

Holding-Based Statistics

	Core Fixed Income	Bloomberg Agg. Index
Yield to Maturity	4.56%	4.68%
Effective Duration	5.94 years	6.14 years
Average Quality	AA	AA

Strategy Statistics

Trailing 12 Month Turnover	37%
Firm Assets	223.14
Product Assets	30.63

Investment Philosophy

The Core Fixed Income Strategy seeks to add value by capturing market inefficiencies with regards to security selection and sector rotation. Through rigorous credit research and thoughtful analysis of risk/reward, we seek to construct portfolios with a yield advantage to the overall market. Through the compounding of this yield advantage and by minimizing other areas of portfolio volatility, we believe we can offer clients an attractive risk adjusted return through different market cycles.

Portfolio Management Team

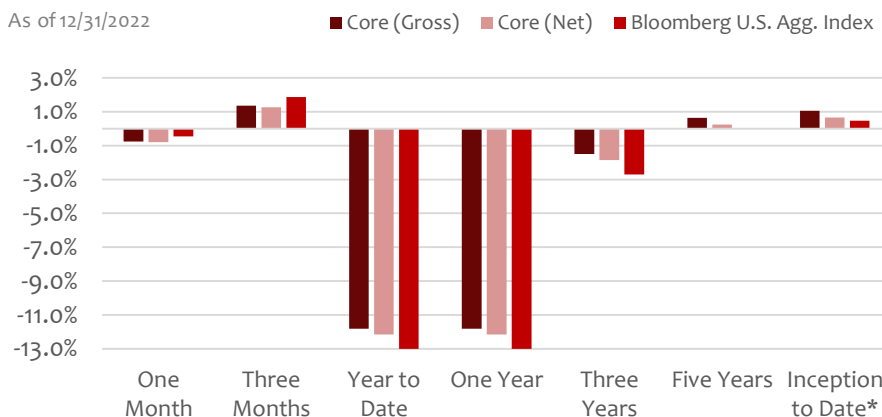
David Killian
John DeLaney, CFA
Joseph Shacklock

Inception Date

3/31/2017

Annualized Performance

As of 12/31/2022

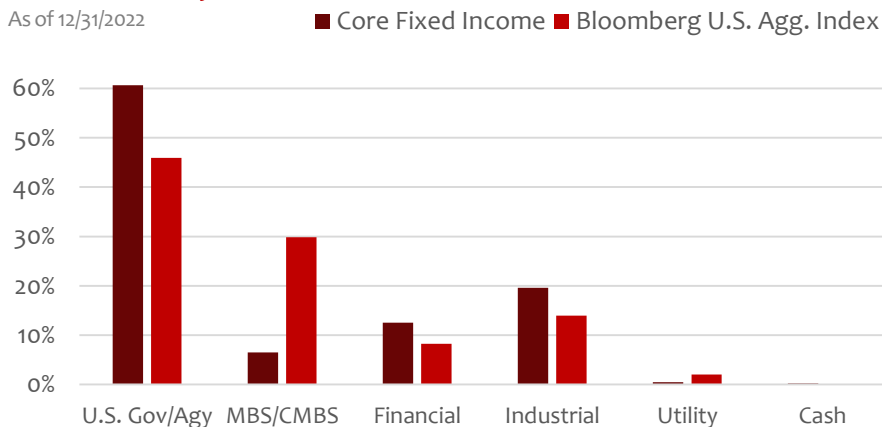


	One Month	Three Months	Year to Date	One Year	Three Years	Five Years	Inception to Date*
Core (Gross)	-0.75%	1.36%	-11.81%	-11.81%	-1.49%	0.64%	1.06%
Core (Net)	-0.80%	1.27%	-12.15%	-12.15%	-1.86%	0.25%	0.66%
Bloomberg U.S. Agg.	-0.45%	1.87%	-13.01%	-13.01%	-2.71%	0.02%	0.48%

* Inception 3/31/2017

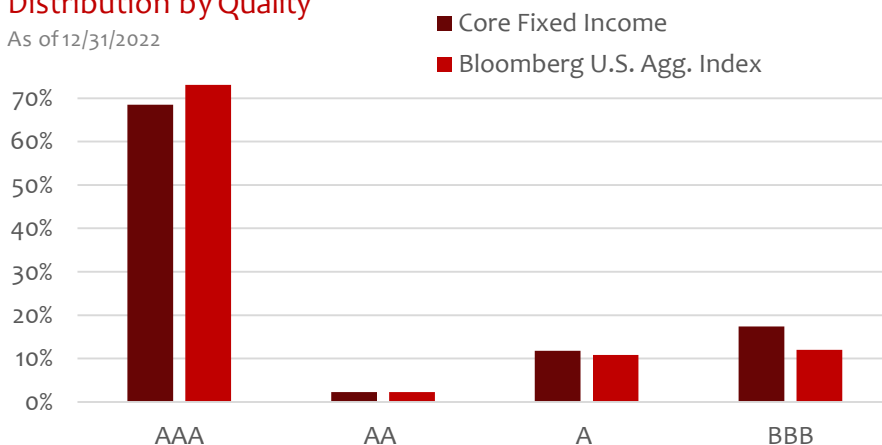
Distribution by Issuer

As of 12/31/2022



Distribution by Quality

As of 12/31/2022



Top 10 Holdings

As of 12/31/2022

US Treasury 1.875% - 2/15/32	6.44%
US Treasury 2.375% - 5/15/29	5.99%
US Treasury 0.375% - 1/31/26	4.40%
US Treasury 3.875% - 11/30/27	3.27%
US Treasury 1.125% - 2/29/28	2.96%
US Treasury 1.625% - 2/15/26	2.89%
US Treasury 1.00% - 12/15/24	2.86%
US Treasury 2.875% - 8/15/28	2.75%
US Treasury 0.125% - 8/15/23	2.14%
US Treasury 2.00% - 11/15/41	1.99%

4Q2022 Portfolio Commentary

2022 was historic for the capital markets by almost any measure: 1) the federal funds rate increased 425 basis points, the largest increase in a calendar year since 1980; 2) U.S. Treasury yields increased dramatically with 2-Year and 10-Year yields increasing 370 and 240 basis points respectively; 3) the S&P 500 declined 18% with highly owned growth stocks fairing even worse; 4) crypto currency Bitcoin declined by 64%; 5) inflation, as measured by CPI, which has historically averaged 2%, ended the year at 7%. The last of these five observations is the primary cause of the previous four, as the Federal Reserve continues unabated on its path to raise short term interest rates until such time as inflation returns to a more sustainable level of 2%. After fifteen years of easy monetary policy, which included short term interest rates near zero domestically, and the effects of the new monetary tool that emerged following the Great Financial Crisis (Quantitative Easing), the proverbial bill has now come due. In response, the Federal Reserve is attempting to return the capital markets to a more typical condition which is not influenced by these extraordinary policies implemented during periods of economic crisis. This transition to a more normal functioning of the capital market system is also evident globally in the elimination of negative yielding sovereign debt.

Recent declines in consumer prices reinforce the view that inflation has peaked, and with the target federal funds rate now within a restrictive zone, a continued moderation in prices is likely. This will allow policymakers the opportunity to pause additional rate increases in the coming months, however history shows that prior tightening cycles do not end until the fed funds rate is above CPI. Given that monetary policy impacts the economy with considerable lag, we continue to believe that the effects of higher interest rates and the tightening in financial conditions are still yet to be fully realized, and that there remains considerable risk that the U.S. economy enters into a recession in the coming year.

As we have stated in prior commentary, our approach this calendar year has been a conservative one. As 10-Year U.S. Treasury yields approached 4.0% during the quarter, we took the opportunity to modestly extend the portfolios average maturity and align benchmark interest rate exposure closer to a neutral level. However, given the increasing probability of an economic contraction in 2023, we continue to maintain a conservative allocation to investment grade corporate bonds, favoring issuers with the highest credit quality. This portfolio structure, as well as actions taken throughout the year to position the portfolio defensively with respect to rising interest rates, benefitted portfolio returns for the period.

While the historic policy adjustments witnessed in 2022 weighed heavily on bond market returns, we hold a favorable outlook on the prospect for returns in 2023. U.S. Treasury yields across all maturities now approximate 4% while many segments of the investment grade corporate bond market yield greater than 5.5%, levels that we believe reflect both the outlook for monetary policy and the growing risks of a recession. This current yield opportunity, which we have not seen in over fifteen years, provides an excellent foundation for forward returns. As always, we will remain attentive to quickly changing market conditions and would be opportunistic in reducing the portfolio's large safe haven U.S. Treasury position in favor of higher yielding corporate bonds when valuations improve.



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