



# City of Stamford Custodians & Mechanics

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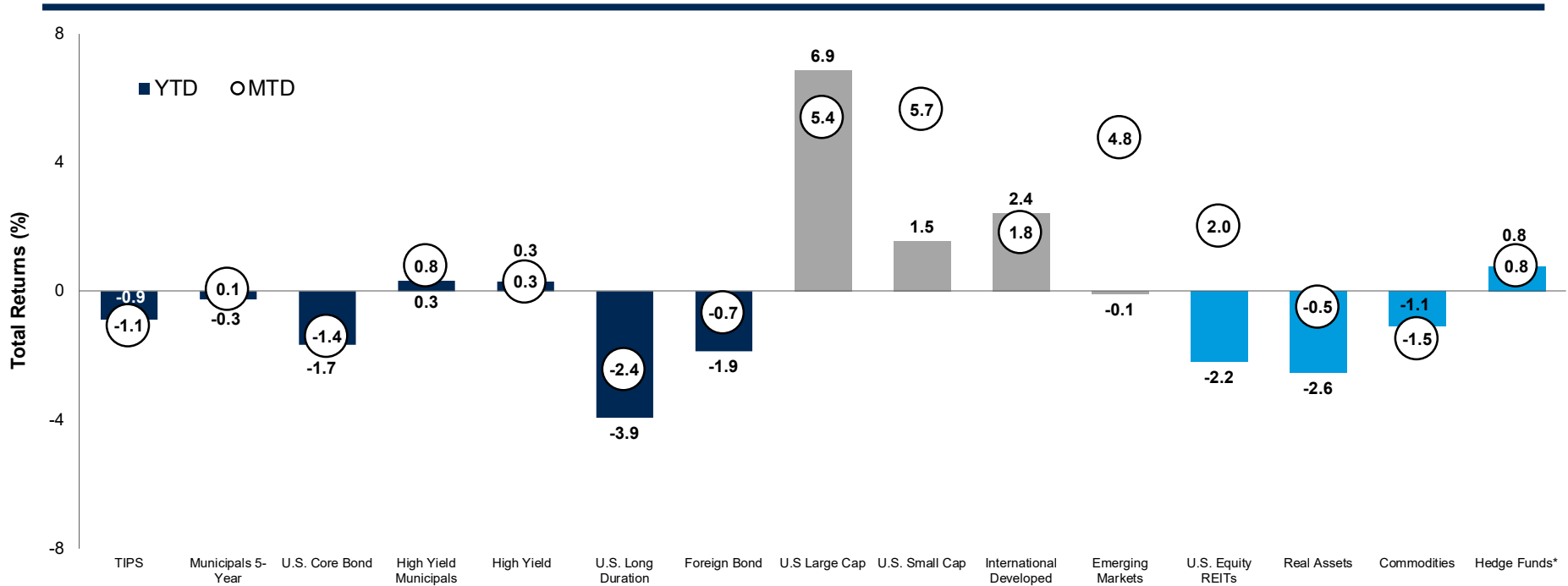
Board of Finance Meeting - April 8, 2024

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*Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is risk of loss.*



# Asset Class Performance



Source: Morningstar Direct. As of February 29, 2024. \*Hedge fund returns are as of January 31, 2024.

## Fixed Income (February)

- Fixed income volatility continued in February as markets repriced expectations for the timing of Fed rate cuts in 2024, going from five expected cuts to three. Interest rates moved higher as a result and the Bloomberg Agg declined during the month.
- + High yield corporate bonds edged out a modest positive return on the back of tightening credit spreads.
- Rising interest rates outside of the U.S. were a headwind for non-U.S. debt, as was a stronger U.S. dollar.

## Equity (February)

- + U.S. markets were positive in February. Small cap modestly outpaced large cap due to a surge in the biotech industry.
- + International developed markets, while positive, trailed the U.S. and emerging regions. Underlying country results were mixed with mainland Europe outperforming the United Kingdom.
- + A sharp rebound in China (+8.4%) buoyed Emerging Markets. Government policy action to help stabilize the property market and a focus on deleveraging helped boost investor confidence.

## Real Asset / Alternatives (February)

- + REITs were positive during the month. Despite the rising rate environment, the segment benefited from its equity beta.
- Commodity markets were broadly negative in February, with weakness across various underlying sub-components.
- Real Assets were negatively impacted by falling commodity prices, rising interest rates and mixed property performance.

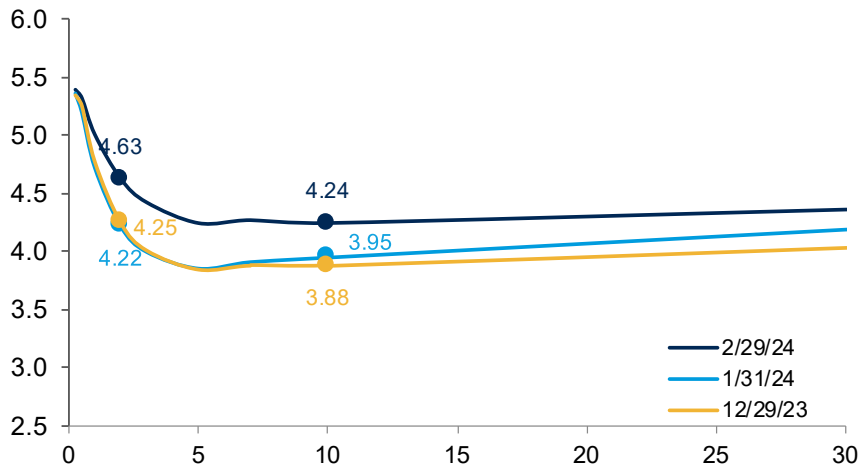
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. 2  
Indices cannot be invested in directly.



# Fixed Income Market Update

## U.S. Treasury Yield Curve

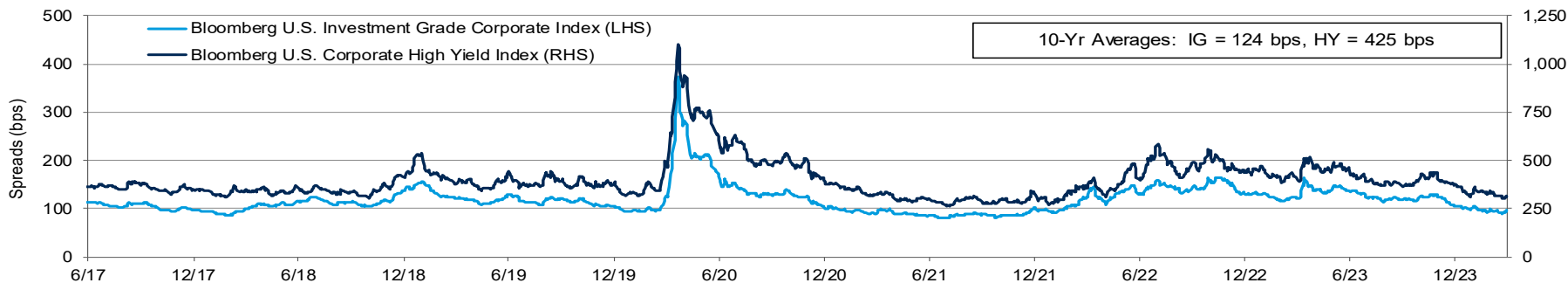
Interest rates rose across the U.S. yield curve during February. Federal Reserve language indicating a willingness to keep rates higher for longer than the market originally expected was one of the factors driving the move.



Source: FactSet. As of February 29, 2024.

## Credit Market Spreads – Trailing 5 Years

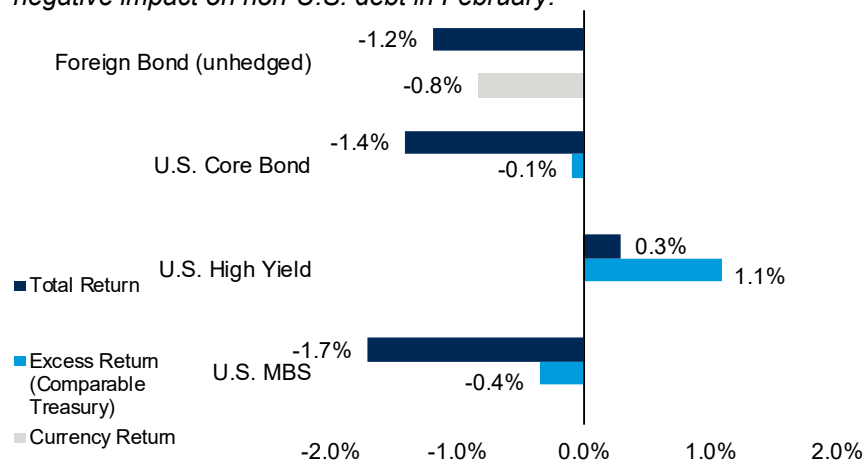
Corporate fundamentals, both in investment grade and high yield, continue to remain positive. This, combined with positive sentiment around a “soft” – or even “no” – landing scenario, and a favorable demand environment given the all-in yield levels has pushed spreads tighter. Both sectors sit well below their 10-year averages and, in our view, are “priced nearly for perfection”.



Source: FactSet. As of February 29, 2024.

## Index Performance Attribution (February 2024)

Corporate spread areas outperformed similar duration Treasuries in the period. A resilient economic backdrop and strong consumer has provided support for non-government sectors. Currency return had a negative impact on non-U.S. debt in February.



Source: FactSet. As of February 29, 2024.

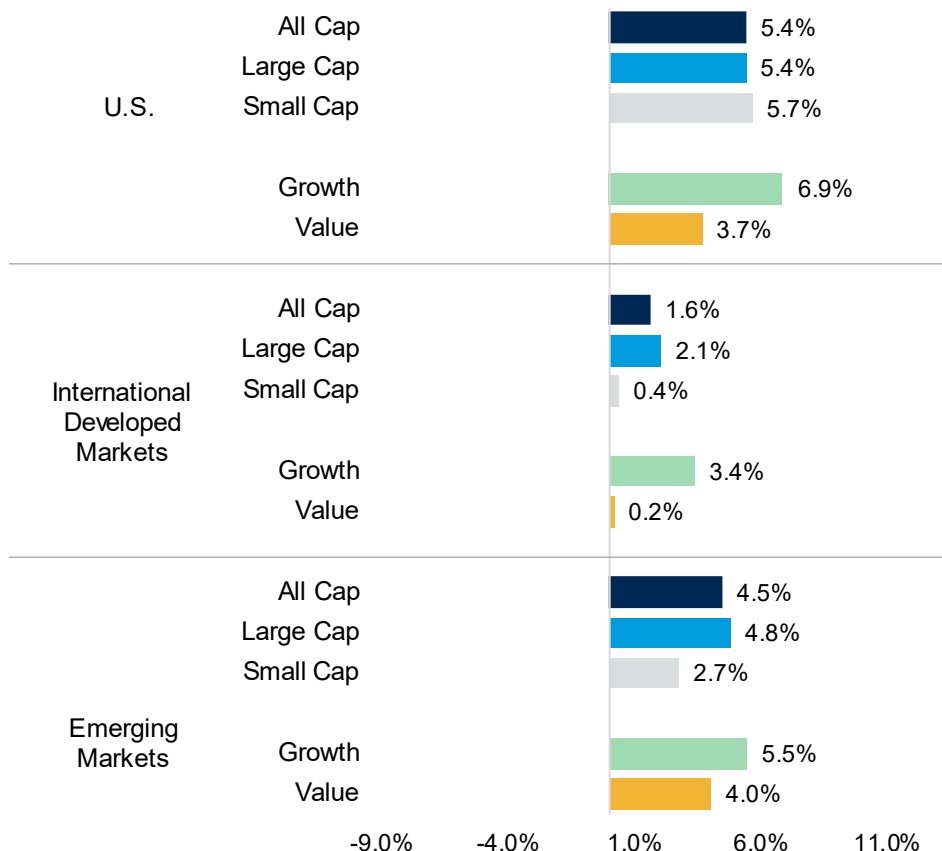
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# Equity Market Update

## Market Capitalization & Style Performance (February 2024)

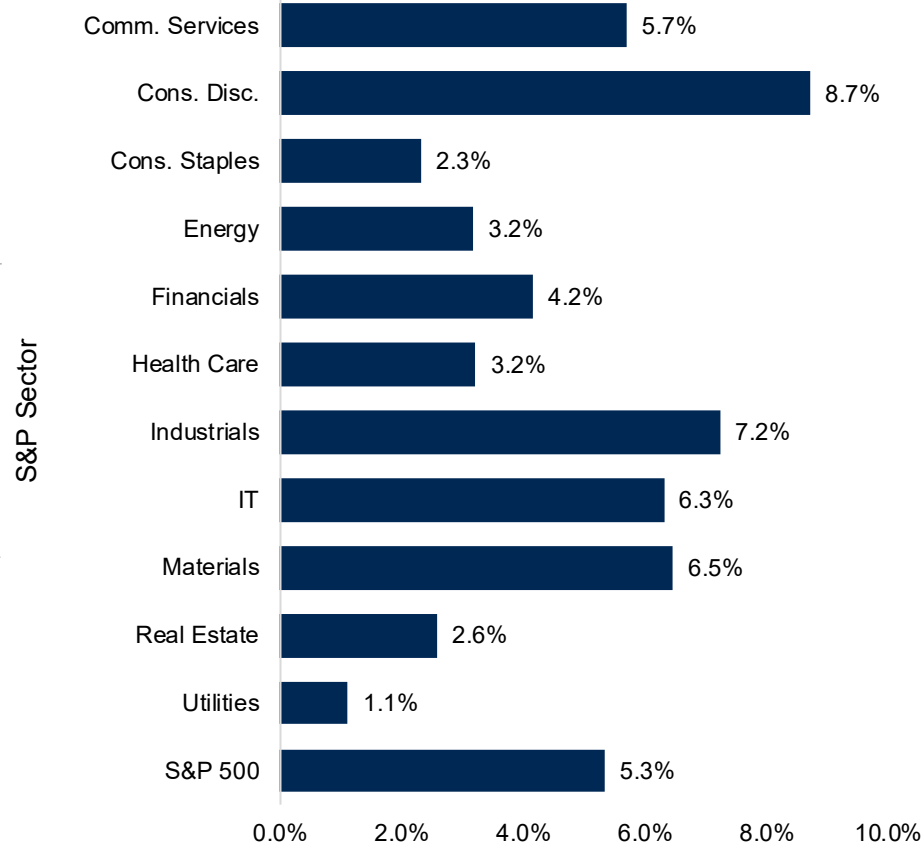
Equity markets were positive around the globe in February. Broadly, growth outperformed value in most regions. Market capitalization was mixed with small cap outperforming large cap within the U.S., while large cap outperformed small in international markets.



Source: Morningstar Direct. As of February 29, 2024.

## U.S. Equities – Returns by Sector (February 2024)

Positive economic data helped fuel the “risk-on” sentiment in February and the S&P 500 closed the month at a record high. Concentration persists at the top of the index and NVIDIA (+28.6%) was a large contributor to performance following a favorable earnings report. REITs and utilities, which have historically been more sensitive to interest rates, lagged.



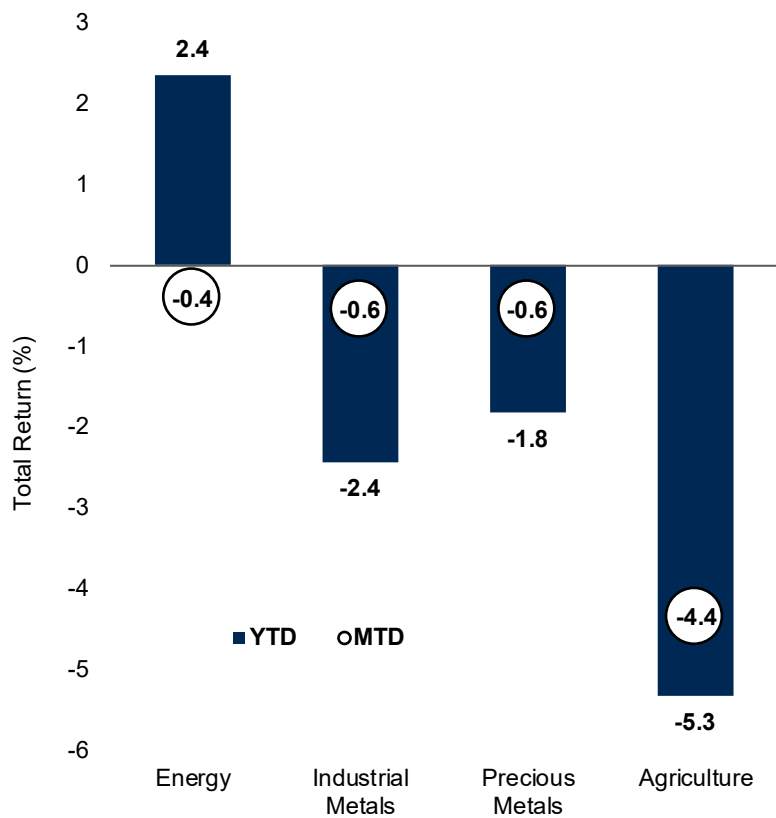
Source: Morningstar Direct. As of February 29, 2024.



# Real Asset Market Update

## Commodity Performance (February 2024)

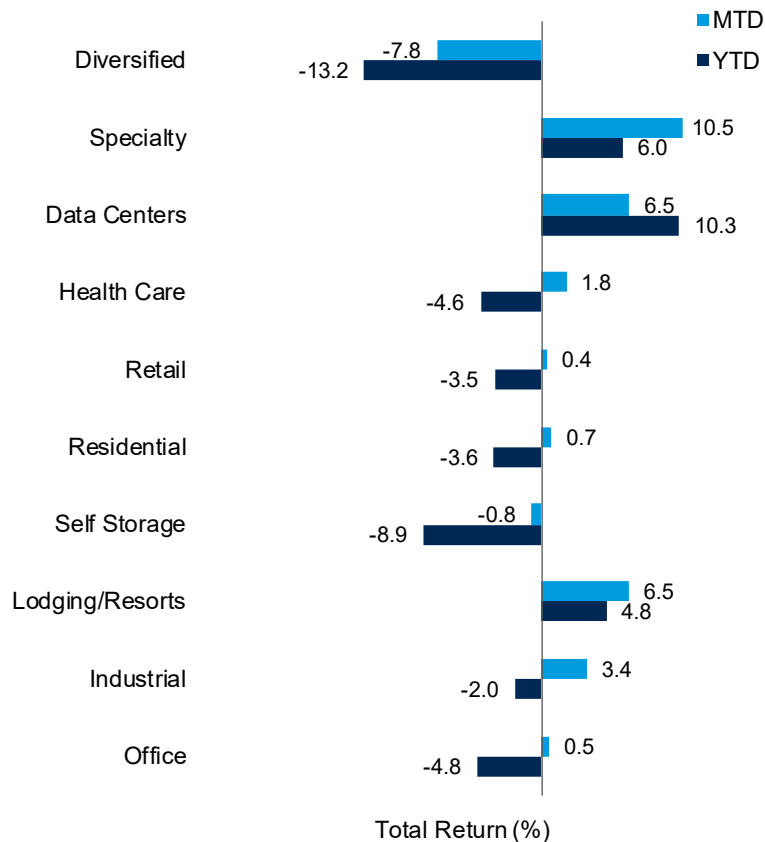
Commodity markets fell during February, with all subcomponents in negative territory. Energy saw essentially flat oil prices, while natural gas prices fell over 15% during the month. Agriculture was particularly impacted by negative pressure in the wheat and soybean markets.



Source: FactSet. As of February 29, 2024.

## REIT Sector Performance (February 2024)

REITs posted a gain in February. Sub-sector results were mixed. Lodging/resorts has benefited from an uptick in travel so far in 2024 compared to this time 2023. The more rate sensitive areas of Diversified REITs were a headwind for the sub-sector during the month.



Source: FactSet. As of February 29, 2024.



# Financial Markets Performance

**Total Return as of February 29, 2024**  
**Periods greater than one year are annualized**  
**All returns are in U.S. dollar terms**

<b>Global Fixed Income Markets</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg 1-3-Month T-Bill	0.4%	0.9%	5.3%	2.5%	2.0%	1.8%	1.3%	0.9%
Bloomberg U.S. TIPS	-1.1%	-0.9%	2.5%	-0.9%	2.7%	2.2%	2.1%	3.4%
Bloomberg Municipal Bond (5 Year)	0.1%	-0.3%	4.0%	-0.1%	1.4%	1.6%	1.7%	2.5%
Bloomberg High Yield Municipal Bond	0.8%	0.3%	8.3%	0.5%	3.3%	4.0%	4.5%	6.7%
Bloomberg U.S. Aggregate	-1.4%	-1.7%	3.3%	-3.2%	0.6%	0.9%	1.4%	2.6%
Bloomberg U.S. Corporate High Yield	0.3%	0.3%	11.0%	1.8%	4.2%	4.2%	4.3%	9.0%
Bloomberg Global Aggregate ex-U.S. Hedged	-0.2%	-0.3%	7.1%	-0.6%	1.2%	1.8%	2.6%	3.2%
Bloomberg Global Aggregate ex-U.S. Unhedged	-1.2%	-3.5%	2.7%	-7.4%	-2.4%	-0.8%	-1.4%	1.0%
Bloomberg U.S. Long Gov / Credit	-2.4%	-3.9%	1.6%	-7.7%	0.0%	0.7%	2.2%	4.6%
<b>Global Equity Markets</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	5.3%	7.1%	30.5%	11.9%	14.8%	13.6%	12.7%	16.0%
Dow Jones Industrial Average	2.5%	3.8%	22.0%	10.2%	10.9%	11.8%	11.6%	14.8%
NASDAQ Composite	6.2%	7.3%	41.6%	7.7%	17.4%	16.7%	15.2%	19.0%
Russell 3000	5.4%	6.6%	28.6%	9.9%	13.9%	12.9%	12.0%	15.8%
Russell 1000	5.4%	6.9%	29.8%	10.7%	14.4%	13.3%	12.4%	16.0%
Russell 1000 Growth	6.8%	9.5%	45.9%	12.5%	18.8%	18.0%	15.7%	18.4%
Russell 1000 Value	3.7%	3.8%	14.0%	8.4%	9.4%	8.2%	8.7%	13.4%
Russell Mid Cap	5.6%	4.1%	15.5%	5.5%	10.3%	9.9%	9.5%	15.3%
Russell Mid Cap Growth	7.5%	6.9%	25.0%	3.1%	11.6%	12.6%	10.9%	16.2%
Russell Mid Cap Value	4.8%	2.9%	10.9%	6.8%	8.9%	7.5%	8.2%	14.5%
Russell 2000	5.7%	1.5%	10.0%	-0.9%	6.9%	7.2%	7.1%	13.3%
Russell 2000 Growth	8.1%	4.7%	14.2%	-4.6%	6.5%	8.2%	7.3%	13.8%
Russell 2000 Value	3.3%	-1.4%	5.6%	2.5%	6.6%	5.8%	6.5%	12.4%
MSCI ACWI	4.3%	4.9%	23.1%	6.8%	10.5%	9.9%	8.4%	12.0%
MSCI ACWI ex. U.S.	2.5%	1.5%	12.5%	1.3%	5.4%	5.8%	4.0%	8.2%
MSCI EAFE	1.8%	2.4%	14.4%	4.4%	6.8%	6.6%	4.4%	8.6%
MSCI EAFE Growth	3.4%	4.6%	16.6%	2.4%	7.7%	7.8%	5.5%	9.3%
MSCI EAFE Value	0.2%	0.1%	12.1%	6.2%	5.4%	5.1%	3.0%	7.7%
MSCI EAFE Small Cap	0.4%	-1.3%	6.3%	-1.9%	4.2%	4.9%	4.3%	10.3%
MSCI Emerging Markets	4.8%	-0.1%	8.7%	-6.3%	1.9%	3.7%	3.0%	7.4%
<b>Alternatives</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Consumer Price Index*	0.3%	0.3%	3.1%	5.7%	4.2%	3.5%	2.8%	2.6%
FTSE NAREIT Equity REITs	2.0%	-2.2%	5.6%	5.0%	4.4%	4.4%	6.4%	13.5%
S&P Real Assets	-0.5%	-2.6%	4.0%	2.4%	3.8%	4.0%	3.3%	7.4%
FTSE EPRA NAREIT Developed	-0.5%	-4.5%	1.5%	-0.4%	0.7%	2.3%	3.6%	10.2%
FTSE EPRA NAREIT Developed ex U.S.	-4.4%	-7.9%	-3.9%	-6.8%	-3.2%	0.1%	0.8%	7.3%
Bloomberg Commodity Total Return	-1.5%	-1.1%	-3.9%	7.1%	5.7%	3.4%	-1.8%	0.4%
HFRI Fund of Funds Composite*	0.8%	0.8%	5.0%	2.7%	4.8%	4.1%	3.4%	3.8%
HFRI Asset Weighted Composite*	1.9%	1.9%	5.5%	4.7%	4.4%	4.1%	3.7%	5.2%
Alerian MLP	4.3%	9.0%	30.9%	30.4%	11.2%	5.9%	2.7%	10.3%

Sources: Morningstar, FactSet. As of February 29, 2024. \*Consumer Price Index and HFRI indexes as of January 31, 2024.

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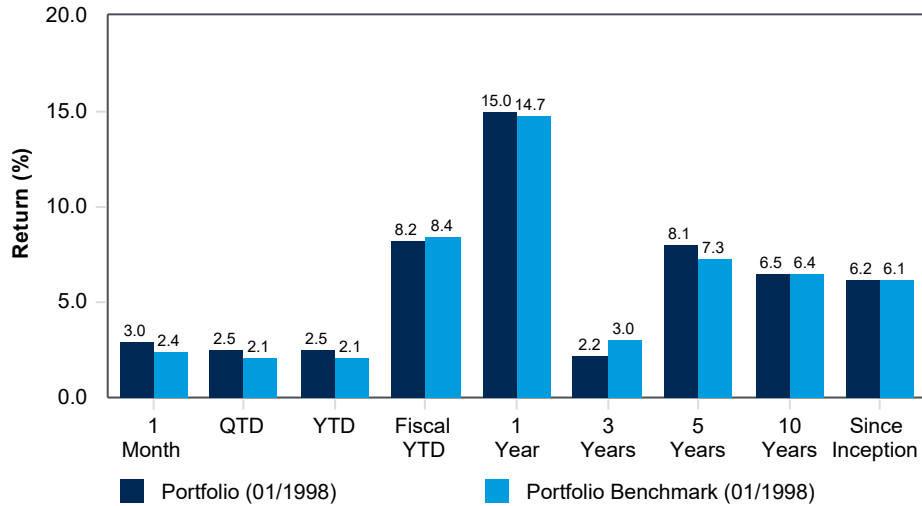
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# Portfolio Dashboard

City of Stamford C&M

As of February 29, 2024

## Historical Performance



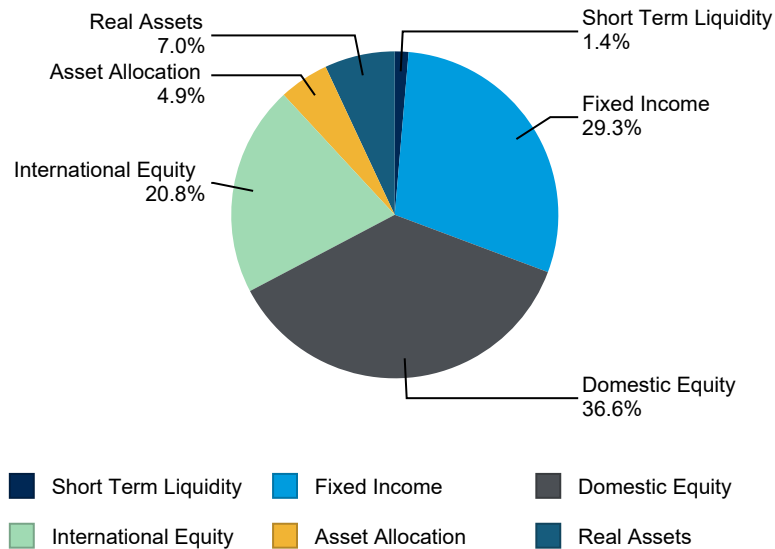
## Summary of Cash Flows

	1 Month	QTD	YTD	Fiscal YTD	1 Year
Beginning Market Value	99,643,338	100,378,617	100,378,617	95,588,262	90,746,641
Net Contributions	-269,575	-588,457	-588,457	-1,062,559	-1,877,088
Gain/Loss	2,953,591	2,537,194	2,537,194	7,801,651	13,457,800
Ending Market Value	102,327,353	102,327,353	102,327,353	102,327,353	102,327,353

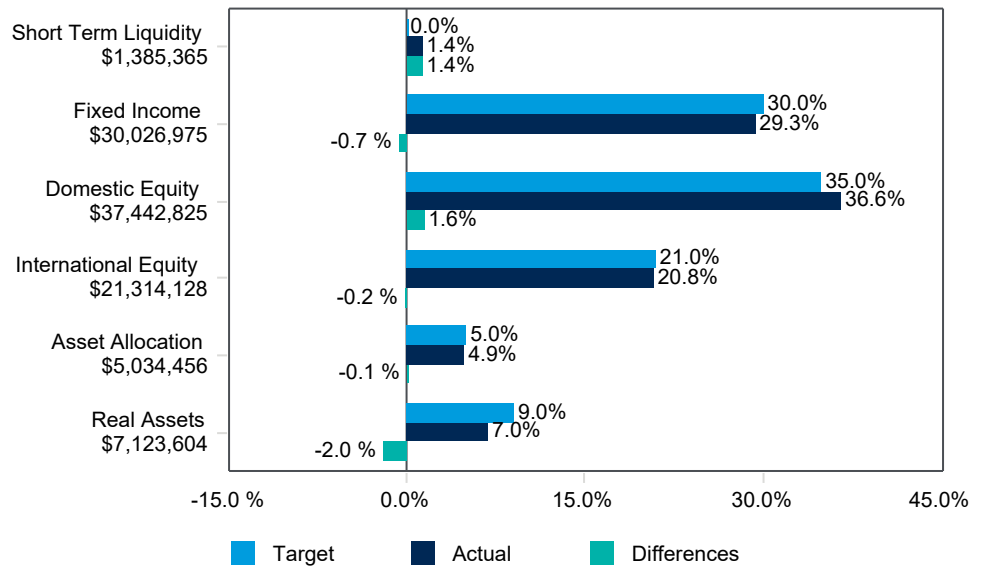
## Current Benchmark Composition

From Date	To Date	Composition
03/2023	Present	25.00% Blmbg. U.S. Aggregate, 35.00% Dow Jones U.S. Total Stock Market Index, 26.00% MSCI AC World ex USA (Net), 5.00% GMO Global Balanced Asset Allocation Index, 4.00% FTSE NAREIT All Equity REITs, 5.00% DWS Real Assets Benchmark

## Portfolio Allocation



## Actual vs. Target Allocations



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

# Asset Allocation

City of Stamford C&M

As of February 29, 2024

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>City of Stamford C&amp;M</b>	<b>102,327,353</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>1,385,365</b>	<b>1.4</b>	<b>0.0</b>	<b>1.4</b>
Allspring Government Money Market	1,385,365	1.4	0.0	1.4
<b>Fixed Income</b>	<b>30,026,975</b>	<b>29.3</b>	<b>30.0</b>	<b>-0.7</b>
Fidelity Inflation Protected Bond Index	2,004,658	2.0	2.0	0.0
Baird Aggregate Bond Fund Class Institutional	9,758,560	9.5	9.8	-0.2
Harbor Core Bond Retirement - IR&M	9,753,219	9.5	9.8	-0.2
Metropolitan West Total Return Bond PI	-	0.0	0.0	0.0
BlackRock Strategic Income Opportunities Fund K	5,008,932	4.9	5.0	-0.1
Artisan High Income Fund Adv	1,759,849	1.7	1.8	0.0
BrandywineGLOBAL Global Opportunities Bd IS	1,741,757	1.7	1.8	0.0
<b>Domestic Equity</b>	<b>37,442,825</b>	<b>36.6</b>	<b>35.0</b>	<b>1.6</b>
Fidelity Total Market Index Fund	37,442,825	36.6	35.0	1.6
<b>International Equity</b>	<b>21,314,128</b>	<b>20.8</b>	<b>21.0</b>	<b>-0.2</b>
Fidelity Total International Index Fund	2,030,756	2.0	2.0	0.0
Vanguard International Value Inv	9,619,839	9.4	9.5	-0.1
Vanguard International Growth Adm	9,663,534	9.4	9.5	-0.1
<b>Asset Allocation</b>	<b>5,034,456</b>	<b>4.9</b>	<b>5.0</b>	<b>-0.1</b>
GMO Global Asset Allocation III	5,034,456	4.9	5.0	-0.1
<b>Real Assets</b>	<b>7,123,604</b>	<b>7.0</b>	<b>9.0</b>	<b>-2.0</b>
Cohen & Steers Instl Realty Shares	2,071,144	2.0	4.0	-2.0
DWS RREEF Real Assets Fund R6	5,052,460	4.9	5.0	-0.1

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.



# Manager Performance

City of Stamford C&M

As of February 29, 2024

	Allocation		Performance(%)									
	Market Value (\$)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>City of Stamford C&amp;M</b>	<b>102,327,353</b>	<b>100.0</b>	<b>3.0</b>	<b>2.5</b>	<b>2.5</b>	<b>8.2</b>	<b>15.0</b>	<b>2.2</b>	<b>8.1</b>	<b>6.5</b>	<b>6.2</b>	<b>01/1998</b>
<i>Stamford C&amp;M Benchmark</i>			2.4	2.1	2.1	8.4	14.7	3.0	7.3	6.4	6.1	
<b>Short Term Liquidity</b>	<b>1,385,365</b>	<b>1.4</b>	<b>0.4</b>	<b>0.9</b>	<b>0.9</b>	<b>3.5</b>	<b>5.2</b>	<b>2.4</b>	<b>1.9</b>	<b>1.2</b>	<b>1.2</b>	<b>10/2013</b>
<i>90 Day U.S. Treasury Bill</i>			0.4	0.8	0.8	3.6	5.2	2.4	2.0	1.3	1.3	
<b>Allspring Government Money Market</b>	<b>1,385,365</b>	<b>1.4</b>	<b>0.4</b>	<b>0.9</b>	<b>0.9</b>	<b>3.5</b>	<b>5.2</b>	<b>2.4</b>	<b>1.9</b>	<b>1.2</b>	<b>1.2</b>	<b>10/2013</b>
<i>90 Day U.S. Treasury Bill</i>			0.4	0.8	0.8	3.6	5.2	2.4	2.0	1.3	1.3	
<b>Fixed Income</b>	<b>30,026,975</b>	<b>29.3</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.4</b>	<b>3.0</b>	<b>4.9</b>	<b>-2.0</b>	<b>1.7</b>	<b>2.0</b>	<b>3.7</b>	<b>01/2009</b>
<i>Blmbg. U.S. Aggregate</i>			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	2.5	
<b>Fidelity Inflation Protected Bond Index</b>	<b>2,004,658</b>	<b>2.0</b>	<b>-1.0</b>	<b>-0.6</b>	<b>-0.6</b>	<b>1.1</b>	<b>2.6</b>	<b>-0.9</b>	<b>2.6</b>	<b>2.0</b>	<b>2.6</b>	<b>03/2023</b>
<i>Blmbg. U.S. TIPS</i>			-1.1	-0.9	-0.9	1.1	2.5	-0.9	2.7	2.1	2.5	
IM U.S. TIPS (MF) Median			-1.0	-0.7	-0.7	1.5	2.7	-1.0	2.6	1.7	2.7	
Fidelity Inflation Protected Bond Index Rank			48	43	43	59	52	48	43	15	52	
<b>Baird Aggregate Bond Fund Class Institutional</b>	<b>9,758,560</b>	<b>9.5</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.4</b>	<b>2.5</b>	<b>4.1</b>	<b>-2.9</b>	<b>1.0</b>	<b>1.9</b>	<b>-</b>	<b>03/2024</b>
<i>Blmbg. U.S. Aggregate</i>			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	-	
IM U.S. Broad Market Core Fixed Income (MF) Median			-1.4	-1.4	-1.4	1.9	3.4	-3.2	0.7	1.4	-	
Baird Aggregate Bond Fund Class Institutional Rank			29	44	44	30	23	29	25	13	-	
<b>Harbor Core Bond Retirement - IR&amp;M</b>	<b>9,753,219</b>	<b>9.5</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.4</b>	<b>1.8</b>	<b>3.3</b>	<b>-3.2</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>03/2024</b>
<i>Blmbg. U.S. Aggregate</i>			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	-	
IM U.S. Broad Market Core Fixed Income (MF) Median			-1.4	-1.4	-1.4	1.9	3.4	-3.2	0.7	1.4	-	
Harbor Core Bond Retirement - IR&M Rank			41	48	48	63	57	48	34	-	-	
<b>BlackRock Strategic Income Opportunities Fund K</b>	<b>5,008,932</b>	<b>4.9</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.1</b>	<b>5.1</b>	<b>6.3</b>	<b>0.6</b>	<b>3.1</b>	<b>2.7</b>	<b>2.8</b>	<b>12/2017</b>
<i>Blmbg. U.S. Aggregate</i>			-1.4	-1.7	-1.7	1.6	3.3	-3.2	0.6	1.4	0.7	
IM Alternative Credit Focus (MF) Median			0.0	0.5	0.5	4.8	6.3	0.2	2.1	1.8	1.6	
BlackRock Strategic Income Opportunities Fund K Rank			79	80	80	44	51	44	31	17	29	

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

# Manager Performance

City of Stamford C&M

As of February 29, 2024

	Allocation		Performance(%)									
	Market Value (\$)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Artisan High Income Fund Adv</b>	<b>1,759,849</b>	<b>1.7</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>9.2</b>	<b>12.2</b>	<b>3.4</b>	<b>5.8</b>	<b>-</b>	<b>12.2</b>	<b>03/2023</b>
<i>Blmbg. U.S. Corp: High Yield</i>			0.3	0.3	0.3	8.0	11.0	1.8	4.2	4.3	11.0	
IM U.S. High Yield Bonds (MF) Median			0.2	0.3	0.3	7.3	10.0	1.5	3.5	3.4	10.0	
Artisan High Income Fund Adv Rank			17	28	28	6	6	6	3	-	6	
<b>BrandywineGLOBAL Global Opportunities Bd IS</b>	<b>1,741,757</b>	<b>1.7</b>	<b>-2.0</b>	<b>-4.9</b>	<b>-4.9</b>	<b>-1.2</b>	<b>3.0</b>	<b>-5.8</b>	<b>-0.4</b>	<b>0.8</b>	<b>3.0</b>	<b>03/2023</b>
<i>Blmbg. Global Aggregate</i>			-1.3	-2.6	-2.6	1.5	3.1	-5.5	-1.0	-0.1	3.1	
IM Global Fixed Income (MF) Median			-0.9	-1.4	-1.4	3.2	4.6	-3.1	0.2	0.9	4.6	
BrandywineGLOBAL Global Opportunities Bd IS Rank			96	98	98	97	86	78	63	54	86	
<b>Domestic Equity</b>	<b>37,442,825</b>	<b>36.6</b>	<b>5.4</b>	<b>6.6</b>	<b>6.6</b>	<b>15.6</b>	<b>28.7</b>	<b>9.7</b>	<b>13.8</b>	<b>12.0</b>	<b>14.2</b>	<b>01/2009</b>
<i>C&amp;M Domestic Equity Benchmark</i>			5.4	6.6	6.6	15.6	28.6	9.7	13.8	12.0	14.1	
<b>Fidelity Total Market Index Fund</b>	<b>37,442,825</b>	<b>36.6</b>	<b>5.4</b>	<b>6.6</b>	<b>6.6</b>	<b>15.6</b>	<b>28.7</b>	<b>9.7</b>	<b>13.8</b>	<b>12.0</b>	<b>13.8</b>	<b>04/2019</b>
<i>Dow Jones U.S. Total Stock Market Index</i>			5.4	6.6	6.6	15.6	28.6	9.7	13.8	11.9	13.7	
IM U.S. Multi-Cap Core Equity (MF) Median			5.1	6.4	6.4	15.0	25.8	9.3	12.7	10.4	12.7	
Fidelity Total Market Index Fund Rank			37	42	42	35	26	44	28	14	29	
<b>International Equity</b>	<b>21,314,128</b>	<b>20.8</b>	<b>4.5</b>	<b>2.2</b>	<b>2.2</b>	<b>4.7</b>	<b>11.3</b>	<b>-2.1</b>	<b>7.7</b>	<b>5.4</b>	<b>7.8</b>	<b>01/2009</b>
<i>MSCI AC World ex USA (Net)</i>			2.5	1.5	1.5	7.2	12.5	1.3	5.4	4.0	6.8	
<b>Fidelity Total International Index Fund</b>	<b>2,030,756</b>	<b>2.0</b>	<b>2.9</b>	<b>1.1</b>	<b>1.1</b>	<b>6.8</b>	<b>12.3</b>	<b>1.2</b>	<b>5.5</b>	<b>-</b>	<b>5.5</b>	<b>04/2019</b>
<i>MSCI AC World ex USA (Net)</i>			2.5	1.5	1.5	7.2	12.5	1.3	5.4	4.0	5.4	
IM International Large Cap Core Equity (MF) Median			2.9	2.4	2.4	7.0	13.5	3.6	6.7	3.8	6.7	
Fidelity Total International Index Fund Rank			49	72	72	53	59	88	71	-	71	
<b>Vanguard International Value Inv</b>	<b>9,619,839</b>	<b>9.4</b>	<b>3.0</b>	<b>0.9</b>	<b>0.9</b>	<b>4.3</b>	<b>10.8</b>	<b>2.8</b>	<b>6.1</b>	<b>3.9</b>	<b>4.7</b>	<b>08/2017</b>
<i>MSCI AC World ex USA Value (Net)</i>			1.2	-0.1	-0.1	8.3	11.8	4.3	4.5	2.9	3.4	
IM International Large Cap Value Equity (MF) Median			2.1	1.4	1.4	6.6	11.0	5.0	5.9	3.3	3.9	
Vanguard International Value Inv Rank			29	66	66	89	55	90	46	24	25	

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

# Manager Performance

City of Stamford C&M

As of February 29, 2024

	Allocation		Performance(%)									
	Market Value (\$)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Vanguard International Growth Adm</b>	<b>9,663,534</b>	<b>9.4</b>	<b>6.3</b>	<b>3.6</b>	<b>3.6</b>	<b>4.8</b>	<b>11.5</b>	<b>-7.2</b>	<b>8.7</b>	<b>7.5</b>	<b>7.5</b>	<b>04/2011</b>
<i>MSCI AC World ex USA Growth (Net)</i>			3.8	3.0	3.0	6.1	13.2	-1.8	6.0	4.8	4.7	
IM International Large Cap Growth Equity (MF) Median			3.8	3.6	3.6	6.7	13.8	1.3	7.0	4.7	5.2	
Vanguard International Growth Adm Rank			12	50	50	74	73	99	22	5	8	
<b>Asset Allocation</b>	<b>5,034,456</b>	<b>4.9</b>	<b>1.4</b>	<b>0.9</b>	<b>0.9</b>	<b>9.1</b>	<b>13.5</b>	<b>2.3</b>	<b>5.2</b>	<b>4.0</b>	<b>6.0</b>	<b>01/2009</b>
<i>C&amp;M Asset Allocation Benchmark</i>			2.3	2.6	2.6	8.7	16.0	3.4	7.2	6.1	7.2	
<b>GMO Global Asset Allocation III</b>	<b>5,034,456</b>	<b>4.9</b>	<b>1.4</b>	<b>0.9</b>	<b>0.9</b>	<b>9.1</b>	<b>13.5</b>	<b>2.3</b>	<b>5.2</b>	<b>4.1</b>	<b>4.4</b>	<b>05/2013</b>
<i>65% MSCI AC World / 35% Bloomberg Aggregate</i>			2.3	2.6	2.6	8.7	16.0	3.4	7.2	6.1	6.4	
<b>Real Assets</b>	<b>7,123,604</b>	<b>7.0</b>	<b>1.5</b>	<b>-1.8</b>	<b>-1.8</b>	<b>3.1</b>	<b>2.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6.2</b>	<b>04/2022</b>
<i>Real Assets Benchmark</i>			0.5	-3.3	-3.3	3.0	1.9	-	-	-	-5.3	
<b>Cohen &amp; Steers Instl Realty Shares</b>	<b>2,071,144</b>	<b>2.0</b>	<b>2.8</b>	<b>-1.9</b>	<b>-1.9</b>	<b>4.7</b>	<b>6.1</b>	<b>4.7</b>	<b>6.4</b>	<b>7.7</b>	<b>6.1</b>	<b>03/2023</b>
<i>FTSE NAREIT All Equity REITs</i>			1.9	-3.0	-3.0	4.9	4.3	3.7	4.5	6.8	4.3	
IM Real Estate Sector (MF) Median			1.8	-2.6	-2.6	4.6	4.4	3.5	4.2	6.1	4.4	
Cohen & Steers Instl Realty Shares Rank			11	26	26	47	22	12	6	3	22	
<b>DWS RREEF Real Assets Fund R6</b>	<b>5,052,460</b>	<b>4.9</b>	<b>0.9</b>	<b>-1.8</b>	<b>-1.8</b>	<b>2.4</b>	<b>1.3</b>	<b>3.1</b>	<b>5.4</b>	<b>4.1</b>	<b>-6.8</b>	<b>04/2022</b>
<i>DWS Real Assets Benchmark</i>			-0.6	-3.5	-3.5	1.3	-0.2	3.4	3.7	3.1	-6.3	

GMO Global Asset Allocation III was Benchmark Free Allocation prior to 7/26/2017.

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



# Fiduciary Governance Calendar

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



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



# 2024 Allocation Updates

Y / Y  
Change

Context

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



# 2024-2033 Ten-Year Outlook

		2024	2023	Y / Y Change	
Fixed Income	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 <sup>1</sup>	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 above Treasuries) 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 <sup>2</sup>	6.3%	5.8%	0.5%
	Muni High Yield <sup>2</sup>	10.2%	9.9%	0.3%	
Global Equity	U.S. equity forecasts are nearly flat year over year driven by higher valuations and very modest earnings growth for 2023. International forecasts fell on a similar accord, but to a larger degree also driven by higher anticipated volatility outside of the U.S. Valuations outside the U.S. remain below their 20-year averages while 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 <sup>3</sup>	7.5%	6.8%	0.7%
	Marketable alternatives forecasts benefited from higher base rates of returns earned in treasuries and higher expected volatility within and across asset classes.	Marketable Alts	8.4%	8.1%	0.3%
	Private equity 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 Outputs and opinions are as of the date referenced and are subject to change based on market or economic conditions. Information is intended for general information purposes only and does not represent any specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. There is no guarantee that any of these expectations will become actual results. For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary slide at the end of this presentation for summary of indices used to represent each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information.



## Portfolio Implications

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



# Asset Allocation Analysis

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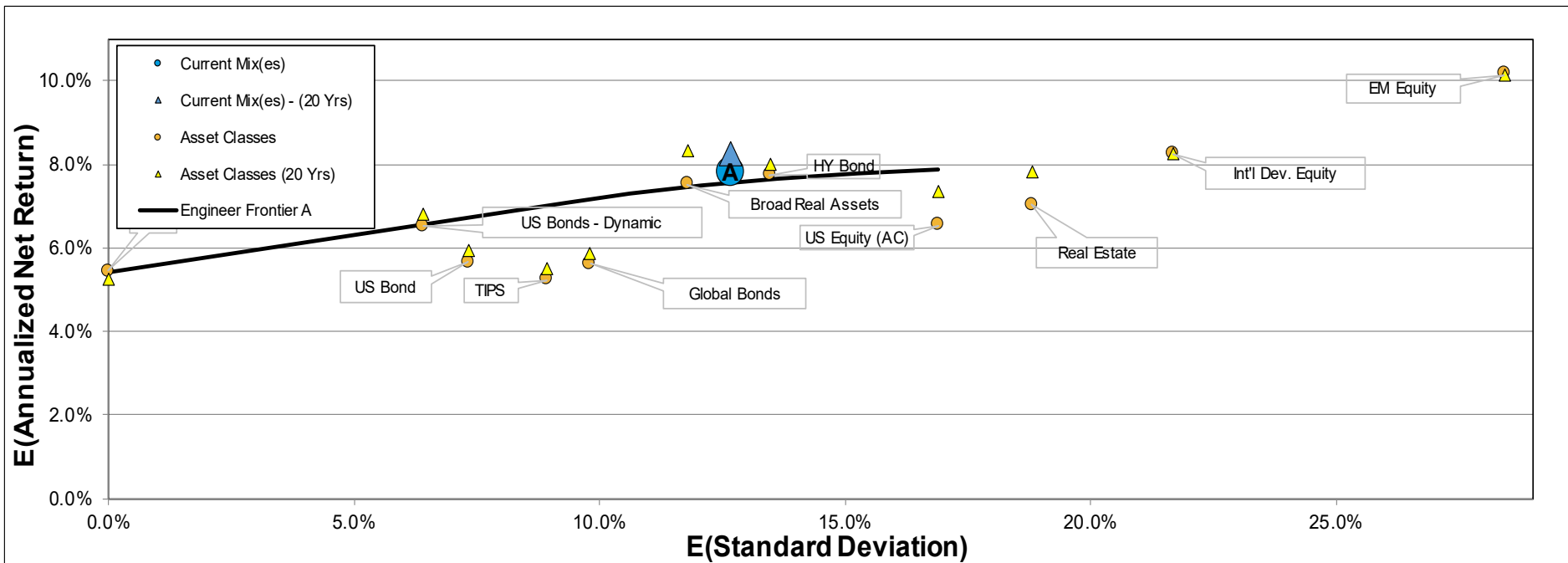
- We believe **Asset Allocation** is the primary determinant of long-term investment results.
- Our propriety **Frontier Engineer**<sup>®</sup> system is the cornerstone of asset allocation decisions.
- Our Capital Markets Group develops **Capital Market Assumptions** (CMAs) for each major asset class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





# Frontier Engineer® Analysis

12/31/2023	Asset Allocation														Forecasts					Past (1/88-12/23)		
	Fixed Income	Equity	Real Assets	Alternatives	Cash	TIPS	US Bond	US Bonds - Dynamic	HY Bond	Global Bonds	US Equity (AC)	Int'l Dev. Equity	EM Equity	Real Estate	Broad Real Assets	Annualized Net Return (20 Years)	Annualized Return (10 Years)	Annualized Volatility	Normal 100 Year Flood*	Non-Normal 100 Year Flood**	Annualized Net Return	Annualized Volatility
2024 Portfolio Targets	30%	61%	9%			2.0%	19.5%	5.0%	1.8%	1.8%	37.5%	16.0%	7.5%	4.0%	5.0%	8.3%	7.8%	12.7%	-21%	-29%	8.8%	10.5%



\*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).  
 \*\*The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).  
 Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing. Please refer to the Capital Markets Assumptions Slide for the hypothetical alpha and hypothetical fee inputs used in the calculation methodology.



# Actuarial Review

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Stamford Custodians & Mechanics Retirement Fund		
	7/1/2022	7/1/2021
Actuarial Value of Assets	\$94,177,157	\$90,005,976
Total Accrued Liability	\$87,133,059	\$93,431,426
Funded Ratio	108.1%	96.3%
Actuarial Return Assumption	6.70%	6.70%

Source: Milliman, Inc., 2022 Valuation Report

# Definitions & Disclosures

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

## REGULATORY DISCLOSURES

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

## INDEX DEFINITIONS

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

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

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

#### **Additional:**

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

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

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

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

#### DEFINITION OF KEY PRIVATE EQUITY TERMS

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

#### VALUATION POLICY

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

#### REPORTING POLICY

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

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

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

## **MATERIAL RISKS & LIMITATIONS**

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

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

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

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

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

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

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

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

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

## **OTHER**

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

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

## **CUSTODIAN STATEMENTS**

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