



Brockton

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## Quarterly Investment Review - Fourth Quarter 2023

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*Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is risk of loss.*



# Fiducient Advisors Update

## Retirement Plans

### Featured Insights

- Blog: Trends in Corporate Retirement Plan Offerings
- Blog: Public Plans Rally in Fiscal Year 2023

### Coming Soon

- Pension Pulse Newsletter
- Plan Sponsor Newsletter
- Annual Target Date Update

## Research Insights

- Monthly Market Recaps
- Monthly Market Updates
- 2024 Outlook – Prepare Not Predict
- Essential Economic Update Webcast
- Fiducient Speaker Series: Private Markets Update

## Endowments & Foundations

### Featured Insights

- Nonprofit Investment Stewards Podcast

### Coming Soon

- Cultural Institutions Study
- Steward Newsletter
- Mission-Aligned Investing Update

## Firm News

- On December 19, 2023, Fiducient Advisor's joint-venture partner, NFP, signed an agreement to be acquired by Aon. Post close, NFP will be a wholly owned subsidiary and an independent but connected platform within Aon.
- We anticipate no changes in services or service team.
- The transaction is subject to customary regulatory approvals.

## The Wealth Office®

### Featured Insights

- 2024 Financial Planning Guide
- Blog: 10 Crucial Steps to Take After Identity Theft
- Blog: Take Control of Your Finances: Essential Year-End Planning Opportunities

### Coming Soon

- Financial Planning Considerations Webcast



**Save the Date!**  
**2024 Investor Conference**

*Chicago Marriott Downtown  
Magnificent Mile*  
**September 26**



**New Associates – Welcome!**

**Catherine Guanci**  
Consulting Analyst

**Liam McLaughlin**  
Consulting Analyst

**Zhee Sarabia**  
Consultant

**BethAnn Woolcock**  
Senior RFP Specialist

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Section 1      Portfolio Performance and Allocation  
Comparison



# Fiducient Advisors

## *Services for Brockton Retirement Board*

Requested Service via RFP: “Monitoring and semi-annual evaluations of [the Brockton Retirement System’s] full-discretionary Outsourced Chief Investment Officer, (OCIO)”

### ***Fiducient Advisors Services:***

- Periodic presentation to Board which will include:
  - Portfolio performance and risk measurement (including PRIT comparison)
  - Asset allocation
  - Investment portfolio design/construction
  - Investment manager implementation
  - Investment policy statement
  - Fees
  - Firm level due diligence review on full-discretionary investment consultant (including on-site due diligence meetings)



# SEI Overview

SEI is the full discretion investment manager retained by the Brockton Retirement System:

- SEI engaged by BRB July 2014, asset transition completed 3Q 2014, performance monitoring incepted October 1, 2014
- SEI was rehired in 2021 following an RFP for OCIO services that was issued by Brockton, as required by PERAC due to the conclusion of SEI's initial contract.
- Full authority on investment managers and asset allocation changes per the pension plan IPS
- Exceptions for mandates that require subscription process (i.e. Core Property, Structured Credit, Global Private Asset, etc.) that require prior approval by the Board
- SEI serves as the custodian for all SEI investments
- SEI generally rebalances the portfolio quarterly and when making allocation decisions SEI contemplates Brockton's illiquid investments. However, SEI does not serve in a fiduciary capacity for the legacy investments



# Investment Policy Statement

Agreed to by BRB and SEI in February 2022, the Investment Policy Statement (IPS) details permitted ranges for asset classes, as shown below.

Asset Class	IPS Permitted Ranges
U.S. Equity	5% - 40%
Global Equity	10% – 50%
Investment Grade Fixed Income	10% – 60%
High Yield Fixed Income	0% - 10%
Emerging Markets Debt	0% - 10%
Multi-Asset Real Return	0% - 20%
Private Assets	0% - 20%
Structured Credit	0% - 10%
Real Estate	0% - 15%
Hedge Funds	0% - 15%

Asset Class	SEI IMA Target
U.S. Equity	10.0%
Non-U.S. Equity	10.0%
Global Equity	30.0%
Investment Grade Fixed Income	12.0%
High Yield Fixed Income	3.0%
Emerging Markets Debt	3.0%
Multi-Asset Real Return	5.0%
Private Equity	10.0%
Structured Credit	2.0%
Real Estate	10.0%
Hedge Funds	5.0%

The current IPS generally aligns with IMA target adjustments made to increase private equity and add Hedge Funds in the early part of 2022. One possible IPS update would be to include a specific permitted range for dedicated non-U.S. equity, similar to U.S. equity, given the existing ex-U.S. Index strategy in the portfolio. An updated SEI IMA also does not appear to take into account the mid-year 2023 transition of 5% from the Global Managed Volatility Fund to the S&P 500 Index.





# Fees – SEI Investment Program

MANAGER	TARGET ALLOCATION	MARKET VALUE	FEE SCHEDULE	ESTIMATED QUARTERLY FEE TOTALS	ESTIMATED ANNUAL FEE TOTALS
<b>Public Market Assets*</b>					
SEI Limited Duration Bond Fund	8.0%	\$64,039,236	0.11%	\$17,611	\$70,443
SEI Core Fixed Income Fund	4.0%	\$32,546,075	0.13%	\$10,577	\$42,310
SEI High Yield Bond Fund	3.0%	\$24,669,810	0.28%	\$17,269	\$69,075
SEI Emerging Markets Debt Fund	3.0%	\$24,569,887	0.42%	\$25,798	\$103,194
SEI S&P 500 Index Fund	7.0%	\$98,384,507	0.06%	\$14,758	\$59,031
SEI Extended Market Index A	3.0%	\$25,180,263	0.06%	\$3,777	\$15,108
State Street Global Equity Ex-US Fund	10.0%	\$82,646,506	0.065%	\$13,430	\$53,720
SEI World Select Equity Fund	10.0%	\$82,594,761	0.37%	\$76,400	\$305,601
SEI Global Managed Volatility Fund	20.0%	\$122,082,528	0.25%	\$76,302	\$305,206
SEI Multi Asset Real Return Fund	5.0%	\$39,301,476	0.21%	\$20,633	\$82,533
<b>Public Market Assets Fund Level Fee Sub Total</b>		<b>\$596,015,050</b>	<b>0.19%</b>	<b>\$276,555</b>	<b>\$1,106,221</b>
<b>SEI Investment Management Services Fee Subtotal (Mutual Funds)</b>		<b>\$596,015,059</b>	<b>0.09%</b>	<b>\$134,103</b>	<b>\$536,414</b>
<b>SEI Alternative Funds</b>					
SEI Core Property Fund	10.0%	\$78,805,590	1.25%	\$246,267	\$985,070
SEI Offshore Opportunity Fund II	5.0%	\$41,805,910	0.75%	\$78,386	\$313,544
SEI Structure Credit Fund	2.0%	\$21,061,742	0.75%	\$39,491	\$157,963
SEI Global Private Assets Fund III, IV, V, VI & Special Opportunities Fund I	10.0%	\$26,899,330	0.90%	\$60,523	\$242,094
<b>Brockton Retirement System Total Fee Investment &amp; Advisory Expense<sup>1</sup></b>		<b>\$764,587,631</b>	<b>0.44%</b>	<b>Approximately \$835,000</b>	<b>Approximately \$3,340,000</b>
<b>SEI Trust Co.</b>			<b>Custody Services Fee: Waived Oversight/Reporting of Existing Managers Fee: \$8,000</b>		

\*Source of public market fund fees is Morningstar

Footnotes: <sup>1</sup>SEI's fee estimate represents the total estimated asset-based fee for SEI's services which includes the management fees charged on mutual funds, fund fees on mutual funds, and fees charged for SEI Alternative Funds. Estimate does not include \$8,000 annual Oversight & Reporting of Existing Managers Fee or the fund fees associated with those Existing Managers. The total SEI fee is billed on the average quarterly market value. The fee schedule was most recently amended in April 2022. Manager will credit the Client's quarterly invoice with a credit that equals (1) the then-current fee for the State Street Global Equity ex-US Index Fund as published in the State Street Advisors ("SSGA") prospectus as it may be updated from time-to-time by SSGA multiplied by (2) the average assets invested in this fund during the applicable quarter. As of September 1, 2019, the then-current fee is .065% according to the State Street Global Advisors ("SSGA") prospectus dated April 30, 2018, as supplemented June 6, 2018.

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. Fiduciant Advisors has not independently verified this information.



# Performance Comparison

## Trailing Period Performance

### As of December 31, 2023 (Net of Fees)

	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Brockton Retirement System (Total Portfolio)	6.1%	9.2%	9.2%	6.0%	8.6%	6.5%	10/1/2014
Total Portfolio Index	6.6%	10.0%	10.0%	6.3%	9.4%	7.7%	10/1/2014
<b>Difference (Portfolio Index)</b>	<b>-0.5%</b>	<b>-0.8%</b>	<b>-0.8%</b>	<b>-0.3%</b>	<b>-0.8%</b>	<b>-1.2%</b>	
PRIT GA Fund	6.2%	11.2%	11.2%	5.7%	9.0%	7.5%	10/1/2014
<b>Difference (PRIT)</b>	<b>-0.1%</b>	<b>-2.0%</b>	<b>-2.0%</b>	<b>+0.3%</b>	<b>-0.4%</b>	<b>-1.0%</b>	
Brockton Retirement System (SEI Only)	6.2%	9.6%	9.6%	6.2%	9.1%	6.9%	10/1/2014
Total Portfolio Index	6.6%	10.0%	10.0%	6.3%	9.4%	7.7%	10/1/2014
<b>Difference (Portfolio Index)</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>-0.1%</b>	<b>-0.3%</b>	<b>-0.8%</b>	
PRIT GA Fund	6.2%	11.2%	11.2%	5.7%	9.0%	7.5%	10/1/2014
<b>Difference (PRIT)</b>	<b>+0.0%</b>	<b>-1.6%</b>	<b>-1.6%</b>	<b>+0.5%</b>	<b>+0.1%</b>	<b>-0.6%</b>	

\*Total Portfolio Index is comprised of different asset class indices weighted according to BRS's portfolio. Prior to 11/30/2021, the Total Portfolio Index was comprised of 100% PRIT Core Fund Return. A complete history of the Total Portfolio Index composition can be found in SEI's monthly performance report

\*\*SEI is in the process of receiving fully updated statements from the illiquid legacy investments. Updated performance results may affect Brockton's portfolio returns and in turn their performance in comparison to the PRIT General Allocation Fund.



# Performance Comparison

## Quarterly Performance History

### As of December 31, 2023 (Net of Fees)

	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021
Brockton Retirement System (Total Portfolio)	6.1%	-1.3%	1.7%	2.6%	6.5%	-3.9%	-6.6%	-2.4%	5.0%	0.4%	5.5%	5.6%
Total Portfolio Index	6.6%	-1.9%	2.0%	3.2%	6.3%	-3.9%	-7.9%	-3.1%	-	-	-	-
<b>Difference (Index)</b>	<b>-0.5%</b>	<b>+0.6%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>+0.2%</b>	<b>0.0%</b>	<b>+1.3%</b>	<b>+0.7%</b>	-	-	-	-
PRIT GA Fund	6.2%	-1.8%	2.8%	3.7%	4.3%	-4.6%	-8.6%	-2.4%	5.4%	2.3%	6.7%	4.3%
<b>Difference (PRIT)</b>	<b>-0.1%</b>	<b>+0.5%</b>	<b>-1.1%</b>	<b>-1.1%</b>	<b>+2.2%</b>	<b>+0.7%</b>	<b>+2.0%</b>	<b>0.0%</b>	<b>-0.4%</b>	<b>-1.9%</b>	<b>-1.2%</b>	<b>1.3%</b>
Brockton Retirement System (SEI Only)	6.2%	-1.3%	1.8%	2.7%	6.8%	-4.0%	-6.8%	-2.5%	5.1%	0.4%	5.6%	5.8%
Total Portfolio Index	6.6%	-1.9%	2.0%	3.2%	6.3%	-3.9%	-7.9%	-3.1%	-	-	-	-
<b>Difference (Index)</b>	<b>-0.4%</b>	<b>+0.6%</b>	<b>-0.2%</b>	<b>-0.5%</b>	<b>+0.5%</b>	<b>-0.1%</b>	<b>+1.1%</b>	<b>+0.6%</b>	-	-	-	-
PRIT GA Fund	6.2%	-1.8%	2.8%	3.7%	4.3%	-4.6%	-8.6%	-2.4%	5.4%	2.3%	6.7%	4.3%
<b>Difference (PRIT)</b>	<b>+0.0%</b>	<b>+0.5%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>+2.5%</b>	<b>+0.6%</b>	<b>+1.8%</b>	<b>-0.1%</b>	<b>-0.3%</b>	<b>-1.9%</b>	<b>-1.1%</b>	<b>1.5%</b>

\*Total Portfolio Index is comprised of different asset class indices weighted according to BRS's portfolio. Prior to 11/30/2021, the Total Portfolio Index was comprised of 100% PRIT Core Fund Return. A complete history of the Total Portfolio Index composition can be found in SEI's monthly performance report

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# Brockton Retirement System

## *Performance Observations as of December 31, 2023*

**Brocton's portfolio earned a strong positive result in 2023, returning 9.2% for the year. On a relative basis, Brocton modestly underperformed both the PRIT Core Fund and the Total Portfolio Index. Performance has modestly lagged both benchmarks over five-year and since inception annualized time periods. At the end of 2021, a Total Portfolio Index was instituted to replace the PRIT Core Fund as Brockton's primary benchmark. In 2022 Brockton's outperformed the Total Portfolio Index by 2.3% but trailed that same blended index by 0.8% in 2023.**

Equities returns in 2023 were robust, a very positive rebound from 2022, wherein equities sold off significantly throughout the year. The strong positive results were experienced across the globe and the market capitalization spectrum but U.S. large cap equities were by far the strongest performer. The U.S. mega-cap Magnificent 7 stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) lead the way, with each up on average over 100% in 2023. All major indices experienced positive returns in 2023 with the exception of the Bloomberg Commodity Total Return Index. This was a complete reversal compared to 2022 when this commodity index was virtually alone in positive territory.

Growth oriented equity indices performed significantly better than value indices in the U.S., especially within U.S. large cap stocks, but internationally, value outperformed growth. The Russell 1000 Growth index returned 42.7% whereas the Russell 1000 Value Index returned 11.5% on the year. International developed equities generally underperformed U.S. stocks but outperformed emerging markets. The MSCI EAFE Index returned 18.2% in 2023. The MSCI EM Index returned 9.8%, well behind both U.S. equities and international developed equities, but still a decent year on an absolute basis. Brockton's portfolio allocated approximately 50% to public equities during 2023. As a result, Brockton experienced positive returns on the whole, earning 9.2%. On a relative basis though, Brockton's meaningful allocation to SEI Global Managed Volatility Fund served as a headwind this year returning just 8.9%, well behind the 22.2% return of the MSCI AC World Index.

SEI uses indexing for dedicated U.S. and international equity investing in Brockton's portfolio but the majority of Brockton's equity exposure is from allocations to the SEI World Select Equity Fund (10%) and SEI Global Managed Volatility Fund (15%). Approximately half way through the year SEI did reduce the Global Managed Volatility Fund and increased the SEI S&P 500 Index Fund allocation by 5% each. Both global equity funds underperformed their benchmark, the MSCI AC World Index in 2023, particularly the Managed Volatility Fund, which underperformed by 13.3%. This contrasts greatly versus 2022 when the SEI Global Managed Volatility Fund outperformed significantly and protected assets in a down market year. This Fund was added relatively recently in December 2021 as part of the transition to incorporate Brockton's POB assets into the investment portfolio. Overall, Brockton's public equities strategies underperformed versus PRIT Global Equity, which returned 22.0% in 2023.



# Brockton Retirement System

## *Performance Observations as of December 31, 2023*

**Brocton's portfolio earned a strong positive result in 2023, returning 9.2% for the year. On a relative basis, Brocton modestly underperformed both the PRIT Core Fund and the Total Portfolio Index. Performance has modestly lagged both benchmarks over five-year and since inception annualized time periods. At the end of 2021, a Total Portfolio Index was instituted to replace the PRIT Core Fund as Brockton's primary benchmark. In 2022 Brockton's outperformed the Total Portfolio Index by 2.3% but trailed that same blended index by 0.8% in 2023.**

Private Equity has been a strong driver of performance for PRIT over the long term but 2023 was a different experience. Private equity generally experienced mark downs throughout 2023 and as a result failed to keep pace with public equities. SEI Global Private Asset Fund III, IV, V, and VI achieved varying levels of performance, ranging from -9.2% to +1.3%. Two standout performing strategies however in 2023 were the SEI Secondary Opportunities Fund and the SEI structured Credit Fund, which returned 8.1% and 18.9% respectively. Complete results are still uncertain as private equity performance is reported on a quarter-lag for both PRIT and SEI. Longer term, PRIT Private Equity has outperformed SEI GPA III, IV, V, and VI. Brockton's legacy private equity investments have been unable to keep pace with PRIT or SEI.

Since inception, SEI Core Property Fund has been a very strong performing strategy in Brockton's portfolio. 2023 however was a difficult year for private real estate generally. The Fund returned -9.1% in 2023, modestly behind the NCREIF Property Index return of -7.9%. Still, since inception the SEI Core Property Fund has outperformed the NCREIF index by 2.5% annualized.

Brockton's fixed income portfolio performed well in 2023 as well, outpacing the Bloomberg U.S. Aggregate Index by 3%. In 2023, Brockton's core fixed Income portfolio outperformed PRIT Core Fixed Income. The SEI Core Fixed Income Fund and the SEI Limited Duration Bond Fund returned 6.5% and 5.4% respectively, outpacing PRIT's 4.9% return in Core Fixed Income. Brockton's value add fixed income portfolio also helped the fixed income portfolio perform well. SEI High Yield Bond returned 13.6% and SEI Emerging Markets Debt Fund returned 14.8%. The PRIT Value Add Fixed Income portfolio returned 12.2%.

SEI Multi Asset Real Return Fund performed poorly for Brockton's portfolio in 2023. Whereas the Bloomberg 1-5 Year US TIPS Index returned 4.4% in 2023, the Multi Asset Real Return Fund returned -1.0%, driven primarily by the strategy's meaning commodities allocation.



# Brockton Retirement System

## Allocation History

Fund/Strategy	12/31/2014 Allocation	6/30/2015 Allocation	12/31/2015 Allocation	6/30/2016 Allocation	12/31/2016 Allocation	6/30/2017 Allocation	12/31/2017 Allocation	6/30/2018 Allocation	12/31/2018 Allocation	6/30/2019 Allocation	12/31/2019 Allocation	6/30/2020 Allocation	12/31/2020 Allocation
<b>Cash &amp; Equivalents</b>	<b>4.3%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>
SEI Core Fixed Income	14.5%	8.1%	5.9%	5.9%	5.5%	6.0%	6.1%	6.0%	-	6.1%	5.8%	10.5%	11.3%
SEI High Yield Bond	6.2%	6.2%	5.7%	5.9%	6.1%	3.5%	3.6%	3.6%	3.7%	3.5%	3.5%	3.3%	3.0%
SEI EM Debt	6.2%	5.9%	5.9%	6.4%	5.9%	6.0%	6.2%	5.7%	6.0%	6.2%	6.0%	5.7%	3.0%
SEI Opportunistic Income	-	5.9%	5.9%	5.7%	5.5%	6.0%	6.1%	6.2%	5.9%	-	-	-	-
SEI Real Return/Limited Duration	-	4.1%	3.9%	-	-	-	-	-	5.9%	6.0%	5.8%	-	-
<b>Fixed Income</b>	<b>27%</b>	<b>30%</b>	<b>27%</b>	<b>24%</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>21%</b>	<b>20%</b>	<b>17%</b>
SEI SIIT S&P 500 Index	10.3%	10.5%	10.8%	10.7%	10.9%	10.0%	10.1%	10.2%	10.0%	9.9%	10.1%	16.4%	16.4%
SEI Large Cap Disciplined	11.4%	-	-	11.1%	11.3%	7.2%	-	-	-	-	-	-	-
SEI Small/Mid Cap	5.1%	5.3%	5.1%	5.0%	5.4%	3.4%	-	-	-	-	-	-	-
SEI Extended Market	5.1%	5.3%	5.1%	5.0%	5.4%	5.0%	5.0%	5.3%	4.9%	5.0%	5.0%	5.3%	5.4%
<b>US Equity</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>	<b>33%</b>	<b>26%</b>	<b>15%</b>	<b>16%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>22%</b>	<b>22%</b>
SEI World Select Equity	-	-	-	-	-	12.2%	36.9%	36.7%	36.5%	36.3%	37.2%	38.0%	36.4%
Global Managed Volatility	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Global Equity</b>						<b>12%</b>	<b>37%</b>	<b>37%</b>	<b>37%</b>	<b>36%</b>	<b>37%</b>	<b>38%</b>	<b>36%</b>
SSGA Global Equity ex-US Index	-	-	-	-	-	1.3%	4.1%	3.9%	3.7%	6.4%	6.6%	6.6%	6.8%
SEI World Equity ex US	20.1%	19.7%	19.8%	18.8%	18.5%	12.7%	0.1%	-	-	-	-	-	-
SEI Emerging Markets Equity	5.1%	5.0%	5.2%	5.4%	5.1%	3.4%	-	-	-	-	-	-	-
<b>International Equity</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>24%</b>	<b>24%</b>	<b>17%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>6%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
SEI Dynamic Asset Allocation	7.5%	7.4%	7.5%	7.3%	7.6%	6.9%	6.0%	6.0%	5.9%	6.0%	6.0%	-	-
SEI Multi Asset Real Return	4.2%	-	-	3.9%	3.7%	4.0%	4.1%	4.1%	4.0%	3.9%	3.9%	3.5%	3.8%
SEI Energy Debt LP	-	-	-	-	-	2.3%	2.2%	2.3%	2.4%	-	-	-	-
<b>Other</b>	<b>12%</b>	<b>7%</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>10%</b>	<b>10%</b>	<b>4%</b>	<b>4%</b>
SEI Core Property Fund	-	4.3%	4.5%	4.8%	4.6%	4.6%	4.4%	4.6%	5.1%	4.9%	4.6%	5.4%	8.5%
<b>Real Estate/Property</b>		<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>9%</b>
SEI Structured Credit	-	1.0%	1.9%	3.1%	3.3%	3.4%	3.2%	3.5%	3.8%	3.6%	3.2%	3.0%	3.1%
SEI GPA III Private Equity	-	0.0%	0.5%	1.0%	1.2%	1.3%	1.4%	1.6%	2.0%	1.7%	1.6%	1.7%	1.4%
SEI GPA IV Private Equity	-	-	-	-	-	-	-	0.2%	0.3%	0.4%	0.5%	0.7%	0.8%
SEI GPA V Private Equity	-	-	-	-	-	-	-	-	-	-	-	0.1%	0.1%
SEI Offshore Opportunity II	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Alternatives</b>		<b>1%</b>	<b>2%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>6%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>
<b>TOTAL PORTFOLIO</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100.00%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Brockton Retirement System

## Allocation History

Fund/Strategy	12/31/2020 Allocation	11/30/2021 Allocation	1/31/2022 Allocation	2/28/2022 Allocation	3/31/2022 Allocation	4/30/2022 Allocation	7/31/2022 Allocation	10/31/2022 Allocation	12/31/2022 Allocation	6/30/2023 Allocation	9/30/2023 Allocation	12/31/2023 Allocation
<b>Cash &amp; Equivalents</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.0%</b>
SEI Core Fixed Income	11.3%	7.6%	7.3%	7.3%	6.1%	4.4%	4.4%	4.1%	4.2%	4.2%	4.1%	4.3%
SEI High Yield Bond	3.0%	2.5%	3.1%	3.8%	3.6%	3.3%	3.3%	3.2%	3.1%	3.2%	3.3%	3.2%
SEI EM Debt	3.0%	1.9%	1.9%	1.8%	1.7%	3.3%	3.2%	3.1%	3.2%	3.2%	3.1%	3.2%
SEI Limited Duration	-	31.1%	24.4%	17.4%	14.0%	9.0%	8.7%	8.5%	8.4%	8.5%	8.6%	8.4%
<b>Fixed Income</b>	<b>17%</b>	<b>43%</b>	<b>37%</b>	<b>30%</b>	<b>25%</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
SEI SIIT S&P 500 Index	16.4%	20.7%	20.2%	20.2%	15.9%	7.3%	7.5%	7.4%	7.2%	12.9%	12.5%	12.9%
SEI Extended Market	5.4%	3.1%	2.9%	3.0%	3.0%	3.2%	3.2%	3.2%	3.0%	3.2%	3.1%	3.3%
<b>US Equity</b>	<b>22%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	<b>19%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
SEI World Select Equity	36.4%	10.5%	10.8%	10.4%	10.5%	10.8%	10.8%	10.6%	10.7%	10.7%	10.5%	10.8%
Global Managed Volatility	-	6.4%	12.5%	19.2%	19.7%	21.7%	21.5%	21.5%	21.6%	16.0%	15.9%	15.8%
<b>Global Equity</b>	<b>36%</b>	<b>17%</b>	<b>23%</b>	<b>30%</b>	<b>30%</b>	<b>33%</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>	<b>27%</b>	<b>26%</b>	<b>27%</b>
SSGA Global Equity ex-US Index	6.8%	3.9%	4.0%	3.9%	3.9%	10.8%	10.5%	9.9%	10.7%	10.5%	10.3%	10.8%
<b>International Equity</b>	<b>7%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>
SEI Multi Asset Real Return	3.8%	2.5%	2.5%	2.5%	2.6%	5.7%	5.4%	5.3%	5.3%	5.3%	5.4%	5.1%
<b>Other</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
SEI Core Property Fund	8.5%	5.7%	6.2%	6.3%	10.0%	10.9%	11.5%	12.2%	12.0%	11.1%	10.9%	10.3%
<b>Real Estate/Property</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>
SEI Structured Credit	3.1%	2.3%	2.3%	2.4%	2.3%	2.4%	2.3%	2.4%	2.4%	2.5%	2.7%	2.8%
SEI GPA III Private Equity	1.4%	0.7%	0.8%	0.7%	0.7%	0.8%	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%
SEI GPA IV Private Equity	0.8%	0.7%	0.8%	0.8%	0.8%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%
SEI GPA V Private Equity	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.4%	0.5%	0.5%	0.6%	0.7%	0.7%
SEI GPA VI Private Equity	-	0.2%	-	-	-	-	-	0.2%	0.2%	0.5%	0.4%	0.4%
SEI Secondary Opportunities Fund I	-	-	-	-	-	-	0.3%	0.6%	0.5%	0.6%	0.8%	1.0%
SEI Offshore Opportunity II	-	-	-	-	4.9%	5.1%	5.2%	5.5%	5.3%	5.4%	5.6%	5.5%
<b>Alternatives</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>
<b>TOTAL PORTFOLIO</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Brockton Retirement System

## Portfolio Changes

Portfolio Activity:	
4Q 2014	- The small investment in Limited Duration Fund totaling \$3,217 on 9/30/2014 Statement was fully removed from portfolio by the 11/30/2014 statement.
1Q 2015	<ul style="list-style-type: none"> <li>- SEI Large Cap Disciplined was replaced by SEI U.S. Managed Volatility during January 2015 (11%)</li> <li>- SEI Real Return was added to the portfolio during January 2015 (4%)</li> <li>- SEI Multi Asset Real Return was removed from the portfolio during January 2015</li> <li>- SEI Structured Credit was added to the portfolio during January 2015 (1%)</li> <li>- SEI Core Property was added to the portfolio during February 2015 (4%)</li> <li>- SEI GPA III Private Equity Fund was added to the portfolio during February 2015</li> <li>- SEI Opportunistic Income was added to the portfolio during March 2015 (6%)</li> </ul>
2Q 2015	- No apparent changes made
3Q 2015	- No apparent changes made
4Q 2015	- Decreased Core Fixed Income Allocation to 6% from 8% and reallocated to SEI Structured Credit and GPA II Private Equity. Some of Core Fixed Income is possibly being used to fund Private Equity Capital Calls.
1Q 2016	- SEI Managed U.S. Managed Volatility was replaced in favor of SEI Large Cap Disciplined Fund again in January 2016 (11%)
2Q 2016	- SEI Real Return Fund was removed from portfolio and replaced with SEI Multi-Asset Real Return Fund in April 2016 (4%)
3Q 2016	- No apparent changes made
4Q 2016	- No apparent changes made
1Q 2017	- No apparent changes made
2Q 2017	<ul style="list-style-type: none"> <li>- SEI High Yield Bond Fund allocation was reduced to 3.5% (from 6%) to make 2.5% allocation to SEI Energy Debt Fund LP (\$8,000,000) in June 2017</li> <li>- SEI Large Cap Disciplined Equity target was reduced to 7.2% (from 11%) and Small/Mid Cap Equity Strategy target was reduced to 3.4% (from 5%) in June 2017</li> <li>- World Equity ex-US Strategy target was reduced to 12.5% (from 19%) and SEI Emerging Markets Equity target was reduced to 3.4% (from 5%)</li> <li>- State Street Global Equity ex-US Index (1.3% target) and SEI World Select Equity (12.2% target) were added to the portfolio in June 2017</li> </ul>
3Q 2017	<ul style="list-style-type: none"> <li>- SEI Large Cap Disciplined Equity target was reduced to 3.6% (from 7.2%) and SEI Small/Mid Cap Equity target was reduced to 1.7% (from 3.4%) in September</li> <li>- SEI World Equity ex US target was reduced to 6.3% (from 12.5%) and SEI Emerging Markets Equity was reduced to 1.7% (from 3.4%) in September</li> <li>- SEI Dynamic Asset Allocation target was reduced to 6.7% (from 7%) in September</li> <li>- State Street Global Equity ex-US Index target was increased to 2.6% (from 1.3%) and SEI World Select Equity target was increased to 24.4% (from 12.4%) in September</li> </ul>
4Q 2017	<ul style="list-style-type: none"> <li>- SEI Large Cap Disciplined Equity, SEI Small/Mid Cap Equity, SEI World Equity ex US, and SEI Emerging Markets Equity were all removed from the portfolio in December</li> <li>- State Street Global Equity ex-US Index target was increased to 4% (from 2.6%)</li> <li>- SEI World Select Equity target was increased to 37% (from 24.4%)</li> <li>- SEI Dynamic Asset Allocation target was decreased to 6% (from 6.7%)</li> </ul>
1Q 2018	- Funding of SEI GPA IV Private Equity Fund began in March 2018
2Q 2018	- No apparent changes made
3Q 2018	- SEI Core Fixed Income was replaced in favor of SEI Limited Duration in September 2018
4Q 2018	- No apparent changes made





# Brockton Retirement System

## Portfolio Changes

Portfolio Activity:	
1Q 2019	- SEI Opportunistic Income was replaced in favor of SEI Core Fixed Income in March 2019
2Q 2019	- SEI Energy Debt LP was removed from portfolio and proceeds were reallocated to SSGA Global Equity ex-US Index, increasing allocation to 6% (from 3.5%) in May 2019
3Q 2019	- No apparent changes made
4Q 2019	- No apparent changes made
1Q 2020	- SEI Limited Duration was removed from the portfolio and SEI Core Fixed Income target allocation was increased to 12% (from 6%) in February 2020 - SEI Dynamic Asset Allocation was removed from the portfolio and SEI S&P 500 Index target allocation was increased to 16% (from 10%) in March 2020 - Funding of the SEI GPA V Private Equity Fund began in March 2020
2Q 2020	- No apparent changes made
3Q 2020	- No apparent changes made
4Q 2020	- SEI High Yield Bond target allocation was reduced to 3% (from 3.5%) and SEI EM Debt target allocation was reduced to 3% (from 6%) in October 2020 - SEI World Select Equity target allocation was reduced to 34.5% (from 37%) in October 2020 - SEI Core Property Fund target allocation was increased to 10% (from 4%) in October 2020.
1Q 2021	- No apparent changes made
2Q 2021	- No apparent changes made
3Q 2021	- No apparent changes made
4Q 2021	- POB Assets were received by SEI in November 2021 and invested in ~83% and ~17% Global Managed Volatility Equity - Pension assets went began going through changes to incorporate the influx of POB assets.
1Q 2022	- Over the course of the first quarter the POB Assets were transitioned to approximately 50% fixed income and 50% Global Managed Volatility Equity, at which point the POB assets were incorporated fully into the existing Pension pool during March - In the Pension, revised targets were instituted effective April 1, 2022, specifically the following: - SEI Core Fixed Income was reduced to 4% (from 12%) to make 8% allocation to SEI Limited Duration Fund - SEI S&P 500 Index, SEI Extended Market, and SEI World Equity Fund allocations were collectively reduced to 20% (from 55.5%) to make 20% allocation to SEI Global Managed Volatility Fund, increase State Street Global Equity Ex-US Index allocation to 10% (from 6.5%), increase private equity target allocation to 10% (from 3%), and make 5% allocation to SEI Offshore Opportunity II Fund - SEI Structured Credit Fund allocation was reduced to 2% (from 3%) to increase SEI Multi-Asset Real Return Fund to 5% (from 4%)
2Q 2022	- No apparent changes made
3Q 2022	- No apparent changes made
4Q 2022	- No apparent changes made
1Q 2023	- No apparent changes made
2Q 2023	- SEI Global Managed Volatility target allocation was reduced to 15% (from 20%) and SEI S&P 500 Index allocation was increased to 12% (from 7%) in June 2023
3Q 2023	- No apparent changes made
4Q 2023	- No apparent changes made



# Brockton Retirement System

## *Past Portfolio Decisions*

In November 2021 SEI received approximately \$300 million in POB assets. Over the remainder of 2021 and the first quarter of 2022 SEI made significant portfolio changes as they incorporated the new POB assets into the pension portfolio. The final steps of the portfolio transition occurred in April 2022. Portfolio changes have been reviewed in comparison to the previous target allocations established in October 2020.

Portfolio Change Overview	Change Occurance: November 2021 - April 2022		
Strategy	Original Allocation	Allocation Change	New Allocation
SEI Core Fixed Income	12.0%	-8.0%	4.0%
SEI Limited Duration	0.0%	+8.0%	8.0%

Performance Result	Time Period: April 2022 - December 2023		
	Period Return (Annualized)	Outperform/Underperform	Additive/ Detractive
SEI Core Fixed Income	-1.4%	Underperform	Additive
SEI Limited Duration	2.3%	Outperform	

Portfolio Change Overview	Change Occurance: November 2021 - April 2022		
Strategy	Original Allocation	Allocation Change	New Allocation
SEI Structured Credit	3.0%	-1.0%	2.0%
SEI Multi-Asset Real Return	4.0%	+1.0%	5.0%

Performance Result	Time Period: April 2022 - December 2023		
	Period Return (Annualized)	Outperform/Underperform	Additive/ Detractive
SEI Structured Credit	9.6%	Outperform	Detractive
SEI Multi-Asset Real Return	-0.1%	Underperform	

The above allocation changes were made to reduce portfolio duration (interest rate sensitivity) given the prevailing low-rate market environment at the time and possibility of rising rates in 2022.



# Brockton Retirement System

## *Past Portfolio Decisions*

In November 2021 SEI received approximately \$300 million in POB assets. Over the remainder of 2021 and the first quarter of 2022 SEI made significant portfolio changes as they incorporated the new POB assets into the pension portfolio. The final steps of the portfolio transition occurred in April 2022. Portfolio changes have been reviewed in comparison to the previous target allocations established in October 2020.

Portfolio Change Overview	Change Occurance: November 2021 - April 2022		
Strategy	Original Allocation	Allocation Change	New Allocation
SEI World Select Equity	34.5%	-24.5%	10.0%
SEI S&P 500 Index	16.0%	-9.0%	7.0%
SEI Extended Market Index	5.0%	-2.0%	3.0%
SEI Global Managed Volatility	0.0%	+20.0%	20.0%
SSGA Global Equity ex US	6.5%	+3.5%	10.0%
SEI Global Private Asset	3.0%	+7.0%	10.0%
SEI Offshore Opportunity II	0.0%	+5.0%	5.0%

Performance Result	Time Period: April 2022 - December 2023		
	Period Return (Annualized)	Outperform/Underperform	Additive/ Detractive
Original Allocation	4.2%	Outperform	Likely Detractive
New Allocation	3.3%	Underperform	

\*Returns shown above include private equity allocation with return data available only through September 30, 2023

The equity portfolio was reallocated to de-risk the portfolio given the significantly improved funded status of the plan following in investment of the POB assets.



# Brockton Retirement System

## *Past Portfolio Decisions*

In June 2023 SEI made a modest adjustment to Brockton's equity assets, reducing the relatively new SEI Global Managed Volatility Fund in favor of the SEI S&P 500 Index.

<b>Portfolio Change Overview</b>	<b>Change Occurance: June 2023</b>		
<b>Strategy</b>	<b>Original Allocation</b>	<b>Allocation Change</b>	<b>New Allocation</b>
SEI Global Managed Volatility	20.0%	-5.0%	15.0%
SEI S&P 500 Index	7.0%	+5.0%	12.0%

<b>Performance Result</b>	<b>Time Period: July 2023 - December 2023</b>		
	<b>Period Return (Annualized)</b>	<b>Outperform/ Underperform</b>	<b>Additive/ Detractive</b>
Original Allocation	3.8%	Underperform	Additive
New Allocation	8.0%	Outperform	



# Brockton Retirement System

## *Private Equity Portfolio as of December 31, 2023*

Investment	Vintage Year	Commitment Amount	Contributions	Unfunded Commitment	Percent Funded	Distributions	Since Inception IRR
SEI Global Private Asset III	2015	\$9,400,000	\$7,552,339	\$1,847,661	80.3%	\$7,407,290	11.3%
SEI Global Private Asset IV	2018	\$7,000,000	\$4,870,215	\$2,129,785	69.6%	\$1,189,387	17.7%
SEI Global Private Asset V	2020	\$9,000,000	\$4,480,350	\$4,519,650	49.8%	\$0	8.1%
SEI Global Private Asset VI	2022	\$25,000,000	\$5,606,513	\$21,574,351	22.4%	\$2,180,864	-9.37%
SEI Secondary Opp Fund I	2022	\$25,000,000	\$7,254,111	\$18,742,369	29.0%	\$996,480	9.9%

Performance by Asset Class (Gross of Fees)

	NAV \$ (000)	Target Allocation Range	Actual Allocation %	Month	QTD	FY '24	1 Year	3 Year	5 Year	10 Year	Since Inception
<b>GLOBAL EQUITY</b>	39,724,068	32 - 42%	39.5%	5.43	10.93	7.14	22.04	6.10	11.97	8.17	6.81
<b>CORE FIXED INCOME</b>	13,668,025	12 - 18%	13.6%	5.12	8.25	1.85	4.85	-4.95	1.39	2.80	6.39
<b>VALUE ADDED FIXED INCOME</b>	7,308,942	5 - 11%	7.3%	2.07	4.84	6.40	12.21	5.76	6.26	5.01	7.54
<b>PRIVATE EQUITY</b>	17,195,912	13 - 19%	17.1%	0.12	1.28	3.80	6.82	19.15	19.18	19.48	15.65
<b>REAL ESTATE</b>	10,406,927	7 - 13%	10.3%	-3.19	-2.45	-3.92	-5.77	9.14	7.88	8.79	6.77
<b>TIMBERLAND</b>	3,219,674	1 - 7%	3.2%	7.60	8.00	9.02	11.43	10.39	7.02	6.31	8.32
<b>PORTFOLIO COMPLETION STRATEGIES</b>	8,529,652	7 - 13%	8.5%	1.60	3.81	5.39	8.74	5.02	4.67	3.72	4.32
<b>OVERLAY</b>	477,961	0.0%	0.5%	8.60	14.90	8.79	21.52	3.26	11.11	8.44	11.31
<b>TOTAL CORE</b>	<b>100,565,646</b>	<b>100%</b>	<b>100%</b>	<b>3.01</b>	<b>6.18</b>	<b>4.45</b>	<b>11.44</b>	<b>6.22</b>	<b>9.49</b>	<b>7.94</b>	<b>9.24</b>
<i>IMPLEMENTATION BENCHMARK (using short term private equity benchmark) <sup>1</sup></i>				2.99	5.86	3.83	9.82	5.38	8.84	7.35	9.52
<i>TOTAL CORE BENCHMARK (using private equity) <sup>2</sup></i>				3.20	6.60	4.83	11.80	5.20	8.43	6.83	9.33
PARTICIPANTS CASH	299,780			0.46	1.40	2.74	5.24	2.32	1.97	1.39	3.49
TEACHERS' AND EMPLOYEES' CASH	26,049			0.47	1.39	2.75	5.22	2.30	1.95	1.37	2.42
<b>TOTAL FUND</b>	<b>100,891,475</b>			<b>3.00</b>	<b>6.17</b>	<b>4.44</b>	<b>11.42</b>	<b>6.21</b>	<b>9.46</b>	<b>7.92</b>	<b>9.28</b>



# Brockton Retirement System

## *Past Portfolio Decisions*

### **Strategic changes to the portfolio by SEI over the course of managing Brockton Retirement System:**

- In January 2015, SEI replaced the Multi-Asset Real Return Fund with the Real Return Fund. The manager had a bearish expectation on commodity returns at this point in time and therefore opted for the TIPS centric SEI Real Return Fund. From February 2015 through March 2016, the Real Return Fund had modest positive gains on an annualized basis while the Multi-Asset Real Return Fund had significant negative annualized returns, so this change had a POSITIVE effect on performance.
- In the beginning of 2016 commodity and energy prices began to rebound and so in April 2016 the Portfolio was adjusted back to investing in the Multi-Asset Real Return Fund. Commodities and energy have been tailwinds more recently for returns. From May 2016 through March 2022 the Multi-Asset Real Return Fund outperformed the Real Return Fund by approximately 75 basis points annualized, resulting in a POSITIVE effect on performance.
- In January 2015, SEI replaced the Large Cap Disciplined Fund with the U.S. Managed Volatility Fund because they believed that relative valuations for defensive stocks were attractive, a major component of the Managed Volatility Fund. Unfortunately, from February 2015 through December 2015 the Large Cap Disciplined Fund performed very well, gaining 5.4% across that time period while the Managed Volatility Fund only gained just over 1.6% so this change had a NEGATIVE effect on performance.
- After one year using the Managed Volatility Fund SEI went back to the Large Cap Disciplined Fund because the defensive sectors they originally targeted experienced valuation increases. From February 2016 through November 2017 the Large Cap Disciplined Fund outperformed the Managed Volatility Fund by approximately 250 basis points annualized. The Large Cap Disciplined Fund was removed from the portfolio in December 2017. This change had a POSITIVE effect on performance.
- In March 2015, a 6% allocation to SEI Opportunistic Income Fund was added to the portfolio and assets were sourced from the SEI Core Fixed Income Fund. The rationale for the decision was that exposure to credit risk was preferable to interest rate risk. The Opportunistic Income Fund has a shorter duration than the Core Fixed Income Fund. From March 2015 through February 2019, the Opportunistic Income Fund outperformed the Core Fixed Income Fund by approximately 90 basis points on an annualized basis. This change had a POSITIVE effect on performance and in March 2019, the Opportunistic Income Fund was then removed in favor of the Core Fixed Income Fund.




# Brockton Retirement System

## *Past Portfolio Decisions*

### **Strategic changes to the portfolio by SEI over the course of managing Brockton Retirement System:**

- In September 2018, SEI replaced the SEI Core Fixed Income Fund with the SEI Limited Duration Fund. From October 2018 through January 2020, the Limited Duration Fund underperformed the Core Fixed Income Fund by approximately 570 basis points annualized. This change had a NEGATIVE effect on portfolio performance. The Limited Duration Fund was removed from the portfolio in February 2020.
- In March 2019, SEI replaced the Opportunistic Income Fund with the Core Fixed Income Fund. From April 2019 through March 2022, the Core Fixed Income Fund underperformed the Opportunistic Fund by approximately 30 basis points annualized, resulting in a NEGATIVE effect on performance.
- In May 2019, SEI removed the SEI Energy Debt LP from the portfolio and used those proceeds to increase the allocation to the SSGA Global Equity ex-US Index (from 4% to 6.5%). From June 2019 through March 2022, the SSGA Global Equity ex-US Index returned 9.0% on an annualized basis but performance results for the SEI Energy Debt LP are unavailable as it is not a public fund.
- In February 2020, SEI switched back from a previous change and replaced the Limited Duration Fund with the Core Fixed Income Fund. From March 2020 through March 2022, the SEI Core Fixed Income Fund underperformed the SEI Limited Duration Fund by approximately 110 basis points, so this change had a NEGATIVE effect on performance.
- In March 2020, SEI removed the SEI Dynamic Asset Allocation Fund in order to increase the SEI S&P 500 Index allocation to 16% (from 10%). From April 2020 through September 2021, the SEI Dynamic Asset Allocation Fund outperformed the SEI S&P 500 Index by approximately 400 basis points. This change had a NEGATIVE effect on portfolio performance.
- In September 2020, SEI reduced Brockton's investments in the SEI High Yield Bond Fund (from 3.5% to 3%), the SEI Emerging Markets Debt Fund (from 6% to 3%), and the SEI World Select Equity Fund (from 37% to 34.5%). These reductions were made in order to increase the allocation to the SEI Core Property Fund (from 4% to 10%). From October 2020 through March 2022, Brockton's portfolio outperformed the alternative of not instituting those changes by approximately 100 basis points, so this change had a POSITIVE effect on portfolio performance.





Section 2 Fourth Quarter 2023 Investment  
Review



# Market Themes

1. The “Recession of 2023” that was widely forecasted failed to materialize. This does not mean we are out of the woods on recession, but trying to time it is a fool’s errand. A focus on constructing a resilient portfolio is one of the most effective ways to prepare.
2. Inflation has moderated, but likely remains in a “messy middle” range of 2% to 5%. Softer inflation and the current environment affords some room for a pause or even easing by the Fed if warranted.
3. The narrow market leadership of U.S. technology stocks during 2023 has created potential opportunities in other segments such as U.S. small cap and non-U.S. equities.

## Preparing Not Predicting - Frequency of Market Events Since 1950

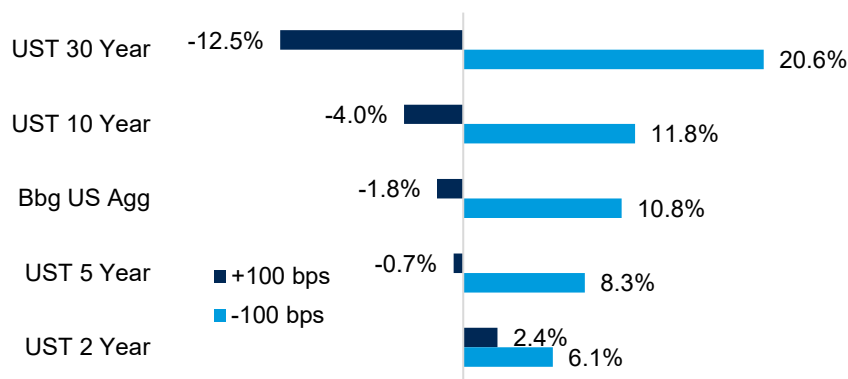
Market volatility and recessions are a normal part of investing. Recessions, on average, since 1980 occur every six and a half years. As long-term investors we should not seek to predict and avoid them, but prepare for their inevitable arrival.

Environment	-5% or more	-10% or more	-15% or more	-20% or more	Recession <sup>1</sup>
Average Frequency	About 3 times per year	About 1 time per year	About every 3 years	About every 6 years	About every 6.5 years
Average Length	43 days	109 days	251 days	370 days	317 days

Source: Capital Group. 1) National Bureau of Economic Research as of May 2022.

## Potential Impact of +/- 1% Move in Interest Rates

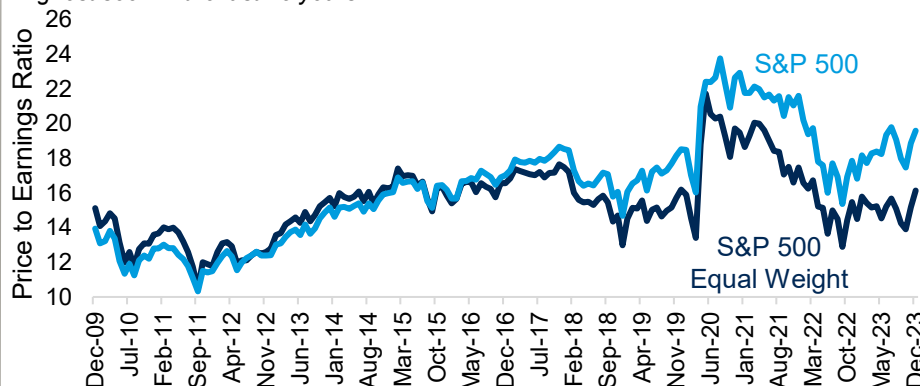
Rangebound inflation increases the probability of rates moving lower. This creates an attractive risk/reward for intermediate duration fixed income.



Source: FactSet as of December 31, 2023. Total potential return based on a parallel move in interest rates up or down by 100 basis points. Data based on respective Bloomberg Bellwether Treasury Indices and Bloomberg US Agg Bond Index.

## S&P 500 vs S&P 500 Equal Weight Valuations

Concentrated leadership of the Magnificent 7, which on average were up over 100% in 2023, was the driver of U.S. large cap returns and pushed valuations higher. The valuation spread between the market cap and equal weight S&P 500 is one of the highest seen in the last 15 years.



Source: FactSet. As of December 31, 2023.

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.



# Economic Review

## Real U.S. Federal Funds Rate

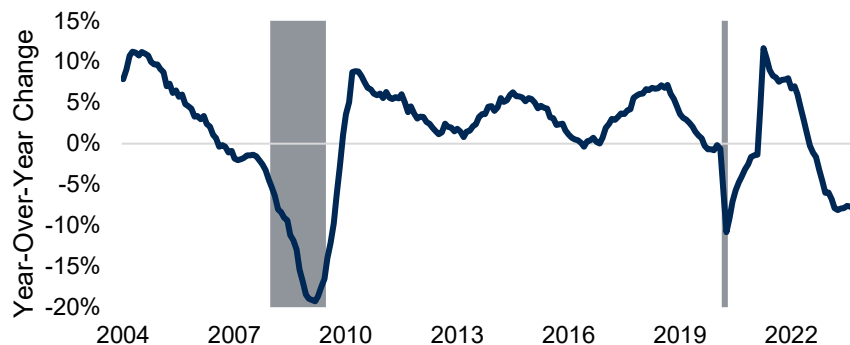
On a real basis, the Fed moved into restrictive policy territory in April 2023. Even with the market implied rate cuts this year, at current inflation levels, the central bank's policy rate would remain restrictive.



Sources: FactSet, Federal Reserve, BEA. As of November 30, 2023. Real federal funds rate is the effective rate minus the 12-month core PCE inflation rate.

## U.S. Leading Economic Indicator Index

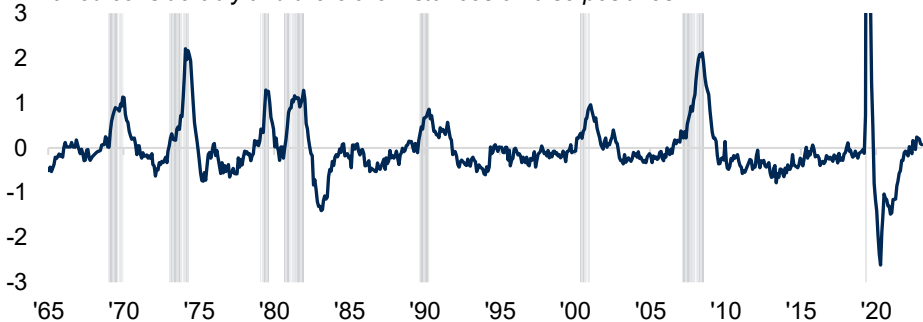
While some economic data remains positive the LEI Index has remained in negative territory since July 2022 signaling the potential for an economic slowdown.



Sources: FactSet, Conference Board, ECRI. As of November 30, 2023. Grey bars indicate recession period.

## U.S. Unemployment vs. 12-Month Moving Average

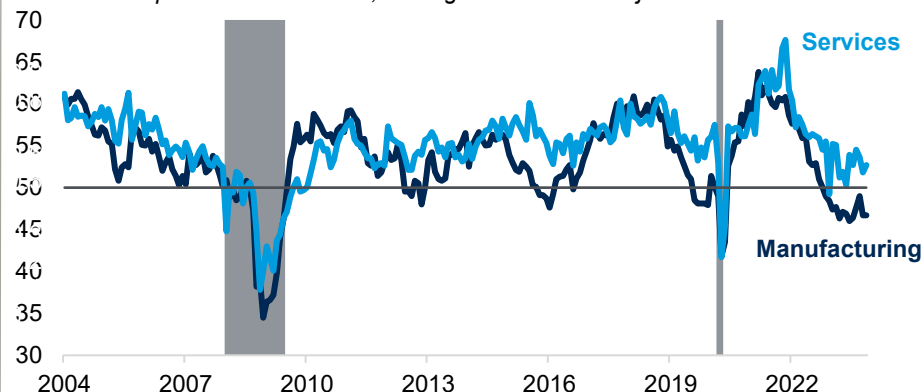
The U.S. labor market remains on solid foundation. However, the current level of unemployment is above the 12-month moving average. This has historically preceded a period of economic weakness; however, the timing of the onset has varied considerably and there are instances of false positives.



Sources: FactSet, BLS. As of December 31, 2023. Data is monthly U.S. unemployment rate less the 12 month moving average of the U.S. unemployment rate. Note, axis scale cuts off the extreme values in April and May of 2020, 10.3 and 7.9 respectively. Grey bars indicate U.S. recession.

## U.S. Manufacturing and Services PMI Levels

While the manufacturing sector has been in contraction territory (below 50), the services sector has remained resilient. Personal consumption expenditures on services represent 45% of GDP, while goods account for just 23%.



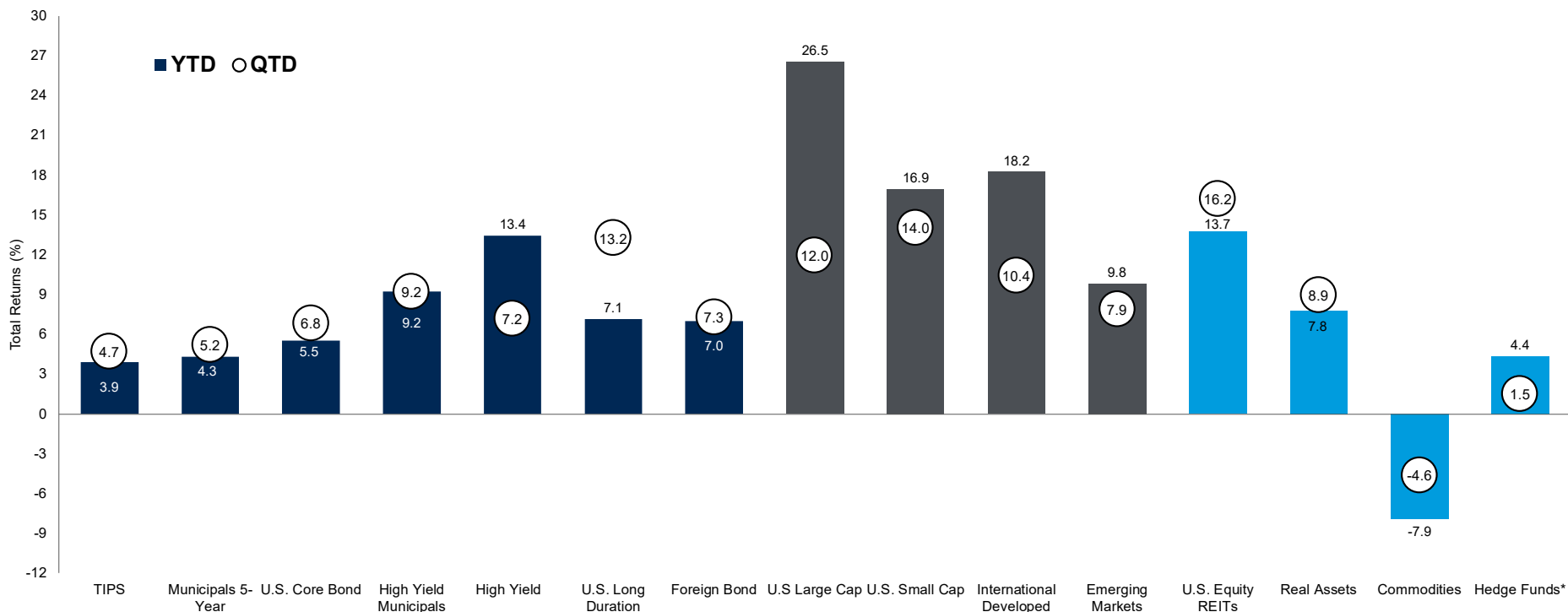
Sources: FactSet, ISM, ECRI. As of November 30, 2023. Grey bars indicate recession period. A level over 50 indicates expansion.

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# Asset Class Returns



Source: Morningstar Direct. As of December 31, 2023. \*Hedge fund returns as of November 30, 2023.

## Fixed Income (4Q)

- + It was a strong quarter for fixed income as interest rates continued to move lower and the Federal Reserve's tone became more dovish on moderating inflation. The year-to-date return for the Bloomberg Agg moved into positive territory.
- + The high yield market was a standout for both the quarter and the year. Investor appetite for riskier segments of fixed income persist as corporate fundamentals remain favorable.
- + Long duration, the most interest rate sensitive fixed income sector, posted a double digit gain in the quarter.

## Equity (4Q)

- + Equity markets were widely positive in the fourth quarter. The "risk-on" environment was fueled by the prospect that the "higher for longer" environment may moderate in 2024. U.S. small cap was a particular benefactor and was a standout in the quarter.
- + Developed non-U.S. had a double digit return in the quarter. Europe was particularly strong and a falling U.S. dollar was an added benefit.
- + Emerging markets equity produced a positive return but lagged developed regions. China continues to be a drag on the segment.

## Real Asset / Alternatives (4Q)

- + REITs were one of the top performing areas in the quarter, benefitting from the sharp decline in interest rates.
- Commodities were weak in the fourth quarter and ended the year as one of the few asset classes in negative territory. Falling commodity prices were the primary source of weakness.
- + Hedge funds (reported on a month lag) posted a modest return for the first two months of the quarter. Relative value strategies were a top segment in the period.

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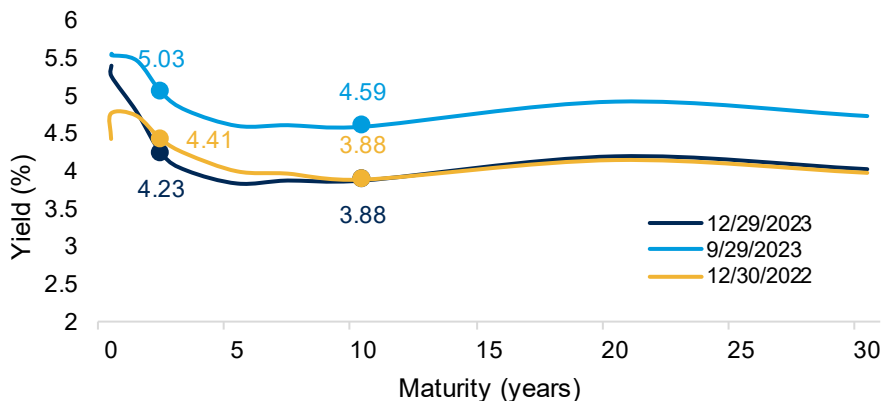
Indices cannot be invested in directly.



# Fixed Income Market Update

## U.S. Treasury Yield Curve

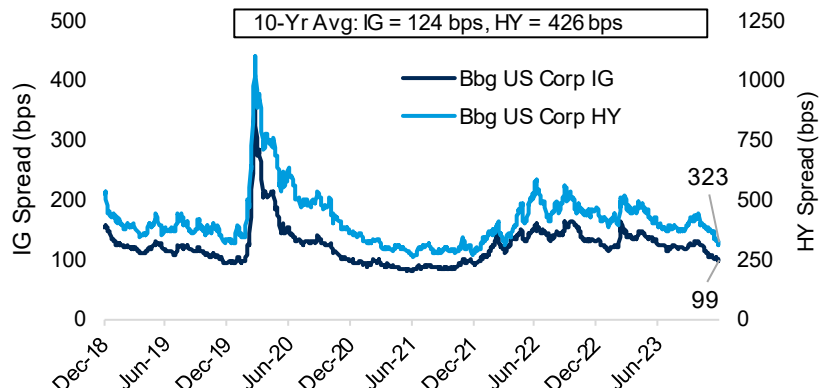
Interest rates fell across the yield curve during the quarter, maintaining an inverted curve, with short maturities ending slightly lower than in 2022. Notably, the 10-year contracted 71 basis points during the quarter. Signs of slowing inflation fueled expectations of 2024 rate cuts which relieved pressure on rates.



Source: FactSet. As of December 29, 2023.

## Corporate Market Spreads – Trailing 5 Years

Credit spreads continued tightening during the quarter and are well below their 10-year averages. This was driven by continued resilience in fundamentals.

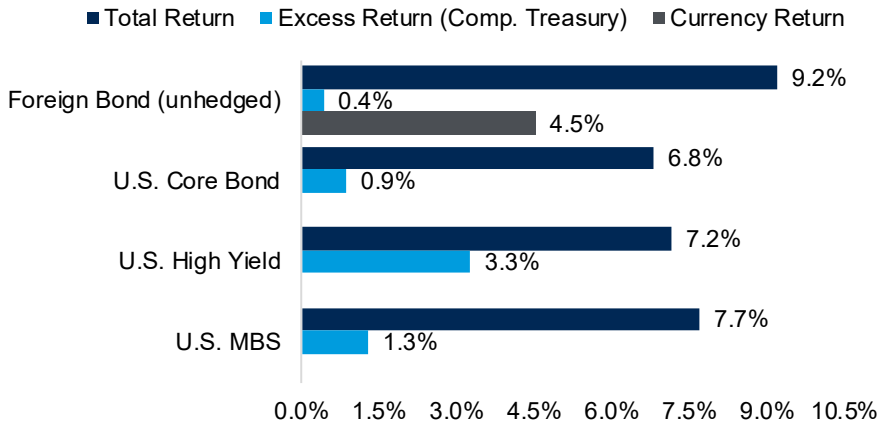


Source: FactSet. As of December 29, 2023.

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## Index Performance Attribution (4Q 2023)

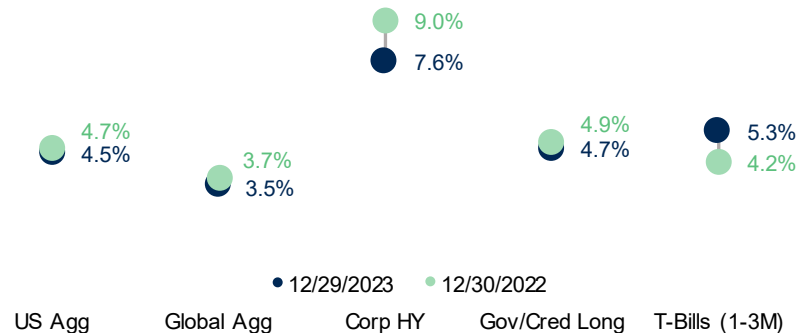
Fixed income markets rose across the board, with narrowing credit spreads and declining rates causing all sectors to surpass U.S. Treasuries on a duration-adjusted basis. Foreign bonds had strong additional tailwinds from a declining U.S. Dollar.



Source: FactSet. As of December 29, 2023.

## Current Yield-to-Worst vs. 1 Year Ago

Short dated yields ended the year higher while other sectors ended the year lower than where they began. High Yield was a notable standout as spreads contracted.



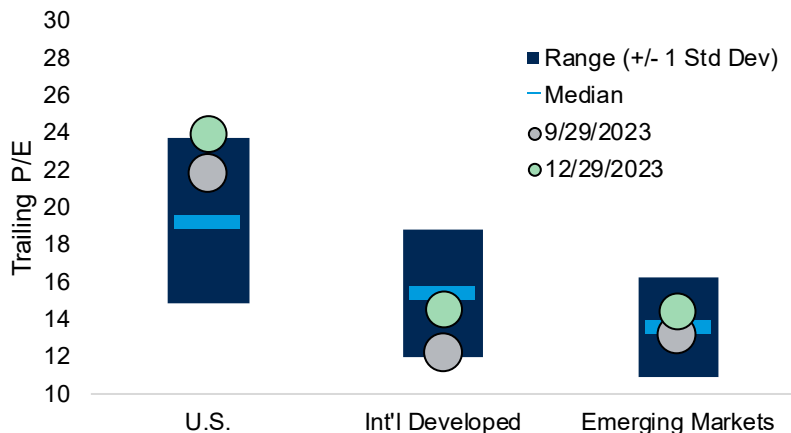
Source: FactSet. As of December 29, 2023. Based on respective Bloomberg Index.



# Equity Market Update

## Equity Valuations (Trailing PE – Last 15 Years)

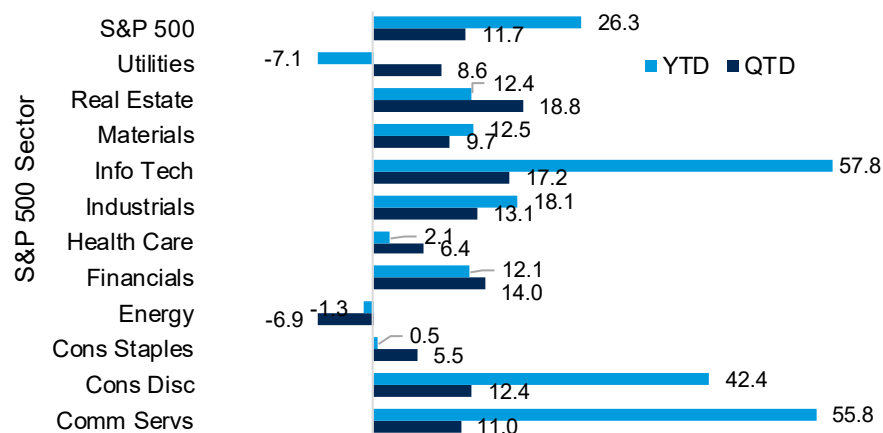
Strong results in the fourth quarter propelled valuations higher across regions. The U.S. trades around one standard deviation above average. Much of the move higher over the course of the year can be attributed to the “Mag 7” stocks.



Source: FactSet. As of December 29, 2023.

## U.S. Equities – Return by Sector

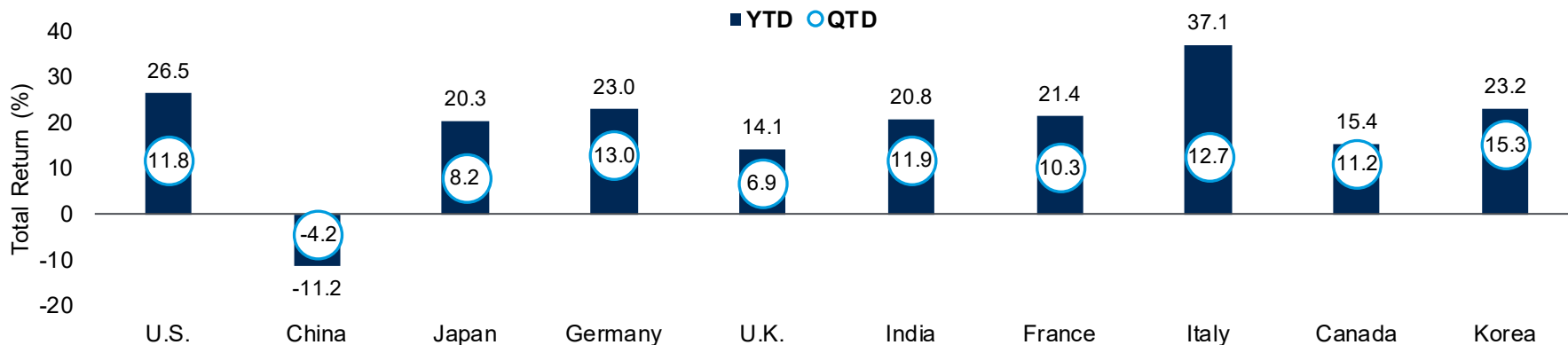
Domestic equity markets had both a strong quarter and calendar year 2023. The notable standouts of technology, consumer discretionary, and communication services was driven by the narrow market leadership of the “Magnificent 7”.



Source: Morningstar Direct. As of December 31, 2023. Total Returns.

## Country Total Returns (%) – Select Largest Economies

Most global equity markets saw positive returns during the fourth quarter, and still remain positive year to date. A moderating interest rate environment prompted much of the gains for developed markets as investors weighed the possibility of falling rates in 2024. However, China continues to struggle amid growing geopolitical tensions between Taiwan.



Source: Morningstar Direct. As of December 31, 2023.

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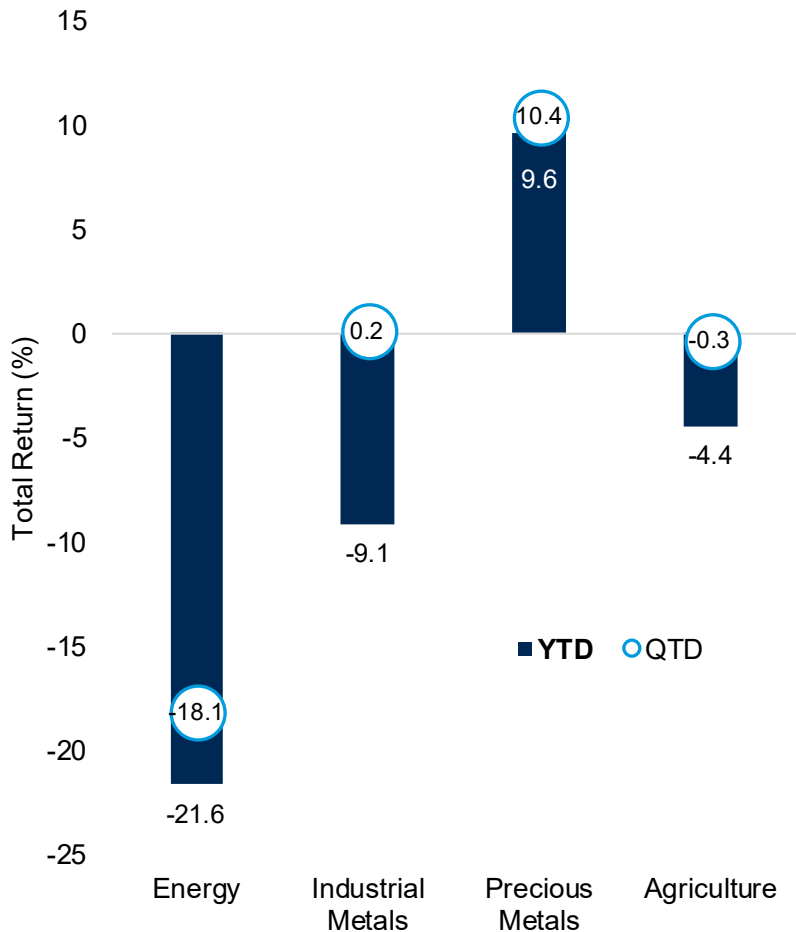
Indices cannot be invested in directly.



# Real Assets Market Update

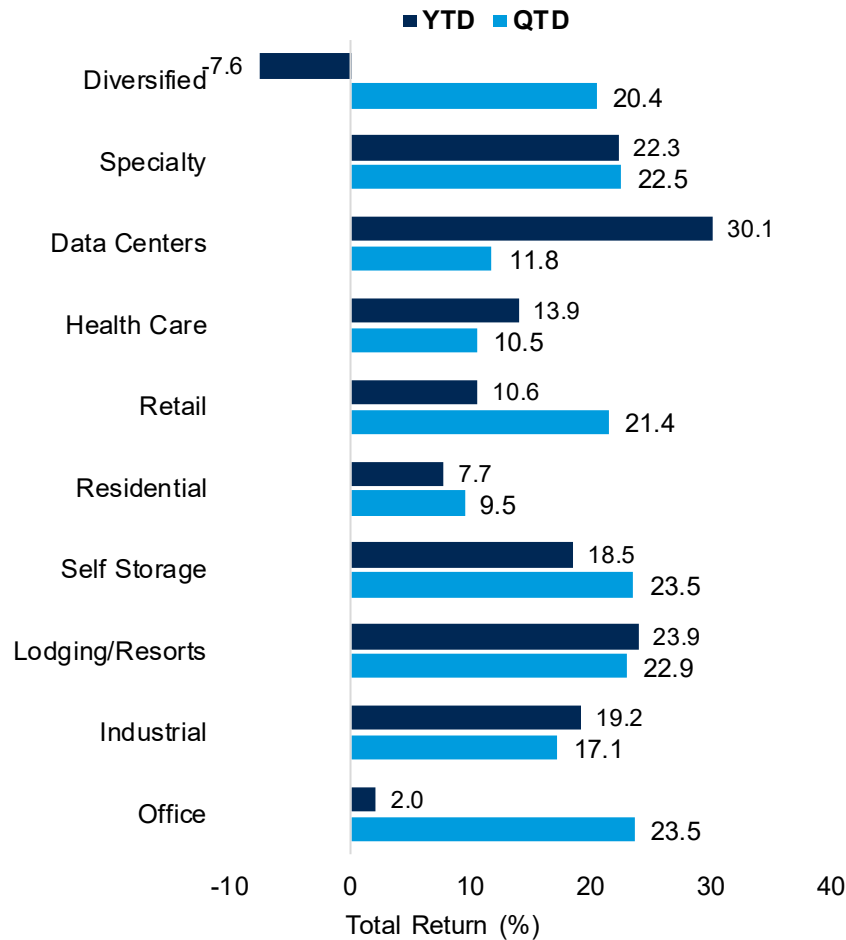
## Commodity Performance

Commodities underperformed during the quarter, primarily driven by a sharply falling energy sector. The persistent decline in oil prices had a negative impact on overall performance, influenced by weakening demand and increased supply.



## REIT Sector Performance

REITs broadly benefitted from declining rates during the quarter. Office space rebounded sharply off of prior lows and ended the year on a modestly positive note. Despite these gains, vacancy rates and payment delinquencies persist at historically high levels.



Source: Morningstar Direct. As of December 31, 2023.

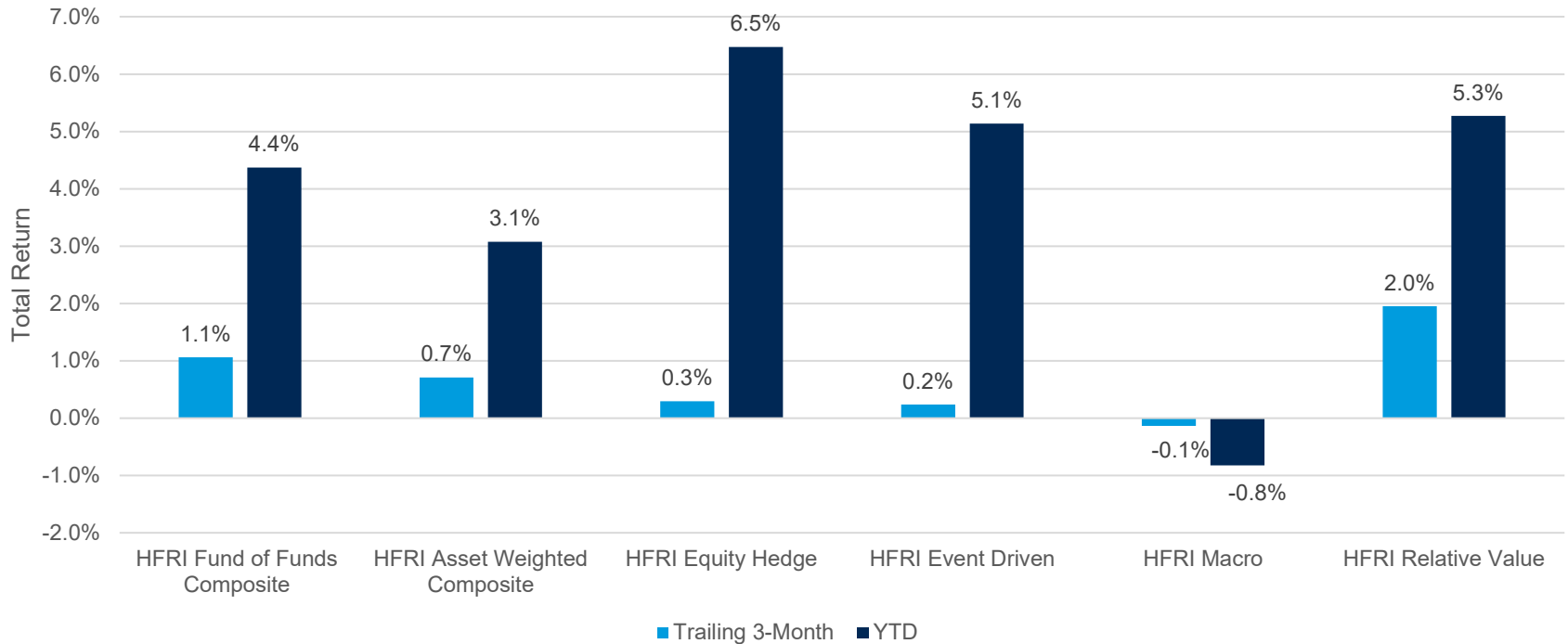
Source: Morningstar Direct. As of December 31, 2023.

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# Marketable Alternatives



Source: Morningstar Direct. As of November 30, 2023.

## Fund of Funds / Asset Weighted (4Q)

+ The HFRI Fund of Funds Composite returned 1.1 percent over the trailing 3-month period, bringing its year-to-date return to 4.4 percent.

+ The HFRI Asset Weighted Composite returned 0.7 percent over the trailing 3-month period, bringing its year-to-date return to 3.1 percent.

+/- Marketable alternatives lagged equity markets but outpaced fixed income markets over the trailing 3-month period.

## Equity Hedge / Event Driven (4Q)

+ Equity Hedge strategies returned 0.3 percent over the period, benefitting from a strong rebound in November. Equity Market Neutral strategies were top performers for the period.

+ Event Driven strategies returned 0.2 percent over the period with Credit Arbitrage strategies notable contributors.

- Activist strategies returned some gains from earlier in the year and were notable detractors over the period.

## Macro / Relative Value (4Q)

- Macro strategies returned -0.1 percent over the period and remain in negative territory year-to-date.

+/- Within Macro, discretionary managers generally outpaced their systematic peers.

+ Relative Value strategies returned 2.0 percent over the period with Fixed Income Sovereign strategies a notable bright spot.





# Private Equity Market Update

## U.S. Private Equity Deal Activity

U.S. Private Equity deal activity in the first three quarters of the year has moderated from a record 2021 and 2022 years.



Source: Pitchbook. As of September 30, 2023.

## Private Equity Performance (As of June 30, 2023)

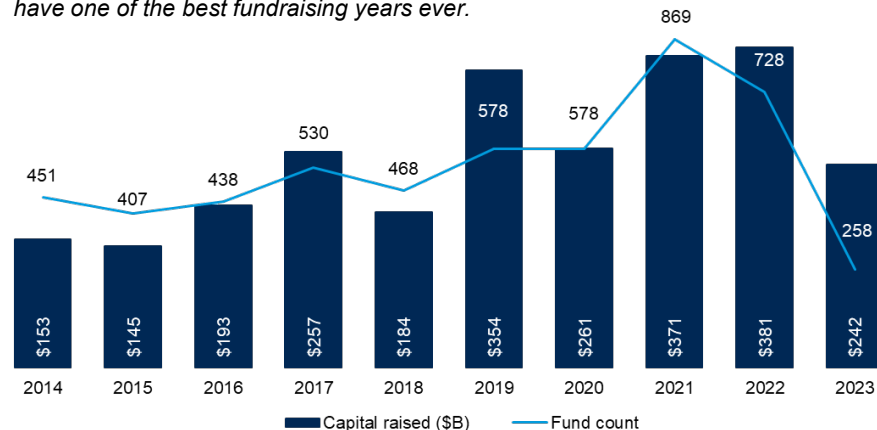
Private equity performance was dispersed during the first half of 2023 with US Venture posting negative returns while US Buyout and US Growth were modestly positive. Significant dispersion on a one-year basis has brought three-year returns in line.

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity Index	6.5%	22.6%	17.8%	16.9%	13.3%
US Buyout Index	8.5%	22.8%	17.1%	16.6%	12.9%
US Growth Equity Index	1.1%	22.0%	20.0%	18.1%	14.9%
US Venture Capital Index	-10.3%	22.1%	20.1%	17.9%	12.9%
S&P 500 Index	19.6%	14.6%	12.3%	12.9%	10.9%

Source: Cambridge Associates. As of June 30, 2023. Returns presented as horizon pooled return, net of fees. S&P 500 Index as of June 30, 2023. Indices cannot be invested in directly.

## U.S. Private Equity Fundraising Activity

Following 2021 and 2022, the fundraising market moderated in the first three quarters of 2023. However, the middle market, funds \$100MM - \$5BN, is on track to have one of the best fundraising years ever.



Source: Pitchbook. As of September 30, 2023.



# The Case for Diversification

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10 Years (Ann)
U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 16.1	U.S. Large Cap 26.5	U.S. Large Cap 11.8
U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	Municipals 5-Year -5.3	International Developed 18.2	U.S. Equity REITs 7.6
International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Hedge Funds -5.6	U.S. Small Cap 16.9	U.S. Small Cap 7.2
Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	High Yield -11.2	U.S. Equity REITs 13.7	High Yield Municipals 5.0
Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	EM Debt (unhedged) -11.7	High Yield 13.4	Balanced 4.7
High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	TIPS -11.8	Balanced 12.8	High Yield 4.6
U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	U.S. Core Bond -13.0	EM Debt (unhedged) 12.7	International Developed 4.3
Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	High Yield Municipals -13.1	Emerging Markets 9.8	Hedge Funds 3.2
Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Foreign Bond -14.2	High Yield Municipals 9.2	Emerging Markets 2.7
Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	International Dev. -14.5	Foreign Bond 7.0	TIPS 2.4
Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Balanced -14.9	U.S. Core Bond 5.5	Municipals 5-Year 1.9
High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	U.S. Large Cap -19.1	Hedge Funds 4.4	U.S. Core Bond 1.8
TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	Emerging Markets -20.1	Municipals 5-Year 4.3	Foreign Bond 1.0
EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	U.S. Small Cap -20.4	TIPS 3.9	EM Debt (unhedged) 0.1
Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Equity REITs -24.4	Commodities -7.9	Commodities -1.1

Sources: Morningstar, FactSet. As of December 31, 2023. \*Periods greater than one year are annualized. Total returns in U.S. dollars. Hedge Funds as of November 30, 2023.

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# Financial Markets Performance

**Total Return as of December 31, 2023**  
**Periods greater than one year are annualized**  
**All returns are in U.S. dollar terms**

<b>Global Fixed Income Markets</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg 1-3-Month T-Bill	1.4%	5.1%	5.1%	2.2%	1.9%	1.7%	1.2%	0.8%
Bloomberg U.S. TIPS	4.7%	3.9%	3.9%	-1.0%	3.2%	2.5%	2.4%	3.5%
Bloomberg Municipal Bond (5 Year)	5.2%	4.3%	4.3%	-0.3%	1.7%	1.9%	1.9%	2.7%
Bloomberg High Yield Municipal Bond	9.2%	9.2%	9.2%	0.8%	3.5%	4.5%	5.0%	7.2%
Bloomberg U.S. Aggregate	6.8%	5.5%	5.5%	-3.3%	1.1%	1.3%	1.8%	2.7%
Bloomberg U.S. Corporate High Yield	7.2%	13.4%	13.4%	2.0%	5.4%	4.6%	4.6%	9.2%
Bloomberg Global Aggregate ex-U.S. Hedged	5.4%	8.3%	8.3%	-1.2%	1.5%	1.9%	2.8%	3.1%
Bloomberg Global Aggregate ex-U.S. Unhedged	9.2%	5.7%	5.7%	-7.2%	-1.6%	0.0%	-0.8%	0.6%
Bloomberg U.S. Long Gov / Credit	13.2%	7.1%	7.1%	-8.7%	1.1%	1.6%	3.2%	4.3%
<b>Global Equity Markets</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	11.7%	26.3%	26.3%	10.0%	15.7%	13.4%	12.0%	14.0%
Dow Jones Industrial Average	13.1%	16.2%	16.2%	9.4%	12.5%	12.1%	11.1%	12.9%
NASDAQ Composite	13.8%	44.6%	44.6%	6.0%	18.8%	16.9%	14.8%	17.4%
Russell 3000	12.1%	26.0%	26.0%	8.5%	15.2%	12.8%	11.5%	13.8%
Russell 1000	12.0%	26.5%	26.5%	9.0%	15.5%	13.2%	11.8%	14.0%
Russell 1000 Growth	14.2%	42.7%	42.7%	8.9%	19.5%	17.7%	14.9%	16.7%
Russell 1000 Value	9.5%	11.5%	11.5%	8.9%	10.9%	8.3%	8.4%	11.1%
Russell Mid Cap	12.8%	17.2%	17.2%	5.9%	12.7%	10.1%	9.4%	13.6%
Russell Mid Cap Growth	14.5%	25.9%	25.9%	1.3%	13.8%	12.5%	10.6%	14.7%
Russell Mid Cap Value	12.1%	12.7%	12.7%	8.4%	11.2%	7.8%	8.3%	12.4%
Russell 2000	14.0%	16.9%	16.9%	2.2%	10.0%	7.3%	7.2%	11.3%
Russell 2000 Growth	12.7%	18.7%	18.7%	-3.5%	9.2%	8.1%	7.2%	12.1%
Russell 2000 Value	15.3%	14.6%	14.6%	7.9%	10.0%	6.1%	6.8%	10.3%
MSCI ACWI	11.0%	22.2%	22.2%	5.8%	11.7%	10.0%	7.9%	10.2%
MSCI ACWI ex. U.S.	9.8%	15.6%	15.6%	1.5%	7.1%	6.3%	3.8%	6.7%
MSCI EAFE	10.4%	18.2%	18.2%	4.0%	8.2%	6.9%	4.3%	6.9%
MSCI EAFE Growth	12.7%	17.6%	17.6%	0.3%	8.8%	8.0%	5.2%	7.6%
MSCI EAFE Value	8.2%	19.0%	19.0%	7.6%	7.1%	5.5%	3.2%	6.0%
MSCI EAFE Small Cap	11.1%	13.2%	13.2%	-0.7%	6.6%	6.0%	4.8%	9.2%
MSCI Emerging Markets	7.9%	9.8%	9.8%	-5.1%	3.7%	5.0%	2.7%	6.6%
<b>Alternatives</b>	<b>QTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Consumer Price Index*	0.1%	3.0%	3.1%	5.7%	4.0%	3.5%	2.8%	2.5%
FTSE NAREIT Equity REITs	16.2%	13.7%	13.7%	7.2%	7.4%	5.3%	7.6%	10.5%
S&P Real Assets	8.9%	7.8%	7.8%	3.9%	5.9%	4.8%	3.9%	6.9%
FTSE EPRA NAREIT Developed	15.6%	10.9%	10.9%	2.2%	3.8%	3.6%	4.5%	8.2%
FTSE EPRA NAREIT Developed ex U.S.	15.1%	7.1%	7.1%	-3.9%	0.2%	2.0%	1.6%	6.1%
Bloomberg Commodity Total Return	-4.6%	-7.9%	-7.9%	10.8%	7.2%	3.6%	-1.1%	-0.2%
HFRI Fund of Funds Composite*	1.5%	4.4%	4.7%	2.9%	4.4%	4.0%	3.2%	3.6%
HFRI Asset Weighted Composite*	-0.4%	3.1%	3.3%	4.9%	4.0%	4.0%	3.5%	4.9%

Sources: Morningstar, FactSet. As of December 31, 2023. \*Consumer Price Index and HFRI indexes as of November 30, 2023.

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 Allocation - City of Brockton Retirement System

As of December 31, 2023

Manager	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Difference (%)
<b>Short Term Liquidity</b>				
SEI Government Fund	9	0.0%	0.0%	0.0%
<b>Fixed Income</b>				
SEI Limited Duration Bond Fund	64,039,236	8.2%	8.0%	0.2%
SEI Core Fixed Income Fund	32,546,075	4.2%	4.0%	0.2%
SEI High Yield Bond Fund	24,669,810	3.2%	3.0%	0.2%
SEI Emerging Markets Debt Fund	24,569,887	3.2%	3.0%	0.2%
<b>Total Fixed Income</b>	<b>145,825,008</b>	<b>18.7%</b>	<b>18.0%</b>	<b>0.7%</b>
<b>Domestic Equity</b>				
SEI S&P 500 Index Fund	98,384,507	12.6%	7.0%	5.6%
SEI Extended Market Index A	25,180,263	3.2%	3.0%	0.2%
<b>Total Domestic Equity</b>	<b>123,564,770</b>	<b>15.9%</b>	<b>10.0%</b>	<b>5.9%</b>
<b>International Equity</b>				
State Street Global Equity Ex-US Fund	82,646,506	10.6%	10.0%	0.6%
<b>Total International Equity</b>	<b>82,646,506</b>	<b>10.6%</b>	<b>10.0%</b>	<b>0.6%</b>
<b>Global Equity</b>				
SEI World Select Equity Fund	82,594,761	10.6%	10.0%	0.6%
SEI Global Managed Volatility Fund	122,082,528	15.7%	20.0%	-4.3%
<b>Total Global Equity</b>	<b>204,677,290</b>	<b>26.3%</b>	<b>30.0%</b>	<b>-3.7%</b>
<b>Other Assets</b>				
SEI Multi Asset Real Return Fund	39,301,476	5.0%	5.0%	0.0%
<b>Total Other Assets</b>	<b>39,301,476</b>	<b>5.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b>Real Estate</b>				
SEI Core Property Fund	78,805,590	10.1%	10.0%	0.1%
Non-SEI Real Estate Investments	847,447	0.1%		0.1%
<b>Total Real Estate</b>	<b>79,653,037</b>	<b>10.2%</b>	<b>10.0%</b>	<b>0.2%</b>
<b>Alternatives</b>				
SEI Offshore Opportunity Fund II	41,805,910	5.4%	5.0%	0.4%
SEI Structured Credit Fund	21,061,742	2.7%	2.0%	0.7%
SEI Global Private Asset Fund III, LP	4,342,258			
SEI Global Private Asset Fund IV, LP	7,083,523			
SEI Global Private Asset Fund V, LP	5,096,239	5.1%	10.0%	-4.9%
SEI Global Private Asset Fund VI, LP	3,066,418			
SEI Secondary Opportunities Fund I, LP	7,310,892			
Non-SEI Alternative Investments	12,817,252			0.0%
<b>Total Alternatives</b>	<b>102,584,234</b>	<b>13.2%</b>	<b>17.0%</b>	<b>-3.8%</b>
<b>Total Fund</b>	<b>778,252,330</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

## Non-SEI Investments - City of Brockton Retirement System

As of December 31, 2023

Manager	Asset Allocation (\$)
<b><u>Real Estate</u></b>	
Landmark Real Estate Fund VI LP	14,673
Sigular Guff Distressed RE Opportunity	832,774
<b>Total Non-SEI Real Estate</b>	<b>847,447</b>
<b><u>Alternatives</u></b>	
Aberdeen Energy & Resources Partners II LP	201,975
Ascent Venture Partners V, LP	4,778,584
Ascent Venture Partners VI, LP	6,348,594
Healthpoint Partners Venture	265,043
Landmark Equity Partners XIV, LP	179,751
Oppenheimer Global Resource PE Offshore	1,043,305
<b>Total Non-SEI Alternatives</b>	<b>12,817,252</b>
<b>Total</b>	<b>13,664,699</b>



## Performance Overview

Total Plan

As of December 31, 2023

Trailing Performance Summary									
	1 Month	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Plan</b>	<b>3.0</b>	<b>6.1</b>	<b>9.2</b>	<b>6.0</b>	<b>8.6</b>	<b>7.4</b>	-	<b>6.5</b>	<b>10/2014</b>
<i>PRIT General Allocation - Net</i>	3.1	6.2	11.2	5.7	9.0	8.4	-	7.5	10/2014
<i>Portfolio Blended Benchmark</i>	3.1	6.6	10.0	6.3	9.4	8.7	-	7.7	10/2014

Calendar Year Performance Summary										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Plan</b>	<b>-6.7</b>	<b>16.9</b>	<b>9.2</b>	<b>16.0</b>	<b>-6.2</b>	<b>16.3</b>	<b>8.9</b>	<b>-2.1</b>	-	-
<i>PRIT General Allocation - Net</i>	-11.4	19.9	12.2	16.3	-2.3	17.2	7.5	0.7	-	-
<i>Portfolio Blended Benchmark</i>	-9.0	20.0	12.2	16.3	-2.3	17.2	7.5	0.7	-	-

Plan Reconciliation							
	QTD	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
<b>Total Plan</b>							<b>10/2014</b>
Beginning Market Value	745,500,852	739,514,519	469,432,874	372,561,820	359,851,535	344,257,883	
Net Contributions	-11,949,114	-27,636,684	214,420,617	211,930,038	192,319,122	177,000,766	
Gain/Loss	44,700,592	66,374,495	94,398,840	193,760,472	226,081,674	256,993,682	
Ending Market Value	778,252,330	778,252,330	778,252,330	778,252,330	778,252,330	778,252,330	

Benchmark Composition	
	Weight (%)
<b>PRIT General Allocation - Net : Oct-2014</b>	
PRIT General Allocation Fund	100.0
<b>Portfolio Blended Benchmark : Dec-2021</b>	
Brockton Portfolio Index	100.0



## Manager Performance

Total Plan - Net

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Total Plan - Net</b>	<b>778,252,330</b>	<b>100.0</b>	<b>6.1</b>	<b>9.2</b>	<b>6.0</b>	<b>8.6</b>	<b>-</b>	<b>6.5</b>	<b>10/2014</b>	
<i>PRIT General Allocation - Net</i>			6.2	11.2	5.7	9.0	-	7.5		
<i>Portfolio Blended Benchmark</i>			6.6	10.0	6.3	9.4	-	7.7		
<b>SEI Platform - Net</b>	<b>764,587,631</b>	<b>98.2</b>	<b>6.2</b>	<b>9.6</b>	<b>6.2</b>	<b>9.1</b>	<b>-</b>	<b>6.9</b>	<b>10/2014</b>	
<i>PRIT General Allocation - Net</i>			6.2	11.2	5.7	9.0	-	7.5		
<b>Fixed Income</b>	<b>145,825,008</b>	<b>18.7</b>	<b>5.4</b>	<b>8.5</b>	<b>-0.2</b>	<b>3.1</b>	<b>-</b>	<b>2.9</b>	<b>10/2014</b>	
<b>SEI Limited Duration Fund</b>	<b>64,039,236</b>	<b>8.2</b>	<b>2.8</b>	<b>5.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>12/2021</b>	<b>No Status</b>
<i>ICE BofAML 1-3 Year Treasury</i>			2.5	4.3	0.0	1.3	1.1	0.1		
IM U.S. Short Term Investment Grade (MF) Median			2.8	5.7	0.7	1.9	1.5	0.9		
SEI Limited Duration Fund Rank			48	64	-	-	-	55		
<b>SEI Core Fixed Income Fund</b>	<b>32,546,075</b>	<b>4.2</b>	<b>7.3</b>	<b>6.5</b>	<b>-3.3</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>04/2019</b>	<b>No Status</b>
<i>Blmbg. U.S. Aggregate</i>			6.8	5.5	-3.3	1.1	1.8	0.5		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			6.8	5.8	-3.2	1.4	2.0	0.8		
SEI Core Fixed Income Fund Rank			8	14	64	-	-	26		
<b>SEI High Yield Bond Fund</b>	<b>24,669,810</b>	<b>3.2</b>	<b>5.6</b>	<b>13.6</b>	<b>3.5</b>	<b>6.0</b>	<b>-</b>	<b>5.1</b>	<b>10/2014</b>	<b>No Status</b>
<i>ICE BofAML US High Yield Master II Constrained</i>			7.1	13.5	2.0	5.2	4.5	4.5		
IM U.S. High Yield Bonds (SA+CF) Median			6.4	11.9	2.0	4.9	4.1	4.1		
SEI High Yield Bond Fund Rank			75	9	12	9	-	6		
<b>SEI Emerging Markets Debt</b>	<b>24,569,887</b>	<b>3.2</b>	<b>9.8</b>	<b>14.8</b>	<b>-2.3</b>	<b>2.4</b>	<b>-</b>	<b>1.8</b>	<b>10/2014</b>	<b>No Status</b>
<i>SEI Emerging Market Debt Hybrid</i>			8.6	11.9	-3.3	1.4	1.7	1.4		
IM Emerging Markets Debt (MF) Median			9.0	11.4	-2.7	2.1	2.5	2.1		
SEI Emerging Markets Debt Rank			29	5	44	36	-	60		

Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiducient Advisors' fees. 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

Total Plan - Net

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Total Equity</b>	<b>410,888,566</b>	<b>52.8</b>	<b>9.5</b>	<b>16.4</b>	<b>7.9</b>	<b>11.8</b>	<b>-</b>	<b>8.4</b>	<b>10/2014</b>	
<b>Domestic Equity</b>	<b>123,564,770</b>	<b>15.9</b>	<b>12.4</b>	<b>24.4</b>	<b>7.9</b>	<b>14.6</b>	<b>-</b>	<b>11.2</b>	<b>10/2014</b>	
<b>SEI S&amp;P 500 Index Fund</b>	<b>98,384,507</b>	<b>12.6</b>	<b>11.7</b>	<b>26.2</b>	<b>9.9</b>	<b>15.6</b>	<b>-</b>	<b>12.0</b>	<b>10/2014</b>	<b>No Status</b>
<i>S&amp;P 500</i>			11.7	26.3	10.0	15.7	12.0	12.1		
IM U.S. Large Cap Core Equity (MF) Median			11.7	24.8	8.8	14.6	10.9	11.1		
SEI S&P 500 Index Fund Rank			52	39	26	29	-	16		
<b>SEI Extended Market Index A</b>	<b>25,180,263</b>	<b>3.2</b>	<b>14.8</b>	<b>25.0</b>	<b>1.7</b>	<b>12.3</b>	<b>-</b>	<b>9.5</b>	<b>10/2014</b>	<b>No Status</b>
<i>Russell Small Cap Completeness Index</i>			14.7	24.8	1.6	12.2	8.8	9.4		
IM U.S. SMID Cap Core Equity (MF) Median			11.5	15.3	7.3	11.1	7.4	7.8		
SEI Extended Market Index A Rank			2	1	97	28	-	12		
<b>World Equity ex. US</b>	<b>82,646,506</b>	<b>10.6</b>	<b>9.8</b>	<b>15.8</b>	<b>1.7</b>	<b>7.2</b>	<b>-</b>	<b>4.5</b>	<b>10/2014</b>	
<b>State Street Global Equity Ex-US Fund</b>	<b>82,646,506</b>	<b>10.6</b>	<b>9.8</b>	<b>15.7</b>	<b>1.6</b>	<b>7.2</b>	<b>-</b>	<b>4.7</b>	<b>06/2017</b>	<b>No Status</b>
<i>MSCI AC World ex USA (Net)</i>			9.8	15.6	1.5	7.1	3.8	4.7		
<b>Global Equity</b>	<b>204,677,290</b>	<b>26.3</b>	<b>7.6</b>	<b>13.5</b>	<b>9.5</b>	<b>11.6</b>	<b>-</b>	<b>8.5</b>	<b>06/2017</b>	
<i>MSCI AC World Index (Net)</i>			11.0	22.2	5.7	11.7	7.9	9.0		
<b>SEI Globally Managed Volatility Fund</b>	<b>122,082,528</b>	<b>15.7</b>	<b>5.5</b>	<b>8.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.7</b>	<b>12/2021</b>	<b>No Status</b>
<i>MSCI AC World Index (Net)</i>			11.0	22.2	5.7	11.7	7.9	1.8		
IM Global Large Cap Core Equity (MF) Median			11.3	19.3	4.8	11.2	7.7	2.2		
SEI Globally Managed Volatility Fund Rank			100	99	-	-	-	3		
<b>SEI World Select Equity Fund</b>	<b>82,594,761</b>	<b>10.6</b>	<b>10.9</b>	<b>20.5</b>	<b>9.8</b>	<b>11.8</b>	<b>-</b>	<b>8.8</b>	<b>07/2017</b>	<b>No Status</b>
<i>MSCI AC World Index (Net)</i>			11.0	22.2	5.7	11.7	7.9	9.0		
IM Global Large Cap Core Equity (MF) Median			11.3	19.3	4.8	11.2	7.7	9.0		
SEI World Select Equity Fund Rank			71	37	1	30	-	54		

Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiducient Advisors' fees. 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

Total Plan - Net

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Other</b>	<b>39,301,476</b>	<b>5.0</b>	<b>0.6</b>	<b>-1.0</b>	<b>6.4</b>	<b>5.4</b>	<b>-</b>	<b>5.3</b>	<b>10/2014</b>	
<b>SEI Multi Asset Real Return Fund</b>	<b>39,301,476</b>	<b>5.0</b>	<b>0.6</b>	<b>-1.0</b>	<b>6.4</b>	<b>5.0</b>	<b>-</b>	<b>2.9</b>	<b>05/2016</b>	<b>No Status</b>
<i>Bmbg. U.S. TIPS 1-5 Year</i>			2.9	4.4	1.9	3.3	1.9	2.4		
<b>Real Estate</b>	<b>79,653,037</b>	<b>10.2</b>	<b>-1.0</b>	<b>-9.1</b>	<b>9.6</b>	<b>7.1</b>	<b>-</b>	<b>7.2</b>	<b>10/2014</b>	
<b>SEI Core Property Fund LP</b>	<b>78,805,590</b>	<b>10.1</b>	<b>-0.9</b>	<b>-9.1</b>	<b>10.1</b>	<b>7.8</b>	<b>-</b>	<b>8.8</b>	<b>02/2015</b>	<b>No Status</b>
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	6.3		
<b>Landmark Real Estate Fund VI LP</b>	<b>14,673</b>	<b>0.0</b>	<b>0.0</b>	<b>-9.7</b>	<b>-23.5</b>	<b>-21.7</b>	<b>-</b>	<b>-9.8</b>	<b>10/2014</b>	
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	6.4		
<b>Siguler Guff Dist RE Opportunity</b>	<b>832,774</b>	<b>0.1</b>	<b>-4.0</b>	<b>-15.8</b>	<b>-3.6</b>	<b>-1.8</b>	<b>-</b>	<b>5.4</b>	<b>10/2014</b>	
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	6.4		
<b>Alternatives</b>	<b>102,584,234</b>	<b>13.2</b>	<b>2.3</b>	<b>5.1</b>	<b>10.5</b>	<b>5.9</b>	<b>-</b>	<b>5.9</b>	<b>10/2014</b>	
<b>SEI Offshore Opportunity Fund II</b>	<b>41,805,910</b>	<b>5.4</b>	<b>2.8</b>	<b>8.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.6</b>	<b>04/2022</b>	<b>No Status</b>
<b>SEI Structured Credit Fund</b>	<b>21,061,742</b>	<b>2.7</b>	<b>4.9</b>	<b>18.9</b>	<b>15.3</b>	<b>10.3</b>	<b>-</b>	<b>10.3</b>	<b>02/2015</b>	<b>No Status</b>
<b>SEI Global Private Asset Fund III</b>	<b>4,342,258</b>	<b>0.6</b>	<b>-3.3</b>	<b>-6.4</b>	<b>6.6</b>	<b>6.7</b>	<b>-</b>	<b>9.9</b>	<b>02/2015</b>	<b>No Status</b>
<b>SEI Global Private Asset Fund IV</b>	<b>7,083,523</b>	<b>0.9</b>	<b>0.7</b>	<b>-4.8</b>	<b>18.2</b>	<b>17.0</b>	<b>-</b>	<b>15.3</b>	<b>03/2018</b>	<b>No Status</b>
<b>SEI Global Private Assets Fund V</b>	<b>5,096,239</b>	<b>0.7</b>	<b>2.4</b>	<b>1.3</b>	<b>13.2</b>	<b>-</b>	<b>-</b>	<b>12.7</b>	<b>03/2020</b>	<b>No Status</b>
<b>SEI Global Private Assets Fund VI</b>	<b>3,066,418</b>	<b>0.4</b>	<b>-7.7</b>	<b>-9.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7.9</b>	<b>11/2022</b>	<b>No Status</b>
<b>SEI Secondary Opportunities Fund I LP</b>	<b>7,310,892</b>	<b>0.9</b>	<b>6.4</b>	<b>8.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.4</b>	<b>08/2022</b>	<b>No Status</b>
<b>Aberdeen Energy &amp; Resources Partners II LP</b>	<b>201,975</b>	<b>0.0</b>	<b>-6.6</b>	<b>-78.9</b>	<b>-36.4</b>	<b>-29.6</b>	<b>-</b>	<b>-19.6</b>	<b>10/2014</b>	
<b>Ascent Venture Partners V, LP</b>	<b>4,778,584</b>	<b>0.6</b>	<b>0.0</b>	<b>1.9</b>	<b>2.0</b>	<b>-1.5</b>	<b>-</b>	<b>1.2</b>	<b>10/2014</b>	
<b>Ascent Venture Partners VI, LP</b>	<b>6,348,594</b>	<b>0.8</b>	<b>0.0</b>	<b>-10.5</b>	<b>2.8</b>	<b>-0.3</b>	<b>-</b>	<b>2.1</b>	<b>12/2015</b>	

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## Manager Performance

Total Plan - Net

As of December 31, 2023

	Allocation		Performance(%)							Manager Status
	Market Value (\$)	%	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
<b>Healthpoint Partners Venture</b>	<b>265,043</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-6.7</b>	<b>10/2014</b>	
<b>Landmark Equity Partners XIV LP</b>	<b>179,751</b>	<b>0.0</b>	<b>2.4</b>	<b>1.2</b>	<b>8.4</b>	<b>4.3</b>	<b>-</b>	<b>2.7</b>	<b>10/2014</b>	
<b>Oppenheimer Global Resource PE Offshore</b>	<b>1,043,305</b>	<b>0.1</b>	<b>3.4</b>	<b>12.5</b>	<b>6.5</b>	<b>-0.7</b>	<b>-</b>	<b>-2.4</b>	<b>10/2014</b>	
<b>Short Term Liquidity</b>	<b>9</b>	<b>0.0</b>	<b>1.2</b>	<b>15.6</b>	<b>5.3</b>	<b>3.7</b>	<b>-</b>	<b>3.1</b>	<b>02/2017</b>	
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.7</i>		
<b>SEI Government Fund</b>	<b>9</b>	<b>0.0</b>	<b>1.2</b>	<b>14.2</b>	<b>4.9</b>	<b>3.5</b>	<b>-</b>	<b>2.9</b>	<b>02/2017</b>	
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.7</i>		

Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiducient Advisors' fees. 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

Total Plan - Net

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Plan - Net</b>	<b>-6.7</b>	<b>16.9</b>	<b>9.2</b>	<b>16.0</b>	<b>-6.2</b>	<b>16.3</b>	<b>8.9</b>	<b>-2.1</b>	<b>-</b>	<b>-</b>
<i>PRIT General Allocation - Net</i>	<i>-11.4</i>	<i>19.9</i>	<i>12.2</i>	<i>16.3</i>	<i>-2.3</i>	<i>17.2</i>	<i>7.5</i>	<i>0.7</i>	<i>-</i>	<i>-</i>
<i>Portfolio Blended Benchmark</i>	<i>-9.0</i>	<i>20.0</i>	<i>12.2</i>	<i>16.3</i>	<i>-2.3</i>	<i>17.2</i>	<i>7.5</i>	<i>0.7</i>	<i>-</i>	<i>-</i>
<b>SEI Platform - Net</b>	<b>-6.9</b>	<b>17.2</b>	<b>10.1</b>	<b>17.3</b>	<b>-6.5</b>	<b>17.4</b>	<b>10.1</b>	<b>-2.2</b>	<b>-</b>	<b>-</b>
<i>PRIT General Allocation - Net</i>	<i>-11.4</i>	<i>19.9</i>	<i>12.2</i>	<i>16.3</i>	<i>-2.3</i>	<i>17.2</i>	<i>7.5</i>	<i>0.7</i>	<i>-</i>	<i>-</i>
<b>Fixed Income</b>	<b>-8.4</b>	<b>-0.2</b>	<b>6.4</b>	<b>10.1</b>	<b>-2.2</b>	<b>7.9</b>	<b>8.6</b>	<b>-1.9</b>	<b>-</b>	<b>-</b>
<b>SEI Limited Duration Fund</b>	<b>-3.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>ICE BofAML 1-3 Year Treasury</i>	<i>-3.6</i>	<i>-0.6</i>	<i>3.1</i>	<i>3.6</i>	<i>1.6</i>	<i>0.4</i>	<i>0.9</i>	<i>0.5</i>	<i>0.6</i>	<i>0.4</i>
IM U.S. Short Term Investment Grade (MF) Median	-3.8	0.0	3.0	4.1	1.2	1.5	1.7	0.3	0.7	0.5
SEI Limited Duration Fund Rank	46	-	-	-	-	-	-	-	-	-
<b>SEI Core Fixed Income Fund</b>	<b>-14.1</b>	<b>-1.4</b>	<b>9.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Blmbg. U.S. Aggregate</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>3.5</i>	<i>2.6</i>	<i>0.5</i>	<i>6.0</i>	<i>-2.0</i>
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-13.1	-1.5	8.0	8.8	-0.1	3.7	2.9	0.6	5.9	-1.9
SEI Core Fixed Income Fund Rank	92	45	14	-	-	-	-	-	-	-
<b>SEI High Yield Bond Fund</b>	<b>-11.3</b>	<b>10.1</b>	<b>6.0</b>	<b>13.9</b>	<b>-2.0</b>	<b>8.2</b>	<b>17.7</b>	<b>-3.9</b>	<b>-</b>	<b>-</b>
<i>ICE BofAML US High Yield Master II Constrained</i>	<i>-11.2</i>	<i>5.3</i>	<i>6.1</i>	<i>14.4</i>	<i>-2.3</i>	<i>7.5</i>	<i>17.5</i>	<i>-4.6</i>	<i>2.5</i>	<i>7.4</i>
IM U.S. High Yield Bonds (SA+CF) Median	-9.8	4.9	5.9	13.5	-2.3	6.9	13.5	-2.5	1.9	7.0
SEI High Yield Bond Fund Rank	76	3	49	45	44	15	6	69	-	-
<b>SEI Emerging Markets Debt</b>	<b>-14.5</b>	<b>-4.9</b>	<b>4.7</b>	<b>15.6</b>	<b>-8.1</b>	<b>15.5</b>	<b>10.9</b>	<b>-7.8</b>	<b>-</b>	<b>-</b>
<i>SEI Emerging Market Debt Hybrid</i>	<i>-14.8</i>	<i>-5.3</i>	<i>4.0</i>	<i>14.3</i>	<i>-5.2</i>	<i>12.7</i>	<i>10.2</i>	<i>-7.1</i>	<i>0.7</i>	<i>-7.1</i>
IM Emerging Markets Debt (MF) Median	-15.1	-3.0	5.7	13.6	-5.9	10.5	10.4	-2.5	1.3	-6.5
SEI Emerging Markets Debt Rank	43	86	67	13	90	2	46	85	-	-

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## Calendar Year Performance

Total Plan - Net

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Equity</b>	-12.1	22.8	12.3	23.5	-10.9	24.3	10.9	-3.8	-	-
<b>Domestic Equity</b>	-19.5	25.4	20.7	30.2	-6.0	19.7	14.9	-1.2	-	-
<b>SEI S&amp;P 500 Index Fund</b>	-18.2	28.7	18.2	31.4	-4.4	21.8	11.8	1.3	-	-
<i>S&amp;P 500</i>	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4	13.7	32.4
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.7	-5.4	21.5	9.7	0.5	11.5	31.8
SEI S&P 500 Index Fund Rank	47	25	52	39	32	45	21	35	-	-
<b>SEI Extended Market Index A</b>	-25.4	12.6	33.0	27.9	-9.0	18.3	16.8	-3.5	-	-
<i>Russell Small Cap Completeness Index</i>	-25.5	12.6	32.9	28.0	-9.2	18.3	16.6	-3.4	7.4	38.5
IM U.S. SMID Cap Core Equity (MF) Median	-14.6	26.0	8.6	24.8	-12.5	13.9	17.3	-5.1	6.8	35.4
SEI Extended Market Index A Rank	99	100	1	19	21	23	55	34	-	-
<b>World Equity ex. US</b>	-16.5	8.8	10.9	21.3	-14.0	30.2	5.5	-7.3	-	-
<b>State Street Global Equity Ex-US Fund</b>	-16.5	8.7	11.1	21.3	-14.0	-	-	-	-	-
<i>MSCI AC World ex USA (Net)</i>	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3
<b>Global Equity</b>	-7.2	24.6	8.8	21.1	-12.6	-	-	-	-	-
<i>MSCI AC World Index (Net)</i>	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2	22.8
<b>SEI Globally Managed Volatility Fund</b>	-3.4	-	-	-	-	-	-	-	-	-
<i>MSCI AC World Index (Net)</i>	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2	22.8
IM Global Large Cap Core Equity (MF) Median	-17.4	17.3	15.6	26.1	-8.4	24.0	5.6	-0.9	3.4	23.8
SEI Globally Managed Volatility Fund Rank	1	-	-	-	-	-	-	-	-	-
<b>SEI World Select Equity Fund</b>	-11.3	24.0	8.8	21.1	-12.6	-	-	-	-	-
<i>MSCI AC World Index (Net)</i>	-18.4	18.5	16.3	26.6	-9.4	24.0	7.9	-2.4	4.2	22.8
IM Global Large Cap Core Equity (MF) Median	-17.4	17.3	15.6	26.1	-8.4	24.0	5.6	-0.9	3.4	23.8
SEI World Select Equity Fund Rank	3	8	96	100	94	-	-	-	-	-
<b>Other</b>	9.3	11.4	-8.9	18.7	-5.8	12.4	8.7	5.2	-	-
<b>SEI Multi Asset Real Return Fund</b>	9.3	11.4	-0.6	6.3	-2.9	-1.1	-	-	-	-
<i>Bmbg. U.S. TIPS 1-5 Year</i>	-4.0	5.5	5.7	5.1	0.4	0.8	3.1	-0.1	-1.1	-2.0

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## Calendar Year Performance

Total Plan - Net

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Real Estate</b>	<b>23.7</b>	<b>17.1</b>	<b>0.8</b>	<b>6.0</b>	<b>4.5</b>	<b>3.2</b>	<b>7.4</b>	<b>11.6</b>	<b>-</b>	<b>-</b>
<b>SEI Core Property Fund LP</b>	<b>24.4</b>	<b>17.9</b>	<b>2.1</b>	<b>7.1</b>	<b>9.0</b>	<b>8.6</b>	<b>10.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>Landmark Real Estate Fund VI LP</b>	<b>-45.4</b>	<b>-9.1</b>	<b>-20.1</b>	<b>-17.8</b>	<b>0.3</b>	<b>0.0</b>	<b>7.5</b>	<b>6.6</b>	<b>-</b>	<b>-</b>
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>Siguler Guff Dist RE Opportunity</b>	<b>4.4</b>	<b>1.9</b>	<b>-3.3</b>	<b>5.4</b>	<b>11.0</b>	<b>12.0</b>	<b>10.5</b>	<b>14.6</b>	<b>-</b>	<b>-</b>
<i>NCREIF Property Index</i>	5.5	17.7	1.6	6.4	6.7	7.0	8.0	13.3	11.8	11.0
<b>Alternatives</b>	<b>0.8</b>	<b>27.3</b>	<b>-0.4</b>	<b>-0.8</b>	<b>5.1</b>	<b>11.7</b>	<b>0.3</b>	<b>7.0</b>	<b>-</b>	<b>-</b>
<b>SEI Offshore Opportunity Fund II</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEI Structured Credit Fund</b>	<b>-0.1</b>	<b>29.0</b>	<b>5.6</b>	<b>0.9</b>	<b>7.9</b>	<b>14.3</b>	<b>22.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEI Global Private Asset Fund III</b>	<b>1.6</b>	<b>27.5</b>	<b>7.5</b>	<b>6.2</b>	<b>19.8</b>	<b>15.1</b>	<b>16.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEI Global Private Assets Fund V</b>	<b>3.6</b>	<b>38.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEI Global Private Assets Fund VI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEI Secondary Opportunities Fund I LP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Aberdeen Energy &amp; Resources Partners II LP</b>	<b>8.7</b>	<b>11.9</b>	<b>-16.5</b>	<b>-19.2</b>	<b>-6.3</b>	<b>-1.8</b>	<b>-3.4</b>	<b>-15.8</b>	<b>-</b>	<b>-</b>
<b>Ascent Venture Partners IV, L.P.</b>	<b>-</b>	<b>-14.0</b>	<b>-1.8</b>	<b>-77.6</b>	<b>-56.1</b>	<b>47.0</b>	<b>-71.8</b>	<b>-15.8</b>	<b>-</b>	<b>-</b>
<b>Ascent Venture Partners V, LP</b>	<b>-19.7</b>	<b>29.7</b>	<b>-10.9</b>	<b>-1.7</b>	<b>-3.8</b>	<b>14.2</b>	<b>9.7</b>	<b>-1.3</b>	<b>-</b>	<b>-</b>
<b>Ascent Venture Partners VI, LP</b>	<b>12.1</b>	<b>8.3</b>	<b>-7.4</b>	<b>-1.9</b>	<b>13.3</b>	<b>15.2</b>	<b>-8.1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Healthpoint Partners Venture</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>0.5</b>	<b>-7.0</b>	<b>-1.7</b>	<b>-42.6</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
<b>Landmark Equity Partners XIV LP</b>	<b>-7.8</b>	<b>36.5</b>	<b>-5.5</b>	<b>2.4</b>	<b>-0.9</b>	<b>13.6</b>	<b>-16.2</b>	<b>5.5</b>	<b>-</b>	<b>-</b>
<b>Oppenheimer Global Resource PE Offshore</b>	<b>4.3</b>	<b>2.9</b>	<b>-15.3</b>	<b>-5.8</b>	<b>5.4</b>	<b>9.3</b>	<b>-27.7</b>	<b>0.0</b>	<b>-</b>	<b>-</b>

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## Calendar Year Performance

Total Plan - Net

As of December 31, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Short Term Liquidity</b>	1.1	0.0	0.3	2.4	1.9	-	-	-	-	-
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0
<b>SEI Government Fund</b>	1.1	0.0	0.3	2.4	1.5	-	-	-	-	-
<i>90 Day U.S. Treasury Bill</i>	1.5	0.0	0.7	2.3	1.9	0.9	0.3	0.0	0.0	0.0

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## Investment Gain/Loss Summary

Total Plan

1 Quarter Ending December 31, 2023

	Market Value as of 10/01/2023	Net Contributions	Gain/Loss	Market Value As of 12/31/2023
<b>Total Plan</b>	<b>745,500,852</b>	<b>-11,949,114</b>	<b>44,700,592</b>	<b>778,252,330</b>
<b>SEI Platform</b>	<b>731,594,126</b>	<b>-11,717,845</b>	<b>44,711,350</b>	<b>764,587,631</b>
<b>Fixed Income</b>	<b>139,886,479</b>	<b>-1,601,321</b>	<b>7,539,851</b>	<b>145,825,008</b>
SEI Limited Duration Fund	62,815,009	-549,584	1,773,810	64,039,236
SEI Core Fixed Income Fund	30,267,197	61,674	2,217,204	32,546,075
SEI High Yield Bond Fund	24,050,577	-716,700	1,335,933	24,669,810
SEI Emerging Markets Debt	22,753,695	-396,712	2,212,904	24,569,887
<b>Total Equity</b>	<b>382,638,711</b>	<b>-7,725,648</b>	<b>35,975,502</b>	<b>410,888,566</b>
<b>Domestic Equity</b>	<b>114,274,742</b>	<b>-4,670,988</b>	<b>13,961,016</b>	<b>123,564,770</b>
SEI S&P 500 Index Fund	91,448,760	-3,623,947	10,559,694	98,384,507
SEI Extended Market Index A	22,825,982	-1,047,042	3,401,322	25,180,263
<b>World Equity ex. US</b>	<b>75,308,612</b>	<b>-33,808</b>	<b>7,371,702</b>	<b>82,646,506</b>
State Street Global Equity Ex-US Fund	75,308,612	-33,808	7,371,702	82,646,506
<b>Global Equity</b>	<b>193,055,357</b>	<b>-3,020,852</b>	<b>14,642,784</b>	<b>204,677,290</b>
SEI World Select Equity Fund	77,115,847	-2,824,791	8,303,706	82,594,761
SEI Globally Managed Volatility Fund	115,939,510	-196,060	6,339,079	122,082,528
<b>Other</b>	<b>39,794,478</b>	<b>-744,744</b>	<b>251,743</b>	<b>39,301,476</b>
SEI Multi Asset Real Return Fund	39,794,478	-744,744	251,743	39,301,476
<b>Real Estate</b>	<b>80,451,301</b>	<b>-22,500</b>	<b>-775,764</b>	<b>79,653,037</b>
SEI Core Property Fund LP	79,546,085	-	-740,494	78,805,590
Landmark Real Estate Fund VI LP	14,673	-	-	14,673
Siguler Guff Dist RE Opportunity	890,544	-22,500	-35,270	832,774
<b>Alternatives</b>	<b>98,824,937</b>	<b>1,466,299</b>	<b>2,292,998</b>	<b>102,584,234</b>
SEI Offshore Opportunity Fund II	40,654,554	-	1,151,356	41,805,910
SEI Structured Credit Fund	20,078,225	-	983,517	21,061,742
SEI Global Private Asset Fund III	4,608,130	-112,657	-153,215	4,342,258
SEI Global Private Asset Fund IV	7,119,229	-83,257	47,551	7,083,523
SEI Global Private Assets Fund V	4,782,197	195,560	118,482	5,096,239
SEI Global Private Assets Fund VI	2,788,052	530,734	-252,368	3,066,418
SEI Secondary Opportunities Fund I LP	5,793,040	1,144,689	373,163	7,310,892
Aberdeen Energy & Resources Partners II LP	216,294	-	-14,319	201,975
Ascent Venture Partners V, LP	4,778,584	-	-	4,778,584

Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiducient Advisors' fees. 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.



## Investment Gain/Loss Summary

Total Plan 1 Quarter Ending December 31, 2023

	Market Value as of 10/01/2023	Net Contributions	Gain/Loss	Market Value As of 12/31/2023
Ascent Venture Partners VI, LP	6,348,594	-	-	6,348,594
Healthpoint Partners Venture	265,043	-	-	265,043
Landmark Equity Partners XIV LP	175,561	-	4,190	179,751
Oppenheimer Global Resource PE Offshore	1,217,434	-208,769	34,640	1,043,305
<b>Short Term Liquidity</b>	<b>3,904,947</b>	<b>-3,321,200</b>	<b>-583,737</b>	<b>9</b>
SEI Government Fund	3,904,947	-3,321,200	-583,737	9

Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiducient Advisors' fees. 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.





## Portfolio Statistics

Total Plan

As of December 31, 2023

	QTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	6.1	9.2	6.0	8.6	-	6.5	10/2014
Standard Deviation	2.6	7.6	8.7	11.3	-	9.5	
Upside Risk	3.2	2.1	7.0	8.9	-	7.4	
Downside Risk	0.9	3.6	5.4	7.4	-	6.3	
<b>vs. PRIT General Allocation - Net</b>							
Alpha	0.1	-1.0	0.6	-1.7	-	-2.1	
Beta	0.9	0.9	0.9	1.2	-	1.2	
Information Ratio	-0.4	-1.0	0.1	0.0	-	-0.2	
Tracking Error	0.2	1.8	3.2	4.3	-	3.5	
<b>vs. 90 Day U.S. Treasury Bill</b>							
Sharpe Ratio	0.6	0.6	0.5	0.6	-	0.6	

Calculation based on monthly periodicity. Client portfolio performance is presented net of underlying investment manager and SEI platform fees but gross of Fiduciant Advisors' fees.

## Estimated Fee Analysis

As of December 31, 2023

MANAGER	TARGET ALLOCATION	MARKET VALUE	FEE SCHEDULE	ESTIMATED QUARTERLY FEE TOTALS	ESTIMATED ANNUAL FEE TOTALS
<b>Public Market Assets*</b>					
SEI Limited Duration Bond Fund	8.0%	\$64,039,236	0.11%	\$17,611	\$70,443
SEI Core Fixed Income Fund	4.0%	\$32,546,075	0.13%	\$10,577	\$42,310
SEI High Yield Bond Fund	3.0%	\$24,669,810	0.28%	\$17,269	\$69,075
SEI Emerging Markets Debt Fund	3.0%	\$24,569,887	0.42%	\$25,798	\$103,194
SEI S&P 500 Index Fund	7.0%	\$98,384,507	0.06%	\$14,758	\$59,031
SEI Extended Market Index A	3.0%	\$25,180,263	0.06%	\$3,777	\$15,108
State Street Global Equity Ex-US Fund	10.0%	\$82,646,506	0.065%	\$13,430	\$53,720
SEI World Select Equity Fund	10.0%	\$82,594,761	0.37%	\$76,400	\$305,601
SEI Global Managed Volatility Fund	20.0%	\$122,082,528	0.25%	\$76,302	\$305,206
SEI Multi Asset Real Return Fund	5.0%	\$39,301,476	0.21%	\$20,633	\$82,533
<b>Public Market Assets Fund Level Fee Sub Total</b>		<b>\$596,015,050</b>	<b>0.19%</b>	<b>\$276,555</b>	<b>\$1,106,221</b>
<b>SEI Investment Management Services Fee Subtotal (Mutual Funds)</b>		<b>\$596,015,059</b>	<b>0.09%</b>	<b>\$134,103</b>	<b>\$536,414</b>
<b>SEI Alternative Funds</b>					
SEI Core Property Fund	10.0%	\$78,805,590	1.25%	\$246,267	\$985,070
SEI Offshore Opportunity Fund II	5.0%	\$41,805,910	0.75%	\$78,386	\$313,544
SEI Structure Credit Fund	2.0%	\$21,061,742	0.75%	\$39,491	\$157,963
SEI Global Private Assets Fund III, IV, V, VI & Special Opportunities Fun	10.0%	\$26,899,330	0.90%	\$60,523	\$242,094
<b>Brockton Retirement System Total Fee Investment &amp; Advisory Expense<sup>1</sup></b>		<b>\$764,587,631</b>	<b>0.44%</b>	<b>Approximately \$800,000</b>	<b>Approximately \$3,200,000</b>
<b>SEI Trust Co.</b>					
<b>Custody Services Fee: Waived</b> <b>Oversight/Reporting of Existing Managers Fee: \$8,000</b>					

\*Source of public market fund fees is Morningstar

Footnotes: <sup>1</sup>SEI's fee estimate represents the total estimated asset-based fee for SEI's services which includes the management fees charged on mutual funds, fund fees on mutual funds, and fees charged for SEI Alternative Funds. Estimate does not include \$8,000 annual Oversight & Reporting of Existing Managers Fee or the fund fees associated with those Existing Managers. The total SEI fee is billed on the average quarterly market value. The fee schedule was most recently amended in April 2022. Manager will credit the Client's quarterly invoice with a credit that equals (1) the then-current fee for the State Street Global Equity ex-US Index Fund as published the State Street Advisors ("SSGA") prospectus as it may be updated from time-to-time by SSGA multiplied by (2) the average assets invested in this fund during the applicable quarter. As of September 1, 2019, the then-current fee is .065% according to the State Street Global Advisors ("SSGA") prospectus dated April 30, 2018, as supplemented June 6, 2018.

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. Fiducient Advisors has not independently verified this information.



# 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](mailto: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 AC 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 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 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

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.



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 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 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.