337.32	$1,168.66	$2,637.42	$1,318.71
100% Joint & Survivor Pop-Up Annuity	0.8511	$1,800.31	$1,800.31	$2,065.51	$2,065.51	$2,330.71	$2,330.71
50% Joint & Survivor Pop-Up Annuity	0.9569	$2,024.11	$1,012.06	$2,322.27	$1,161.14	$2,620.44	$1,310.22
Return of Employee Contributions	N/A	$35,510.86	N/A	$35,510.86	N/A	$35,510.86	N/A

(1) **Survivor Benefits**: for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the three highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - Other — Lisa Craver

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Regular Service

Information Used in Benefit Determination

Participant Name:	**Lisa Craver**	Class:	B
Date of Birth:		Department:	Other
Date of Hire:	09/24/1979	Vesting Percentage:	79.1667%
Date of Termination:	01/03/1988	Normal Retirement Date (NRD):	01/28/2023
Beneficiary Date of Birth:		Payment Start Date:	02/01/2023
		Employee Contribution Balance w/ Interest as of 02/01/2023:	N/A

Earnings

Average Final Compensation*: $15,935.93

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)	7.91667
(2)	Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	7.91667
(3)	Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(4)	Years of CS in excess of 25 years	N/A
	COLA Option	Full COLA
(5)	Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.200%
(6)	Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.200%
(7)	Accrual Rate in excess of 25 years	0.500%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	9.5000%
(9)	Monthly Vested Benefit Payable at Payment Start Date *= (8) x Average Final Compensation/12 x Vesting Percentage*	$99.88
(10)	Early Retirement Reduction Factor	1.0000
(11)	Monthly Vested Benefit Payable at Payment Start Date = (9) x (10)	$99.88

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit[1]
Straight Life Annuity	1.0941	$109.28	**
10 Year Certain & Life Annuity	1.0000	$99.88	$99.88
100% Joint & Survivor Annuity	0.9074	$90.63	$90.63
50% Joint & Survivor Annuity	0.9920	$99.08	$49.54
100% Joint & Survivor Pop-Up Annuity	0.8911	$89.00	$89.00
50% Joint & Survivor Pop-Up Annuity	0.9897	$98.85	$49.43
Return of Employee Contributions	N/A	N/A	N/A

(1) **Survivor Benefits**: for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the three highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - AFSCME Local 1343 — Richard W. Haesler

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	**Richard W. Haesler**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	01/17/2008	Vesting Percentage:	100.0000%
Date of Termination:	01/03/2024	Normal Retirement Date (NRD):	10/06/2024
Beneficiary Date of Birth:	N/A	Payment Start Date:	02/01/2024
		Employee Contribution Balance w/ Interest as of 02/01/2024:	$57,400.45

Earnings

Average Final Compensation*: $90,681.35

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)	16.00000
(2)	Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(3)	Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	16.00000
(4)	Years of CS in excess of 25 years	N/A
	COLA Option	Full COLA
(5)	Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.400%
(6)	Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.400%
(7)	Accrual Rate in excess of 25 years	0.500%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	22.4000%
(9)	Monthly Vested Benefit Payable at NRD *= (8) x Average Final Compensation/12 x Vesting Percentage*	$1,692.72
(10)	Early Retirement Reduction Factor	0.9850
(11)	Monthly Vested Benefit Payable at Payment Start Date = (9) x (10)	$1,667.33

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit[1]
Straight Life Annuity	1.0856	$1,810.05	**
10 Year Certain & Life Annuity	1.0000	$1,667.33	$1,667.33
100% Joint & Survivor Annuity	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A
Return of Employee Contributions	N/A	$57,400.45	N/A

(1) **Survivor Benefits**: for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the three highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - IBEW Local 300 — Linda L. Tang

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	**Linda L Tang**	Class:	B
Date of Birth:		Department:	IBEW Local 300
Date of Hire:	10/03/1994	Vesting Percentage:	100.0000%
Date of Termination:	07/27/2022	Normal Retirement Date (NRD):	10/05/2025
Beneficiary Date of Birth:		Payment Start Date:	08/01/2022
		Employee Contribution Balance w/ Interest as of 08/01/2022:	$60,108.08

Earnings

Average Final Compensation*: $95,321.88

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)	27.83333
(2)	Years of CS on or prior to 05/04/2008 [(2) + (3) is not to exceed 25 years]	13.58333
(3)	Years of CS after 05/04/2008 [(2) + (3) is not to exceed 25 years]	11.41667
(4)	Years of CS in excess of 25 years	2.83333

	COLA Option	Full COLA	Half COLA	No COLA
(5)	Accrual Rate on or prior to 05/04/2008 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6)	Accrual Rate after 05/04/2008 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7)	Accrual Rate in excess of 25 years	0.500%	1.800%	2.000%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	41.4167%	51.4583%	58.3833%
(9)	Monthly Vested Benefit Payable at NRD *= (8) x Average Final Compensation/12 x Vesting Percentage*	$3,289.93	$4,087.59	$4,637.67
(10)	Early Retirement Reduction Factor	0.9350	0.9350	0.9350
(11)	Monthly Vested Benefit Payable at Payment Start Date (9) x (10)	$3,076.08	$3,821.89	$4,336.22

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit (1)	Half COLA Initial Benefit	Half COLA Survivor's Benefit (1)	No COLA Initial Benefit	No COLA Survivor's Benefit (1)
Straight Life Annuity	1.0686	$3,287.10	**	$4,084.08	**	$4,633.69	**
10 Year Certain & Life Annuity	1.0000	$3,076.08	$3,076.08	$3,821.89	$3,821.89	$4,336.22	$4,336.22
100% Joint & Survivor Annuity	0.9419	$2,897.36	$2,897.36	$3,599.84	$3,599.84	$4,084.29	$4,084.29
50% Joint & Survivor Annuity	1.0000	$3,076.08	$1,538.04	$3,821.89	$1,910.95	$4,336.22	$2,168.11
100% Joint & Survivor Pop-Up Annuity	0.9241	$2,842.61	$2,842.61	$3,531.81	$3,531.81	$4,007.11	$4,007.11
50% Joint & Survivor Pop-Up Annuity	0.9977	$3,069.01	$1,534.50	$3,813.10	$1,906.55	$4,326.25	$2,163.13
Return of Employee Contributions	N/A	$60,108.08	N/A	$60,108.08	N/A	$60,108.08	N/A

(1) **Survivor Benefits**: for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

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FIDUCIENT
Advisors
Helping Clients Prosper

City of Burlington Employees Retirement System

Quarterly Investment Review - Fourth Quarter 2023

Table of Contents

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.

Q1
Governance

- **Investment Review**
- **Investment Policy Review**
- **Fiduciary Training**

Q2
Fee Focus

- **Investment Review**
- **Portfolio Expense and Liquidity Review***

Q3
Municipal Landscape

- **Investment Review**
- **Municipal Landscape Update**
- **Annual Actuarial Review**

Q4
Asset Allocation Focus

- **Investment Review**
- **Capital Markets Assumptions**
- **Asset Allocation Review**

Fiduciary Trail® Fiduciary Lockbox®

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

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

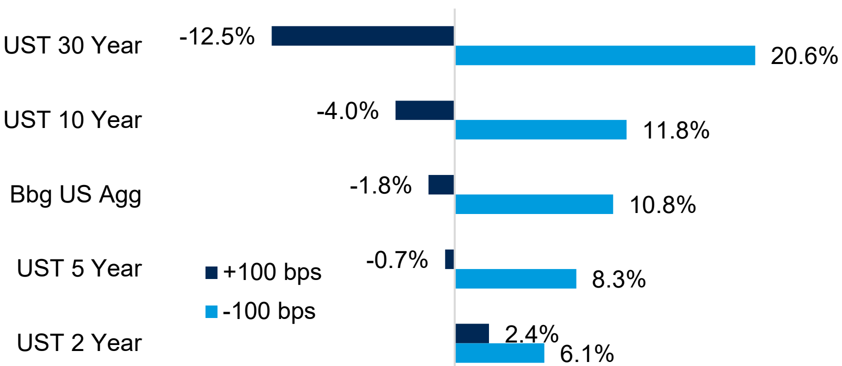
Market volatility and recessions are a normal part of investing. Recessions, on average, since 1980 occur every six and a half years. As long-term investors we should not seek to predict and avoid them, but prepare for their inevitable arrival.

Environment	-5% or more	-10% or more	-15% or more	-20% or more	Recession[1]
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

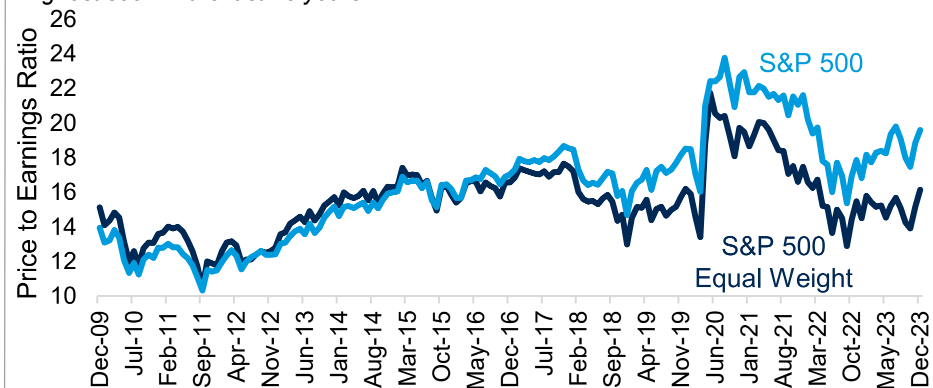
Rangebound inflation increases the probability of rates moving lower. This creates an attractive risk/reward for intermediate duration fixed income.



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

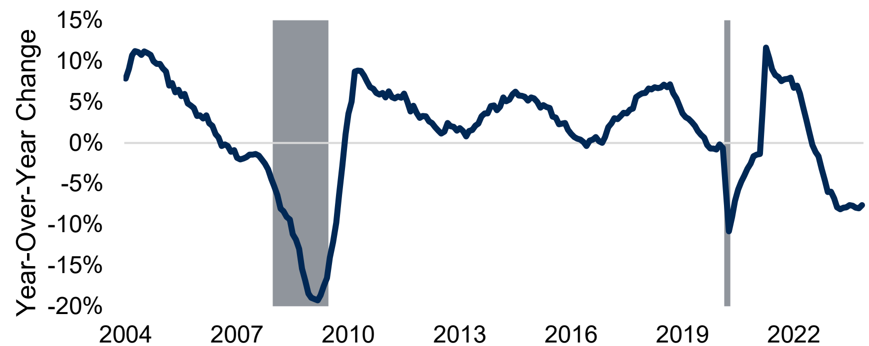
Real U.S. Federal Funds Rate

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

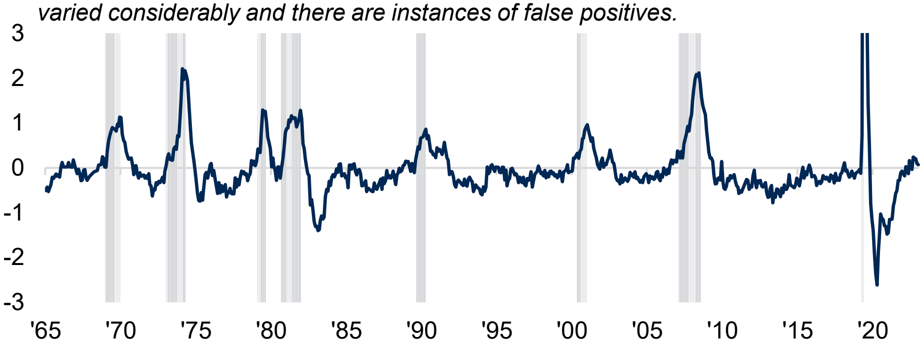
While some economic data remains positive the LEI Index has remained in negative territory since July 2022 signaling the potential for an economic slowdown.



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

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

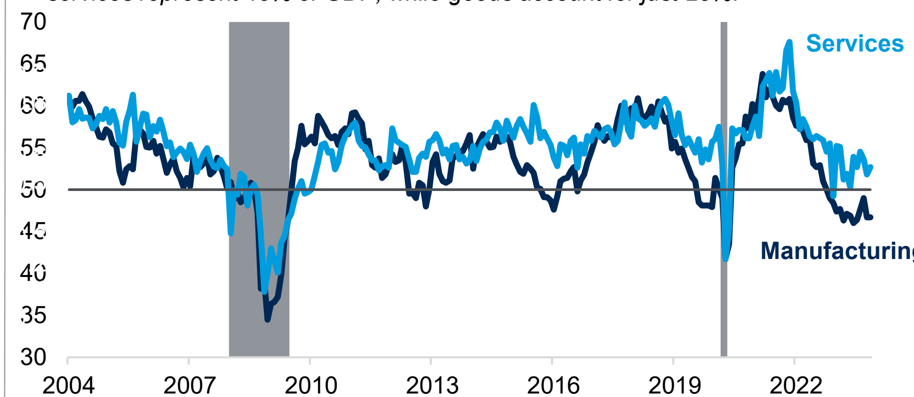
The U.S. labor market remains on solid foundation. However, the current level of unemployment is above the 12-month moving average. This has historically preceded a period of economic weakness; however, the timing of the onset has varied considerably and there are instances of false positives.



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.

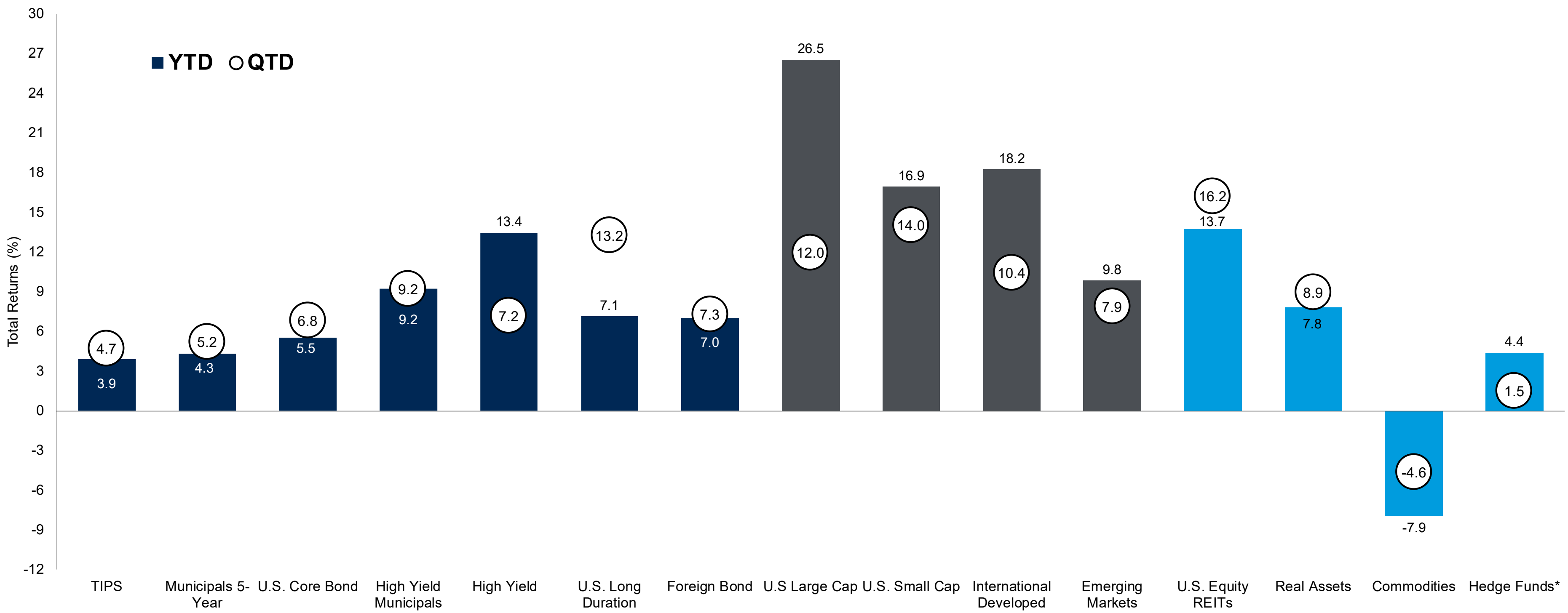
U.S. Manufacturing and Services PMI Levels

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.

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

Asset Allocation

Total Plan | **As of December 31, 2023**

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	**233,683,241**	**100.0**	**100.0**	**0.0**
Prepaid Pension Benefits	-550,715	-0.2	0.0	-0.2
Total Invested Assets	**234,233,956**	**100.2**	**100.0**	**0.2**
Short Term Liquidity	**405,103**	**0.2**	**0.0**	**0.2**
Key Bank Cash Portfolio	48,552	0.0	0.0	0.0
First American Govt Oblig Fund Z	2	0.0	0.0	0.0
First American Govt Oblig Fund Z- Alternatives	356,549	0.2	0.0	0.2
Fixed Income	**59,983,891**	**25.7**	**25.0**	**0.7**
JIC Core Bond Fund I	42,542,958	18.2	17.5	0.7
BlackRock Strategic Income Opportunities K	17,440,934	7.5	7.5	0.0
Equity	**164,594,012**	**70.4**	**69.0**	**1.4**
Domestic Equity	**99,106,263**	**42.4**	**41.0**	**1.4**
Mellon Large Cap Core	78,121,049	33.4	32.0	1.4
Mellon Smid Cap Core	20,985,214	9.0	9.0	0.0
International Equity	**64,792,145**	**27.7**	**27.5**	**0.2**
Mellon EAFE Fund	48,838,194	20.9	20.5	0.4
Mellon Emerging Markets	15,953,951	6.8	7.0	-0.2
Private Equity	**695,604**	**0.3**	**0.5**	**-0.2**
Hamilton Lane II	14,505	0.0	-	-
Hamilton Lane VII A	473,951	0.2	-	-
Hamilton Lane VII B	207,148	0.1	-	-
Real Assets	**9,250,950**	**4.0**	**6.0**	**-2.0**
UBS Trumbull Property Fund	9,250,950	4.0	6.0	-2.0

Valuations data as of:
Hamilton Lane VII - 09/30/2023
Hamilton Lane II - 09/30/2023
UBS Trumbull Property Fund - 09/30/2023

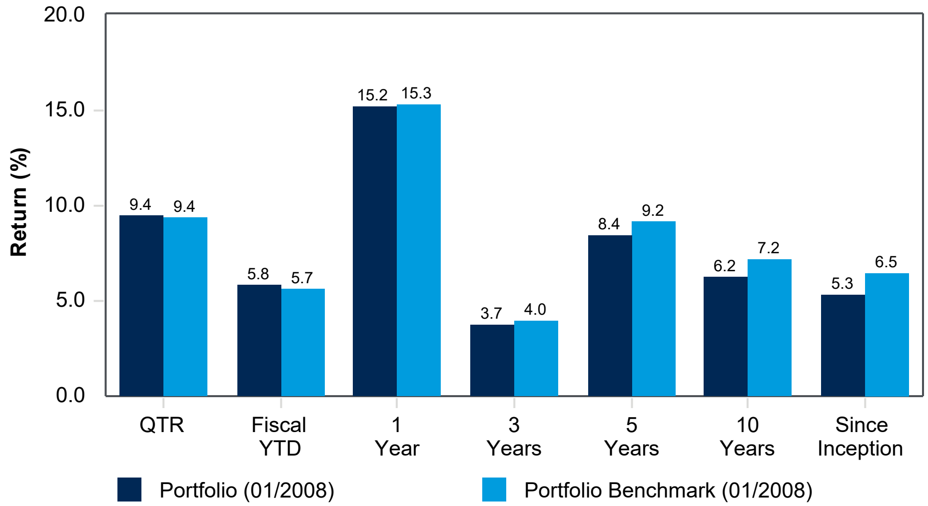
All private equity and real estate assets are adjusted for any subsequent capital activity.

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

Portfolio Dashboard

Total Invested Assets — **As of December 31, 2023**

Historical Performance



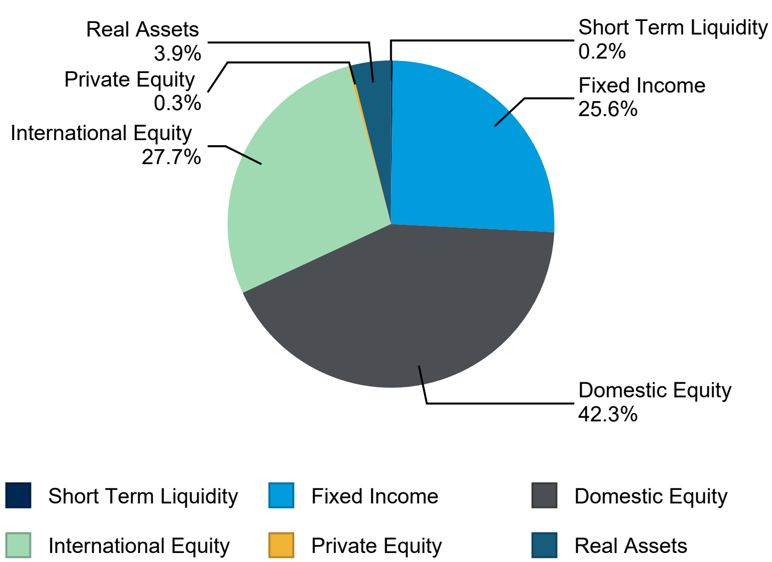
Summary of Cash Flows

	QTR	Fiscal YTD	1 Year	Since Inception
Total Invested Assets				
Beginning Market Value	214,015,326	221,367,949	210,591,427	126,047,968
Net Contributions	28,292	20,873	-7,735,410	-45,899,739
Gain/Loss	20,190,338	12,845,134	31,377,939	154,085,727
Ending Market Value	234,233,956	234,233,956	234,233,956	234,233,956

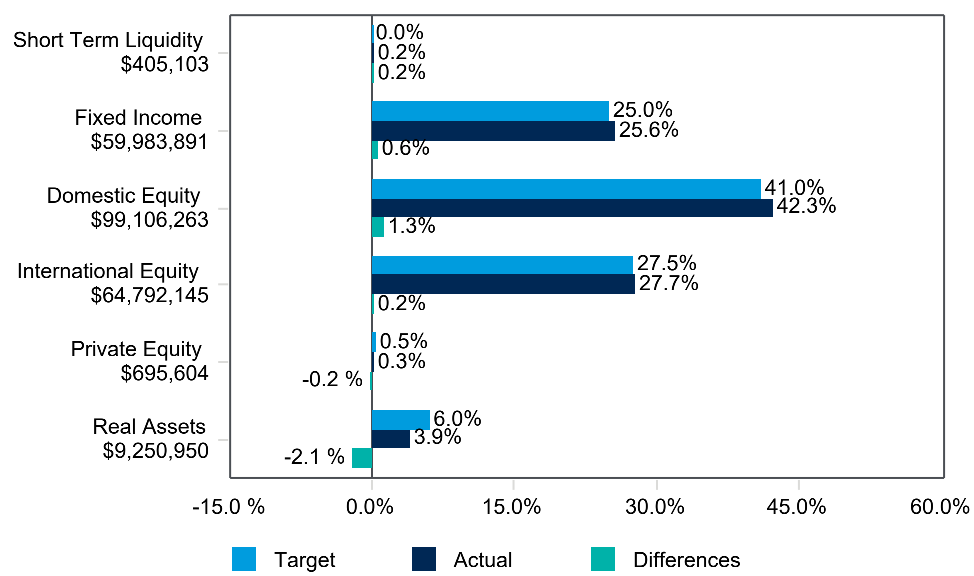
Current Benchmark Composition

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

Portfolio Allocation



Actual vs. Target Allocations



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

Asset Allocation

Total Invested Assets | **As of December 31, 2023**

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Invested Assets	**234,233,956**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**405,103**	**0.2**	**0.0**	**0.2**
Key Bank Cash Portfolio	48,552	0.0	0.0	0.0
First American Govt Oblig Fund Z	2	0.0	0.0	0.0
First American Govt Oblig Fund Z- Alternatives	356,549	0.2	0.0	0.2
Fixed Income	**59,983,891**	**25.6**	**25.0**	**0.6**
JIC Core Bond Fund I	42,542,958	18.2	17.5	0.7
BlackRock Strategic Income Opportunities K	17,440,934	7.4	7.5	-0.1
Equity	**164,594,012**	**70.3**	**69.0**	**1.3**
Domestic Equity	**99,106,263**	**42.3**	**41.0**	**1.3**
Mellon Large Cap Core	78,121,049	33.4	32.0	1.4
Mellon Smid Cap Core	20,985,214	9.0	9.0	0.0
International Equity	**64,792,145**	**27.7**	**27.5**	**0.2**
Mellon EAFE Fund	48,838,194	20.9	20.5	0.4
Mellon Emerging Markets	15,953,951	6.8	7.0	-0.2
Private Equity	**695,604**	**0.3**	**0.5**	**-0.2**
Hamilton Lane II	14,505	0.0	-	-
Hamilton Lane VII A	473,951	0.2	-	-
Hamilton Lane VII B	207,148	0.1	-	-
Real Assets	**9,250,950**	**3.9**	**6.0**	**-2.1**
UBS Trumbull Property Fund	9,250,950	3.9	6.0	-2.1

Valuations data as of:
Hamilton Lane VII - 09/30/2023
Hamilton Lane II - 09/30/2023
UBS Trumbull Property Fund - 09/30/2023

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

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

Performance Overview

Total Invested Assets | **As of December 31, 2023**

Trailing Performance Summary

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Invested Assets	**9.4**	**5.8**	**15.2**	**3.7**	**8.4**	**7.5**	**6.2**	**5.3**	**01/2008**
Policy Benchmark	*9.4*	*5.7*	*15.3*	*4.0*	*9.2*	*8.1*	*7.2*	*6.5*	*01/2008*

Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Invested Assets	**-15.5**	**14.7**	**12.7**	**19.1**	**-5.2**	**17.0**	**8.7**	**-2.2**	**4.0**	**7.7**
Policy Benchmark	*-14.7*	*14.3*	*14.5*	*20.6*	*-5.2*	*16.9*	*9.0*	*-0.2*	*7.3*	*19.0*

Plan Reconciliation

	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Invested Assets								**01/2008**
Beginning Market Value	214,015,326	221,367,949	210,591,427	230,809,103	176,920,863	153,032,397	126,047,968	
Net Contributions	28,292	20,873	-7,735,410	-21,503,838	-26,998,420	-39,169,437	-45,899,739	
Gain/Loss	20,190,338	12,845,134	31,377,939	24,928,690	84,311,513	120,370,996	154,085,727	
Ending Market Value	234,233,956	234,233,956	234,233,956	234,233,956	234,233,956	234,233,956	234,233,956	

Benchmark Composition

	Weight (%)
Jan-2023	
Blmbg. U.S. Aggregate	25.0
S&P 500	32.5
Russell 2500 Index	9.0
MSCI EAFE (Net)	20.5
MSCI Emerging Markets (Net)	7.0
NCREIF Fund Index - ODCE (net)	6.0

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

Manager Performance

Total Invested Assets (excluding Prepaid) | **As of December 31, 2023**

	Allocation		Performance(%)								
	Market Value ($)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	Manager Status
Total Invested Assets (excluding Prepaid)	**234,233,956**	**100.0**	**9.4**	**5.8**	**15.2**	**3.7**	**8.4**	**6.2**	**5.3**	**01/2008**	
Policy Benchmark			*9.4*	*5.7*	*15.3*	*4.0*	*9.2*	*7.2*	*6.5*		
Secondary Benchmark			*9.4*	*5.7*	*15.0*	*3.6*	*8.7*	*7.0*	*6.3*		
Short Term Liquidity	**405,103**	**0.2**	**0.9**	**1.9**	**2.4**	**0.9**	**-**	**-**	**0.9**	**01/2021**	
90 Day U.S. Treasury Bill			*1.4*	*2.7*	*5.0*	*2.2*	*1.9*	*1.2*	*2.2*		
Key Bank Cash Portfolio	**48,552**	**0.0**									
First American Govt Oblig Fund Z	**2**	**0.0**	**1.3**	**2.6**	**5.0**	**2.1**	**1.8**	**1.2**	**3.5**	**03/2022**	
90 Day U.S. Treasury Bill			*1.4*	*2.7*	*5.0*	*2.2*	*1.9*	*1.2*	*3.5*		
First American Govt Oblig Fund Z- Alternatives	**356,549**	**0.2**									
Fixed Income	**59,983,891**	**25.6**	**6.7**	**3.9**	**6.0**	**-3.2**	**-**	**-**	**-3.2**	**01/2021**	
Blmbg. U.S. Aggregate			*6.8*	*3.4*	*5.5*	*-3.3*	*1.1*	*1.8*	*-3.3*		
JIC Core Bond Fund I	**42,542,958**	**18.2**	**7.3**	**3.3**	**5.4**	**-3.8**	**1.3**	**2.2**	**-1.7**	**03/2020**	**Maintain**
Blmbg. U.S. Aggregate			*6.8*	*3.4*	*5.5*	*-3.3*	*1.1*	*1.8*	*-1.7*		
IM U.S. Broad Market Core Fixed Income (MF) Median			6.8	3.5	5.8	-3.4	1.2	1.8	-1.5		
JIC Core Bond Fund I Rank			16	66	71	78	44	16	63		
BlackRock Strategic Income Opportunities K	**17,440,934**	**7.4**	**5.5**	**5.2**	**7.4**	**0.8**	**3.5**	**2.8**	**2.0**	**03/2022**	**Maintain**
Blmbg. U.S. Aggregate			*6.8*	*3.4*	*5.5*	*-3.3*	*1.1*	*1.8*	*-2.8*		
IM Alternative Credit Focus (MF) Median			4.6	4.9	7.3	0.3	2.5	1.8	1.4		
BlackRock Strategic Income Opportunities K Rank			37	38	49	40	31	19	40		

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Manager Performance

Total Invested Assets (excluding Prepaid) | **As of December 31, 2023**

	Allocation		Performance(%)								Manager Status
	Market Value ($)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Equity	**164,594,012**	**70.3**	**11.1**	**7.0**	**21.0**	**6.0**	**-**	**-**	**6.0**	**01/2021**	
MSCI AC World Index (Net)			*11.0*	*7.3*	*22.2*	*5.7*	*11.7*	*7.9*	*5.7*		
Domestic Equity	**99,106,263**	**42.3**	**12.0**	**8.0**	**24.5**	**8.7**	**-**	**-**	**8.7**	**01/2021**	
Domestic Equity Benchmark			*12.1*	*8.1*	*24.4*	*8.8*	*14.8*	*11.0*	*8.8*		
Mellon Large Cap Core	**78,121,049**	**33.4**	**11.7**	**8.0**	**26.3**	**10.0**	**15.7**	**-**	**13.5**	**04/2016**	**Maintain**
S&P 500			*11.7*	*8.0*	*26.3*	*10.0*	*15.7*	*12.0*	*13.5*		
IM U.S. Large Cap Core Equity (MF) Median			11.7	8.1	24.8	8.8	14.6	10.9	12.5		
Mellon Large Cap Core Rank			51	52	37	24	25	-	21		
Mellon Smid Cap Core	**20,985,214**	**9.0**	**13.4**	**8.0**	**17.7**	**4.4**	**11.8**	**-**	**10.5**	**04/2016**	**Maintain**
Russell 2500 Index			*13.4*	*7.9*	*17.4*	*4.2*	*11.7*	*8.4*	*10.3*		
IM U.S. SMID Cap Equity (MF) Median			11.9	6.3	16.1	4.8	11.4	8.0	10.0		
Mellon Smid Cap Core Rank			21	32	35	53	41	-	36		
International Equity	**64,792,145**	**27.7**	**9.7**	**5.6**	**16.3**	**1.1**	**-**	**-**	**1.1**	**01/2021**	
International Equity Benchmark			*9.8*	*5.6*	*16.1*	*1.5*	*7.3*	*4.2*	*1.5*		
Mellon EAFE Fund	**48,838,194**	**20.9**	**10.4**	**5.9**	**18.7**	**4.4**	**8.6**	**-**	**7.2**	**04/2016**	**Maintain**
MSCI EAFE (Net)			*10.4*	*5.9*	*18.2*	*4.0*	*8.2*	*4.3*	*6.8*		
IM International Large Cap Core Equity (MF) Median			10.4	4.5	17.2	3.0	7.9	3.4	6.2		
Mellon EAFE Fund Rank			50	20	27	21	34	-	23		
Mellon Emerging Markets	**15,953,951**	**6.8**	**7.6**	**4.4**	**9.6**	**-5.3**	**3.5**	**-**	**5.0**	**04/2016**	**Maintain**
MSCI Emerging Markets (Net)			*7.9*	*4.7*	*9.8*	*-5.1*	*3.7*	*2.7*	*5.2*		
IM Emerging Markets Equity (MF) Median			7.7	3.6	10.9	-5.6	4.0	2.4	4.8		
Mellon Emerging Markets Rank			54	38	61	47	63	-	47		

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Manager Performance

Total Invested Assets (excluding Prepaid) | **As of December 31, 2023**

	Allocation		Performance(%)								Manager Status
	Market Value ($)	%	QTR	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Private Equity	**695,604**	**0.3**	**0.0**	**-2.9**	**-6.7**	**-0.3**	**-**	**-**	**-0.3**	**01/2021**	
Hamilton Lane II	**14,505**	**0.0**	**0.0**	**-19.9**	**-45.2**	**-24.5**	**-6.5**	**3.7**	**9.3**	**03/2009**	**Maintain**
Hamilton Lane VII A	**473,951**	**0.2**	**0.0**	**-3.9**	**-6.0**	**2.7**	**7.2**	**9.4**	**10.0**	**07/2011**	**Maintain**
Hamilton Lane VII B	**207,148**	**0.1**	**0.0**	**0.8**	**-3.5**	**-2.3**	**3.4**	**6.5**	**8.1**	**07/2011**	**Maintain**
Real Assets	**9,250,950**	**3.9**	**0.0**	**-1.7**	**-12.1**	**-0.1**	**-**	**-**	**-0.1**	**01/2021**	
Real Assets Benchmark			*0.0*	*-2.1*	*-8.1*	*5.6*	*-*	*-*	*5.6*		
UBS Trumbull Property Fund	**9,250,950**	**3.9**	**0.0**	**-1.7**	**-12.1**	**1.1**	**-1.0**	**-**	**1.3**	**07/2016**	**Terminate**
NCREIF Fund Index - ODCE (net)			*0.0*	*-2.1*	*-8.1*	*5.8*	*4.4*	*6.9*	*5.3*		

Valuations data as of:

Hamilton Lane VII - 09/30/2023
Hamilton Lane II - 09/30/2023
UBS Trumbull Property Fund - 09/30/2023

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

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2024 Outlook & Capital Market Assumptions

2024-2033 Ten-Year Outlook

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.

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 aboveTreasuries) fell over the year.

Municipal bond forecasts rose as well based on higher rates, but so did interest rate risk given the structure of the market.

	2024	2023	Y / Y Change
U.S. Bonds	5.7%	5.0%	0.6%
TIPS	5.2%	4.6%	0.6%
Dynamic Bonds[1]	6.5%	5.6%	0.9%
High Yield Bonds	7.7%	7.1%	0.6%
Global Bonds	5.6%	5.1%	0.5%
Muni Bond[2]	6.3%	5.8%	0.5%
Muni High Yield[2]	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.

	2024	2023	Y / Y Change
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.

Marketable alternatives forecasts benefited from higher base rates of returns earned in Treasuries and higher expected volatility within and across asset classes.

Private equity forecasts are largely flat year over year based on the offsetting factors of improving private equity valuations and more modest earnings growth outlook.

	2024	2023	Y / Y Change
Real Estate	7.0%	6.4%	0.6%
Broad Real Assets[3]	7.5%	6.8%	0.7%
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.

2024 Allocation Updates

		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	▲	

Portfolio Implications

- 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.*

Actuarial Review

City of Burlington Employees Retirement System		
	6/30/2022	6/30/2021
Actuarial Value of Assets	$227,048,886	$219,377,787
Total Accrued Liability	$325,818,016	$310,778,910
Funded Ratio	69.7%	70.6%
Actuarial Return Assumption	7.10%	7.20%

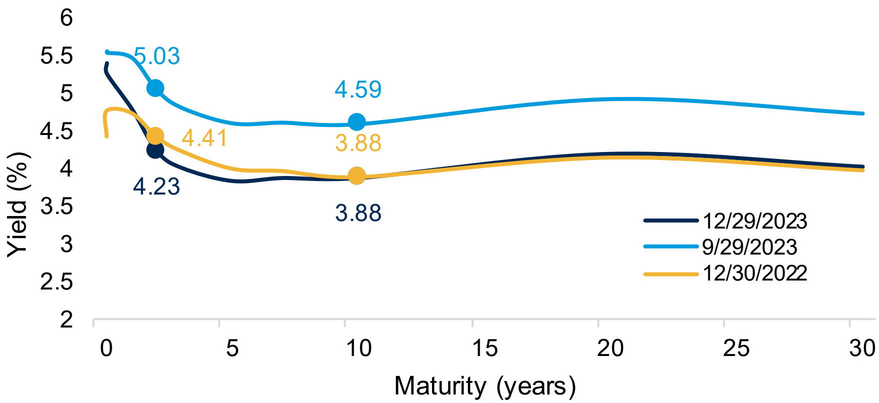
Source: Hooker & Holcolmbe, 2022 Valuation Report, Disclosure Report as of 6/30/2022

Appendix: Additional Market and Portfolio Details

Fixed Income Market Update

U.S. Treasury Yield Curve

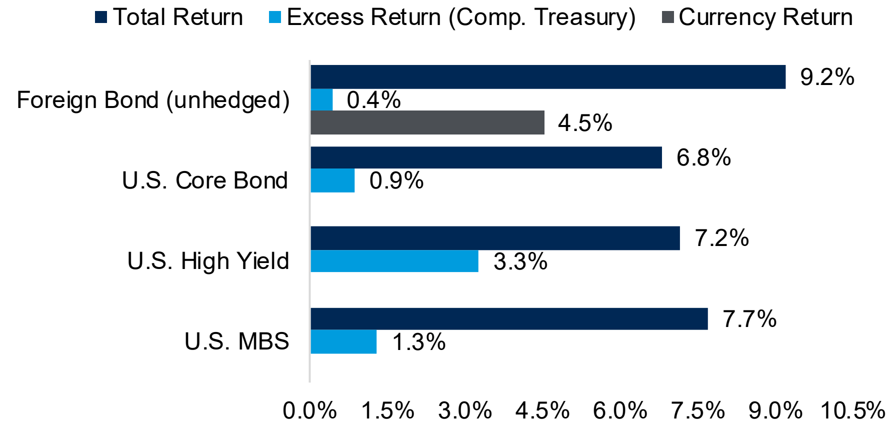
Interest rates fell across the yield curve during the quarter, maintaining an inverted curve, with short maturities ending slightly lower than in 2022. Notably, the 10-year contracted 71 basis points during the quarter. Signs of slowing inflation fueled expectations of 2024 rate cuts which relieved pressure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



Source: FactSet. As of December 29, 2023.

Index Performance Attribution (4Q 2023)

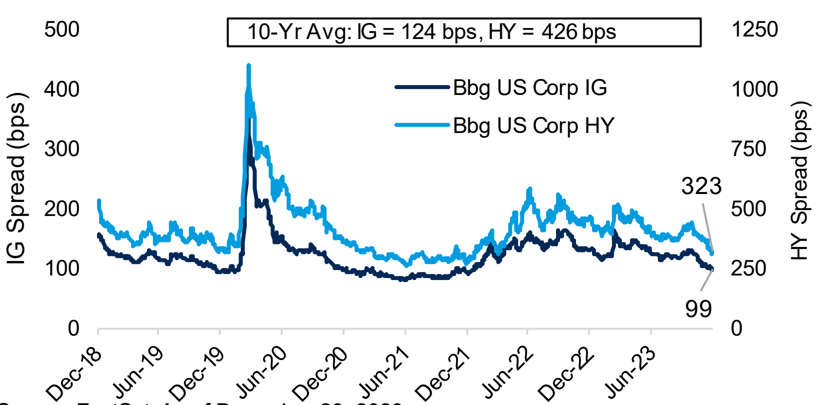
Fixed income markets rose across the board, with narrowing credit spreads and declining rates causing all sectors to surpass U.S. Treasuries on a duration-adjusted basis. Foreign bonds had strong additional tailwinds from a declining U.S. Dollar.



Source: FactSet. As of December 29, 2023.

Corporate Market Spreads – Trailing 5 Years

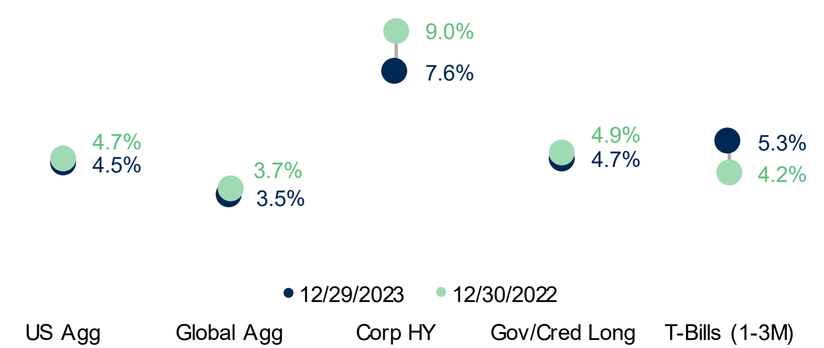
Credit spreads continued tightening during the quarter and are well below their 10-year averages. This was driven by continued resilience in fundamentals.



Source: FactSet. As of December 29, 2023.

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.



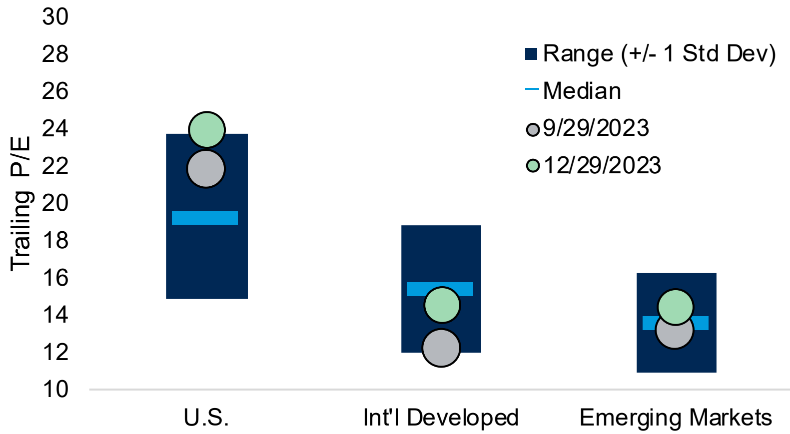
Source: FactSet. As of December 29, 2023. Based on respective Bloomberg Index.

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.

Equity Market Update

Equity Valuations (Trailing PE – Last 15 Years)

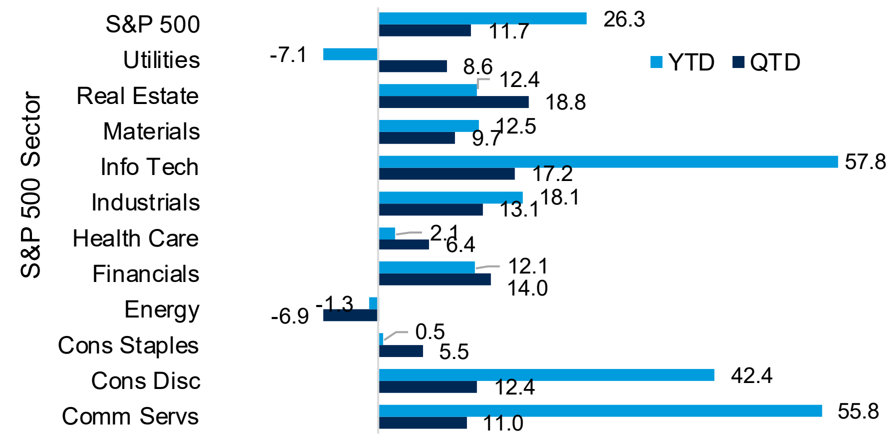
Strong results in the fourth quarter propelled valuations higher across regions. The U.S. trades around one standard deviation above average. Much of the move higher over the course of the year can be attributed to the "Mag 7" stocks.



Source: FactSet. As of December 29, 2023.

U.S. Equities – Return by Sector

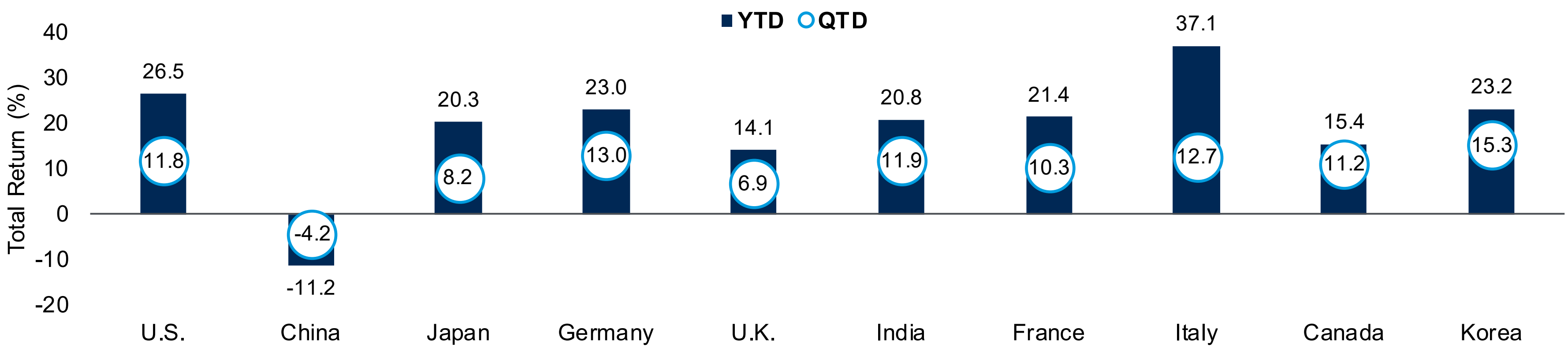
Domestic equity markets had both a strong quarter and calendar year 2023. The notable standouts of technology, consumer discretionary, and communication services was driven by the narrow market leadership of the "Magnificent 7".



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.



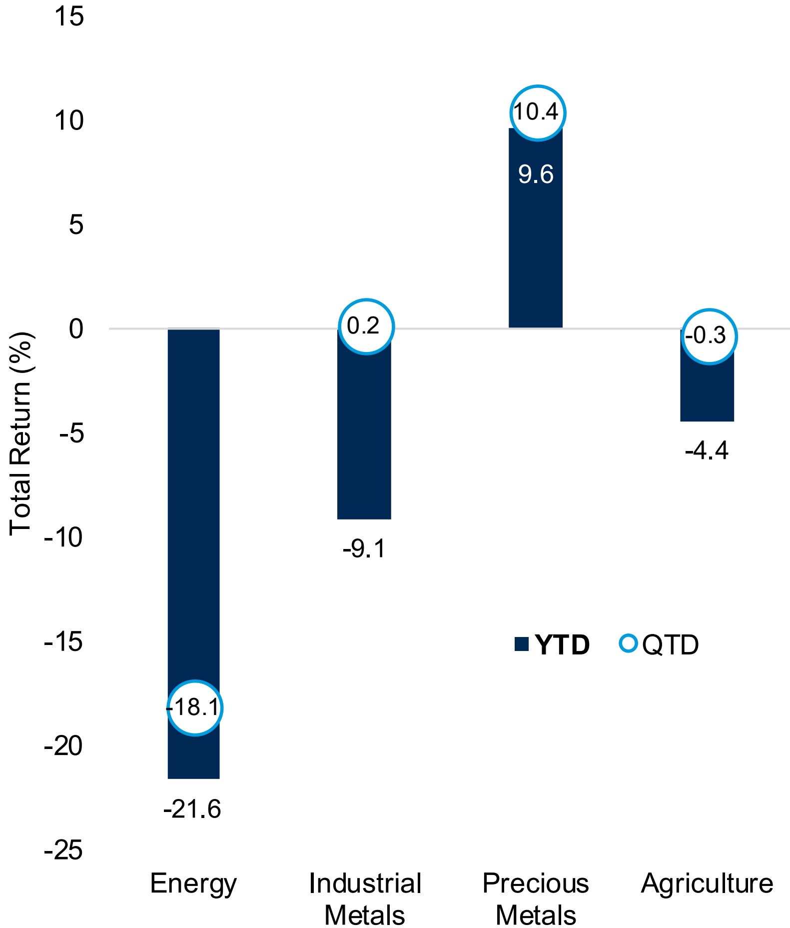
Source: Morningstar Direct. As of December 31, 2023.

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

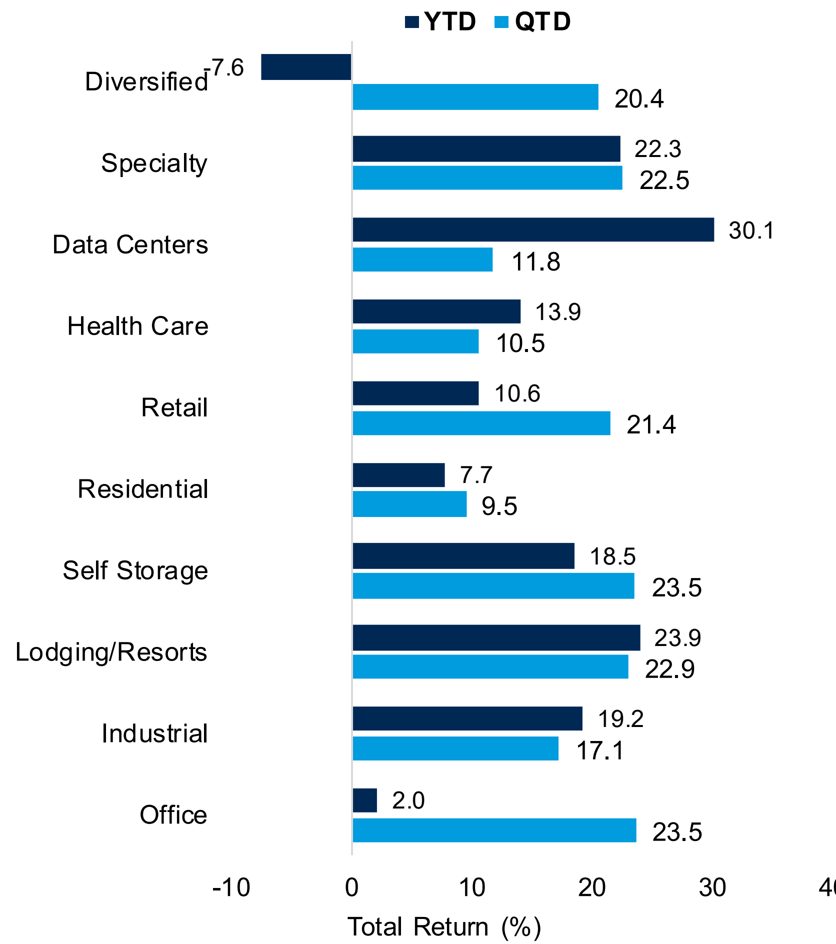
Commodities underperformed during the quarter, primarily driven by a sharply falling energy sector. The persistent decline in oil prices had a negative impact on overall performance, influenced by weakening demand and increased supply.



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

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.

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.

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

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
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%
Global Equity Markets	**QTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
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%
Alternatives	**QTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
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.*

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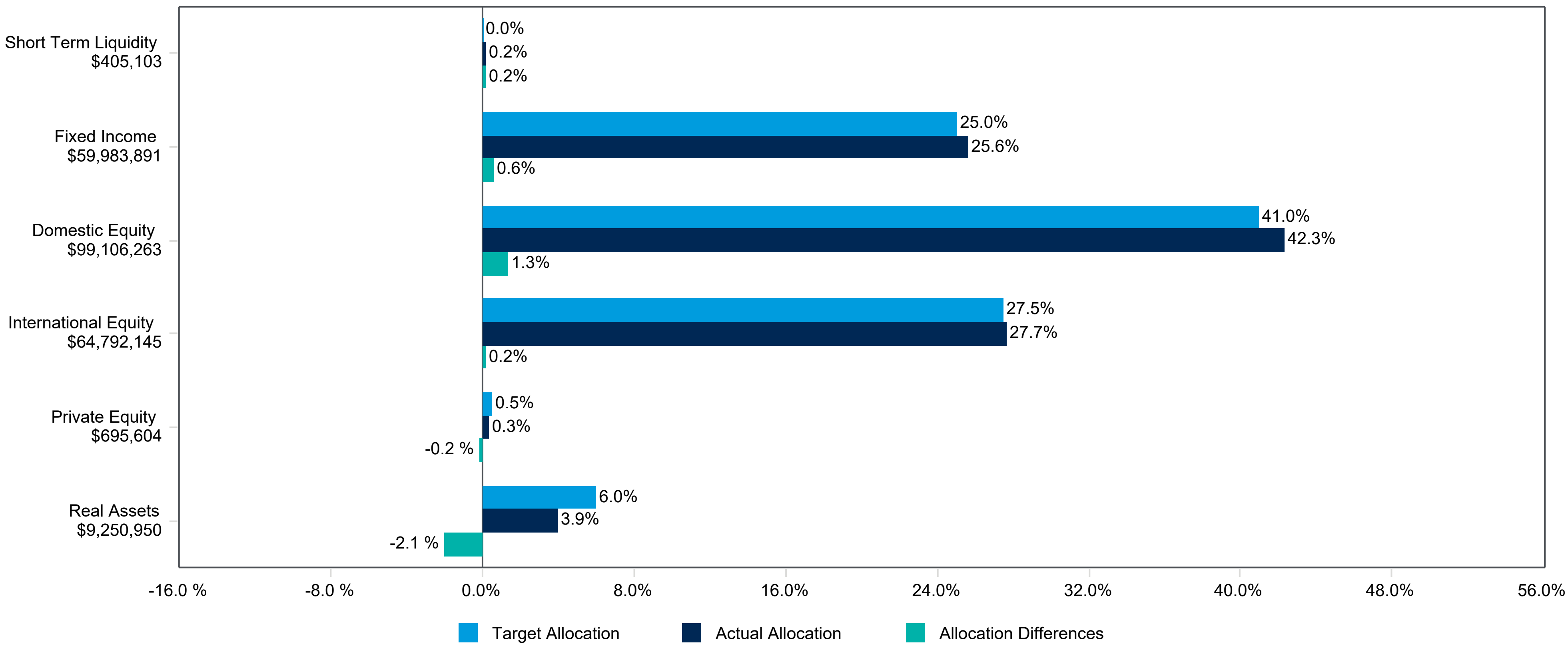
Asset Allocation

Total Invested Assets | **As of December 31, 2023**

Actual vs. Target



	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Short Term Liquidity	405,103	0.2	0.0	0.2
Fixed Income	59,983,891	25.6	25.0	0.6
Domestic Equity	99,106,263	42.3	41.0	1.3
International Equity	64,792,145	27.7	27.5	0.2
Private Equity	695,604	0.3	0.5	-0.2
Real Assets	9,250,950	3.9	6.0	-2.1
Total Invested Assets	**234,233,956**	**100.0**	**100.0**	**0.0**

Calendar Year Performance

Total Invested Assets (excluding Prepaid) — **As of December 31, 2023**

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Invested Assets (excluding Prepaid)	**-15.5**	**14.7**	**12.7**	**19.1**	**-5.2**	**17.0**	**8.7**	**-2.2**	**4.0**	**7.7**
Policy Benchmark	*-14.7*	*14.3*	*14.5*	*20.6*	*-5.2*	*16.9*	*9.0*	*-0.2*	*7.3*	*19.0*
Secondary Benchmark	*-15.2*	*14.1*	*14.0*	*19.8*	*-5.3*	*16.7*	*9.1*	*-0.2*	*7.1*	*19.0*
Short Term Liquidity	**0.3**	**0.0**	-	-	-	-	-	-	-	-
90 Day U.S. Treasury Bill	*1.5*	*0.0*	*0.7*	*2.3*	*1.9*	*0.9*	*0.3*	*0.0*	*0.0*	*0.0*
First American Govt Oblig Fund Z	**1.5**	**0.0**	**0.4**	**2.1**	**1.7**	**0.8**	**0.2**	**0.0**	**0.0**	**0.0**
90 Day U.S. Treasury Bill	*1.5*	*0.0*	*0.7*	*2.3*	*1.9*	*0.9*	*0.3*	*0.0*	*0.0*	*0.0*
Fixed Income	**-12.7**	**-2.0**	-	-	-	-	-	-	-	-
Blmbg. U.S. Aggregate	*-13.0*	*-1.5*	*7.5*	*8.7*	*0.0*	*3.5*	*2.6*	*0.5*	*6.0*	*-2.0*
JIC Core Bond Fund I	**-13.7**	**-2.0**	**9.7**	**8.9**	**0.1**	**3.7**	**3.7**	**1.2**	**6.8**	**-1.9**
Blmbg. U.S. Aggregate	*-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
JIC Core Bond Fund I Rank	52	84	14	45	13	46	29	5	10	46
BlackRock Strategic Income Opportunities K	**-5.6**	**1.0**	**7.3**	**7.8**	**-0.5**	**5.0**	**3.6**	**-0.6**	**3.6**	**3.0**
Blmbg. U.S. Aggregate	*-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

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 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.

Calendar Year Performance

Total Invested Assets (excluding Prepaid) | **As of December 31, 2023**

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Equity	**-17.2**	**18.7**	-	-	-	-	-	-	-	-
MSCI AC World Index (Net)	*-18.4*	*18.5*	*16.3*	*26.6*	*-9.4*	*24.0*	*7.9*	*-2.4*	*4.2*	*22.8*
Domestic Equity	**-18.1**	**26.1**	-	-	-	-	-	-	-	-
Domestic Equity Benchmark	*-18.1*	*26.3*	*19.3*	*30.1*	*-6.6*	*19.9*	*14.2*	*-0.1*	*11.3*	*34.0*
Mellon Large Cap Core	**-18.1**	**28.7**	**18.3**	**31.4**	**-4.4**	**21.8**	-	-	-	-
S&P 500	*-18.1*	*28.7*	*18.4*	*31.5*	*-4.4*	*21.8*	*12.0*	*1.4*	*13.7*	*32.4*
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
Mellon Large Cap Core Rank	45	25	52	38	32	45	-	-	-	-
Mellon Smid Cap Core	**-18.3**	**18.4**	**20.0**	**27.9**	**-9.9**	**17.0**	-	-	-	-
Russell 2500 Index	*-18.4*	*18.2*	*20.0*	*27.8*	*-10.0*	*16.8*	*17.6*	*-2.9*	*7.1*	*36.8*
IM U.S. SMID Cap Equity (MF) Median	-18.6	20.2	17.6	27.6	-9.6	18.0	15.4	-3.2	5.7	36.6
Mellon Smid Cap Core Rank	49	56	47	47	52	55	-	-	-	-
International Equity	**-15.8**	**5.6**	-	-	-	-	-	-	-	-
International Equity Benchmark	*-15.7*	*6.7*	*13.2*	*20.3*	*-14.1*	*31.1*	*6.2*	*-8.0*	*-3.5*	*9.5*
Mellon EAFE Fund	**-14.1**	**11.5**	**8.6**	**22.3**	**-13.3**	**25.7**	-	-	-	-
MSCI EAFE (Net)	*-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
Mellon EAFE Fund Rank	29	35	57	46	13	40	-	-	-	-
Mellon Emerging Markets	**-20.6**	**-2.5**	**18.3**	**18.4**	**-14.6**	**37.2**	-	-	-	-
MSCI Emerging Markets (Net)	*-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
Mellon Emerging Markets Rank	35	58	47	63	29	44	-	-	-	-

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Calendar Year Performance

Total Invested Assets (excluding Prepaid) | As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Private Equity	-10.5	18.8	-	-	-	-	-	-	-	-
Hamilton Lane II	2.0	-22.9	24.7	32.7	25.5	13.6	8.9	17.2	10.4	21.0
Hamilton Lane VII A	-13.8	33.9	14.6	13.9	14.7	9.9	9.0	8.5	16.8	20.6
Hamilton Lane VII B	-3.8	0.4	18.6	6.8	8.3	10.7	9.1	12.1	9.0	20.3
Real Assets	-1.9	15.7	-	-	-	-	-	-	-	-
Real Assets Benchmark	7.5	19.3	-	-	-	-	-	-	-	-
UBS Trumbull Property Fund	1.9	15.2	-5.1	-3.0	6.0	5.2	-	-	-	-
NCREIF Fund Index - ODCE (net)	6.5	21.0	0.3	4.4	7.4	6.7	7.8	14.0	11.5	12.9

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Manager Status Commentary

Manager	Recommendation	Comments
Fixed Income		
JIC Core Bond Fund I	Maintain	
BlackRock Strategic Income Opportunities K	Maintain	
Equity		
Domestic Equity		
Mellon Large Cap Core	Maintain	
Mellon Smid Cap Core	Maintain	
International Equity		
Mellon EAFE Fund	Maintain	
Mellon Emerging Markets	Maintain	
Private Equity		
Hamilton Lane II	Maintain	
Hamilton Lane VII A	Maintain	
Hamilton Lane VII B	Maintain	
Real Assets		
UBS Trumbull Property Fund	Terminate	Following the departures of two key team members in 2020, Matt Lynch, Head of US Real Estate, and Jack Connelly, Head of Transactions, the UBS Trumbull Property Fund was evaluated for potential impacts and conversation with the team took place. Following this due diligence the Trumbull Property Fund was moved to terminate status. A significant redemption queue remains for the Fund. Redemptions are paid out on a pro-rata basis according to the ratio of the requesting investor's units to the total units of all investors requesting redemptions. It is anticipated that satisfying the pool will be a multi-year process.

Commentary produced upon change of status.

Investment Gain/Loss Summary

City of Burlington Employees Retirement System | 1 Quarter Ending December 31, 2023

	Market Value as of 10/01/2023	Net Contributions	Gain/Loss	Market Value As of 12/31/2023
Total Plan	**214,201,655**	**-708,752**	**20,190,338**	**233,683,241**
Prepaid Pension Benefits	186,329	-737,044	-	-550,715
Total Invested Assets	**214,015,326**	**28,292**	**20,190,338**	**234,233,956**
Short Term Liquidity	**18,679**	**384,571**	**1,854**	**405,103**
Key Bank Cash Portfolio	17,808	30,744	-	48,552
First American Govt Oblig Fund Z- Alternatives	328	354,370	1,852	356,549
First American Govt Oblig Fund Z	543	-543	2	2
Fixed Income	**56,192,800**	**-**	**3,791,092**	**59,983,891**
JIC Core Bond Fund I	39,663,785	-	2,879,173	42,542,958
BlackRock Strategic Income Opportunities K	16,529,015	-	911,919	17,440,934
Equity	**148,196,619**	**-**	**16,397,393**	**164,594,012**
Domestic Equity	**88,450,206**	**-**	**10,656,057**	**99,106,263**
Mellon Large Cap Core	69,944,016	-	8,177,032	78,121,049
Mellon Smid Cap Core	18,506,189	-	2,479,025	20,985,214
International Equity	**59,050,809**	**-**	**5,741,336**	**64,792,145**
Mellon EAFE Fund	44,226,959	-	4,611,235	48,838,194
Mellon Emerging Markets	14,823,850	-	1,130,100	15,953,951
Private Equity	**695,604**	**-**	**-**	**695,604**
Hamilton Lane II	14,505	-	-	14,505
Hamilton Lane VII A	473,951	-	-	473,951
Hamilton Lane VII B	207,148	-	-	207,148
Real Assets	**9,607,229**	**-356,279**	**-**	**9,250,950**
UBS Trumbull Property Fund	9,607,229	-356,279	-	9,250,950

Client portfolio performance is presented net of underlying investment manager and 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.

Portfolio Statistics

Total Invested Assets | **As of December 31, 2023**

	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	9.4	15.2	3.7	8.4	6.2	5.3	01/2008
Standard Deviation	4.3	12.4	13.0	16.1	12.4	13.3	
Upside Risk	5.1	3.4	9.6	12.7	9.7	10.3	
Downside Risk	1.6	5.8	8.8	10.3	8.0	8.7	
vs. Policy Benchmark							
Alpha	0.0	0.0	-0.3	1.5	1.6	2.9	
Beta	1.0	1.0	1.0	0.8	0.7	0.5	
Information Ratio	0.1	-0.2	-0.5	0.0	-0.1	-0.1	
Tracking Error	0.0	0.3	0.5	12.1	10.3	13.8	
vs. 90 Day U.S. Treasury Bill							
Sharpe Ratio	0.6	0.8	0.2	0.5	0.5	0.4	

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

Estimated Fee Analysis

Total Invested Assets | **As of December 31, 2023**

	Market Value ($)	Estimated Annual Fee ($)	Estimated Annual Fee (%)	Fee Schedule Details (Ex. Mutual Fund Investments)
Total Invested Assets	**234,233,956**	**388,856**	**0.17**	
Short Term Liquidity	**405,103**	**642**	**0.16**	
Key Bank Cash Portfolio	48,552	-	-	
First American Govt Oblig Fund Z	2	-	0.18	
First American Govt Oblig Fund Z- Alternatives	356,549	642	0.18	
Fixed Income	**59,983,891**	**214,491**	**0.36**	
JIC Core Bond Fund I	42,542,958	106,357	0.25	
BlackRock Strategic Income Opportunities K	17,440,934	108,134	0.62	
Equity	**164,594,012**	**85,376**	**0.05**	
Domestic Equity	**99,106,263**	**39,643**	**0.04**	
Mellon Large Cap Core	78,121,049	31,248	0.04	0.04 % of Assets
Mellon Smid Cap Core	20,985,214	8,394	0.04	0.04 % of Assets
International Equity	**64,792,145**	**38,778**	**0.06**	
Mellon EAFE Fund	48,838,194	24,419	0.05	0.05 % of Assets
Mellon Emerging Markets	15,953,951	14,359	0.09	0.09 % of Assets
Private Equity	**695,604**	**6,956**	**1.00**	
Hamilton Lane II	14,505	145	1.00	1.00 % of Assets
Hamilton Lane VII A	473,951	4,740	1.00	1.00 % of Assets
Hamilton Lane VII B	207,148	2,071	1.00	1.00 % of Assets
Real Assets	**9,250,950**	**88,347**	**0.96**	
UBS Trumbull Property Fund	9,250,950	88,347	0.96	0.96 % of First $10 M 0.83 % Thereafter

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

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

Liquidity Schedule

Total Invested Assets **As of December 31, 2023**

Investments	Subscriptions	Redemptions	Market Value ($)	Liquid ($)	Semi Liquid ($)	Illiquid ($)
Key Bank Cash Portfolio	Daily	Liquid	48,552	48,552	-	-
First American Govt Oblig Fund Z	Daily	Liquid	2	2	-	-
First American Govt Oblig Fund Z- Alternatives	Daily	Liquid	356,549	356,549	-	-
JIC Core Bond Fund I	Daily	Liquid	42,542,958	42,542,958	-	-
BlackRock Strategic Income Opportunities K	Daily	Liquid	17,440,934	17,440,934	-	-
Mellon Large Cap Core	Daily	Liquid	78,121,049	78,121,049	-	-
Mellon Smid Cap Core	Daily	Liquid	20,985,214	20,985,214	-	-
Mellon EAFE Fund	Daily	Liquid	48,838,194	48,838,194	-	-
Mellon Emerging Markets	Daily	Liquid	15,953,951	15,953,951	-	-
Hamilton Lane II	Illiquid	Illiquid	14,505	-	-	14,505
Hamilton Lane VII A	Illiquid	Illiquid	473,951	-	-	473,951
Hamilton Lane VII B	Illiquid	Illiquid	207,148	-	-	207,148
UBS Trumbull Property Fund	Quarterly	Semi Liquid	9,250,950	-	9,250,950	-
Total ($)			**234,233,956**	**224,287,403**	**9,250,950**	**695,604**

Liquid – daily to monthly | Semi-Liquid – greater than monthly and up to one year | Illiquid – greater than one year
The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.

Liquidity Schedule

Total Invested Assets **As of December 31, 2023**

Redemptions	Market Value ($)	% of Total Plan
Illiquid	695,604	0.3
Semi Liquid	9,250,950	4.0
Liquid	224,287,403	95.8
Total	**234,233,956**	**100.0**

Liquid – daily to monthly | Semi-Liquid – greater than monthly and up to one year | Illiquid – greater than one year
The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.

Benchmark History

Total Invested Assets | **As of December 31, 2023**

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

Definitions & Disclosures

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

REGULATORY DISCLOSURES

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

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% Blomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

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

Additional:

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

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming75%.
- **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 that the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.

- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's an 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 dividin 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 date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past perfor 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 riskof 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.

2024 Outlook

Prepare Not Predict

Interest Rate Challenges into Opportunities

Bradford Long, CFA, Managing Partner, Chief Investment Officer

December 2023

Key Observations

- *Our 10-year return forecasts show increased opportunity across fixed income and real assets with a modest step back for equities. 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.*
- *The most predicted recession in history continues to shift into the future, however, we also believe investor mindsets should shift from predict to prepare as risks remain acute and market timing futile.*
- *Narrow market leadership in U.S. equities creates fragility within, and opportunity outside of, U.S. technology stocks. We believe long-term investors will benefit from exposure to U.S. small capitalization and non-U.S. stocks.*

Last year we penned our cautiously optimistic outlook, *Goodbye Tina,* with three primary themes that would influence asset prices in 2023. By and large, our expectations came to fruition. ***Continued volatility*** was clearly on display with interest rate volatility not seen since the Global Financial Crisis and while headline equity volatility didn't set new records, the subtext is important. The stark contrast between -100%[1] losses seen in select bank failures and the 200%+[1] gains with some Artificial Intelligence (AI) hype is enough to make heads spin. ***Moderating inflation*** was a resounding call as inflation fell from annualized highs of 9.1% in 2022 to 3.2% in October 2023.[1] And then comes the ***Bear Market Bottom.*** Equities globally, but the U.S. in particular, rallied from October lows in 2022 to July 2023 highs by 28.3%.[1] While our outlook themes made the

[1] *FactSet as of November 30, 2023*

grade, that is not to say the crystal ball was spotless. A banking crisis, U.S. Debt downgrade, military conflict in the Middle East and an AI super cycle were not on our radar. As we look to 2024, we should all acknowledge that humility remains paramount. Our opinions change as the facts change, we build for resilience and seek to stack the odds in our favor. We are excited to share our views of 2024 and beyond.

10-Year Market Forecasts

Category	Commentary	Asset Class	2024	2023	Y / Y Change
Fixed Income	As 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%
		Dynamic Bonds[1]	6.5%	5.6%	0.9%
	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 aboveTreasuries) fell over the year.	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[2]	6.3%	5.8%	0.5%
		Muni High Yield[2]	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 the U.S. remains above.	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[3]	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 forecasts are largely flat year over year based on the offsetting factors of improving private equity valuations and more modest earnings growth outlook.	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.

Source: Fiducient Advisors Capital Market Assumptions. Market and economic data including, but not limited to valuations, fixed income yields and inflation are used to derive forecasts. Outputs and opinions are as of the date referenced and are subject to change. 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. Past performance does not indicate future performance and there is a possibility of a loss.

For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary information at the end of this paper for summary of indices used to represent each asset class.

2024 Themes

A central thread that pulls through our 2024 themes is a favorable shift toward fixed income; however, increased interest is coupled with moderation. In 2022 we wrote *Fixed Income Complacency*, a warning for investors who had forgotten the perils of interest rate risks. Over 2022 and 2023, investor views of fixed income shifted from complacency to animosity to indifference. They also reestablished a long-lost relationship with a forgotten asset, cash. Today our 2024 themes, while each distinct and catalyzed by different circumstances, stand in contrast to our earlier writings. What an extraordinary and strange journey fixed income has been on.

The Messy Middle

There is a lot of back patting and handshaking that can be done regarding inflation at the Federal Reserve (The Fed). Inflation has fallen from its peak of 9.1% in 2022 to 3.2% in October 2023.[1] Some market participants are concerned more work is needed given we remain above the stated 2% average target. Rather, we dismiss 2% as an actual level that must be achieved precisely and believe "normal" inflation is more likely destined to settle higher.

First, 2% is, after all, an arbitrary number. It is far enough away from central bankers' worst fear, deflation, yet it is below a level of inflation that consumers start noticing (~3%).

Second, it is our view that the Fed is less likely to risk the collateral damage of continued rate hikes, such as adding fragility to the banking system, just for the modest benefit of moving inflation from 3% to 2%. So, if not 2%, what is the target?

We call it the "messy middle", an inflation range of 2% to 5% and one we believe we will be in for some time. The days of asleep at the wheel 2% inflation where the deflationary tailwinds of globalization are waning. So too are the extraordinary supply-side shocks and consumer revenge spending from COVID.

This range is one that compels vigilance from the Fed that inflation does not rise meaningfully above it, but it is also a range we believe the Fed can use as justification to cease hiking or even begin to cut rates.

[1] *FactSet as of November 30, 2023*

Multiple Ways to Trim

	Terminal Fed Funds Rate		Rate of Inflation
May-74	13.00%	←	10.10%
May-81	20.00%	←	10.00%
Aug-84	11.75%	←	4.20%
Feb-84	9.75%	←	4.70%
Feb-95	6.00%	←	2.80%
May-00	6.50%	←	3.10%
Jun-06	5.25%	←	4.20%
18-Dec	2.50%	←	2.20%
Sep-23	5.50%*	←	3.70%

With inflation stuck in the messy middle, that means rates have room to move lower.

Since 1954 the average real Federal Funds Rate (Fed Funds less annual inflation) is 1.01%[1]. Today the real Fed Funds rate is 1.8%. Moreover, this restrictive stance has grown even though the Fed has paused as inflation continues to fall. This signals to us not only do we believe the Fed is at the end of its hiking campaign, but there is room to cut.

The prevailing view is lower rates are achieved from an economic slow down in which the Fed could cut meaningfully. However, that is not the only case. A soft landing in which the Fed simply reduces its current restrictive stance could also move rates down producing multiple paths lower.

**5.5% is the Fed Funds Rate as of June 30, 2023. It does not imply 5% will be the terminal rate*

Source: Federal Reserve Bank of Saint Louis, As of November 27, 2023. 1) Federal Reserve Bank of Saint Louis, from July 1954 until October 2023

Portfolio Impact

A sustained "messy middle" level of inflation supports both our current portfolio positioning and bolsters our 2024 updates. Our allocation to real assets has the opportunity to succeed and diversify from equity in this environment. However, with range bound inflation we are not compelled to add more at this time. Moreover, with inflation driving the Fed and the Fed controlling the Fed Funds rate, our increased allocation to investment grade U.S. bonds is supported by a Fed policy that shifts to holding rates flat, if not a cutting stance in 2024. For these reasons, our 2024 allocations include **increased exposure to investment grade intermediate U.S. fixed income**.

Don't Predict (Recession), Prepare

Economists may mark 2023 as one of the greatest head fakes of all time. Bloomberg's *Here is (Almost) Everything Wall Street Expects in 2023* compiled outlooks from 51 institutions, the vast majority of which called for a recession. Quotes like "A recession is all but inevitable" or "2023 will go down as one of the worst for the world economy in four decades". Yet here we sit with U.S. GDP up 4.7%[2] from Q4 2022 to Q3 2023 (the last reported figure). What went wrong? In short, the tenacity of U.S. consumer spending and far better than expected results of putting the inflation genie back in the bottle led the U.S. economy and markets higher. Does that mean victory should be declared on recession and that fear shelved? In a word - no. In fact, if anything the odds of an

[1] *FactSet as of November 30, 2023*
[2] *BLS as of November 29, 2023*

economic slowdown have increased. However, we should also plainly acknowledge that a recession is always coming. It may be right around the corner or years away, but recessions are a regular part of economic growth and contraction. We believe seeking to time their occurrence is futile. A resilient portfolio shifts the objective from predict to prepare and, in our view, one of the most effective ways to do so today is with intermediate investment-grade bonds.

Embrace The Inevitable

Frequency of Market Events Since 1950

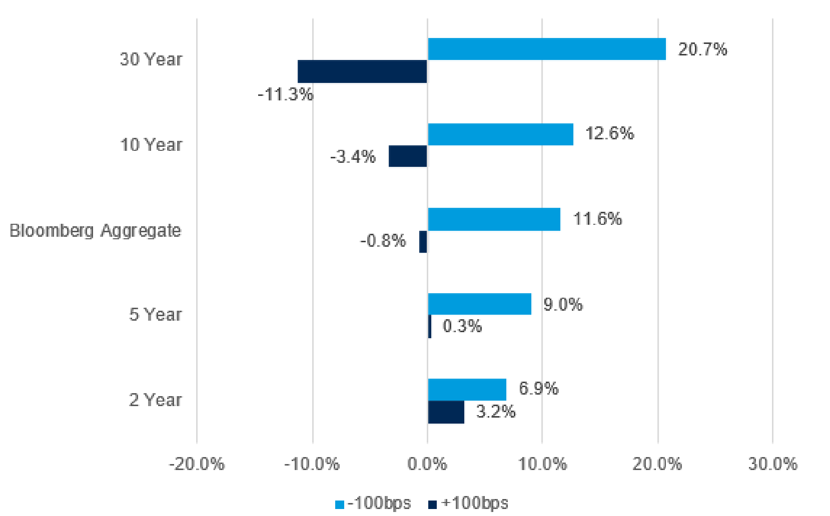
Environment	-5% or more	-10% or more	-15% or more	-20% or more	Recession[1]
Average Frequency	About three times per year	About once per year	About once every three years	About once every six years	About every six and half years
Average Length	43 days	109 days	251 days	370 days	317 days

The unfortunate but inescapable truth is 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.

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

May the Skew Be in Your Favor

Potential Return of +/- 1% Move in Rates



As we outlined in the messy middle, range bound inflation offers multiple opportunities for interest rates to move lower. Examining the skew of potential return with lower and higher rates reveals the opportunity at hand.

Higher current yields mitigate downside risk through current income. However, the benefit to the upside in return from a fall in rates disproportionately favors longer duration assets. Moreover, if the catalyst for rate cuts comes from economic contraction the move down could be meaningful.

Sources: FactSet as of October 31, 2023. Total potential return based on a parallel move in interest rates up or down by 1%.

Portfolio Impact

Over the last decade, the expected return of fixed income has been substantially lower than equity. That dynamic has now shifted. Based on our forward-looking estimates, global equity will return just 0.9% more than investment-grade fixed income but do so with 130% more volatility. This makes fixed income attractive relative to equity. Moreover, we believe bonds may add resiliency during periods of economic uncertainty and current higher yields in high quality assets can help investors create more certainty of meeting return targets over time.

As a result, our 2024 allocations not only include **increased exposure to investment-grade intermediate U.S. fixed income**, but we also **expect some portfolios to own more fixed income in aggregate**. However, the attractiveness of fixed income should not lead to attempts to time the market. Substantial shifts in allocations in any given year should only accompany substantial shifts in objectives or time horizons. However, the modest shifts that reflect current opportunities to take advantage of market dynamics without losing sight of long-term goals are prudent.

Concentrated Consequences

Then came the "Magnificent 7" – Apple, Alphabet (Google), Meta (Facebook), Microsoft, Nividia, Amazon and Tesla. These seven stocks from the S&P 500 were up on average 94%[3] year to date through November 2023. If we remove these securities from the S&P 500, through the same period the index would be up ~6%[3]. The seven securities now make up a record setting 28%[4] of the S&P 500 and 48%[4] of the growth-oriented Russell 1000 Growth index. A key question is what impact will this narrow group of securities have on future outcomes? It is possible these securities have a repeat performance over the coming years and indices will grow even more unbalanced with a very concentrated group of securities at the top. It is also possible that these securities revert to broader market-level returns and everything else will catch up as markets charge ahead, but concentration dissipates. However, we think a more likely third path over the long-term is that new leadership takes hold making room for sectors, regions or capitalizations that have been left behind over the past decade. Afterall, this is not the first of its kind.

As we demonstrate below, leadership tends to change over time. In 2000 it was the tech bubble, in the 1990s it was Japanese stocks, in the 1980s it was peak oil, in 1972 it was the "Nifty Fifty" and so on. A retort often heard about the Magnificent 7 today is "but these are great companies" and in many cases they are. However, let's not conflate great businesses and great stocks. Cisco Systems, a gem of the tech bubble, remains one of the world's most influential technology companies more than 23 years since the tech bubble burst. It also still trades 40%[1] below its peak price more than two decades later. Great companies at bad prices can make for bad investments. Additionally, a narrow band of securities contributing to the success of markets intuitively creates more fragility going forward. Much like a sports team, if you lose a star, or multiple star athletes, it is hard to have another step in immediately to take their place.

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[3] *Morningstar as of November 30, 2023*
[4] *Factset as of November 30, 2023, S&P as of November 30, 2023*

Market Leadership is Not A Given

Largest Market Cap Securities by Decade

1980: Peak Oil	1990: Japan Dominance	2000: Tech Bubble	2010: Rise of China	2020: US Tech	Current[1]
IBM U.S. | Technology	NTT Japan | Technology	Microsoft U.S. | Technology	Exxon Mobil U.S. | Energy	Microsoft U.S. | Technology	Apple U.S | Technology
AT&T U.S. | Communications	Bank of Tokyo-Mitsubishi Japan | Financial	General Electric U.S. | Industrial	PetroChina China | Energy	Apple U.S | Technology	Microsoft U.S. | Technology
Exxon U.S. | Energy	Industrial Bank of Japan Japan | Financial	NTT DoCoMo Japan | Communications	Apple U.S | Technology	Amazon U.S. | Consumer Dis.	Amazon U.S. | Consumer Dis.
Standard Oil U.S. | Energy	Sumitomo Mitsui Banking Japan | Financial	Cisco Systems U.S. | Technology	BHP Billiton U.K | Energy	Alphabet U.S. | Technology	Nvidia U.S. | Technology
Schlumberger U.S. | Energy	Toyota Motors Japan | Automotive	Wal-Mart U.S. | Consumer Dis.	Microsoft U.S. | Technology	Facebook U.S. | Communications	Alphabet U.S. | Technology

As investors we tend to extrapolate recent history to set our vision of the future. This recency bias has clearly pointed us in one direction; U.S. large cap technology. However, if we zoom out, we can see that leadership is often more dynamic than what the recent past has instructed. We believe broad exposure remains the best way to seek out opportunities on a forward-looking basis.

Source: Factset. Largest market capitalization companies by decade. 1) As of October 31, 2023

Portfolio Impact

A narrow band of securities driving markets has two primary impacts in our view. The first is the temptation to extrapolate recent history at the expense of all other underperforming sectors. This concept can be applied to the technology sector vs others, U.S. versus foreign stocks, or even small cap versus large cap stocks.

The second impact is a narrow market creates more fragility and, potentially, risk. With large cap U.S. securities being the majority of most client allocations, it is important to recognize that potential risk and manage it accordingly. To that end, **while reducing the magnitude we are maintaining a similar overweight to U.S. small capitalization and non-U.S. securities**. We also believe increased allocations (as we outlined above) to fixed income, investment-grade intermediate duration in particular, help offset these potential risks.

Portfolio Allocations

2024 Allocation Updates		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
	Muni Bond	▲	Increased yields, attractive return potential relative to global equity and a Fed policy path that has increasing potential to moderate or move lower makes munis attractive, however, duration has also extended for this asset class compelling smaller year over year change compared to U.S. Bonds
	Muni High Yield	- -	While yields are higher relative to recent history, spreads (the yield above Treasuries) are below average. Coupled with our view that credit risks may rise in the coming year we're slightly reducing allocations to high yield munis.
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. equites 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 underweight based on the significant percentage increase in U.S. large cap equites 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 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	▲	

Final Thoughts

The long and variable impact of the momentous move up in interest rates is still being felt and to some degree understood. It has also seemingly taken some of the hubris, though perhaps only temporarily, away from the recession prognosticators. These changes have many important implications for asset prices and the economy. If we step back though, we quickly realize this is a good problem to have. Long-term investors seeking reasonable rates of return no longer must do so by continually extending risk. This was a hallmark of the last decade in which extreme interest rate policies at times produced extreme allocations. As market opportunities "normalize" (if we dare say there is such a thing as a normal market) investors may choose to normalize their allocations with perhaps a more modest risk posture. As we noted, it is important to draw the line between updating portfolios to reflect current opportunities and trying to time the market.

For more information, please contact any of the professionals at Fiducient Advisors.

About the Author

Bradford L. Long, CFA
Managing Partner
Chief Investment Officer

Brad joined Fiducient Advisors in 2012. He is chair of the firm's Investment Committee and a member of the firm's Discretionary Committee, Research Forum, Capital Markets Team and Mission-Aligned Investing Committee. In 2019, Brad was name named a "Rising Star" in City Wire's annual Professional Buyer publication for his contributions in the investment manager research industry. Prior to joining the firm, Brad worked in various research capacities at Citigroup and Wells Fargo in New York. He received a BA in Finance and Minor in Economics from The University of Colorado and is a CFA® charterholder and member of the CFA Society of Chicago and CFA Institute. Additionally, he is active with Greenhouse Scholars, a nonprofit providing financial and personal support to under resourced college students. In his free time, Brad loves cooking and spending time with his wife and young sons.

Disclosures and Index Proxies

This report does not represent a specific investment recommendation. Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and are reported gross of any fees and expenses. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

INDEX DEFINITIONS

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	10/23 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
ST Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	10/23 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
TIPS	Bloomberg US Treasury US TIPS TR USD	10/23 - 3/97	Bloomberg US Agg Bond TR USD	2/97 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni Bond	Bloomberg Municipal 5 Yr 4-6 TR USD	10/23 - 1/88	Bloomberg US Agg Bond TR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni High Yield	Bloomberg HY Muni TR USD	10/23 - 11/95	Bloomberg Municipal 5 Yr 4-6 TR USD	10/95 - 1/88	Bloomberg US Agg Bond TR USD	12/87 - 1/79	N.A.	N.A. - N.A.
US Bond	Bloomberg US Agg Bond TR USD	10/23 - 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	10/23 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
For. Dev. Bond	50% CITI WGBI NonUSD Hdg 50% CITI WGBI NonUSD	10/23 - 1/85	Bloomberg US Agg Bond TR USD	12/84 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
HY Bond	Bloomberg US Corporate High Yield TR USD	10/23 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
EM Bond	JPM GBI-EM Global Diversified TR USD	10/23 - 1/03	JPM EMBI Global Diversified TR USD	12/02 - 1/94	Bloomberg US Corporate High Yield TR USD	12/93 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79
Global Bonds	Bloomberg Global Aggregate TR USD	10/23 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Global Equity	MSCI ACWI GR USD	10/23 - 1/88	S&P 500 TR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (LC)	S&P 500 TR USD	10/23 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (MC)	Russell Mid Cap TR USD	10/23 - 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	10/23 - 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	10/23 - 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	10/23 - 1/88	MSCI EAFE GR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Real Estate	FTSE Nareit All Equity REITs TR USD	10/23 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Private Real Estate	Wilshire US RESI TR USD	10/23 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Broad Real Assets	S&P Real Asset TR USD	10/23 - 5/05	*Custom Real Assets Index	4/05 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Commod. Fut.	BCI+TIPS-CASH	10/23 - 3/97	BCI+AGG-CASH	2/97 - 1/91	GSCI+AGG-CASH	12/90 - 1/79	N.A.	N.A. - N.A.
Global Infrastructure	DJ Brookfld Global Infra TR USD	10/23 - 2/03	Alerian MLP TR USD	1/03 - 1/96	Wilshire US RESI TR USD	12/95 - 1/79	N.A.	N.A. - N.A.
Marketable Alternatives	HFRI Fund of Funds Composite USD	10/23 - 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% Buyout vs. 33% Venture	10/23 - 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 EXUSD TR Hdg USD, 1/3 FTSE Treasury Bill Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD**

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.

Material Risks Disclosures

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.

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

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.