

PERFORMANCE SUMMARY

For the fourth quarter, the Core strategy had a return before fees of 7.03% (6.93% net of fees), outperforming the Bloomberg Aggregate Index return of 6.82%.

The strategy was approximately 102% of benchmark duration at the beginning of the quarter with very little curve exposure. For the quarter the duration exposure added to performance as interest rates fell sharply during November and December.

The strategy entered the quarter with an underweight to credit between 83% and 88% of the benchmark's credit duration. We maintained that exposure during the quarter. The technicals of the corporate market are strong market keeping spreads at tight levels. We see little value in adding at these levels. On weakness we will look to add exposure as all-in yields look attractive even after the rally in Treasuries. The sector had a positive excess return for the quarter so the under allocation cost us performance while our security selection was positive and overall the corporate book added to performance.

The strategy entered the quarter with its mortgage allocation at approximately 90% of the mortgage index's contribution to duration. We continue to maintain an underweight to the sector with volatility at very high levels. The sector was a slight add to performance as coupon selection was positive while allocation was neutral.

The strategy had an overweight to the CMBS and ABS sectors. CMBS added to performance despite the jitters surrounding commercial real estate. Our CMBS exposure is in highly rated bonds with high quality properties.

MARKET OUTLOOK

With the Fed's dovish "pivot" we expect rate cuts next year, and forecast a possible 25bps at the June meeting and another 75bps by the end of 2024. We see potentially the 2-year reaching 3.5% and the 10-year close to 3.7% by the end of the year. This outlook hinges on continued disinflation as supply chains normalize. The strategy sits at 102% of the benchmark duration with a slight overweight to the belly of the yield curve. We anticipate that if we get close to our year-end target for the 10-year, we anticipate moving the strategy back to neutral. We are slightly underweight Agency MBS but are looking for opportunities to add weight as we expect high quality carry to be important next year. We continue to be overweight 30-Year Conventionals versus 30-Year GNMA's and underweight 15-Year issues. The strategy is neutral Corporates versus the Index. With the index at a spread of +99bps we see little value but also don't expect much to move the market substantially wider in the near term. The sector remains well supported by strong technicals. The strategy remains overweight ABS and we continue to be constructive on the sector. We remain active in the new issue market, and while spreads have tightened the sector still looks compelling relative to other spread sectors. The strategy is overweight CMBS with a bias to the non-agency deals. Our exposure remains in the highest quality tranches with exposure to trophy properties or superior markets. While risks remain, we have a favorable view on recently issued deals as these securities look relatively attractive to other spread sectors.

PERFORMANCE*					
	MOST RECENT QUARTER	1-YEAR	3-YEAR	ANNUALIZED	
				5-YEAR	10-YEAR
Gross	7.03%	5.72%	-2.98%	1.79%	2.11%
Net	6.93%	5.36%	-3.32%	1.44%	1.75%
Benchmark	6.82%	5.53%	-3.31%	1.10%	1.81%

Source - ZCM

*Returns are estimated. Benchmark: Bloomberg Aggregate

ATTRIBUTION FOR MOST-RECENT-QUARTER		Total
Sector Rotation		0.00%
Security Selection		0.10%
Yield		0.00%
Term Structure		0.11%
Total Excess Return (Gross of Fees)		0.21%

As of December 31, 2023. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. Investment performance reflects the reinvestment of dividends and other income. Gross-of-fees performance is shown net of trading expenses. Net of fees performance is shown net of a model investment management fee that is equal to the highest fee charged to the intended audience. For comparison purposes, the benchmarks include the reinvestment of income. The benchmarks are unmanaged and unavailable for direct investment. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Past performance is no guarantee of future results. Please see the GIPS Report presentation at the end of this document.



Core Fixed Income Characteristics

As of 12/31/2023

	Yield to Worst	Average Maturity	Effective Duration	Average Quality
Core Fixed	4.78%	8.40 yrs	6.31 yrs	Aa3
Bloomberg Aggregate	4.54%	8.46 yrs	6.12 yrs	Aa2

QUALITY DISTRIBUTION (% of Market Value)

	Core Fixed	Bloomberg Aggregate
AAA	10.1%	3.1%
AA	61.3%	73.5%
A	7.7%	11.5%
BBB	20.9%	12.0%
Total	100.0%	100.0%

SECTOR ALLOCATION (% of Market Value)

	Core Fixed	Bloomberg Aggregate
U.S. Treasury Bonds	38.1%	41.3%
Agencies	0.0%	0.9%
Corporate	27.0%	24.1%
Industrials	13.5%	14.0%
Financials	12.2%	8.0%
Utilities	1.3%	2.2%
Non-Corporate	0.0%	3.8%
MBS	22.6%	27.8%
CMBS	7.0%	1.7%
CMO	1.4%	0.0%
Taxable Municipal	0.0%	0.0%
ABS	3.9%	0.4%
Cash	0.1%	0.0%
Total	100.0%	100.0%

As of December 31, 2023. Past performance is no guarantee of future results. Based off a model portfolio and does not include fees or expenses. Indices are unmanaged, do not reflect fees and are not available as direct investments. Portfolio characteristics and attribution reflect an active, representative account managed by ZCM in the referenced investment strategy. Portfolio characteristics and attribution may vary among accounts invested in the same investment strategy. The representative account was chosen because ZCM believes it closely resembles its intended investment strategy. Portfolio holdings and allocations are subject to change at any time without notice. Securities listed should not be considered a recommendation to buy or sell any security. Percentages may not add up to 100% due to rounding.



Core Fixed Income GIPS Composite Report

As of 12/31/2022

Year-End	Gross-of-Fees Return	Net-of-fees Return	Benchmark Return	Composite		Benchmark 3 Yr. Ex Post Std. Dev.	Number of Portfolios	Internal Dispersion	Composite Non-Fee Paying (%)	Composite Assets (USD millions)	Strategy Assets (USD millions)	Firm AUM (USD millions)	Firm AUA (USD millions)
				3 Yr. Ex Post Std. Dev.	3 Yr. Ex Post Std. Dev.								
2013	-1.0%	-1.3%	-2.0%	N.A.	N.A.		9	0.1%	0.0%	\$260	\$281	\$4,321	\$162
2014	5.6%	5.3%	6.0%	2.6%	2.7%		22	0.1%	0.0%	\$488	\$604	\$5,748	\$318
2015	0.8%	0.5%	0.6%	2.8%	2.9%		20	0.3%	0.0%	\$426	\$658	\$9,781	\$605
2016	2.3%	1.9%	2.7%	2.9%	2.7%		15	0.1%	0.0%	\$359	\$637	\$10,651	\$1,170
2017	3.6%	3.3%	3.5%	2.6%	2.8%		13	0.1%	0.0%	\$285	\$528	\$9,888	\$1,561
2018	-0.2%	-0.5%	0.0%	2.6%	2.9%		14	0.0%	0.0%	\$407	\$863	\$10,084	\$1,775
2019	8.7%	8.3%	8.7%	2.8%	2.9%		20	0.1%	0.0%	\$673	\$1,516	\$10,693	\$2,112
2020	10.1%	9.7%	7.5%	3.4%	3.4%		21	0.1%	0.0%	\$760	\$1,667	\$8,238	\$2,118
2021	-1.3%	-1.6%	-1.5%	3.4%	3.4%		20	0.0%	0.0%	\$1,000	\$1,738	\$8,040	\$2,293
2022	-12.5%	-12.8%	-13.0%	5.8%	5.9%		23	0.2%	0.0%	\$878	\$1,521	\$6,383	\$1,734

Ziegler Capital Management, LLC, doing business as ZCM, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZCM has been independently verified for the periods 01/01/01-12/31/22. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Core Fixed composite has had a performance examination for the periods 06/10/11-12/31/22. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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Composite and Benchmark Description: Core Fixed is an actively managed fixed income strategy that applies a top-down, macroeconomic business cycle approach, utilizes a leading indicator model and emphasizes fundamental security analysis. The benchmark is the Bloomberg U.S. Aggregate Index. The Bloomberg U.S. Aggregate Bond Index is a broad, market capitalization-weighted index measuring intermediate term investment grade bonds traded in the U.S. A portfolio manager left in September 2016 and the CIO of Fixed Income left in October 2021, but the investment process remained unchanged.

Minimum Account Size: The minimum account size for this composite is \$5 million. Prior to 10/01/21 the composite minimum was \$1 million. From inception through December 31, 2012, the minimum account size was \$5 million.

Composite Creation and Inception Date: The Core Fixed composite creation and inception date is June 10, 2011.

Significant Cash Flow Policy: Portfolios with significant cash flows are excluded from the composite. Cash flows of 10% or more are considered significant. From inception through 12/31/12 cash flows of 40% or more were considered significant.

Internal Dispersion: The internal dispersion is measured by the asset-weighted standard deviation across asset-weighted portfolio returns represented within the composite for the period. If there are less than 6 portfolios in the composite for the entire year, the internal dispersion is not statistically meaningful and is presented as N.A. All risk measures are calculated using gross-of-fees returns.

Fees: Gross-of-fees returns are presented after trading expenses and before management fees. Net-of-fees returns are presented after model management fees for a \$10 mm portfolio applied on a monthly basis. A client's actual return will be reduced by management fees. Fees are calculated separately for each portfolio, and therefore, performance may differ from one portfolio to another. The effect of fees and expenses on performance will vary with the relative size of the fee and account performance. For example, if \$10 million were invested and experienced a 10% compounded annual return for ten years, its ending dollar value, without giving effect to the deduction of the advisory fee, would be \$25,937,425. If an advisory fee of 0.35% of average net assets per year for the ten-year period were deducted, the annual total return would be 9.63% and the ending dollar value would be \$25,083,791. The fee schedule is: 0.35% on the first \$50 million; 0.25% on the next \$50 million; 0.20% on all additional assets.

Other: Strategy assets include all portfolios in the Core Fixed Income strategy, even those portfolios that are excluded from the composite because of significant cash flows or for other reasons. These are presented as supplemental information.



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All investments involve risk, including the possible loss of principal, and there is no guarantee that investment objectives will be met. Bonds are subject to market, interest rate and credit risk; and are subject to availability and market conditions. Generally, the higher the interest rate the greater the risk. Bond values will decline as interest rates rise. Government bonds are subject to federal taxes. Municipal bond interest may be subject to the alternative minimum tax; other state and local taxes may apply. High yield bonds, also known as "junk bonds" are subject to additional risk such as increased risk of default. Some asset-backed securities may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices volatile and they are subject to liquidity and valuation risk. Investments in bonds issued by non-U.S. companies are subject to risks including country/regional risk, which is the chance that political upheaval, financial troubles, or natural disasters will adversely affect the value of securities issued by companies in foreign countries or regions; and currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

The Bloomberg U.S. Aggregate Index is comprised of the Bloomberg Capital U.S. Government/Credit Index and the Bloomberg Capital Mortgage-Backed Securities Index. All issues in the index are rated investment grade or higher, have a least one year to maturity, and have an outstanding par value of at least \$100 million.

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