

Holding-Based Statistics

	Short Term Fixed Income	Bloomberg 1-3yr Gov/Cred
Yield to Maturity	5.08%	4.70%
Effective Duration	1.83 years	1.81 years
Average Credit Quality	A-	AA

Strategy Statistics

Trailing 12 Month Turnover	9%
Firm Assets	223.14
Product Assets	16.61

Investment Philosophy

The Short Term Fixed Income strategy is managed to provide a high degree of current income with limited interest rate risk by investing in high quality investment grade corporate bonds and U.S. Government securities. The separate account strategy is actively managed with regards to security selection and yield curve exposure with an objective to generate a total return in excess of the index over a full market cycle.

Portfolio Management Team

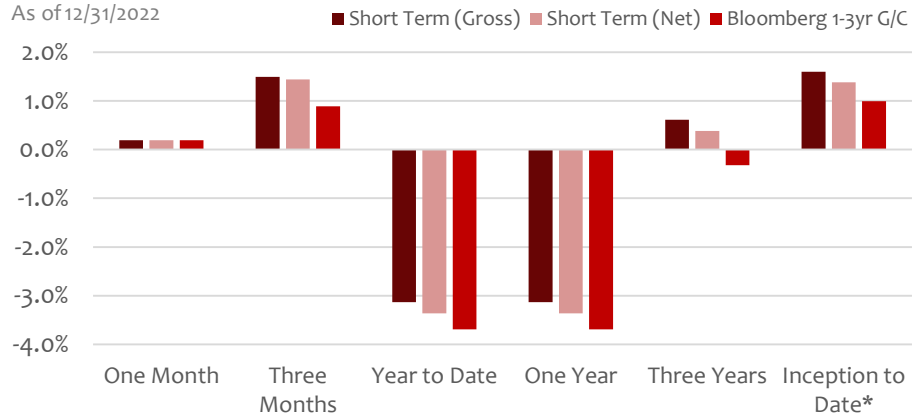
David Killian
John DeLaney, CFA
Joseph Shacklock

Inception Date

1/31/2018

Annualized Performance

As of 12/31/2022

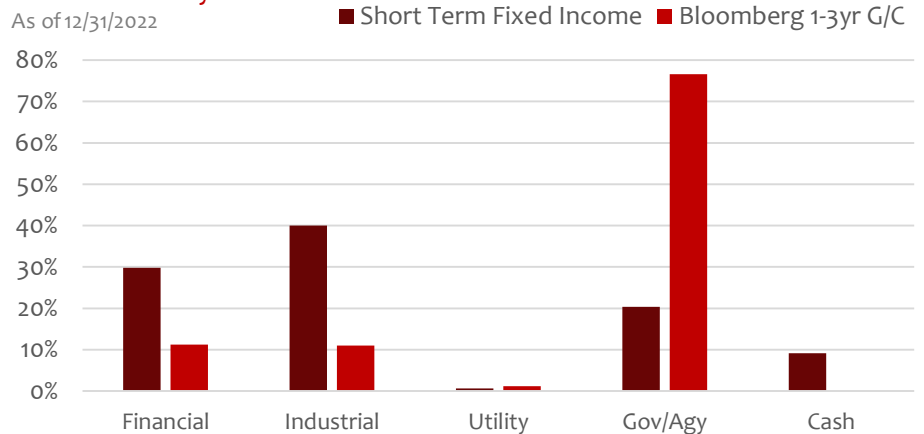


	One Month	Three Months	Year to Date	One Year	Three Years	Inception to Date*
Short Term (Gross)	0.19%	1.49%	-3.13%	-3.13%	0.61%	1.60%
Short Term (Net)	0.19%	1.44%	-3.36%	-3.36%	0.38%	1.38%
Bloomberg 1-3yr G/C	0.19%	0.89%	-3.69%	-3.69%	-0.32%	0.99%

* Inception 1/31/2018

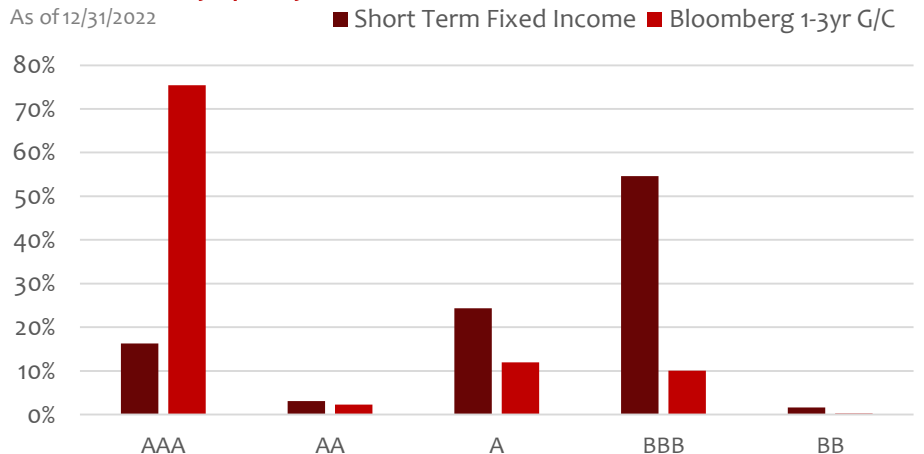
Distribution by Issuer

As of 12/31/2022



Distribution by Quality

As of 12/31/2022



Top 10 Holdings

As of 12/31/2022

US Treasury 0.125% - 2/28/23	3.01%
Becton Dickinson & Co 3.734% - 12/15/24	2.81%
Owens Corning 4.20% - 12/1/24	2.48%
Energy Transf. Operating 2.90% - 5/15/25	2.23%
US Treasury 0.125% - 4/30/23	2.21%
Capital One Corp 4.20% - 10/29/25	1.99%
PNC Financial 3.90% - 4/29/24	1.97%
Ebay Inc 3.45% - 8/1/24	1.86%
Royal Bank of Canada 2.25% - 11/1/24	1.85%
Oracle Corp 2.95% - 11/15/24	1.83%

4Q 2022 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 fairsing 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.



211 Welsh Pool Rd, Suite 234
Exton, PA 19341

610-321-3453
birchruntime.com

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