



Town of East Lyme

Quarterly Investment Review - First Quarter 2025

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Fiducient Advisors Update

Retirement Plans

Featured Insights

- Blog: [Understanding the Loper Bright Decision: A Guide for ERISA Professionals](#)
- Blog: [The Evolution of the “Super Saver” Strategy](#)
- Webcast: [Cash Balance Plans – Your Secret Weapon](#)

Research Insights

- [The Evolution of Qualified Default Investment Alternatives](#)
- [2025 First Quarter Considerations](#)
- [Monthly Market Recaps](#)
- [Monthly Market Updates](#)

Save the Date!

**2025
Investor Conference**

The Westin Copley Place | Boston
September 16 - 17

Endowments & Foundations

Featured Insights

- Blog: [Navigating Private Markets: Key Considerations for Endowment and Foundation Portfolios](#)
- Blog: [Are Hedge Funds Suitable for My Nonprofit Organization's Portfolio?](#)

The Wealth Office®

Featured Insights

- Blog: [The Power of Compounding: How Time Can Be Your Best Investment Ally](#)
- Blog: [For Love and Money: Financial Planning for Couples](#)
- Webcast: [Your 2025 Wealth Blueprint: Key Planning Considerations](#)

New Associates – Welcome!

Vivian Alvarado
Client Service Associate

Stephany Fryman
CRM Solutions Administrator

Nor Attisha
Compliance Officer

Dona Hounguevou
Client Service Associate

Christy Coronel
Human Resources Assistant

Sean Roopcharan
Client Service Associate

Joshua Vance
Middle Office Associate

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Fiduciary Governance Calendar for Public Defined Benefit & OPEB Plans

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.



Ensuring Effective Governance & Oversight

- **Public pension committees** play a critical role in safeguarding the retirement benefits of public employees and effective governance and oversight are essential for ensuring the long-term sustainability of these funds.
- **Maintaining transparency** and accountability is fundamental to building trust with stakeholders. Committees should ensure that decisions are well-documented and communicated to all relevant parties (e.g., Board of Finance; Board of Selectman; Freedom of Information (FoI) inquiries).
- A comprehensive **governance policy** should outline the committee's mission, values, and principles. This policy should be revisited and updated regularly to reflect changing circumstances and best practices across public plans.
- Regular **public disclosures** of financial performance, investment strategies, and governance practices are recommended to keep stakeholders informed.
- **Continuous education** is crucial for committee members to stay informed about industry trends, regulatory changes, and best practices. Regular training sessions, workshops, and conferences can help members enhance their skills and knowledge.
- Effective **succession planning** ensures the continuity and stability of the committee. This includes identifying and mentoring potential new members, as well as establishing a process for the orderly transition of roles and responsibilities.



Board Educational Support

Training & Education to Assist Board Members in Making Informed Decisions

Fiduciary Governance

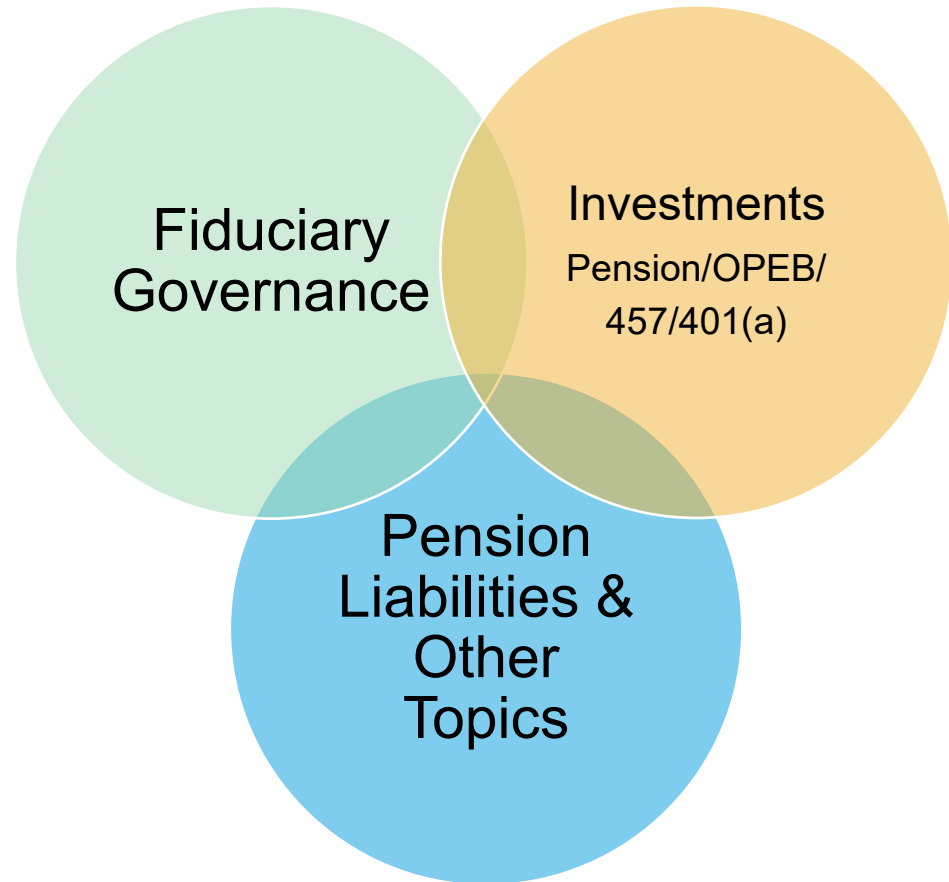
A thorough discussion regarding your role and responsibilities, and embracing Committee Best Practices, as a fiduciary to public fund assets.

Investments

In-depth reviews of global capital markets and specific asset classes, the concept of diversification and asset allocation, and the various types of strategies that may be used by investment managers.

Pension Liabilities & Other Topics

Understanding key concepts and assumptions that drive pension liability valuations and contribution volatility, and other topics of interest to a governing body





Considerations for 457 & 401(a) Plans

- **A participant directed defined contribution plan** is the primary retirement vehicle option for many public employees
- Public defined contribution plans **have grown in size** (participant count and assets) over the years
- Unlike the legacy pension plan which has a governing body (pension committee/board) the defined contribution plan tends to reside **under the purview** of the municipality's human resources area or the finance director.
- Some municipalities have **multiple defined contribution recordkeepers** (vendors) servicing the 401(a) or the 457 plan which can add to administrative complexity, confusion, and higher costs.
- Unlike the pension plan, participants in a defined contribution plan **are tasked with investment decisions** and creating optimal asset allocation strategies based on their retirement goals and objectives.
- Public plan sponsors should be mindful of their **responsibilities** tasked with overseeing the defined contribution plans.
- Public plan sponsors should consider establishing a **due diligence process** around fund menu design; recordkeeping fees; investment fund performance and participant education.



Investment Policy Statement

A well-written Investment Policy Statement serves as the blueprint for the management of the investment program. As such, there are certain criteria that are required in an IPS, and other criteria that may or may not be included based on the organization’s circumstances:

Important elements of an IPS to consider:	
Investment objective(s)	✓
Assignment of responsibilities	✓
Asset allocation framework	✓
Rebalancing guidelines	✓
Selection and monitoring criteria for investment strategies	✓
Termination guidelines for investment strategies	✓

In the appendix, you will find the most recent IPS on file for the Town of East Lyme Pension.

- The body of the IPS is as of June 2022, and the asset allocation table in Appendix A is as of February 2024.
- The IPS was most recently reviewed/approved by the Investment Committee in May 2024.
- There are no recommendations for change at this point in time.

Town of East Lyme Pension Plan Investment Policy Statement

Adoption

This Investment Policy Statement (“IPS”) was adopted by the Pension Board of the Town of East Lyme (“Plan Sponsor”) for the Town of East Lyme Pension Plan (“Plan”) on June 2nd, 2022.

If any terms of this IPS conflict with the Plan documents, the terms and conditions of the plan documents shall prevail.

Purpose of Plan and IPS

The Plan’s purpose is to provide retirement benefits to employees who are eligible to receive benefits under the Plan.

The purpose of the IPS is to outline the following general provisions affecting the Plan by:

- Assisting the Pension Board to fulfill its fiduciary responsibilities;
- Conveying the Plan’s purpose, investment objective, investment strategy and constraints;
- Establishing a decision-making framework to promote the effectiveness of the Plan;
- Intending for the Plan to be maintained in compliance with applicable laws and the Internal Revenue Code;
- Setting forth the roles and responsibilities of the Board, Investment Consultant (“Consultant”) and other relevant parties.

Statement of Goals & Objectives

The primary objective of the Plan is to meet the retirement benefit obligations to covered employees who are entitled to receive benefits under the Plan.

When endeavoring to meet this objective, the Plan will seek to assume an appropriate amount of risk to ensure enough assets are available over the life of the Plan to satisfy current and future liabilities. The Plan will seek to achieve and maintain a fully funded status while mitigating the funded status volatility. The strategy for achieving and maintaining this status may vary based on the current funded status, the duration of the Plan’s liabilities, the demographics of plan participants and other factors.

In addition to achieving primary objective, the goal of the overall investment strategy is to meet or exceed (a risk-appropriate) benchmark over full market cycles.

Roles and Responsibilities

The following is a summary of roles and responsibilities of various parties involved in overseeing or safeguarding the Plan’s assets:

Selectman

- Select members to serve on the Pension Board
- Provide guidance to the Pension Board on the Fund’s objectives

- Review and approve Investment Policy Statement
- Periodically receive performance updates from Board

Pension Board (“Board”)

- Oversee the management of assets.
- Act solely in the best interest of the Plan beneficiaries and the Plan’s objectives.
- Determine investment objectives and constraints. Immediately communicate any revision in objectives or constraints to the Investment Consultant.
- Set and revise the investment policies (including asset allocation) and receive Selectman approval as necessary.
- Select Consultants, investment managers, custodians and any other vendors required to administer and manage the Plan’s investments.
- Periodically review Plan-related investment expenses to ensure they are competitive and appropriate.
- Review and evaluate investment results and make changes as needed.
- Avoid prohibited transactions and conflicts of interest.

Actuary

- Provide actuarial information for the Plan to the Plan Sponsor as requested.
- On a timely basis, notify the Board if there are pertinent regulatory developments that would impact the Plan.

Consultant

- Assist in the development and periodic review of the investment policy.
- Proactively recommend changes to enhance the effectiveness of the investment policy, investment strategy or asset allocation.
- Make proactive investment manager hire and fire recommendations.
- Monitor aggregate and manager-level performance to ensure compliance with stated objectives.
- Provide the Board with performance-related information on a regular basis, no less than quarterly.
- On a timely basis, notify the Board if there are pertinent developments with any of the Plan’s investment managers.

Investment Managers

- Manage assets in accordance with the guidelines and objectives outlined in prospectuses (mutual funds), investment agreements (commingled funds, private partnerships, etc.), or manager-specific investment guidelines (separate accounts).
- Exercise investment discretion to buy, manage and sell assets held in the portfolios.
- Promptly vote proxies and related actions in a manner consistent with the long-term interest of the Plan as an investor.
- Communicate all organizational changes in a timely manner, including but not limited to ownership, organizational structure, financial condition and professional staff.
- Seek “best price and execution” for transactions. Both explicit and implicit transactions costs should be considered.
- Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like portfolios with like aims.

Custodian(s)/Benefit Payor

- Safeguard portfolio assets.
- Facilitate recurring and non-recurring benefit payments to participants as instructed by the Plan Sponsor.
- Accurately value portfolio holdings.
- Execute buy/sell orders and cash transfers in a timely manner as directed by the Board.
- Collect all income and dividends owed to the Plan.
- Settle all transactions (buy/sell orders) initiated by separate account investment managers.
- Provide monthly reports that detail transactions, cash flows, securities values and changes in the value of each security and the overall portfolio since the previous report.
- Provide all requested portfolio information to the Consultant and Board in a timely manner.

Investment Strategy and Rebalancing

Asset allocation decisions will be based on seeking to optimize long-term surplus risk-adjusted performance.

The Plan Sponsor plans to maintain the Plan. It is currently open to town employees, police, and firefighters. The Plan Sponsor reserves the right to amend the Plan, but the optimal investment strategy will be determined based on the plan provisions as they exist at any point in time.

The Board acknowledges that the Plan’s asset allocation strategy is likely to be its primary determinant of performance. The Plan’s investment strategy involves diversifying among various

asset classes, investment strategies and investment managers in order to pursue the Plan's investment objective(s) while complying with its constraints.

While reserving the right to take timely advantage of long-term investment opportunities as they present themselves, the Board intends to refrain from making dramatic shifts to the Plan's investment strategy based solely on short-term capital market expectations.

With the assistance of its Consultant, the Board intends to review or revise the target allocation to asset classes periodically to ensure the investment strategy remains consistent with the Plan's investment objectives, as those objectives may evolve over time given the plan's funding status and other factors.

With the assistance of its Consultant, the Plan's allocation will be monitored on a periodic basis to determine whether rebalancing back to its target allocation is warranted. This rebalancing process is likely to result in withdrawing from investments that have recently outperformed and/or adding to investments that have recently underperformed. With regards to periodic withdrawals (or contributions) that may be made to (or from) the Plan, partial rebalancing will generally have the objective of bringing the Plan closer to its target asset allocation.

The Plan's target allocation and ranges are set forth in Appendix A. Short-term market volatility may cause the asset mix to deviate from stated targets; however it is expected that deviation outside the allocation ranges will be rebalanced back into tolerance when the Board deems it appropriate to do so.

The benchmark will constitute underlying market indices appropriate for the strategy, and its components will be illustrated in the periodic performance report provided by the Consultant. The Board will also evaluate the Plan performance versus the actuarial assumed rate of return and additional performance benchmarks including, but not limited to, broader and/or more specific benchmarks made up of multiple underlying indices, or any other benchmark the Board believes will further its evaluation of the Plan's relative risk-adjusted performance.

Investment Manager Selection

The Plan may select investment managers through a variety of investment vehicles including, but not limited to, separate accounts, mutual funds, commingled funds or private partnerships. The Board understands that managers have full responsibility for security selection, diversification, turnover, and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Guidelines of each of the Fund's separately managed accounts or in the prospectus or offering memorandum for each mutual fund/commingled fund/private partnership.

The underlying investment managers selected for the Plan are intended to be selected with the care, skill and diligence that would be applied by a prudent person acting in a like capacity and knowledgeable about investing.

With the assistance of its Consultant, the Board will examine investment managers' investment objectives and processes; historical adherence to stated objectives and processes; depth of resources; quality of personnel; historical performance (including risk) versus various appropriate benchmarks; appropriateness of diversification; reasonableness of fees; and any other metric that may be material when evaluating investment managers' capabilities. The Board will use all available information and its best judgment when seeking to hire skillful

investment managers. The Board may also select low cost, passively managed investment products where appropriate.

Investment Manager Evaluation and Oversight

With the assistance of its Consultant, the Board intends to periodically review the performance of the underlying investment managers. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Fund. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Events that may trigger termination of a manager include, but are not limited to, illegal or unethical behavior on the part of the manager; failure to follow investment guidelines; turnover among key personnel; a change in investment style or strategy; insufficient infrastructure to keep pace with asset growth; significant increase in expenses or fees; performance-related concerns; and any other observation the Board deems may prevent the manager from carrying out its duties effectively. Since several studies have demonstrated that the vast majority of strong long-term performing investment managers suffer multi-year periods of underperformance, failure to meet performance or other qualitative guidelines will not automatically trigger a manager termination. The Board intends to use all known information and their best judgment to determine if and when terminating a manager is warranted. In addition, managers may be terminated at any time for any reason at the discretion of the Board.

Evaluating and Selecting Service Providers

Plan assets are intended to be used for the exclusive purpose of providing benefits to participants and beneficiaries and defraying reasonable costs of administering the Plan.

In carrying out the policies of this IPS, the Board may rely on various service providers including, but not limited to, the Consultant, trustee/custodian, administrative services provider(s) and investment managers. Such service providers generally shall be evaluated and selected based on the following:

- Furthering the Purpose of the Plan in Cost-Effective Manner. Each service provider is intended to advance the purpose of the Plan, which is to meet the objectives previously stated in this IPS. The service providers shall be expected to deliver administratively efficient services and charge fees that are reasonable given the service(s) provided.
- Core Business Commitment and Expertise. Each service provider is intended to have a history of providing services to other similar Plans and demonstrate an ongoing commitment to such business. Its employees should have a reputation among its clients for the quality of its services. The firm should show an appropriate knowledge of applicable statutes and regulation.
- Fiduciary Status and Conflicts of Interest. To the extent required based on the services being provided to the Plan, the service provider shall acknowledge its role as a fiduciary to the Plan. Service providers are expected to disclose any potential conflicts of interest to the Board.

Voting of Proxies

For separately managed accounts, if applicable, investment managers will be expected to vote proxies in the best interest of the Plan as an investor. When applicable, mutual fund proxies are intended to be voted in the best interest of the Plan.

Approval

It is understood that this investment policy is to be reviewed periodically by the Pension Board to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Appendix A

Asset Allocation Guidelines:	Lower Limit	Target	Upper Limit	Benchmark
Cash or Cash Equivalents	0%	1%	5%	90-Day T-Bill
Fixed Income	30%	40%	55%	Blmbg. U.S. Aggregate Blmbg. U.S. Corp High Yield Blmbg. Global Aggregate
Publicly Traded Global Equity	33%	54%	73%	
<i>Domestic Equity</i>	23%	33.5%	43%	S&P 500 Index Russel 2000 Index
<i>International Equity</i>	10%	20.5%	30%	MSCI ACWI ex USA Index MSCI Emerging Markets Index
Real Assets	0%	5%	10%	DWS Real Assets Index



Governance & Oversight

Public fund fiduciaries shoulder a significant responsibility in managing and overseeing the assets entrusted to them by the public

- While governmental plans **are not subject to Title I of ERISA**, which deals with fiduciary duties, they are however subject to **applicable provisions in the Internal Revenue Code (“Code”) and state laws**.
- Legislative history suggests that the satisfaction of ERISA rules would be sufficient to satisfy the Code requirements ... **“Spirit of ERISA”**
- The “exclusive benefit rule” under IRC Section 401(a)(2) has been interpreted to mean **exercise of prudence** in the investment of plan assets is a requirement.
- Many states have adopted “prudent investor” language, which includes many of the basic ERISA fiduciary principles (including duty of loyalty, duty of prudence, duty to diversify).
- The **Uniform Prudent Investor Act (UPIA)** is a law that establishes standards for how trustees should manage trust assets. It requires trustees to act in the best interests of the beneficiaries, exercise reasonable care, skill, and caution, and consider the prudence of an individual investment in the context of the total portfolio. Most states have adopted UPIA.

“Five Key Duties”

Duty of Loyalty:

Act exclusively in the interest of plan participants and beneficiaries

Duty of Prudence:

Act in accordance with the “prudent expert rule”

Duty to Diversify Investments:

Diversify the portfolio options to balance risk

Duty to Follow Plan Documents:

Follow the plan provisions and policies governing the plan

Duty to Avoid Prohibited Transactions:

Ensure legal and appropriate transactions and be free from conflict



Committee/Board Best Practices

Structure/Makeup	<ul style="list-style-type: none">▪ Leadership<ul style="list-style-type: none">▪ Effective leader with the ability to see the big picture and set the direction to achieve objectives – seeks input from other board members▪ Ideally, experience with pension benefits, investments, finance, actuarial science, etc., or perhaps has other leadership roles along the lines of board chair, etc.,▪ Committee/Board Makeup<ul style="list-style-type: none">✓ Diversity (a mix of skills, experience and perspectives) fosters lively discussion and varied points of view.✓ Controlled turnover leads to well-informed Committee/Board members and preserves institutional memory.✓ Large enough to promote meaningful discussion/debate, but small enough to reach consensus.
Governance	<ul style="list-style-type: none">▪ Meeting Frequency/Attendance<ul style="list-style-type: none">✓ Meetings must be frequent enough for the Committee/Board to fulfill its duties, not so frequent as to discourage attendance.✓ Meeting attendance is expected, member participation during a meeting should be encouraged.▪ Meeting Preparation<ul style="list-style-type: none">✓ Use of a formal agenda leads to a structured, efficient meeting.✓ Materials should be sent in advance and reviewed by all members prior to the meeting.▪ Governance Checklist<ul style="list-style-type: none">✓ Ensures that fiduciary responsibilities/obligations are reviewed on a regular basis.✓ Allows for a structured long-term approach in the face of potential short-term “fire drills”.
Documentation	<ul style="list-style-type: none">▪ Investment Policy Statement<ul style="list-style-type: none">✓ Serves as the Committee’s/Board’s blueprint for the management of the investment pool✓ Outlines roles and responsibilities of the Committee/Board members and other parties✓ Establishes framework for asset classes; asset allocation ranges; investment performance evaluation criteria; hiring/terminating managers,▪ Meeting Minutes<ul style="list-style-type: none">✓ Should be scribed and ultimately reviewed and approved by all Committee/Board members at each meeting✓ Provide historical context for why/how decisions were made and educate newer members on past decisions.▪ Properly Safekeep Meeting Materials<ul style="list-style-type: none">✓ Materials, including minutes, should be safekept and made available upon inquiry.

Note: This is not meant to be a complete list of all fiduciary duties and responsibilities. Please consult your legal advisor for advice about your specific situation.



Actuarial Review

Town of East Lyme Pension Plan		
	1/1/2024	1/1/2023
Actuarial Value of Assets	\$32,439,250	\$31,484,812
Total Accrued Liability	\$34,590,335	\$31,605,744
Funded Ratio	93.7%	99.6%
Actuarial Return Assumption	6.50%	6.50%

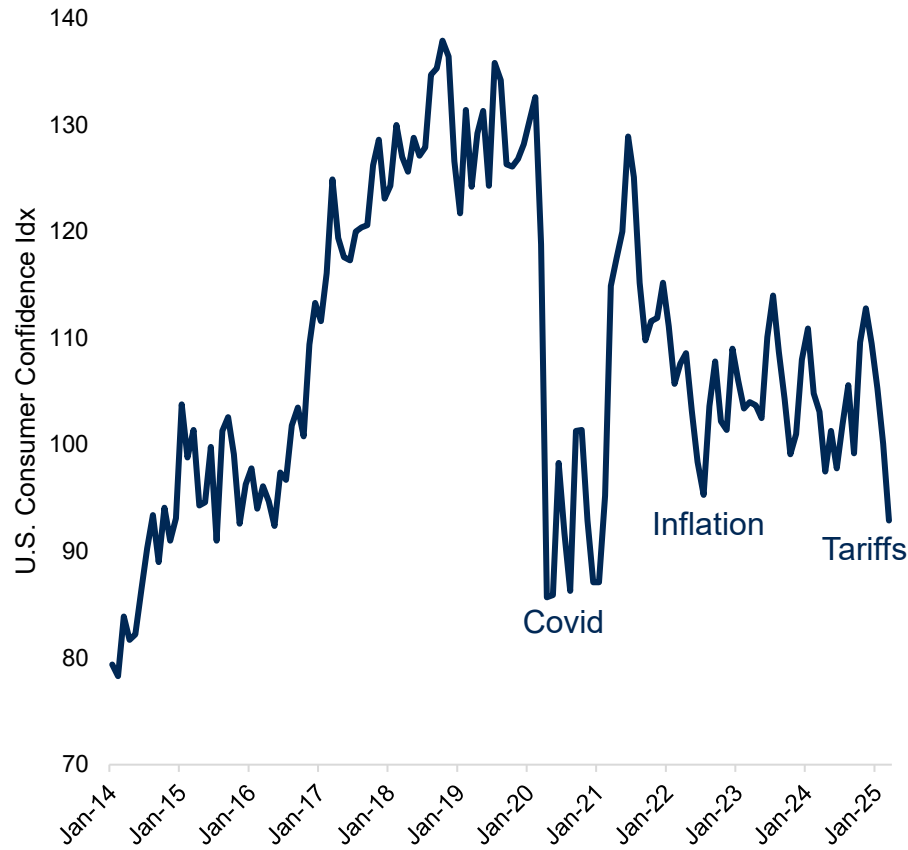
Source: USI Consulting Group, 2024 Valuation Report, as of 1/1/2024



Market Themes

Optimism Declines and Outlook for Growth Diminishes

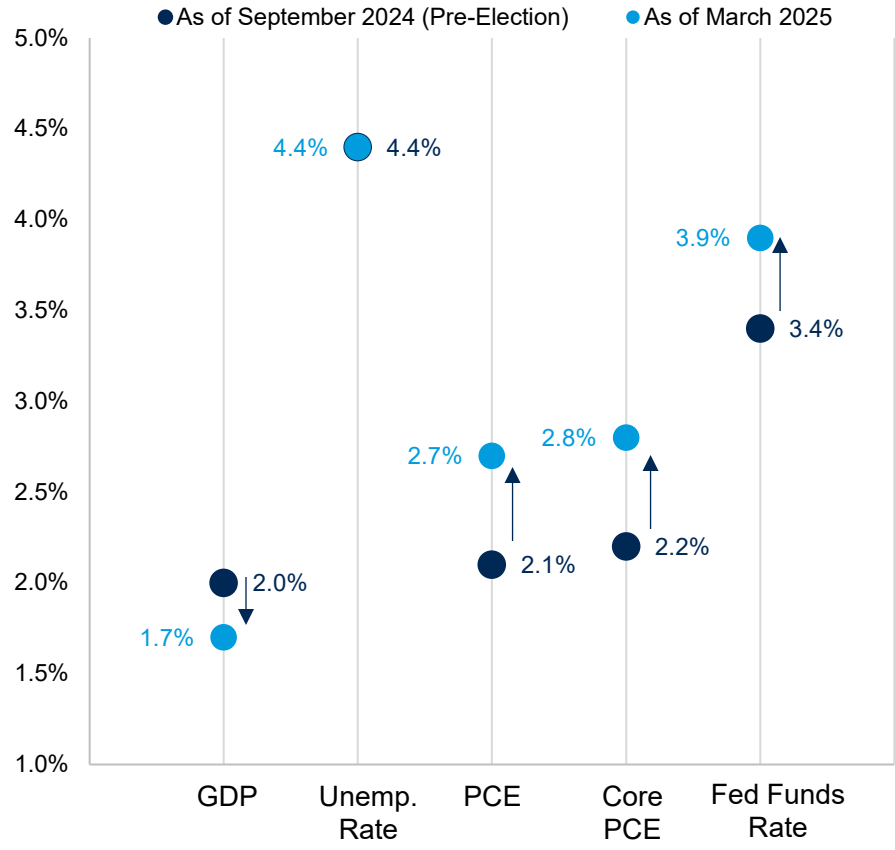
Markets shifted tone, and investors grew more anxious of the current economic environment as foreign trade policy took hold with the Trump administration's announcement of a 10% universal tariff and additional tariffs on various countries. Consumer confidence has fallen, touching levels last seen in 2021, as risk of recession grew and inflation remains elevated.



Sources: FactSet, U.S. Conference Board. As of March 31, 2025

Federal Reserve's Economic Projections for 2025

The Fed's economic projections have softened from its pre-election views in 2024, as the board of governors digests sticky inflation and increasing uncertainty in the labor market. The recent projections suggest the Fed may be comfortable maintaining their current restrictive policy stance running counter to the current administration's hopes.



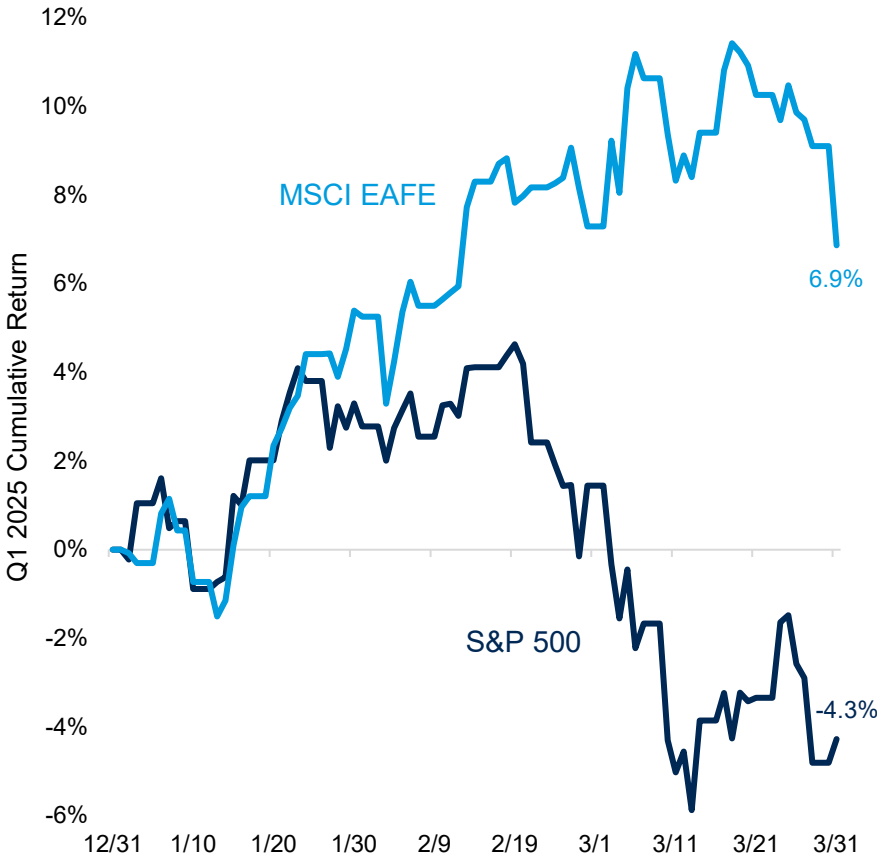
Source: Federal Reserve. As of March 31, 2025



Market Themes

International Equities Outshine Domestic Equities YTD

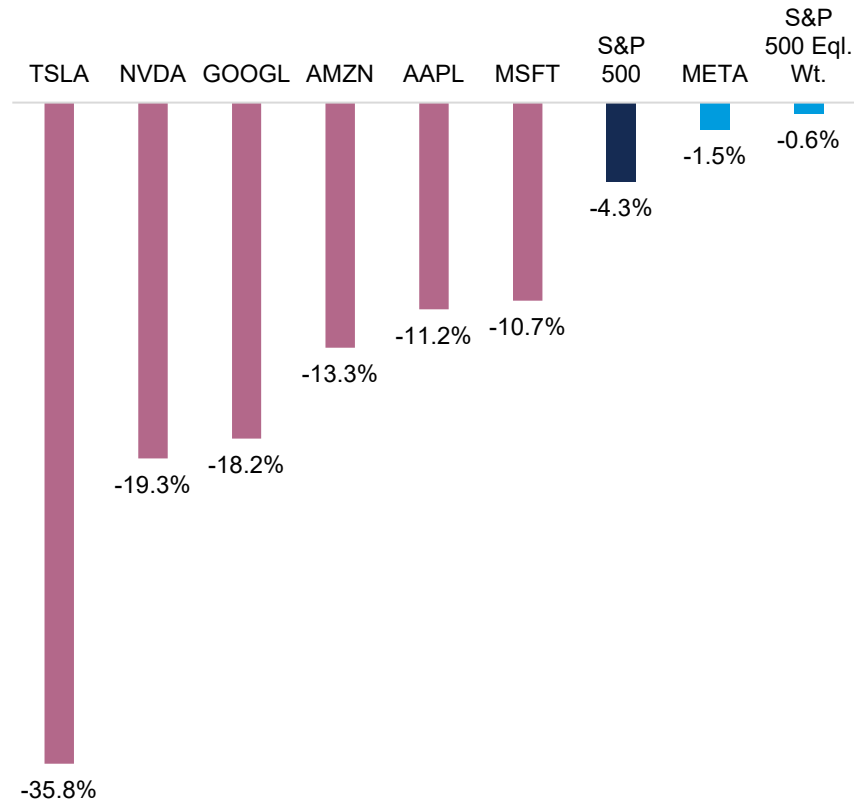
International equities outpaced domestic by a substantial margin during the quarter as fragile markets began to crack. MSCI EAFE beat the S&P 500 the widest margin since Q2 2002. Non-U.S. benefited from easing policy in Europe, increased defense spending and renewed economic policy efforts in China, while growing uncertainty on the economic outlook hindered markets in the U.S.



Source: Morningstar Direct. As of March 31, 2025.

“Mag Drag” Leads S&P 500 Lower in Q1

Elevated valuations and heavy index concentration laid the groundwork for heightened market volatility. Despite 61% of underlying constituents in the S&P 500 beating the index, the “Magnificent 7” dragged down the benchmark as six of the stocks fell double digits. Some profit taking in the highfliers, along with AI concerns and declining consumer confidence, impacted these companies.

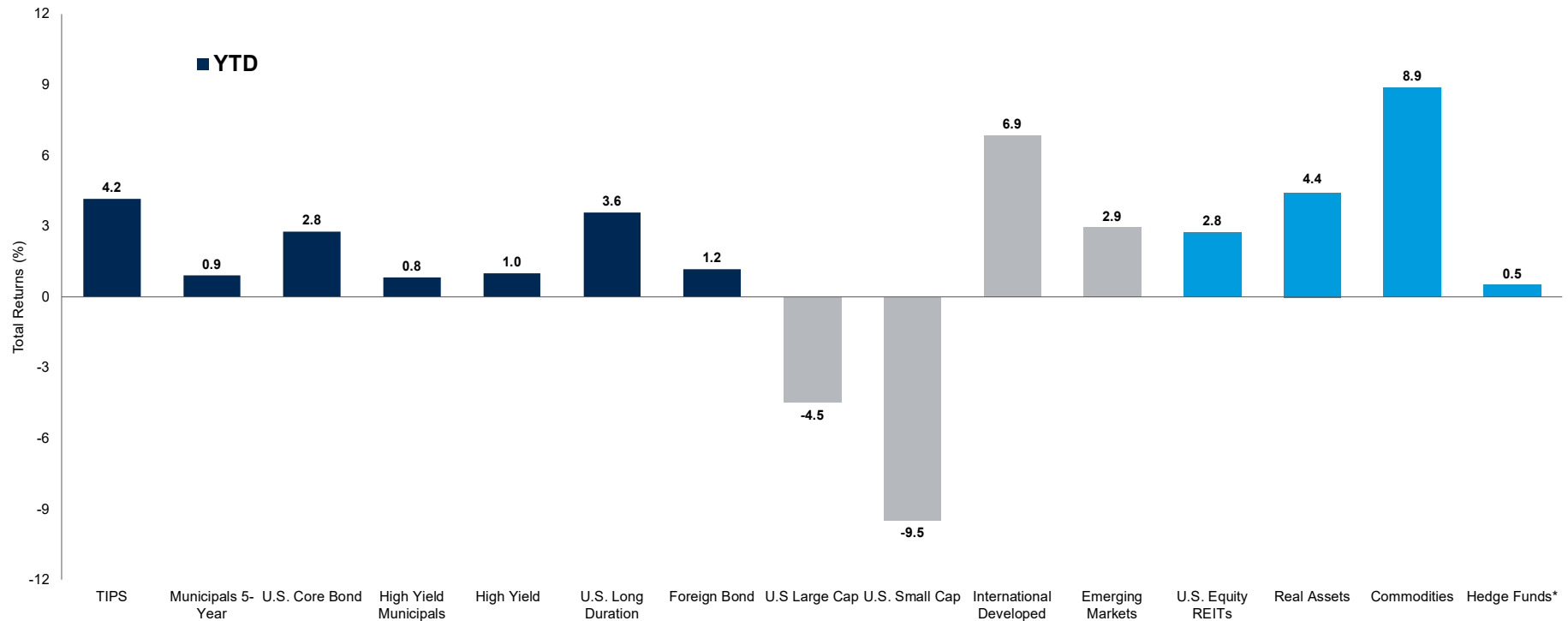


Source: Morningstar Direct. Year-to-date performance as of March 31, 2025

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.



Asset Class Returns



Source: Morningstar Direct. As of March 31, 2025. *Hedge fund returns as of February 28, 2025.

Fixed Income (1Q 2025)

+ Fixed income markets were broadly positive as interest rates declined during the quarter. Growing concerns regarding the U.S. economy pushed investors to seek “safe haven” assets, fueling the move lower in rates. Longer duration bonds, core fixed income, and inflation protected bonds fared best.

+ Despite elevated volatility in riskier segments of the market and spreads widening, high yield bonds generated a positive return. All in yields remain attractive and demand remains reasonably strong.

Equity (1Q 2025)

- U.S. equity markets came under pressure in the quarter. Evolving trade policy (i.e., tariffs) and other government actions drove uncertainty and reduced optimism. Much of the sell-off was centered on AI related and other growth areas of the market while value outperformed.

+ It was a strong quarter for non-U.S. markets as developed regions led the way, followed by emerging markets. Europe was particularly strong posting a double-digit return, while China, Brazil and Mexico helped propel emerging markets.

Real Asset / Alternatives (1Q 2025)

+ REITs generated a positive return, benefitting from the declining interest rate environment. More defensive areas, such as health care and infrastructure, outperformed.

+ Real Assets had favorable results as inflation expectations moved higher in reaction to foreign policy. Infrastructure, natural resource equities and inflation linked bonds all contributed.

+ Commodities were among the strongest asset classes during the period benefiting from robust precious metal performance and strong energy returns.

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.

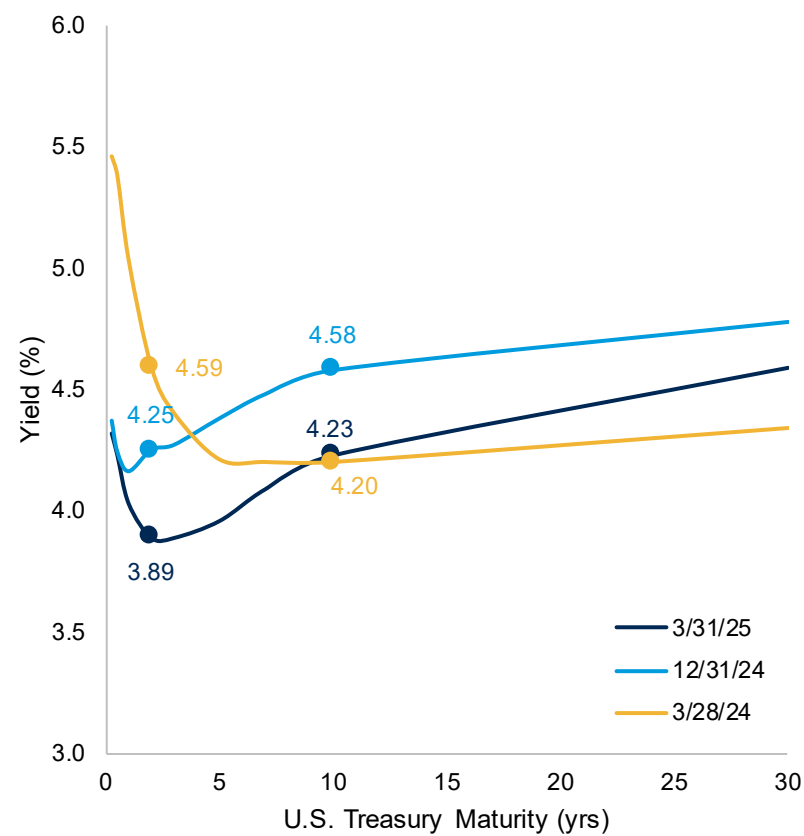
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Fixed Income Market Update

U.S. Treasury Yield Curve

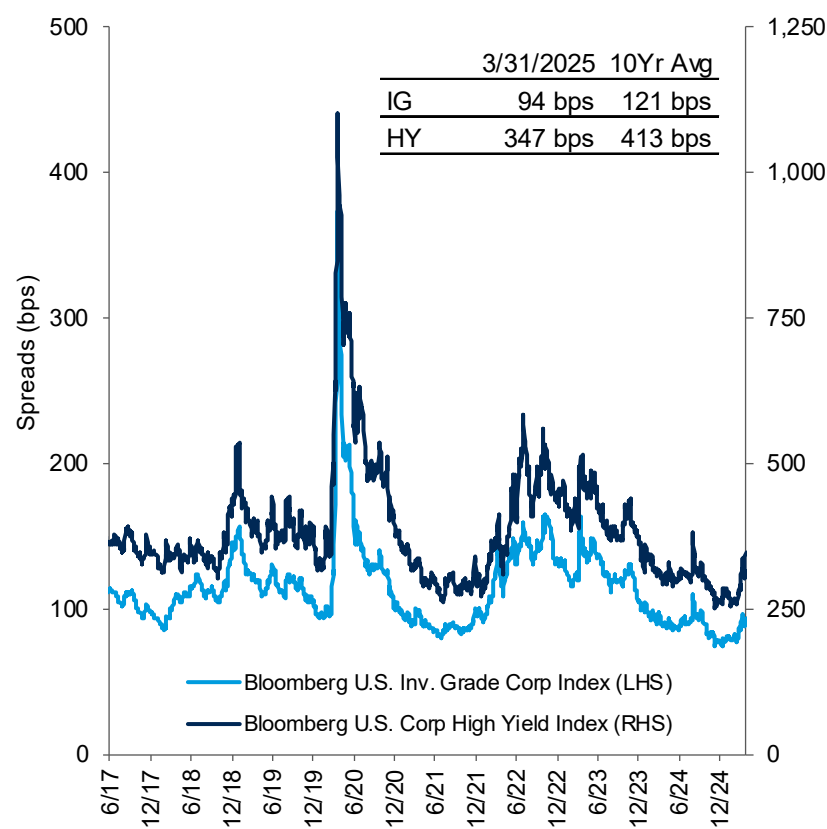
Rates moved lower across most of the U.S. yield curve during the quarter. Softening consumer optimism, tepid spending and growing risks of a growth slowdown were drivers of the move. The Federal Reserve held rates steady at both the January and March meetings, maintaining a restrictive policy stance.



Source: FactSet. As of March 31, 2025.

Corporate Credit Spreads – Trailing 5 Years

Market volatility trickled into the corporate credit market during the period with spreads widening in both investment grade and high yield, as investors digested the potential impact of policy announcements to corporate fundamentals. Despite the move, valuations still appear elevated as spread levels remain below long-term averages.



Source: FactSet. As of March 31, 2025.

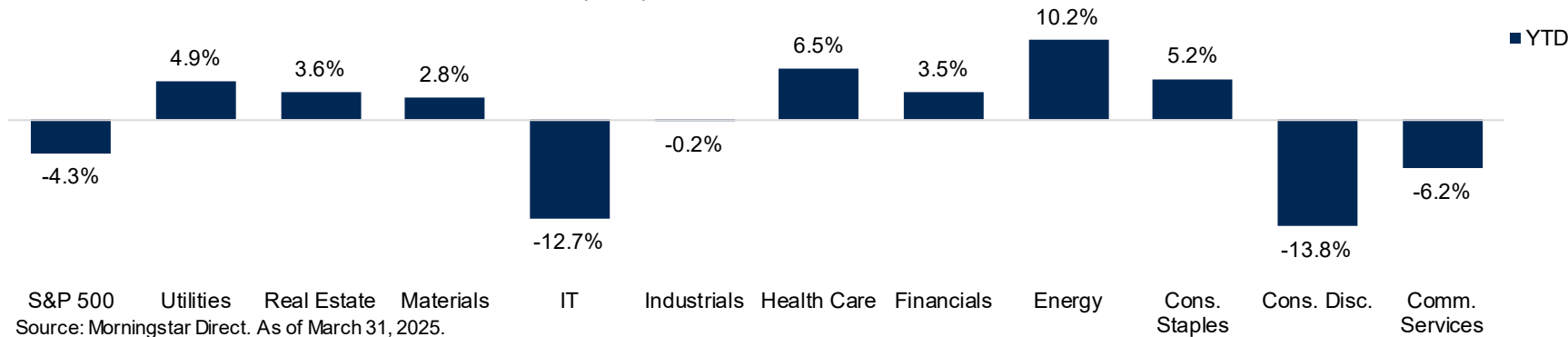
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Equity Market Update

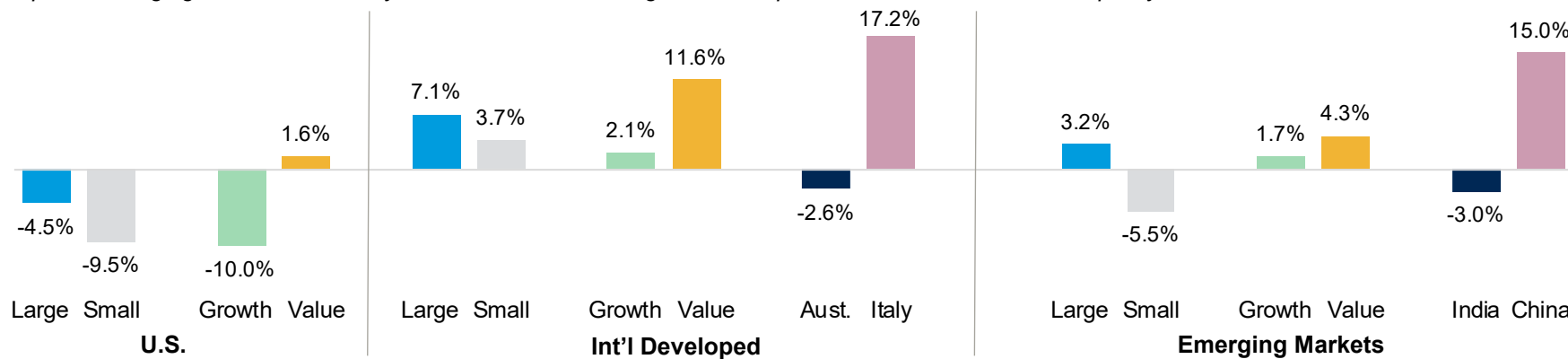
U.S. Equities – S&P 500 Returns by Sector (1Q 2025)

Despite seven out of eleven sectors generating positive returns and the majority of constituents outperforming the broader index, a rotation away from high-flying and high weight tech and consumer related names dragged down the S&P 500. Concerns about AI and a sharp drop in consumer confidence as a result of tariff announcements negatively impacted Magnificent 7 names such as NVIDIA, Microsoft and Tesla. More defensive sectors, such as utilities, health care and consumer staples, performed well.



Market Capitalization, Style, and Select Country Performance (1Q 2025)

Large cap stocks outpaced small cap and value stocks outperformed growth during the quarter. Developed international markets led, benefiting from stable economic policies compared to the U.S. Germany stood out due to renewed defense spending, which may boost growth. China was a bright spot in emerging markets, driven by favorable manufacturing data and optimism around President Xi's policy efforts.



Source: Morningstar Direct. As of March 31, 2025.

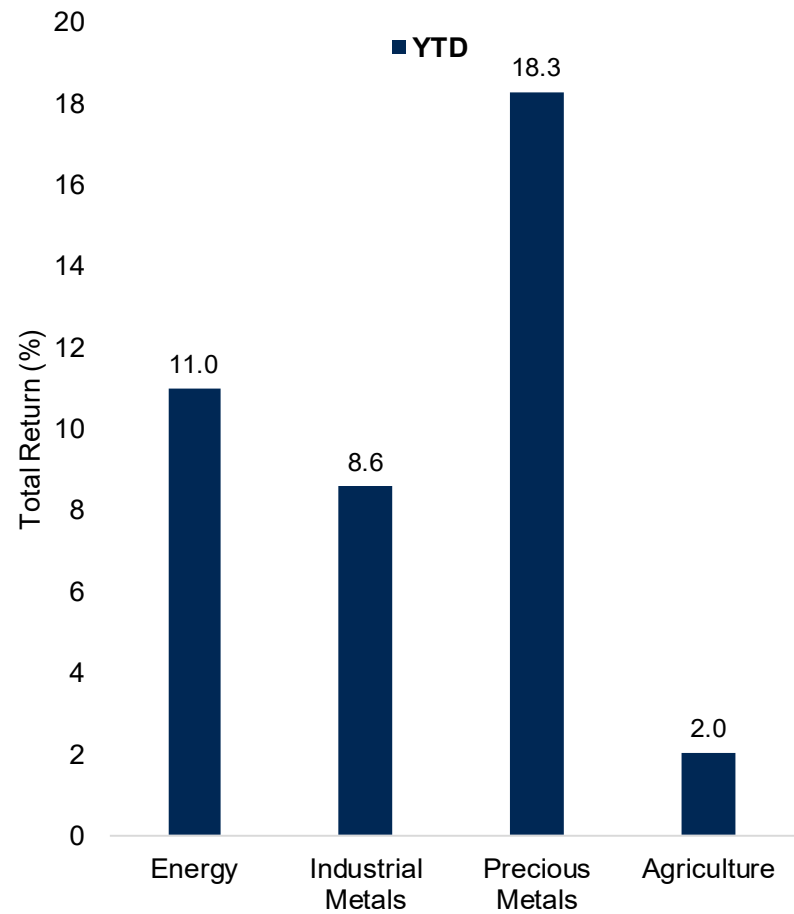
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Real Assets Market Update

Commodity Performance (1Q 2025)

Commodities had strong performance in the quarter, with positive results in all the sub-components. Precious metals were the bright spot, as gold prices surged among growing economic uncertainty, sticky inflation and a general preference for “safe haven” asset amidst heightened volatility.

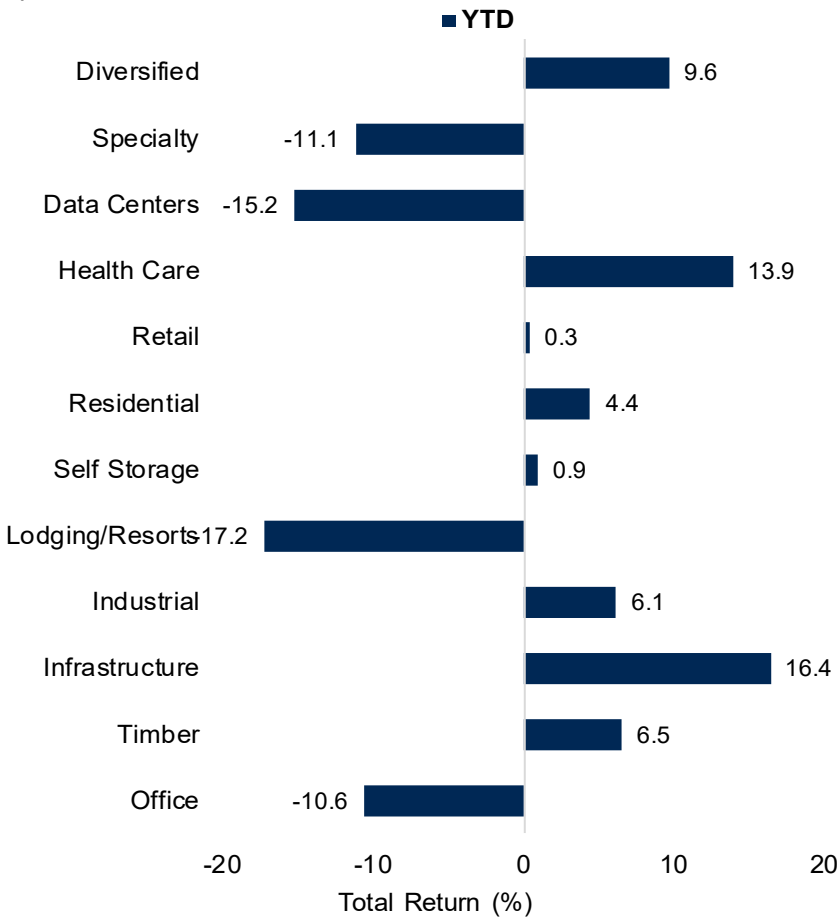


Source: Morningstar Direct. As of March 31, 2025.

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.

REIT Sector Performance (1Q 2025)

Falling interest rates were a boon for equity REITs, however underlying sub-sector performance was mixed. Infrastructure benefited from strength in towers and the more defensive health care sector benefited from favorable demographics. Data centers took a step back during the period, not immune to the AI sell-off.



Source: Morningstar Direct. As of March 31, 2025.



The Case for Diversification

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10 Years (Ann)
U.S. Equity REITs 2.8	U.S. Small Cap 21.3	Emerging Markets Equity 37.3	High Yield Municipals 4.8	U.S. Large Cap 31.4	U.S. Large Cap 21.0	U.S. Equity REITs 41.3	Commodities 16.1	U.S. Large Cap 26.5	U.S. Large Cap 24.5	Commodities 8.9	U.S. Large Cap 12.2
Municipals 5-Year 2.4	High Yield 17.1	International Developed Equity 25.0	Cash 1.8	U.S. Mid Cap 30.5	U.S. Small Cap 20.0	Commodities 27.1	Cash 1.5	International Developed Equity 18.2	U.S. Mid Cap 15.3	International Developed Equity 6.9	U.S. Mid Cap 8.8
High Yield Municipals 1.8	U.S. Mid Cap 13.8	U.S. Large Cap 21.7	Municipals 5-Year 1.7	U.S. Equity REITs 28.7	Emerging Markets Equity 18.3	U.S. Large Cap 26.5	Hedge Funds -5.3	U.S. Mid Cap 17.2	U.S. Small Cap 11.5	TIPS 4.2	U.S. Small Cap 6.3
U.S. Large Cap 0.9	U.S. Large Cap 12.1	U.S. Mid Cap 18.5	U.S. Core Bond 0.0	U.S. Small Cap 25.5	U.S. Mid Cap 17.1	U.S. Mid Cap 22.6	Municipals 5-Year -5.3	U.S. Small Cap 16.9	Balanced 10.8	Emerging Markets Equity 2.9	Balanced 6.1
U.S. Core Bond 0.5	Commodities 11.8	Balanced 15.4	TIPS -1.3	International Developed Equity 22.0	Balanced 13.5	U.S. Small Cap 14.8	High Yield -11.2	Balanced 15.4	Hedge Funds 9.1	U.S. Equity REITs 2.8	U.S. Equity REITs 5.7
Cash 0.0	Emerging Markets Equity 11.2	U.S. Small Cap 14.6	High Yield -2.1	Balanced 19.4	TIPS 11.0	International Developed Equity 11.3	TIPS -11.8	High Yield 13.4	High Yield 8.2	U.S. Core Bond 2.8	International Developed Equity 5.4
Hedge Funds -0.3	U.S. Equity REITs 8.6	High Yield Municipals 9.7	U.S. Equity REITs -4.0	Emerging Markets Equity 18.4	Hedge Funds 10.9	Balanced 10.2	U.S. Core Bond -13.0	U.S. Equity REITs 11.4	Emerging Markets Equity 7.5	High Yield 1.0	High Yield 5.0
International Developed Equity -0.8	Balanced 5.9	U.S. Equity REITs 8.7	Hedge Funds -4.0	High Yield 14.3	International Developed Equity 7.8	High Yield Municipals 7.8	High Yield Municipals -13.1	Emerging Markets Equity 9.8	High Yield Municipals 6.3	Cash 1.0	High Yield Municipals 4.3
Balanced -1.0	TIPS 4.7	Hedge Funds 7.8	U.S. Large Cap -4.8	High Yield Municipals 10.7	U.S. Core Bond 7.5	Hedge Funds 6.2	International Developed Equity -14.5	High Yield Municipals 9.2	Commodities 5.4	Municipals 5-Year 0.9	Emerging Markets Equity 3.7
TIPS -1.4	High Yield Municipals 3.0	High Yield 7.5	Balanced -5.5	U.S. Core Bond 8.7	High Yield 7.1	TIPS 6.0	Balanced -16.0	Hedge Funds 6.1	Cash 5.3	High Yield Municipals 0.8	Hedge Funds 3.7
U.S. Mid Cap -2.4	U.S. Core Bond 2.6	U.S. Core Bond 3.5	U.S. Mid Cap -9.1	TIPS 8.4	High Yield Municipals 4.9	High Yield 5.3	U.S. Mid Cap -17.3	U.S. Core Bond 5.5	U.S. Equity REITs 4.9	Hedge Funds 0.5	Commodities 2.8
U.S. Small Cap -4.4	International Developed Equity 1.0	Municipals 5-Year 3.1	U.S. Small Cap -11.0	Hedge Funds 8.4	Municipals 5-Year 4.3	Municipals 5-Year 0.3	U.S. Large Cap -19.1	Cash 5.1	International Developed Equity 3.8	Balanced 0.3	TIPS 2.5
High Yield -4.5	Hedge Funds 0.5	TIPS 3.0	Commodities -11.2	Commodities 7.7	Cash 0.5	Cash 0.0	Emerging Markets Equity -20.1	Municipals 5-Year 4.3	TIPS 1.8	U.S. Mid Cap -3.4	Cash 1.9
Emerging Markets Equity -14.9	Cash 0.3	Commodities 1.7	International Developed Equity -13.8	Municipals 5-Year 5.4	Commodities -3.1	U.S. Core Bond -1.5	U.S. Small Cap -20.4	TIPS 3.9	U.S. Core Bond 1.3	U.S. Large Cap -4.5	Municipals 5-Year 1.7
Commodities -24.7	Municipals 5-Year -0.4	Cash 0.8	Emerging Markets Equity -14.6	Cash 2.2	U.S. Equity REITs -5.1	Emerging Markets Equity -2.5	U.S. Equity REITs -24.9	Commodities -7.9	Municipals 5-Year 1.2	U.S. Small Cap -9.5	U.S. Core Bond 1.5

Sources: Morningstar, FactSet. As of March 31, 2025. *Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of February 28, 2025.

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.



Financial Markets Performance

Total Return as of March 31, 2025
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	1.0%	1.0%	5.0%	4.3%	2.6%	2.5%	1.9%	1.3%
Bloomberg U.S. TIPS	4.2%	4.2%	6.2%	0.1%	2.4%	3.0%	2.5%	3.1%
Bloomberg Municipal Bond (5 Year)	0.9%	0.9%	2.5%	2.1%	1.3%	1.9%	1.7%	2.3%
Bloomberg High Yield Municipal Bond	0.8%	0.8%	5.6%	2.9%	4.3%	4.1%	4.3%	5.4%
Bloomberg U.S. Aggregate	2.8%	2.8%	4.9%	0.5%	-0.4%	1.6%	1.5%	2.4%
Bloomberg U.S. Corporate High Yield	1.0%	1.0%	7.7%	5.0%	7.3%	4.9%	5.0%	6.2%
Bloomberg Global Aggregate ex-U.S. Hedged	-0.2%	-0.2%	4.2%	2.2%	0.9%	2.1%	2.2%	3.1%
Bloomberg Global Aggregate ex-U.S. Unhedged	2.5%	2.5%	1.5%	-3.5%	-2.4%	-2.2%	-0.2%	0.1%
Bloomberg U.S. Long Gov / Credit	3.6%	3.6%	1.7%	-4.5%	-3.7%	0.5%	1.0%	4.0%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	-4.3%	-4.3%	8.3%	9.1%	18.6%	13.2%	12.5%	13.2%
Dow Jones Industrial Average	-0.9%	-0.9%	7.4%	8.8%	16.2%	10.6%	11.4%	12.0%
NASDAQ Composite	-10.3%	-10.3%	6.4%	7.6%	18.5%	14.6%	14.5%	15.2%
Russell 3000	-4.7%	-4.7%	7.2%	8.2%	18.2%	12.5%	11.8%	12.8%
Russell 1000	-4.5%	-4.5%	7.8%	8.7%	18.5%	13.0%	12.2%	13.0%
Russell 1000 Growth	-10.0%	-10.0%	7.8%	10.1%	20.1%	16.1%	15.1%	15.3%
Russell 1000 Value	2.1%	2.1%	7.2%	6.6%	16.2%	9.2%	8.8%	10.4%
Russell Mid Cap	-3.4%	-3.4%	2.6%	4.6%	16.3%	9.2%	8.8%	11.2%
Russell Mid Cap Growth	-7.1%	-7.1%	3.6%	6.2%	14.9%	10.6%	10.1%	12.2%
Russell Mid Cap Value	-2.1%	-2.1%	2.3%	3.8%	16.7%	7.8%	7.6%	10.3%
Russell 2000	-9.5%	-9.5%	-4.0%	0.5%	13.3%	5.4%	6.3%	9.0%
Russell 2000 Growth	-11.1%	-11.1%	-4.9%	0.8%	10.8%	5.0%	6.1%	9.5%
Russell 2000 Value	-7.7%	-7.7%	-3.1%	0.0%	15.3%	5.3%	6.1%	8.2%
MSCI ACWI	-1.3%	-1.3%	7.2%	6.9%	15.2%	9.1%	8.8%	8.9%
MSCI ACWI ex. U.S.	5.2%	5.2%	6.1%	4.5%	10.9%	4.5%	5.0%	4.9%
MSCI EAFE	6.9%	6.9%	4.9%	6.1%	11.8%	5.3%	5.4%	5.6%
MSCI EAFE Growth	2.1%	2.1%	-2.6%	2.4%	8.5%	4.9%	5.5%	6.0%
MSCI EAFE Value	11.6%	11.6%	12.8%	9.7%	14.8%	5.4%	5.1%	5.1%
MSCI EAFE Small Cap	3.7%	3.7%	3.1%	0.9%	9.9%	2.5%	5.3%	6.5%
MSCI Emerging Markets	2.9%	2.9%	8.1%	1.4%	7.9%	1.6%	3.7%	3.0%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.7%	0.7%	2.8%	4.0%	4.3%	3.6%	3.1%	2.6%
FTSE NAREIT All Equity REITs	2.8%	2.8%	9.2%	-1.7%	9.6%	6.9%	5.7%	8.9%
S&P Real Assets	4.4%	4.4%	8.0%	1.1%	9.1%	4.7%	4.2%	5.3%
FTSE EPRA NAREIT Developed	1.9%	1.9%	5.0%	-3.3%	7.2%	3.2%	3.0%	5.9%
FTSE EPRA NAREIT Developed ex U.S.	3.5%	3.5%	-2.8%	-7.0%	1.8%	-1.3%	0.4%	3.2%
Bloomberg Commodity Total Return	8.9%	8.9%	12.3%	-0.8%	14.5%	5.4%	2.8%	-0.1%
HFRI Fund of Funds Composite*	0.5%	0.5%	7.0%	4.4%	5.6%	4.3%	3.7%	3.7%
HFRI Asset Weighted Composite*	1.3%	1.3%	7.0%	5.0%	5.4%	4.3%	3.7%	4.5%

Sources: Morningstar, FactSet. As of March 31, 2025. *Consumer Price Index and HFRI indexes as of February 28, 2025.

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.

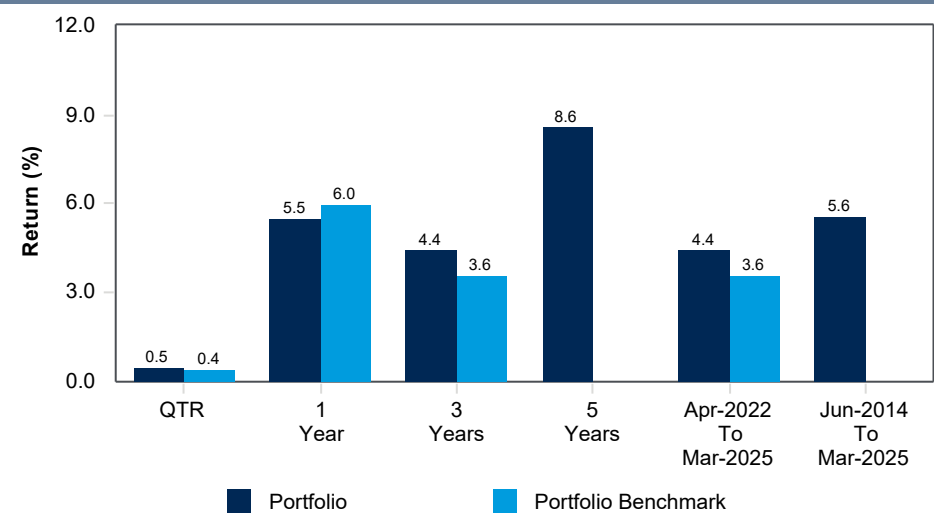


Portfolio Dashboard

Town of East Lyme

As of March 31, 2025

Historical Performance



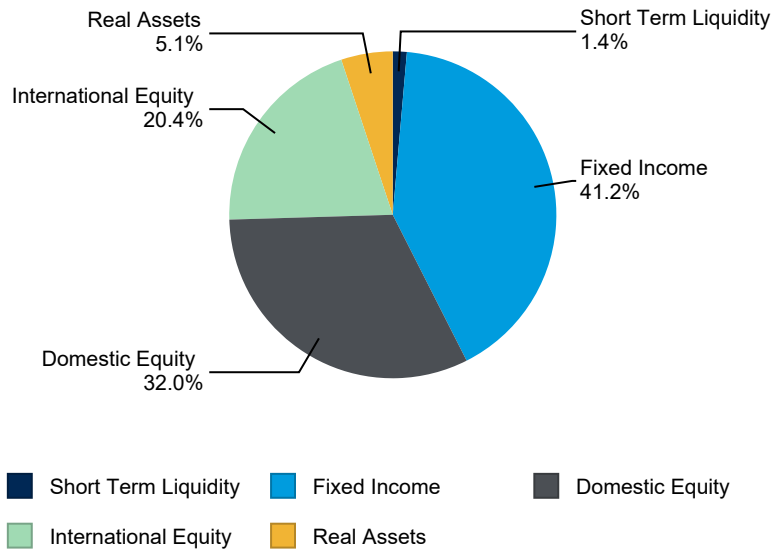
Summary of Cash Flows

	QTR	1 Year	Since Inception
Beginning Market Value	32,513,532	31,385,129	15,340,695
Net Contributions	-516,215	-912,941	2,037,195
Gain/Loss	164,384	1,689,513	14,783,810
Ending Market Value	32,161,701	32,161,701	32,161,701

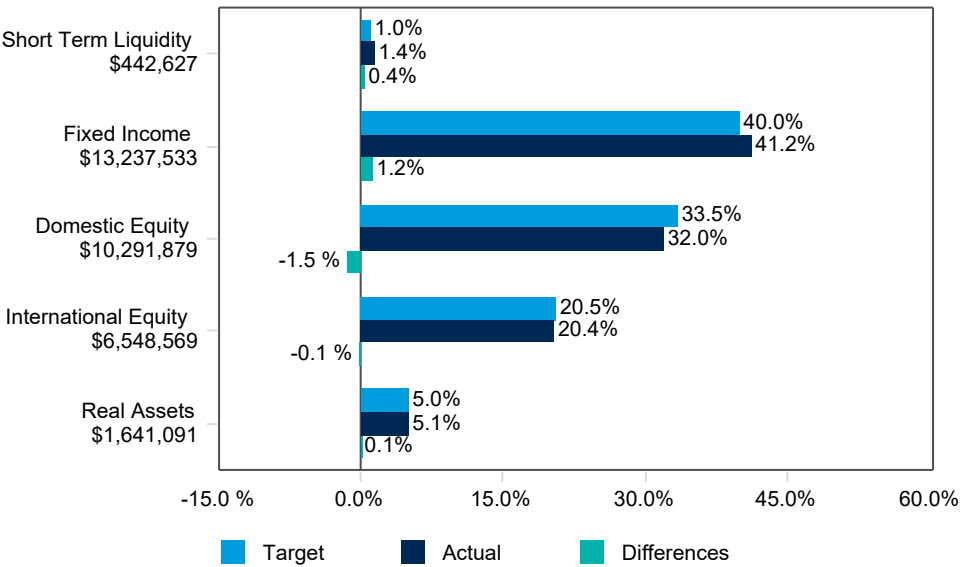
Current Benchmark Composition

From Date	To Date	
03/2025	Present	1.00% 90 Day U.S. Treasury Bill, 37.50% Blmbg. U.S. Aggregate, 2.50% Blmbg. U.S. Corp: High Yield, 25.00% S&P 500, 8.50% Russell 2000 Index, 14.00% MSCI AC World ex USA (Net), 6.50% MSCI Emerging Markets (Net), 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 Fiducient Advisors' fees.

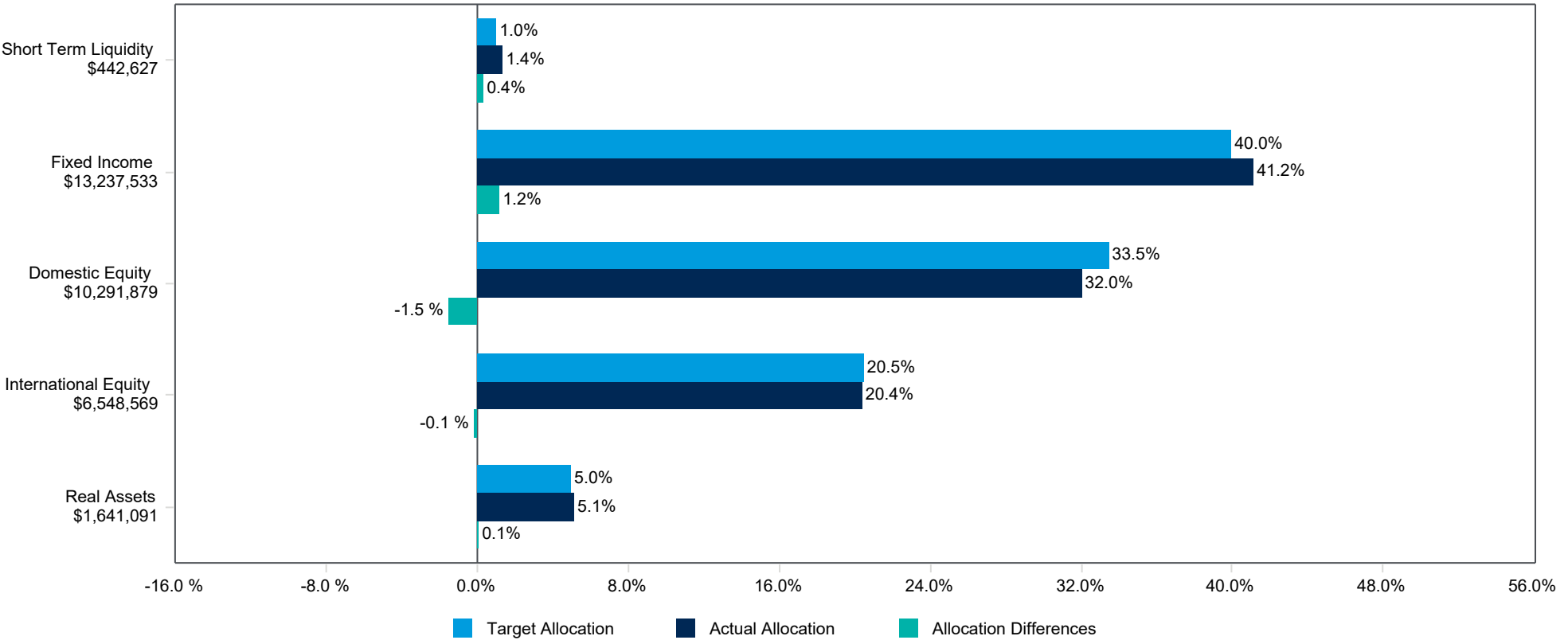


Asset Allocation

Town of East Lyme

As of March 31, 2025

Actual vs. Target



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Short Term Liquidity	442,627	1.4	1.0	0.4	0.0	5.0
Fixed Income	13,237,533	41.2	40.0	1.2	30.0	55.0
Domestic Equity	10,291,879	32.0	33.5	-1.5	23.0	43.0
International Equity	6,548,569	20.4	20.5	-0.1	10.0	30.0
Real Assets	1,641,091	5.1	5.0	0.1	0.0	10.0
Town of East Lyme	32,161,701	100.0	100.0	0.0	-	-



Asset Allocation

Town of East Lyme

As of March 31, 2025

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Town of East Lyme	32,161,701	100.0	100.0	0.0
Short Term Liquidity	442,627	1.4	1.0	0.4
First American Government Fund	442,627	1.4	1.0	0.4
Fixed Income	13,237,533	41.2	40.0	1.2
Baird Aggregate Bond Fund Class Institutional	4,504,780	14.0	13.5	0.5
Harbor Core Bond Retirement - IR&M	4,501,163	14.0	13.5	0.5
BlackRock Strategic Income Opportunities Fund K	3,395,283	10.6	10.5	0.1
Artisan High Income Fund I	836,307	2.6	2.5	0.1
Domestic Equity	10,291,879	32.0	33.5	-1.5
Vanguard Institutional Index Fund Instl	7,735,289	24.1	25.0	-0.9
Nationwide WCM Focused Sm Cp R6	1,281,940	4.0	4.3	-0.3
Conestoga Small Cap Instl	1,274,650	4.0	4.3	-0.3
International Equity	6,548,569	20.4	20.5	-0.1
Dodge & Cox International Stock Fund	2,235,649	7.0	7.0	0.0
Harding Loevner International Equity Port CI Z	2,249,871	7.0	7.0	0.0
PIMCO RAE Emerging Markets I	1,046,976	3.3	3.3	0.0
GQG Partners Emerging Markets Equity R6	1,016,073	3.2	3.3	-0.1
Real Assets	1,641,091	5.1	5.0	0.1
DWS RREEF Real Assets Fund R6	1,641,091	5.1	5.0	0.1



Performance Overview

Town of East Lyme

As of March 31, 2025

Trailing Performance Summary

	Current Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Apr-2022 To Mar-2025	Jun-2014 To Mar-2025
Town of East Lyme	0.5	5.5	4.4	8.6	5.7	5.8	4.4	5.6
<i>Town of East Lyme Benchmark</i>	<i>0.4</i>	<i>6.0</i>	<i>3.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.6</i>	<i>-</i>

Calendar Year Performance Summary

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town of East Lyme	8.9	15.4	-16.3	12.3	9.9	19.3	-5.7	15.0	7.5	-0.5
<i>Town of East Lyme Benchmark</i>	<i>9.2</i>	<i>13.3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Plan Reconciliation

	QTR	1 Year	3 Years	5 Years	Since Inception	Inception Date
Town of East Lyme						06/2014
Beginning Market Value	32,513,532	31,385,129	30,744,246	22,912,095	15,340,695	
Net Contributions	-516,215	-912,941	-2,478,465	-2,186,081	2,037,195	
Gain/Loss	164,384	1,689,513	3,895,920	11,435,687	14,783,810	
Ending Market Value	32,161,701	32,161,701	32,161,701	32,161,701	32,161,701	

Benchmark Composition

	Weight (%)
Mar-2025	
90 Day U.S. Treasury Bill	1.0
Blmbg. U.S. Aggregate	37.5
Blmbg. U.S. Corp: High Yield	2.5
S&P 500	25.0
Russell 2000 Index	8.5
MSCI AC World ex USA (Net)	14.0
MSCI Emerging Markets (Net)	6.5
DWS Real Assets Benchmark	5.0

Performance and cash flows data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees.



Manager Status Commentary

Town of East Lyme

As of March 31, 2025

Manager	Recommendation	Comments
Fixed Income		
Baird Aggregate Bond Fund Class Institutional	Maintain	
Harbor Core Bond Retirement - IR&M	Maintain	
BlackRock Strategic Income Opportunities Fund K	Maintain	
Artisan High Income Fund I	Maintain	
Domestic Equity		
Vanguard Institutional Index Fund Instl	Maintain	
Nationwide WCM Focused Sm Cp R6	Maintain	
Conestoga Small Cap Instl	Discuss 1Q 2025	Conestoga Small Cap Growth was placed on "Discuss" in March 2025. Conestoga announced that Joe Monahan will step down as co-PM at the end of 2025 and will serve as an analyst until his retirement in late 2026. Derek Johnston will succeed Mr. Monahan as co-PM on the small cap growth strategy alongside Bob Mitchell. Messrs. Johnston and Mitchell have co-managed the SMID Cap Growth strategy together since 2016. We expect no changes to the investment process and will monitor the strategy closely.
International Equity		
Dodge & Cox International Stock Fund	Maintain	
Harding Loevner International Equity Port Cl Z	Maintain	
PIMCO RAE Emerging Markets I	Maintain	
GQG Partners Emerging Markets Equity R6	Maintain	
Real Assets		
DWS RREEF Real Assets Fund R6	Maintain	

Commentary produced upon change of status.

FLASH Memo

Subject: Conestoga Small Cap Growth – Portfolio Manager Retirement

Previous Status: Maintain

Current Status: Discuss

Effective Date: Q1 2025

Overview

Conestoga Capital Advisors announced that Co-Portfolio Manager for the Conestoga Small Cap Growth strategy, Joe Monahan, will be retiring in late 2026. Since 2014, Mr. Monahan has been Director of Research and has co-managed this strategy alongside Bob Mitchell. Mr. Mitchell, who will continue in his role, has managed the strategy since inception. On December 31, 2025, Mr. Monahan will transition to an analyst role with Derek Johnston assuming Co-Portfolio Manager responsibilities on the Small Cap Growth strategy. Mr. Monahan will continue as an analyst until his retirement in late 2026, during which time he will transition his analyst coverage across the team.

Mr. Johnston joined Conestoga in 2015, was named a Co-Portfolio Manager on the SMID Cap Growth strategy in 2016 and became a Partner in 2018. He will be named a Managing Partner when he is named Co-Portfolio Manager. Messrs. Johnson and Mitchell have co-managed the SMID Cap Growth strategy since 2016. David Neiderer, Co-Portfolio Manager on the firm's Micro Cap Growth strategy and Partner of the firm, will assume Mr. Monahan's role as Director of Research and will be elevated to Managing Partner.

Recommendation

Conestoga has thoughtfully planned for Mr. Monahan's retirement and has followed a similar process in the past when Bob Martindale announced his retirement in 2014. Messrs. Johnston and Mitchell have a tenured history of co-managing the SMID Cap Growth portfolio. The collaborative team structure and long runway given for Mr. Monahan's retirement alleviates concerns. At this time, we have placed the Conestoga Small Cap Growth strategy on "Discuss" and will continue to monitor the situation going forward.

If you have any questions, please contact your investment consultant.

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Manager Performance

Town of East Lyme

As of March 31, 2025

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTR	1 Year	3 Years	5 Years	10 Years	Apr-2022 To Mar-2025	Since Inception	Inception Date	
Town of East Lyme	32,161,701	100.0	0.5	5.5	4.4	8.6	5.8	4.4	5.6	06/2014	
<i>Town of East Lyme Benchmark</i>			0.4	6.0	3.6	-	-	3.6	-		
Short Term Liquidity	442,627	1.4	1.1	4.9	4.2	-	-	4.2	4.2	04/2022	
<i>90 Day U.S. Treasury Bill</i>			1.0	5.0	4.2	2.6	1.9	4.2	4.2		
First American Government Fund	442,627	1.4	1.1	4.9	4.2	-	-	4.2	4.2	04/2022	
Fixed Income	13,237,533	41.2	2.5	5.2	1.6	-	-	1.6	1.6	04/2022	
<i>Fixed Income Benchmark</i>			2.6	4.9	0.6	-	-	0.6	0.6		
Baird Aggregate Bond Fund Class Institutional	4,504,780	14.0	2.8	5.2	1.0	0.4	1.9	1.0	1.0	04/2022	Maintain
<i>Blmbg. U.S. Aggregate</i>			2.8	4.9	0.5	-0.4	1.5	0.5	0.5		
IM U.S. Broad Market Core Fixed Income (MF) Median			2.7	5.0	0.5	0.2	1.5	0.5	0.5		
Baird Aggregate Bond Fund Class Institutional Rank			19	30	17	41	20	17	17		
Harbor Core Bond Retirement - IR&M	4,501,163	14.0	2.7	5.0	0.6	0.0	-	0.6	5.4	03/2024	Maintain
<i>Blmbg. U.S. Aggregate</i>			2.8	4.9	0.5	-0.4	1.5	0.5	5.4		
IM U.S. Broad Market Core Fixed Income (MF) Median			2.7	5.0	0.5	0.2	1.5	0.5	5.4		
Harbor Core Bond Retirement - IR&M Rank			43	45	37	62	-	37	50		
BlackRock Strategic Income Opportunities Fund K	3,395,283	10.6	1.8	6.3	3.8	4.6	3.0	3.8	3.8	04/2022	Maintain
<i>Blmbg. U.S. Aggregate</i>			2.8	4.9	0.5	-0.4	1.5	0.5	0.5		
IM Alternative Credit Focus (MF) Median			1.5	6.4	3.7	5.1	2.3	3.7	3.7		
BlackRock Strategic Income Opportunities Fund K Rank			38	57	43	55	27	43	43		
Artisan High Income Fund I	836,307	2.6	1.1	8.3	5.3	9.4	6.4	5.3	5.3	04/2022	Maintain
<i>Blmbg. U.S. Corp: High Yield</i>			1.0	7.7	5.0	7.3	5.0	5.0	5.0		
IM U.S. High Yield Bonds (MF) Median			0.8	6.6	4.2	6.6	4.1	4.2	4.2		
Artisan High Income Fund I Rank			17	5	12	4	1	12	12		

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Performance data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. 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

Town of East Lyme

As of March 31, 2025

	Allocation		Performance(%)							Inception Date	Manager Status
	Market Value (\$)	%	QTR	1 Year	3 Years	5 Years	10 Years	Apr-2022 To Mar-2025	Since Inception		
Domestic Equity	10,291,879	32.0	-5.7	4.7	7.3	-	-	7.3	7.3	04/2022	
<i>Domestic Equity Benchmark</i>			-5.4	5.8	7.2	-	-	7.2	7.2		
Vanguard Institutional Index Fund Instl	7,735,289	24.1	-4.3	8.2	9.0	18.6	12.5	9.0	9.0	04/2022	Maintain
<i>S&P 500</i>			-4.3	8.3	9.1	18.6	12.5	9.1	9.1		
IM U.S. Large Cap Core Equity (MF) Median			-4.4	6.1	8.1	17.4	11.4	8.1	8.1		
Vanguard Institutional Index Fund Instl Rank			48	17	29	21	9	29	29		
Nationwide WCM Focused Sm Cp R6	1,281,940	4.0	-10.0	-10.1	2.2	12.9	6.2	2.2	2.2	04/2022	Maintain
<i>Russell 2000 Value Index</i>			-7.7	-3.1	0.0	15.3	6.1	0.0	0.0		
IM U.S. Small Cap Value Equity (MF) Median			-7.8	-3.9	1.9	18.0	6.2	1.9	1.9		
Nationwide WCM Focused Sm Cp R6 Rank			90	96	45	98	50	45	45		
Conestoga Small Cap Instl	1,274,650	4.0	-11.9	-7.4	-0.1	9.7	9.4	-0.1	-0.1	04/2022	Discuss
<i>Russell 2000 Growth Index</i>			-11.1	-4.9	0.8	10.8	6.1	0.8	0.8		
IM U.S. Small Cap Growth Equity (MF) Median			-10.4	-5.3	0.2	12.0	7.1	0.2	0.2		
Conestoga Small Cap Instl Rank			72	68	53	76	9	53	53		
International Equity	6,548,569	20.4	5.8	5.8	6.0	-	-	6.0	6.0	04/2022	
<i>International Equity Benchmark</i>			4.5	6.8	3.6	-	-	3.6	3.6		
Dodge & Cox International Stock Fund	2,235,649	7.0	9.7	10.4	7.6	15.1	4.9	7.6	7.6	04/2022	Maintain
<i>MSCI AC World ex USA Value (Net)</i>			8.6	11.4	7.2	13.6	4.7	7.2	7.2		
IM International Large Cap Value Equity (MF) Median			9.7	10.4	7.9	14.1	4.7	7.9	7.9		
Dodge & Cox International Stock Fund Rank			50	50	67	33	40	67	67		
Harding Loevner International Equity Port CI Z	2,249,871	7.0	5.8	5.5	3.4	9.8	5.9	3.4	3.4	04/2022	Maintain
<i>MSCI AC World ex USA Growth (Net)</i>			2.0	1.2	1.8	8.1	5.1	1.8	1.8		
IM International Large Cap Core Equity (MF) Median			6.9	5.2	5.5	12.1	5.1	5.5	5.5		
Harding Loevner International Equity Port CI Z Rank			68	45	92	75	13	92	92		

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Performance data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. 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

Town of East Lyme

As of March 31, 2025

	Allocation		Performance(%)								Manager Status
	Market Value (\$)	%	QTR	1 Year	3 Years	5 Years	10 Years	Apr-2022 To Mar-2025	Since Inception	Inception Date	
PIMCO RAE Emerging Markets I	1,046,976	3.3	3.0	5.6	8.0	16.2	-	8.0	8.0	04/2022	Maintain
MSCI Emerging Markets Value (Net)			4.3	7.6	2.8	9.8	3.2	2.8	2.8		
IM Emerging Markets Equity (MF) Median			2.5	5.8	1.4	8.2	3.5	1.4	1.4		
PIMCO RAE Emerging Markets I Rank			41	52	1	2	-	1	1		
GQG Partners Emerging Markets Equity R6	1,016,073	3.2	-0.3	-4.1	5.4	11.8	-	5.4	5.4	04/2022	Maintain
MSCI Emerging Markets Growth (Net)			1.7	8.5	0.2	6.1	4.1	0.2	0.2		
IM Emerging Markets Equity (MF) Median			2.5	5.8	1.4	8.2	3.5	1.4	1.4		
GQG Partners Emerging Markets Equity R6 Rank			82	95	7	12	-	7	7		
Real Assets	1,641,091	5.1	5.0	8.5	-0.5	-	-	-0.5	-0.5	04/2022	
DWS Real Assets Benchmark			5.4	8.4	-0.3	10.0	4.1	-0.3	-0.3		
DWS RREEF Real Assets Fund R6	1,641,091	5.1	5.0	8.5	-0.5	10.0	5.2	-0.5	-0.5	04/2022	Maintain
DWS Real Assets Benchmark			5.4	8.4	-0.3	10.0	4.1	-0.3	-0.3		

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Performance data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. 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

Town of East Lyme

As of March 31, 2025

	Performance(%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town of East Lyme	8.9	15.4	-16.3	12.3	9.9	19.3	-5.7	15.0	7.5	-0.5
<i>Town of East Lyme Benchmark</i>	9.2	13.3	-	-	-	-	-	-	-	-
Short Term Liquidity	5.1	4.8	-	-	-	-	-	-	-	-
<i>90 Day U.S. Treasury Bill</i>	5.3	5.0	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0
First American Government Fund	5.1	4.8	-	-	-	-	-	-	-	-
Fixed Income	2.2	7.6	-	-	-	-	-	-	-	-
<i>Fixed Income Benchmark</i>	1.5	6.1	-	-	-	-	-	-	-	-
Baird Aggregate Bond Fund Class Institutional	1.9	6.4	-13.4	-1.5	8.6	9.5	-0.3	4.2	3.5	0.6
<i>Blmbg. U.S. Aggregate</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
IM U.S. Broad Market Core Fixed Income (MF) Median	1.6	5.8	-13.7	-1.3	8.2	8.8	-0.6	3.6	2.9	0.0
Baird Aggregate Bond Fund Class Institutional Rank	43	23	36	57	37	27	33	22	33	20
Harbor Core Bond Retirement - IR&M	1.6	5.8	-13.3	-1.6	9.1	8.8	-	-	-	-
<i>Blmbg. U.S. Aggregate</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
IM U.S. Broad Market Core Fixed Income (MF) Median	1.6	5.8	-13.7	-1.3	8.2	8.8	-0.6	3.6	2.9	0.0
Harbor Core Bond Retirement - IR&M Rank	49	48	33	62	26	50	-	-	-	-
BlackRock Strategic Income Opportunities Fund K	5.4	7.4	-5.6	1.0	7.3	7.8	-0.5	5.0	3.6	-0.6
<i>Blmbg. U.S. Aggregate</i>	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
IM Alternative Credit Focus (MF) Median	6.1	7.3	-7.6	1.9	3.9	7.3	-1.9	4.5	4.9	-1.6
BlackRock Strategic Income Opportunities Fund K Rank	69	49	41	58	17	43	29	43	64	25
Artisan High Income Fund I	8.5	16.0	-9.5	6.4	10.2	14.2	-1.4	8.9	14.5	1.2
<i>Blmbg. U.S. Corp: High Yield</i>	8.2	13.4	-11.2	5.3	7.1	14.3	-2.1	7.5	17.1	-4.5
IM U.S. High Yield Bonds (MF) Median	7.6	12.2	-11.0	4.9	5.4	13.8	-3.0	6.6	13.8	-4.0
Artisan High Income Fund I Rank	23	3	25	19	4	42	11	5	38	2

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Calendar Year Performance

Town of East Lyme

As of March 31, 2025

	Performance(%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Domestic Equity	20.9	25.5	-	-	-	-	-	-	-	-
<i>Domestic Equity Benchmark</i>	<i>22.1</i>	<i>24.0</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Vanguard Institutional Index Fund Instl	25.0	26.2	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4
<i>S&P 500</i>	<i>25.0</i>	<i>26.3</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>	<i>21.8</i>	<i>12.0</i>	<i>1.4</i>
IM U.S. Large Cap Core Equity (MF) Median	22.9	24.8	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5
Vanguard Institutional Index Fund Instl Rank	27	38	46	26	50	37	32	45	20	35
Nationwide WCM Focused Sm Cp R6	5.5	23.3	-14.7	19.2	1.3	29.0	-8.5	14.0	23.5	-4.6
<i>Russell 2000 Value Index</i>	<i>8.1</i>	<i>14.6</i>	<i>-14.5</i>	<i>28.3</i>	<i>4.6</i>	<i>22.4</i>	<i>-12.9</i>	<i>7.8</i>	<i>31.7</i>	<i>-7.5</i>
IM U.S. Small Cap Value Equity (MF) Median	8.6	16.6	-11.1	32.0	3.6	21.1	-16.1	8.5	26.7	-7.0
Nationwide WCM Focused Sm Cp R6 Rank	75	8	97	99	66	6	2	10	76	19
Conestoga Small Cap Instl	9.0	22.4	-28.1	16.4	30.6	25.4	0.8	28.7	14.3	8.3
<i>Russell 2000 Growth Index</i>	<i>15.2</i>	<i>18.7</i>	<i>-26.4</i>	<i>2.8</i>	<i>34.6</i>	<i>28.5</i>	<i>-9.3</i>	<i>22.2</i>	<i>11.3</i>	<i>-1.4</i>
IM U.S. Small Cap Growth Equity (MF) Median	14.1	16.5	-27.5	10.5	36.6	27.6	-5.6	20.7	10.1	-2.4
Conestoga Small Cap Instl Rank	83	9	53	27	64	63	12	14	24	2
International Equity	3.9	19.0	-	-	-	-	-	-	-	-
<i>International Equity Benchmark</i>	<i>6.3</i>	<i>13.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Dodge & Cox International Stock Fund	3.8	16.7	-6.8	11.0	2.1	22.8	-18.0	23.9	8.3	-11.4
<i>MSCI AC World ex USA Value (Net)</i>	<i>6.0</i>	<i>17.3</i>	<i>-8.6</i>	<i>10.5</i>	<i>-0.8</i>	<i>15.7</i>	<i>-14.0</i>	<i>22.7</i>	<i>8.9</i>	<i>-10.1</i>
IM International Large Cap Value Equity (MF) Median	5.2	17.0	-10.6	13.2	4.1	19.0	-16.7	22.9	1.3	-1.8
Dodge & Cox International Stock Fund Rank	70	57	10	59	75	6	80	34	1	89
Harding Loevner International Equity Port CI Z	1.4	15.1	-20.2	8.6	20.4	25.4	-13.9	30.0	5.3	-1.6
<i>MSCI AC World ex USA Growth (Net)</i>	<i>5.1</i>	<i>14.0</i>	<i>-23.1</i>	<i>5.1</i>	<i>22.2</i>	<i>27.3</i>	<i>-14.4</i>	<i>32.0</i>	<i>0.1</i>	<i>-1.3</i>
IM International Large Cap Core Equity (MF) Median	3.8	17.2	-15.1	10.7	9.1	22.1	-15.0	25.0	0.0	-1.9
Harding Loevner International Equity Port CI Z Rank	80	78	91	72	1	26	30	16	11	46

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Calendar Year Performance

Town of East Lyme

As of March 31, 2025

	Performance(%)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PIMCO RAE Emerging Markets I	7.0	22.7	-10.4	15.9	0.9	13.7	-12.7	29.3	32.5	-
MSCI Emerging Markets Value (Net)	4.5	14.2	-15.8	4.0	5.5	12.0	-10.7	28.1	14.9	-18.6
IM Emerging Markets Equity (MF) Median	6.4	10.9	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7
PIMCO RAE Emerging Markets I Rank	42	5	4	4	94	84	17	77	2	-
GQG Partners Emerging Markets Equity R6	6.2	28.8	-20.9	-2.4	34.0	21.1	-14.7	32.0	-	-
MSCI Emerging Markets Growth (Net)	10.3	5.8	-24.0	-8.4	31.3	25.1	-18.3	46.8	7.6	-11.3
IM Emerging Markets Equity (MF) Median	6.4	10.9	-22.5	-1.6	17.7	20.2	-16.5	35.7	8.3	-13.7
GQG Partners Emerging Markets Equity R6 Rank	52	2	37	57	11	46	32	69	-	-
Real Assets	5.6	2.6	-	-	-	-	-	-	-	-
DWS Real Assets Benchmark	3.0	4.2	-7.5	22.3	-3.7	19.7	-7.7	11.6	12.0	-12.2
DWS RREEF Real Assets Fund R6	5.6	2.6	-9.6	23.9	3.9	21.8	-5.1	15.0	4.4	-9.5
DWS Real Assets Benchmark	3.0	4.2	-7.5	22.3	-3.7	19.7	-7.7	11.6	12.0	-12.2

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Performance data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. 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.



Investment Gain/Loss Summary

Town of East Lyme

1 Quarter Ending March 31, 2025

	Market Value as of 01/01/2025	Net Contributions	Gain/Loss	Market Value As of 03/31/2025
Town of East Lyme	32,513,532	-516,215	164,384	32,161,701
Short Term Liquidity	604,849	-165,469	3,247	442,627
First American Government Fund	604,849	-165,469	3,247	442,627
Fixed Income	12,912,021	-746	326,258	13,237,533
Baird Aggregate Bond Fund Class Institutional	4,380,588	-	124,193	4,504,780
Harbor Core Bond Retirement - IR&M	4,381,791	-	119,373	4,501,163
BlackRock Strategic Income Opportunities Fund K	2,597,535	750,000	47,747	3,395,283
Artisan High Income Fund I	827,006	-	9,302	836,307
BrandywineGLOBAL Global Opportunities Bd IS	725,102	-750,746	25,644	-
Domestic Equity	10,913,519	-	-621,640	10,291,879
Vanguard Institutional Index Fund Instl	8,858,695	-810,000	-313,406	7,735,289
Nationwide WCM Focused Sm Cp R6	998,414	425,000	-141,475	1,281,940
Conestoga Small Cap Instl	1,056,410	385,000	-166,760	1,274,650
International Equity	6,487,083	-315,000	376,486	6,548,569
Dodge & Cox International Stock Fund	2,230,513	-215,000	220,135	2,235,649
Harding Loevner International Equity Port CI Z	2,220,612	-100,000	129,259	2,249,871
PIMCO RAE Emerging Markets I	1,016,804	-	30,172	1,046,976
GQG Partners Emerging Markets Equity R6	1,019,154	-	-3,081	1,016,073
Real Assets	1,596,059	-35,000	80,033	1,641,091
DWS RREEF Real Assets Fund R6	1,596,059	-35,000	80,033	1,641,091

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Portfolio Statistics

Town of East Lyme

As of March 31, 2025

	QTR	1 Year	3 Years	5 Years	10 Years	Apr-2022 To Mar-2025	Since Inception	Inception Date
Return	0.5	5.5	4.4	8.6	5.8	4.4	5.6	06/2014
Standard Deviation	1.4	7.4	11.8	15.8	12.9	11.8	12.5	
Upside Risk	1.1	1.7	9.0	13.1	10.2	9.0	9.9	
Downside Risk	1.0	4.8	7.8	9.3	8.1	7.8	7.9	
vs. Town of East Lyme Benchmark								
Alpha	0.0	-0.4	0.9	-	-	0.9	-	
Beta	0.9	1.0	1.0	-	-	1.0	-	
Information Ratio	0.1	-0.6	0.9	-	-	0.9	-	
Tracking Error	0.2	0.8	0.9	-	-	0.9	-	
vs. 90 Day U.S. Treasury Bill								
Sharpe Ratio	-0.1	0.1	0.1	0.4	0.4	0.1	0.4	

Calculation based on monthly periodicity. Performance data prior to 10/1/2021 was provided by prior consultant and was then linked with prior custodian statements through March 2022. Fiducient Advisors relationship performance begins 04/01/2022. Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees.



Estimated Fee Analysis

Town of East Lyme

As of March 31, 2025

	Market Value (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Town of East Lyme	32,161,701	140,733	0.44
Short Term Liquidity	442,627	-	-
First American Government Fund	442,627	-	-
Fixed Income	13,237,533	53,224	0.40
Baird Aggregate Bond Fund Class Institutional	4,504,780	13,514	0.30
Harbor Core Bond Retirement - IR&M	4,501,163	11,703	0.26
BlackRock Strategic Income Opportunities Fund K	3,395,283	22,069	0.65
Artisan High Income Fund I	836,307	5,938	0.71
Domestic Equity	10,291,879	24,435	0.24
Vanguard Institutional Index Fund Instl	7,735,289	2,707	0.04
Nationwide WCM Focused Sm Cp R6	1,281,940	10,256	0.80
Conestoga Small Cap Instl	1,274,650	11,472	0.90
International Equity	6,548,569	48,304	0.74
Dodge & Cox International Stock Fund	2,235,649	13,861	0.62
Harding Loevner International Equity Port CI Z	2,249,871	16,424	0.73
PIMCO RAE Emerging Markets I	1,046,976	8,062	0.77
GQG Partners Emerging Markets Equity R6	1,016,073	9,958	0.98
Real Assets	1,641,091	14,770	0.90
DWS RREEF Real Assets Fund R6	1,641,091	14,770	0.90

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.



Benchmark History

Town of East Lyme

As of March 31, 2025

Account Name	From Date	To Date	Benchmark
Blended Benchmark	03/2025	Present	1.0% 90 Day U.S. Treasury Bill, 37.5% Blmbg. U.S. Aggregate, 2.5% Blmbg. U.S. Corp: High Yield, 25.0% S&P 500, 8.5% Russell 2000 Index, 14.0% MSCI AC World ex USA (Net), 6.5% MSCI Emerging Markets (Net), 5.0% DWS Real Assets Benchmark
	03/2024	03/2025	1.0% 90 Day U.S. Treasury Bill, 35.0% Blmbg. U.S. Aggregate, 2.5% Blmbg. U.S. Corp: High Yield, 2.5% Blmbg. Global Aggregate, 27.0% S&P 500, 6.5% Russell 2000 Index, 14.0% MSCI AC World ex USA (Net), 6.5% MSCI Emerging Markets (Net), 5.0% DWS Real Assets Benchmark
	04/2022	03/2024	1.0% 90 Day U.S. Treasury Bill, 33.0% Blmbg. U.S. Aggregate, 3.0% Blmbg. U.S. Corp: High Yield, 4.0% Blmbg. Global Aggregate, 23.0% S&P 500, 8.0% Russell 2000 Index, 16.0% MSCI AC World ex USA (Net), 7.0% MSCI Emerging Markets (Net), 5.0% DWS Real Assets Benchmark
Fixed Income	03/2025	Present	93.8% Blmbg. U.S. Aggregate, 6.3% Blmbg. U.S. Corp: High Yield
	03/2024	03/2025	87.5% Blmbg. U.S. Aggregate, 6.3% Blmbg. U.S. Corp: High Yield, 6.3% Blmbg. Global Aggregate
	04/2022	03/2024	82.5% Blmbg. U.S. Aggregate, 7.5% Blmbg. U.S. Corp: High Yield, 10.0% Blmbg. Global Aggregate
Domestic Equity	03/2025	Present	74.6% S&P 500, 25.4% Russell 2000 Index
	03/2024	03/2025	80.6% S&P 500, 19.4% Russell 2000 Index
	04/2022	03/2024	74.2% S&P 500, 25.8% Russell 2000 Index
International Equity	03/2024	Present	68.3% MSCI AC World ex USA (Net), 31.7% MSCI Emerging Markets (Net)
	04/2022	03/2024	69.6% MSCI AC World ex USA (Net), 30.4% MSCI Emerging Markets (Net)

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% 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

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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 impacted by currency and/or country specific risks which may result in lower liquidity in some markets.

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

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

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

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

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

OTHER

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

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

CUSTODIAN STATEMENTS

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