

PERFORMANCE SUMMARY

For the fourth quarter, the Intermediate Core strategy had a return before fees of 4.70% (4.60% net of fees), outperforming the Bloomberg Intermediate Government/Credit Index return of 4.56%.

The duration added performance as the strategy is slightly long compared to the benchmark. Interest rates rallied aggressively in November and December, helping performance. Curve positioning performance was neutral as the yield curve steepened slightly during the quarter. The 2s10s yield curve steepened 10bps from -47bps to -37bps.

The strategy entered the quarter with an underweight to corporate credit. The Corporate Index spread level at the beginning of the quarter was +120. Spreads moved 10bps wider during September and October, but as the Fed became more dovish, the market rallied pushing spreads to +99 by year-end. The underweight detracted from performance but security selection added performance as lower quality more cyclical issuers and banks outperformed. Overall, the corporate allocation added to performance. The strategy is underweight, the non-corporate credit sectors, this added to performance.

The overweight to ABS added slightly to performance as the sector benefited from a resilient consumer and the overall risk-on environment. The overweight to non-agency CMBS also added to performance as investor concerns began to fade allowing higher quality AAA tranches to continue to recover.

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. If we get close to our year-end target for the 10-year, we anticipate moving the strategy back to neutral. The strategy moved to 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	4.70%	5.45%	-1.37%	2.19%	2.02%
Net	4.60%	5.03%	-1.76%	1.79%	1.62%
Benchmark	4.56%	5.24%	-1.63%	1.59%	1.72%

Source - ZCM

*Returns are estimated. Benchmark: Bloomberg Intermediate Government/Credit

ATTRIBUTION FOR MOST-RECENT-QUARTER

	Total
Sector Rotation	0.05%
Security Selection	0.03%
Yield	0.00%
Term Structure	0.06%
Total Excess Return (Gross of Fees)	0.14%

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.



Intermediate Fixed Income Characteristics

As of 12/31/2023

	Yield to Worst	Average Maturity	Effective Duration	Average Quality
Intermediate Fixed	4.49%	4.34 yrs	3.86 yrs	Aa3
Bloomberg Inter. G/C	4.37%	4.26 yrs	3.79 yrs	Aa3

QUALITY DISTRIBUTION (% of Market Value)

	Intermediate Fixed	Bloomberg Inter. G/C
AAA	8.2%	3.3%
AA	58.5%	67.1%
A	10.0%	14.6%
BBB	23.4%	14.9%
Total	100.0%	100.0%

SECTOR ALLOCATION (% of Market Value)

	Intermediate Fixed	Bloomberg Inter. G/C
U.S. Treasury Bonds	57.6%	62.7%
Agencies	0.0%	1.6%
Corporate	33.3%	30.3%
Industrials	16.1%	15.5%
Financials	15.9%	12.7%
Utilities	1.4%	2.1%
Non-Corporate	0.0%	5.4%
MBS	0.0%	0.0%
CMBS	3.5%	0.0%
CMO	0.0%	0.0%
Taxable Municipal	0.0%	0.0%
ABS	5.3%	0.0%
Cash	0.2%	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.



Year/Period	Gross-of-Fees	Net-of-fees	Benchmark	Composite	Benchmark	Number of	Internal	Carve Out	Composite	Strategy	Firm	Firm
End	Return	Return	Return	3 Yr. Ex Post	3 Yr. Ex Post	Portfolios	Dispersion	Percentage	Assets	Assets	AUM	AUA
				Std. Dev.	Std. Dev.				(USD millions)	(USD millions)	(USD millions)	(USD millions)
2013	-0.5%	-0.9%	-0.9%	2.4%	2.1%	14	0.0%	0%	\$307	\$658	\$4,321	\$162
2014	3.0%	2.6%	3.1%	2.1%	2.0%	22	0.0%	0%	\$525	\$958	\$5,748	\$318
2015	1.2%	0.8%	1.1%	2.1%	2.1%	26	0.1%	0%	\$610	\$961	\$9,781	\$605
2016	1.9%	1.5%	2.1%	2.2%	2.3%	31	0.1%	0%	\$519	\$945	\$10,651	\$1,170
2017	2.3%	1.9%	2.1%	2.0%	2.1%	34	0.0%	0%	\$508	\$880	\$9,888	\$1,561
2018	0.8%	0.4%	0.9%	2.0%	2.1%	39	0.0%	0%	\$594	\$969	\$10,084	\$1,775
2019	6.8%	6.4%	6.8%	2.0%	2.1%	34	0.1%	0%	\$519	\$578	\$10,693	\$2,112
2020	8.7%	8.3%	6.4%	2.4%	2.3%	34	0.1%	0%	\$509	\$602	\$8,238	\$2,118
2021	-1.2%	-1.6%	-1.4%	2.5%	2.4%	37	0.0%	0%	\$533	\$558	\$8,040	\$2,293
2022	-7.9%	-8.3%	-8.2%	4.0%	3.9%	37	0.1%	0%	\$448	\$494	\$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 Intermediate Fixed composite has had a performance examination for the periods 01/01/01-12/31/22. 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: The Intermediate Fixed Composite includes accounts comprised of intermediate term fixed income securities with maturities or average lives generally not exceeding ten years and a duration similar to the benchmark. Prior to 10/01/2011 the composite was named Intermediate Core. The benchmark is the Bloomberg Intermediate Government/Credit Index. The Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity. The index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities. The CIO of Fixed Income left the firm in October 2021, the investment process remained unchanged.

Minimum Account Size: The minimum account size for this composite is \$1 million.

Composite Creation and Inception Date: The Intermediate Fixed composite creation and inception date is January 1, 2000.

Significant Cash Flow Policy: Beginning January 1, 2013, portfolios with significant cash flows are excluded from the composite. Cash flows of 10% or more are 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 the highest applicable management fee applied on a monthly basis. Prior to 1/1/12, fees were applied on a quarterly basis. The highest applicable management fee is 0.40%. 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 Intermediate Fixed Income strategy, even those portfolios that are excluded from the composites because of significant cash flows or for other reasons, and include non-wrap, wrap and UMA assets. This is 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 Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity. The index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

NOT FDIC INSURED; NO BANK GUARANTEE; MAY LOSE VALUE

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