



**BOARD OF TRUSTEES  
INVESTMENT COMMITTEE  
Allen L. Ryan, Jr., Chair  
Charles T. George, Vice Chair  
All Trustees are Members**

**Wednesday, March 6, 2024  
10:01 a.m.**

**Board Room  
Tod Hall**

**AGENDA**

**A. Disposition of Minutes for Meeting**

**B. Old Business**

**C. Committee Item**

**1. Discussion Items**

- C.1.a. = Tab 1      a. Annual Disclosure of Trustee Relationships with University-Affiliated Financial Institutions**  
Neal McNally, Vice President for Finance and Business Operations, will report.
- C.1.b. = Tab 2      b. March 6, 2024 Quarterly Portfolio Asset Allocation and Investment Performance Review**  
John Colla, Clearstead, will report.
- D. New Business**
- E. Adjournment**



## **Disclosure of Relationships with University-Affiliated Financial Institutions**

(Updated February 7, 2024)

In accordance with Youngstown State University policy 3356-3-10, *Investment of the University's Non-Endowment and Endowment Funds*, members of the Board of Trustees are required to disclose relationships, beyond the ordinary customer relationships, with the financial institutions involved with the University's non-endowment and endowment funds. Please disclose the nature of any relationships with the institutions listed below.

The financial institutions involved with the Non-Endowment Funds are as follows:

- Clearstead \_\_\_\_\_
- Cliffwater \_\_\_\_\_
- Diamond Hill \_\_\_\_\_
- Dimensional Fund Advisors (DFA) \_\_\_\_\_
- Dodge & Cox \_\_\_\_\_
- Evanston Capital \_\_\_\_\_
- Federated \_\_\_\_\_
- Fidelity \_\_\_\_\_
- H.I.G. Capital \_\_\_\_\_
- J.P. Morgan \_\_\_\_\_
- Loomis Sayles \_\_\_\_\_
- Lord Abbett \_\_\_\_\_
- PNC \_\_\_\_\_
- State Treasury Asset Reserve of Ohio (STAR Ohio) \_\_\_\_\_
- Vanguard \_\_\_\_\_
- Victory \_\_\_\_\_
- William Blair \_\_\_\_\_
- I have no business or familial relationship with the above institutions that require disclosure

The Financial Institutions involved with the Endowment Funds are as follows:

- Clearstead \_\_\_\_\_
- Huntington National Bank \_\_\_\_\_
- PNC \_\_\_\_\_
- Vanguard \_\_\_\_\_
- I have no business or familial relationship with the above institutions that require disclosure

SIGNED: \_\_\_\_\_ DATED: \_\_\_\_\_

*For audit and compliance purposes, please email completed form to [npmcnally@ysu.edu](mailto:npmcnally@ysu.edu), or send to YSU, Tod Hall 223, Office of the Vice President for Finance & Business Operations, by June 30, 2024.*



*March 6, 2024*

# **YOUNGSTOWN STATE UNIVERSITY**



*1100 Superior Avenue East Suite 700  
Cleveland, Ohio 44114  
216.621.1090 | [clearstead.com](https://www.clearstead.com)*

# CLEARSTEAD OVERVIEW

**\$32+ BILLION**  
ASSETS UNDER ADVISEMENT\*

**1989**  
YEAR ESTABLISHED

**170+**  
NUMBER OF EMPLOYEES\*

## PRIVATE WEALTH MANAGEMENT

### Comprehensive Services

Financial & Estate Planning  
Tax Strategy & Compliance  
Investment Advisory  
Family Office Administration  
Trust Administration Services



## INVESTMENT OFFICE

### Thought Leadership

Research Corner  
ClearPoint  
Market Minute  
Clearstead Investment Forum Podcast



## INSTITUTIONAL INVESTMENT CONSULTING

### Customized Services

Investment Advisory & Fiduciary Services  
Governance & Oversight  
Retirement Plan Consulting  
Outsourced Chief Investment Officer  
eVestech Client Portal



## FIRM DEVELOPMENTS

### Acquisitions & Growth

- ▶ Acquisition of Investment / Trust Company in the Southwest
- ▶ Business of CLS Consulting
- ▶ Lift Out of Prominent Institutional and Private Wealth Team in the Midwest
- ▶ Successful Implementation of Leadership Succession
- ▶ Senior Professionals join Clearstead in 2023

### Supporting Our Mission



### Expansion of Client Services

- ▶ Investing in technology to enhance services



### 2023 Impact Report



\*Approximate as of 12/31/2023; Employees and assets of Clearstead Trust and Avalon Trust included, which are not registered by the SEC



**SUBSCRIBE TO OUR NEWSLETTERS • FOLLOW US ON:**

1100 Superior Avenue East · Suite 700 · Cleveland, Ohio 44114 · 216.621.1090 · [clearstead.com](http://clearstead.com)

## PUBLICATIONS



### RESEARCH CORNER

Weekly economic and investment insights - including current observations and expectations for investors.



### MARKET MINUTE

Monthly market reviews, with detailed observations on various asset classes.



### CLEARPOINT

Monthly articles that cover a variety of financial topics from market trends and alternative investment insights to tax planning strategies and portfolio management tips.



### PENSION INDICATOR

Monthly reviews of financial and market trends that effect pension funds and tips for plan sponsors.

## UPDATES & NEWS



**ANNUAL FIRM UPDATE**  
READ THE FULL UPDATE HERE



**JOIN THE LIST TO BE NOTIFIED WHEN CINDY STEEB'S BOOK ON FTCS IS AVAILABLE TO ORDER**

*Cindy L. Steeb, JD*  
Senior Managing Director  
Trust Administration Services



LISTEN TO

**DAVE FULTON, CFA,  
CO-CHAIRMAN AND CEO  
OF CLEARSTEAD**

ON THE LATEST EPISODE OF  
**CFA SOCIETY OF CLEVELAND'S PODCAST:  
GUARDIANS OF FINANCE**



# CONTENTS

---

1. Initiatives
2. Capital Markets Update
3. Non-Endowment Assets: Performance & Asset Allocation Review

## **APPENDIX**

Endowment Assets: Performance & Asset Allocation Review

Detailed Performance

Supporting Information



---

## **INITIATIVES**

# 2024 CALENDAR YEAR INITIATIVES

		1Q	2Q	3Q	4Q	COMMENTS:
STRATEGIC / ADMINISTRATIVE	Investment Policy Review				<input type="checkbox"/>	
	Strategic Asset Allocation Review			<input type="checkbox"/>		
	Peer Review		<input type="checkbox"/>			
	2025 Oversight Dashboard				<input type="checkbox"/>	
	STAR Ohio/Plus Annual Review					
PORTFOLIO	Fixed Income Review				<input type="checkbox"/>	
	Alternative Investments Review		<input type="checkbox"/>			
	Global Equity Review				<input type="checkbox"/>	
PERFORMANCE	Capital Markets Review	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Quarterly Performance Review	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Endowed Account Review / Oversight	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
OTHER	Fee Review			<input type="checkbox"/>		
	ORC Compliance Review			<input type="checkbox"/>		
	Clearstead Firm Update	✓				

**LAST REVIEWED**  
 Investment Policy: 06/21/2023  
 Strategic Asset Allocation: 09/19/2023  
 Fee Review: 09/19/2023

**MEETING SCHEDULE**  
 1Q: March 6, 2024  
 2Q: June 5, 2024  
 3Q: September 18, 2024  
 4Q: December 4, 2024

**FOLLOW UP / INITIATIVES**





## **CAPITAL MARKETS UPDATE**

## WHAT HAPPENED LAST QUARTER?

- Positive quarter across all major asset classes fueled by anticipated interest rate cuts in CY2024
  - Energy was the only negative performing sector as commodity prices fell
- Growth equities, specifically the “Magnificent Seven”, outperformed value-oriented equities
  - Market returns broadened, but mega-cap tech names drove 80% of S&P 500 returns
- Global equities experienced double digit returns following strong 4<sup>th</sup> quarter rebound:
  - **Quarter:** S&P 500 +11.7%; MSCI EAFE +10.4%; MSCI Emerging Markets +7.9%; Bloomberg US Agg +6.8%
  - **2023:** S&P 500 +26.3%; MSCI EAFE +18.2%; MSCI Emerging Markets +9.8%; Bloomberg US Agg +5.5%

## LOOKING FORWARD:

- Fundamentals support potential “soft landing” for global economy
  - Expect slower growth and moderating inflation to continue
  - Potential shocks - U.S. election, higher policy rates, or significant geopolitical tension
- Corporate earnings and profit margin resiliency will be tested
- Wage growth is the largest risk to disinflationary trends and corporate margins
- Continued labor market strength and consumer/business spending warranted for market support
- Fixed Income and Cash yields remain attractive

Source: Clearstead, Federal Reserve, Bloomberg LP. As of 12/31/2023. Past performance is not an indicator of future results.

# HISTORICAL ASSET CLASS RETURNS

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023 YTD
Sm/Mid 36.8%	Large Cap 13.7%	Large Cap 1.4%	Sm/Mid 17.6%	Em Mkt 37.3%	Cash 1.9%	Large Cap 31.5%	Sm/Mid 20.0%	Large Cap 28.7%	Cash 1.5%	Dev Intl 8.5%	Large Cap 8.7%	Cash 1.3%	Sm/Mid 13.4%	Large Cap 26.3%
Large Cap 32.4%	Sm/Mid 7.1%	US Bonds 0.6%	Hi Yld 17.5%	Dev Intl 25.0%	US Bonds 0.0%	Sm/Mid 27.8%	Large Cap 18.4%	Sm/Mid 18.2%	Hdg Fnds -4.7%	Large Cap 7.5%	Sm/Mid 5.2%	Hdg Fnds 0.7%	Large Cap 11.7%	Dev Intl 18.2%
Dev Intl 22.8%	US Bonds 6.0%	Cash 0.1%	Large Cap 12.0%	Large Cap 21.8%	Glb Bond -0.9%	Dev Intl 22.0%	Em Mkt 18.3%	Dev Intl 11.3%	Hi Yld -11.2%	Em Mkt 4.0%	Dev Intl 3.0%	Hi Yld 0.5%	Dev Intl 10.4%	Sm/Mid 17.4%
Hdg Fnds 9.0%	Hdg Fnds 3.4%	Hdg Fnds -0.3%	Em Mkt 11.2%	Sm/Mid 16.8%	Hi Yld -2.3%	Em Mkt 18.4%	Hdg Fnds 10.9%	Hdg Fnds 6.5%	US Bonds -13.0%	Hi Yld 3.7%	Hi Yld 1.6%	Em Mkt -2.9%	Glb Bonds 9.3%	Hi Yld 13.5%
Hi Yld 7.4%	Hi Yld 2.5%	Dev Intl -0.8%	US Bonds 2.7%	Glb Bond 9.3%	Hdg Fnds -4.0%	Hi Yld 14.4%	Glb Bond 9.5%	Hi Yld 5.4%	Dev Intl -14.5%	Sm/Mid 3.4%	Hdg Fnds 1.5%	US Bonds -3.2%	EM Mkt 7.9%	EM Mkt 9.8%
Cash 0.1%	Cash 0.0%	Sm/Mid -2.9%	Glb Bond 1.9%	Hdg Fnds 7.8%	Large Cap -4.4%	US Bonds 8.8%	Dev Intl 7.8%	Cash 0.1%	Large Cap -18.1%	Glb Bond 3.1%	Cash 1.2%	Large Cap -3.3%	Hi Yld 7.1%	Hdg Funds 6.3%
US Bonds -2.0%	Em Mkt -2.2%	Hi Yld -4.6%	Dev Intl 1.0%	Hi Yld 7.5%	Sm/Mid -10.0%	Hdg Fnds 8.4%	US Bonds 7.5%	US Bonds -1.5%	Sm/Mid -18.4%	US Bonds 3.0%	EM Mkt 0.9%	Dev Intl -4.4%	US Bonds 6.8%	US Bonds 5.5%
Em Mkt -2.6%	Glb Bond -2.8%	Glb Bond -4.8%	Hdg Fnds 0.5%	US Bonds 3.5%	Dev Intl -13.8%	Glb Bond 5.0%	Hi Yld 6.2%	Em Mkt -2.5%	Glb Bond -19.6%	Hdg Fnds 1.6%	US Bonds -0.8%	Glb Bond -4.7%	Hdg Funds 3.4%	Cash 5.1%
Glb Bond -4.9%	Dev Intl -4.5%	Em Mkt -14.9%	Cash 0.3%	Cash 0.9%	Em Mkt -14.6%	Cash 2.3%	Cash 0.5%	Glb Bond -8.2%	Em Mkt -20.1%	Cash 1.1%	Glb Bonds -2.9%	Sm/Mid -4.8%	Cash 1.4%	Glb Bonds 4.2%

Past performance is not an indicator of future results. Asset classes represented by: Large Cap – S&P 500 Index; Sm/Mid – Russell 2500 Index; Dev Intl – MSCI EAFE Index; Em Mkt – MSCI Emerging Markets Index; Hi Yld – Bank of America Merrill Lynch U.S. High Yield Master II; US Bonds – Barclays Capital U.S. Aggregate; Glb Bond – Barclays Capital Global Treasury ex US; Hdg Fnds – HFRI FOF: Diversified Index; Cash – Merrill Lynch 91-day Tbill . Data as of 12/30/2023. Source: Morningstar Direct.

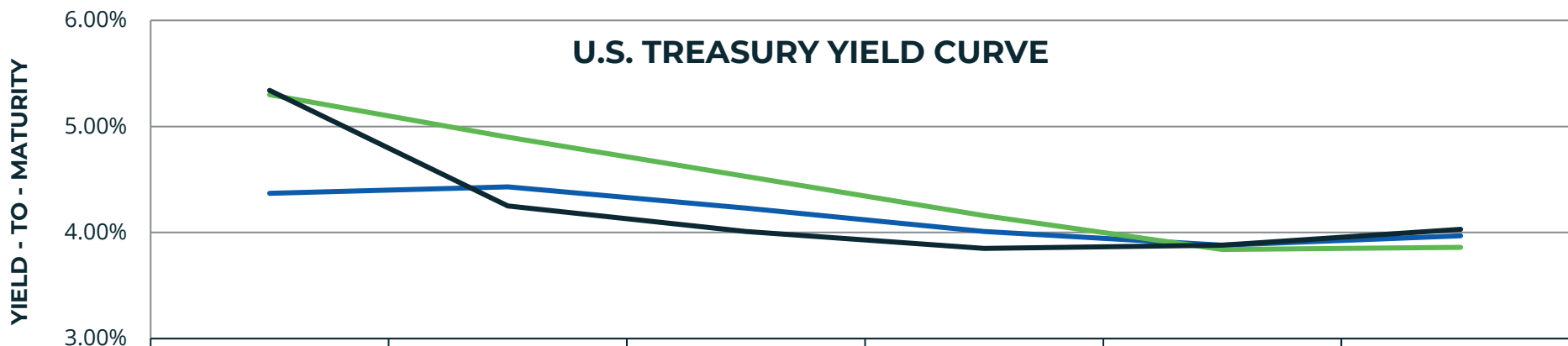


# U.S. ECONOMIC PROJECTIONS

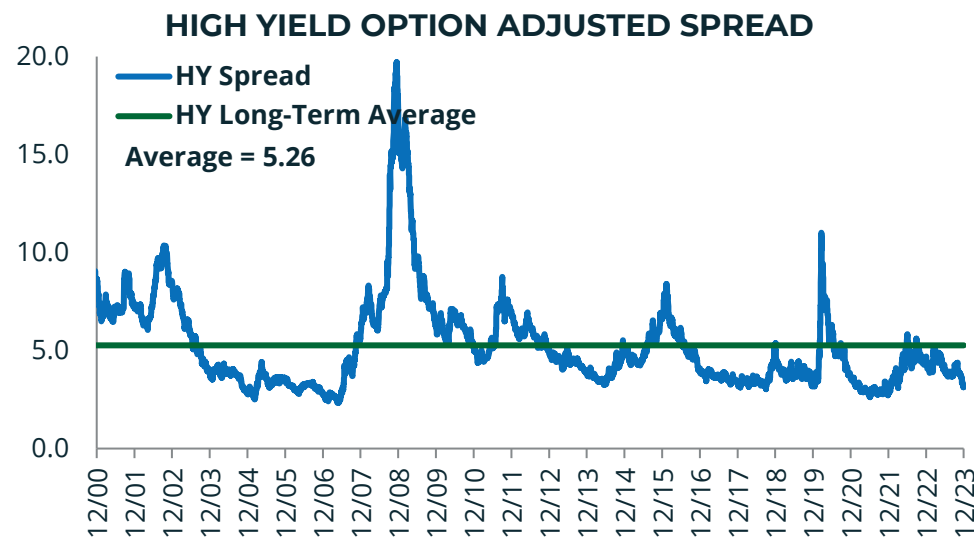
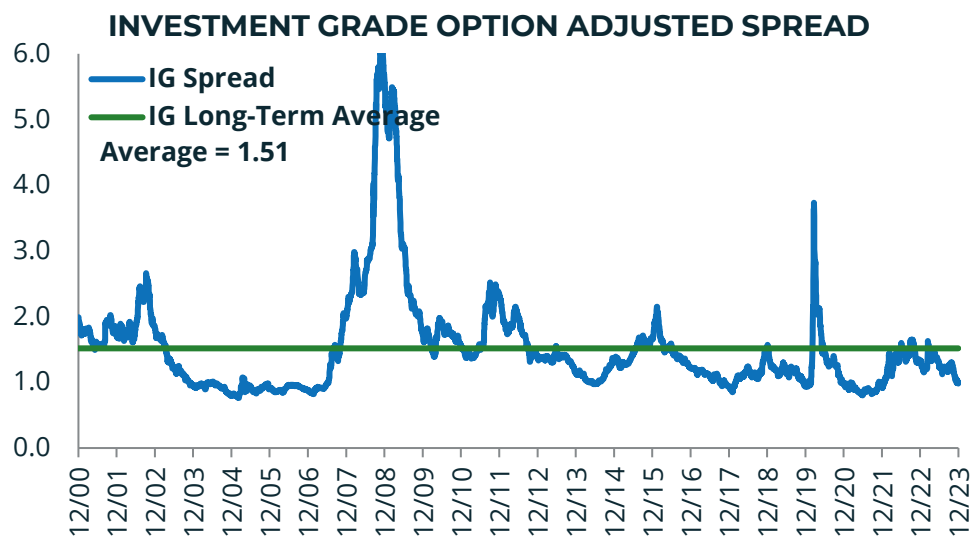
		2023	2024	2025	2026	LONG RUN*
<b>GDP</b>	December 2023	2.6%	1.4%	1.8%	1.9%	1.8%
	September 2023	2.1%	1.5%	1.8%	1.8%	1.8%
	June 2023	1.0%	1.1%	1.8%		1.8%
	March 2023	0.4%	1.2%	1.9%		1.8%
<b>Unemployment Rate</b>	December 2023	3.8%	4.1%	4.1%	4.1%	4.1%
	September 2023	3.8%	4.1%	4.1%	4.0%	4.0%
	June 2023	4.1%	4.5%	4.5%		4.0%
	March 2023	4.5%	4.6%	4.6%		4.0%
<b>Core PCE Inflation</b>	December 2023	3.2%	2.4%	2.2%	2.0%	
	September 2023	3.7%	2.6%	2.3%	2.0%	
	June 2023	3.9%	2.6%	2.2%		
	March 2023	3.6%	2.6%	2.1%		
<b>Federal Funds Rate</b>	December 2023	5.4%	4.6%	3.6%	2.9%	2.5%
	September 2023	5.6%	5.1%	3.9%	2.9%	2.5%
	June 2023	5.6%	4.6%	3.4%		2.5%
	March 2023	5.1%	4.3%	3.1%		2.5%
<b># of implied 25 bps rate changes year</b>	December 2023	5	-3	-4	-3	
	September 2023	5	-2	-5	-4	
	June 2023	5	-4	-5		
	March 2023	3	-3	-5		

\*Long run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further shocks and under appropriate monetary policy.

Source: Clearstead, U.S. Federal Reserve. Expectations of Fed board members/bank presidents. Data as of 12/31/2023. Past performance is not an indicator of future results.



	3M	2Y	3Y	5Y	10Y	30Y
12/31/2022	4.37%	4.43%	4.23%	4.01%	3.88%	3.97%
6/30/2023	5.30%	4.90%	4.53%	4.16%	3.84%	3.86%
12/31/2023	5.34%	4.25%	4.01%	3.85%	3.88%	4.03%
YTD Change	0.97%	-0.18%	-0.22%	-0.16%	0.00%	0.06%



Source: Bloomberg. Data as of 12/31/2023. Past performance is not an indicator of future results.





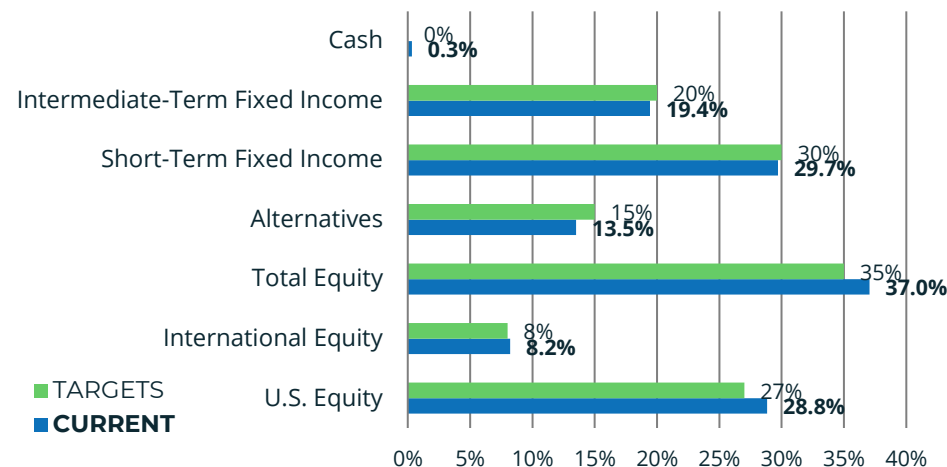
**NON-ENDOWMENT ASSETS:  
PERFORMANCE & ASSET ALLOCATION  
REVIEW**

# NON-ENDOWMENT PERFORMANCE REVIEW (AS OF 12/31/2023)

NON-ENDOWMENT ASSETS	MARKET VALUE (\$MM)	TRAILING PERIODS								CALENDAR YEARS				SINCE INCEPTION <sup>4</sup>
		QTD	FYTD	CYTD	1 YR	3 YR	5 YR	7 YR	10 YR	2022	2021	2020	2019	
<b>Total Non-Endowment Assets</b>	\$71.759	<b>5.8%</b>	<b>4.7%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>3.3%</b>	<b>6.1%</b>	<b>5.2%</b>	<b>4.3%</b>	-7.8%	<b>7.8%</b>	<b>9.5%</b>	<b>11.5%</b>	<b>4.2%</b>
<i>Benchmark<sup>1</sup></i>		4.1%	4.1%	8.7%	8.7%	2.6%	4.4%	3.8%	3.2%	-4.7%	4.3%	5.9%	8.7%	3.2%
<b>Operating &amp; Short-Term Pool</b>	\$5.298	<b>1.4%</b>	<b>2.7%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>1.7%</b>	<b>1.3%</b>	<b>1.4%</b>	0.0%	<b>1.1%</b>	<b>2.4%</b>	<b>1.0%</b>
<i>Benchmark<sup>2</sup></i>		1.4%	2.7%	5.0%	5.0%	2.0%	1.8%	1.7%	1.2%	1.2%	0.0%	0.8%	2.3%	0.9%
<b>Long-Term Pool</b>	\$66.461	<b>6.6%</b>	<b>4.9%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>2.8%</b>	<b>6.4%</b>	<b>5.5%</b>	<b>4.8%</b>	-11.2%	<b>9.5%</b>	<b>8.8%</b>	<b>15.3%</b>	<b>5.1%</b>
<i>Benchmark<sup>3</sup></i>		6.4%	5.3%	11.8%	11.8%	2.9%	6.3%	5.5%	4.7%	-9.7%	8.0%	10.0%	14.2%	4.8%

## LONG-TERM POOL ASSET ALLOCATION

	CURRENT	TARGETS	RANGE	+ / -
<b>U.S. Equity</b>	28.8%	27%	20-35%	1.8%
<b>International Equity</b>	8.2%	8%	0-15%	0.2%
<b>Total Equity</b>	37.0%	35%	25-45%	2.0%
<b>Alternatives</b>	13.5%	15%	0-20%	-1.5%
<b>Short-Term Fixed Income</b>	29.7%	30%	25-45%	-0.3%
<b>Intermediate-Term Fixed Income</b>	19.4%	20%	10-30%	-0.6%
<b>Cash</b>	0.3%	0%	0-5%	0.3%



1) 45% BofA Merrill Lynch 91-Day T-Bill / 17% BofA Merrill Lynch US Corp & Gov 1-3 Yrs / 11% BBgBarc US Govt/Credit Int TR / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.

2) 95% BofA Merrill Lynch 91-Day T-Bill / 5% Barclays 1-3 Yr. Govt.

3) 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% BofA Merrill Lynch US Corp & Gov 1-3 Yrs / 20% BBgBarc US Govt/Credit Int TR.

4) Inception date for Long-Term and Short-Term Pools: June 2010, Inception Date for Total Non-Endowment Assets: March 2004.



# LONG-TERM POOL PERFORMANCE REVIEW: JANUARY UPDATE

	Market Value 01/01/2024	Market Value 01/31/2024	% of Portfolio	1 Mo (%)	FYTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	Inception (%)	Inception Date
<b>Total University Assets</b>	<b>\$71,803,301</b>	<b>\$72,034,549</b>	<b>100.0</b>	<b>0.3</b>	<b>5.1</b>	<b>7.9</b>	<b>3.5</b>	<b>5.6</b>	<b>4.2</b>	<b>Apr-04</b>
<i>Total Policy Benchmark<sup>1</sup></i>				0.5	4.7	7.1	2.9	4.0	3.2	
<b>Total Operating &amp; Short Term</b>	<b>\$5,297,918</b>	<b>\$5,321,539</b>	<b>7.4</b>	<b>0.4</b>	<b>3.0</b>	<b>4.9</b>	<b>2.2</b>	<b>2.0</b>	<b>1.0</b>	<b>Jul-10</b>
<i>Total Operating &amp; Short Term Benchmark<sup>2</sup></i>				0.4	3.2	5.1	2.2	1.9	1.0	
Federated Hermes Government Obligations Fund	\$5,297,918	\$5,321,539	100.0	0.4	3.0	4.8	2.2	1.7	2.9	Oct-21
<i>90 Day U.S. Treasury Bill</i>				0.4	3.1	5.1	2.3	1.9	3.0	
<b>Total Long Term/ Reserves Pool</b>	<b>\$66,505,383</b>	<b>\$66,713,010</b>	<b>92.6</b>	<b>0.3</b>	<b>5.2</b>	<b>7.9</b>	<b>3.0</b>	<b>5.6</b>	<b>5.1</b>	<b>Jul-10</b>
<i>Total Long Term/ Reserves Fund Benchmark<sup>3</sup></i>				0.6	5.9	8.7	3.2	5.7	4.8	
<b>Total Equity</b>	<b>\$24,617,323</b>	<b>\$23,943,566</b>	<b>35.9</b>	<b>-0.1</b>	<b>6.9</b>	<b>13.0</b>	<b>7.2</b>	<b>11.6</b>	<b>11.9</b>	<b>Jul-10</b>
<b>Total Domestic Equity</b>	<b>\$19,159,694</b>	<b>\$18,590,886</b>	<b>27.9</b>	<b>0.4</b>	<b>8.1</b>	<b>15.2</b>	<b>8.9</b>	<b>12.8</b>	<b>13.6</b>	<b>Jul-10</b>
<i>Russell 3000 Index</i>				1.1	9.6	19.1	9.1	13.5	13.9	
Vanguard Institutional Index	\$12,992,618	\$13,210,549	19.8	1.7	9.8	20.8	11.0	14.3	14.2	Jul-10
<i>S&amp;P 500 Index</i>				1.7	9.9	20.8	11.0	14.3	14.3	
Vanguard Mid Cap Index Adm	\$3,056,749	\$2,352,110	3.6	-1.5	5.0	5.8	5.1	10.1	11.4	Oct-10
<i>Vanguard Mid Cap Index Benchmark</i>				-1.5	5.0	5.8	5.2	10.2	11.5	
Loomis Sayles Sm Growth N	\$1,539,866	\$1,503,731	2.3	-2.3	0.2	1.5	-2.9	7.6	6.5	Sep-19
<i>Russell 2000 Growth Index</i>				-3.2	1.1	4.5	-6.0	6.2	6.0	
Victory Integrity Small Value Y	\$1,570,461	\$1,524,497	2.3	-2.9	7.1	4.9	11.5	9.4	10.2	Oct-10
<i>Russell 2000 Value Index</i>				-4.5	6.8	-0.1	4.5	6.7	9.0	
<b>Total International Equity</b>	<b>\$5,457,629</b>	<b>\$5,352,679</b>	<b>8.0</b>	<b>-1.9</b>	<b>2.6</b>	<b>5.3</b>	<b>1.2</b>	<b>7.2</b>	<b>5.1</b>	<b>Oct-10</b>
<i>MSCI EAFE (Net)</i>				0.6	6.5	10.0	4.6	6.9	5.6	
William Blair International Growth I	\$2,472,228	\$2,454,120	3.7	-0.7	2.9	6.2	-3.7	7.6	6.7	Jul-12
<i>MSCI AC World ex USA (Net)</i>				-1.0	4.6	5.9	1.1	5.3	5.6	
Dodge & Cox Internat'l Stock	\$2,985,401	\$2,898,559	4.3	-2.9	2.3	4.4	5.7	6.3	5.3	Oct-10
<i>MSCI EAFE (Net)</i>				0.6	6.5	10.0	4.6	6.9	5.6	

# LONG-TERM POOL PERFORMANCE REVIEW: JANUARY UPDATE 16

	Market Value 01/01/2024	Market Value 01/31/2024	% of Portfolio	1 Mo (%)	FYTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	Inception (%)	Inception Date
<b>Total Alternatives</b>	<b>\$9,007,243</b>	<b>\$9,099,225</b>	<b>13.6</b>	<b>1.0</b>	<b>3.5</b>	<b>6.2</b>	<b>2.2</b>	<b>2.0</b>	<b>1.7</b>	<b>Mar-15</b>
<i>Total Alternatives Benchmark<sup>4</sup></i>				0.8	4.8	5.0	2.7	3.0	2.4	
Weatherlow Offshore Fund I Ltd CI IIA	\$4,808,111	\$4,880,232	7.3	1.5	5.3	6.2	2.1	7.6	-0.9	Jul-21
<i>HFRI Fund of Funds Composite Index</i>				0.8	4.8	5.0	2.7	4.8	1.0	
Cliffwater Corporate Lending I	\$1,903,038	\$1,922,899	2.9	1.0	7.8	12.5	9.8	-	1.0	Jan-24
<i>Credit Suisse Leveraged Loan Index</i>				0.8	7.1	11.1	5.5	5.2	0.8	
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.	\$2,296,094	\$2,296,094	3.5	0.0	2.8	9.1	-	-	8.3	Jul-22
<i>Credit Suisse Leveraged Loan Index</i>				0.8	7.1	11.1	5.5	5.2	11.0	
<b>Total Fixed Income</b>	<b>\$32,648,770</b>	<b>\$32,780,219</b>	<b>49.1</b>	<b>0.4</b>	<b>4.2</b>	<b>4.4</b>	<b>-0.2</b>	<b>2.0</b>	<b>2.0</b>	<b>Jul-10</b>
<i>Total Fixed Income Benchmark<sup>5</sup></i>				0.3	3.9	4.0	-0.4	1.5	1.6	
JPMorgan Core Bond	\$5,248,419	\$5,254,229	7.9	0.1	3.2	2.4	-2.6	1.3	1.1	Sep-17
<i>Blmbg. U.S. Aggregate Index</i>				-0.3	3.1	2.1	-3.2	0.8	0.8	
YSU Intermediate Term Bond	\$4,461,235	\$4,477,136	6.7	0.4	4.1	3.9	-1.2	1.9	3.1	Apr-04
<i>Blmbg. Intermed. U.S. Government/Credit</i>				0.2	3.9	3.5	-1.5	1.5	2.8	
Fidelity Interm Treasury Bond Index	\$3,262,274	\$3,269,491	4.9	0.2	2.7	1.4	-3.9	0.5	0.2	Jan-24
<i>Blmbg. U.S. Treasury: 5-10 Year</i>				0.0	2.6	1.3	-3.8	0.6	0.0	
YSU Short Term Bond	\$13,098,573	\$13,159,735	19.8	0.5	4.0	4.5	0.5	1.8	2.3	Apr-04
<i>ICE BofA 1-3 Yr. Gov/Corp</i>				0.4	3.9	4.3	0.2	1.5	2.1	
Lord Abbett Short Duration Income I	\$6,572,540	\$6,619,618	9.9	0.7	4.3	4.6	0.7	2.0	2.2	Apr-18
<i>ICE BofA 1-3 Yr. Gov/Corp</i>				0.4	3.9	4.3	0.2	1.5	1.7	
<b>Total Cash &amp; Cash Equivalents</b>	<b>\$232,046</b>	<b>\$890,001</b>	<b>1.3</b>	<b>0.4</b>	<b>3.0</b>	<b>4.8</b>	<b>2.2</b>	<b>1.7</b>	<b>1.6</b>	<b>Apr-18</b>
<i>90 Day U.S. Treasury Bill</i>				0.4	3.1	5.1	2.3	1.9	1.9	
Federated Hermes Government Obligations Fund	\$232,046	\$890,001	1.3	0.4	3.0	4.8	2.2	1.7	1.6	Dec-19
<i>90 Day U.S. Treasury Bill</i>				0.4	3.1	5.1	2.3	1.9	1.8	

<sup>1</sup>90 Day U.S. Treasury Bill: 45.00%, Russell 3000 Index: 15.00%, Blmbg. Intermed. U.S. Government/Credit: 11.00%, MSCI EAFE (Net): 4.00%, ICE BofA 1-3 Yr. Gov/Corp: 17.00%, Total Alternatives Benchmark: 8.00%

<sup>2</sup>90 Day U.S. Treasury Bill: 95.00%, Blmbg. 1-3 Govt: 5.00%

<sup>3</sup>Russell 3000 Index: 27.00%, Blmbg. Intermed. U.S. Government/Credit: 20.00%, MSCI EAFE (Net): 8.00%, ICE BofA 1-3 Yr. Gov/Corp: 30.00%, Total Alternatives Benchmark: 15.00%

<sup>4</sup>HFRI Fund of Funds Composite Index: 100.00%

<sup>5</sup>Blmbg. Intermed. U.S. Government/Credit: 36.00%, ICE BofA 1-3 Yr. Gov/Corp: 64.00%

# INVESTMENT POOL UPDATE: LATE FEBRUARY

## YOUNGSTOWN STATE UNIVERSITY

AS OF FEBRUARY 22, 2024

	TICKER	INVESTMENT STRATEGY	MARKET VALUE (CURRENT)	% OF PORTFOLIO	POLICY TARGET	POLICY RANGE	TACTICAL +/-		
<b>Total Operating &amp; Short Term</b>					<b>\$23,321,539</b>	<b>100.0%</b>			
Federated Hermes Govt Obligations	FOGXX	Money Market	\$23,321,539	100.0%					
Star Plus*	-	Cash Equivalent	\$0	0.0%					
Star Ohio*	-	Cash Equivalent	\$0	0.0%					
<b>Total Long Term Reserves Pool</b>					<b>\$67,069,687</b>	<b>100.0%</b>			
<b>Domestic Equity</b>					<b>\$19,473,208</b>	<b>29.0%</b>	<b>27.0%</b>	<b>20-35%</b>	<b>2.0%</b>
Vanguard Instl Index	VINIX	Large Cap Core	\$13,884,812	20.7%					
Vanguard Mid Cap Index Adm	VIMAX	Mid-Cap Core	\$2,440,717	3.6%					
Loomis Sayles Small Growth N2	LSSNX	Small Cap Growth	\$1,590,285	2.4%					
Victory Integrity Small Cap Value Y	VSVIX	Small Cap Value	\$1,557,393	2.3%					
<b>International Equity</b>					<b>\$5,530,936</b>	<b>8.2%</b>	<b>8.0%</b>	<b>0-15%</b>	<b>0.2%</b>
William Blair International Growth I	BIGIX	Foreign Growth	\$2,572,256	3.8%					
Dodge & Cox International Stock	DODFX	Foreign Value	\$2,958,680	4.4%					
<b>Total Equity</b>					<b>\$25,004,144</b>	<b>37.3%</b>	<b>35.0%</b>	<b>25-45%</b>	<b>2.3%</b>
<b>Alternatives</b>					<b>\$9,042,811</b>	<b>13.5%</b>	<b>15.0%</b>	<b>0-20%</b>	<b>-1.5%</b>
H.I.G. Principal Lending Fund <sup>1</sup>	-	Private Credit	\$2,296,094	3.4%					
Cliffwater Corporate Lending Fund	CCLFX	Private Credit	\$1,935,538	2.9%					
Apollo Infrastructure Opps Fund III	-	Real Assets	\$0	0.0%					
Weatherlow Fund <sup>2</sup>	-	Diversifying Strategy	\$4,811,179	7.2%					
<b>Fixed Income</b>					<b>\$32,358,137</b>	<b>48.2%</b>	<b>50.0%</b>	<b>35-75%</b>	<b>-1.8%</b>
<b>Short Term Fixed Income</b>					<b>\$19,616,256</b>	<b>29.2%</b>	<b>30.0%</b>	<b>25-45%</b>	<b>-0.8%</b>
YSU Short Term Bond	-	Short-Term Fixed	\$13,030,937	19.4%					
Lord Abbett Short Duration	LLDYX	Short-Term Fixed	\$6,585,320	9.8%					
<b>Intermediate Fixed Income</b>					<b>\$12,741,881</b>	<b>19.0%</b>	<b>20.0%</b>	<b>10-30%</b>	<b>-1.0%</b>
JPMorgan Core Bond Fund R6 <sup>3</sup>	JCBUX	Core Plus Fixed	\$5,162,221	7.7%					
YSU Intermediate Term Fixed	-	Interm-Term Fixed	\$4,394,001	6.6%					
Fidelity Intermediate Treasury Index	FUAMX	Interm-Term Treasury	\$3,185,659	4.7%					
<b>Cash &amp; Cash Equivalents</b>					<b>\$664,596</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0-5%</b>	<b>1.0%</b>
Federated Hermes Govt Obligations	-	Money Market	\$664,596	1.0%					
<b>Total University Assets</b>					<b>\$90,391,226</b>				

<sup>1</sup> As of 09/30/2023.  
<sup>2</sup> As of 12/31/2023.  
<sup>3</sup> Held at JPMorgan.



---

## **APPENDIX**



**ENDOWMENT ASSETS:  
PERFORMANCE & ASSET ALLOCATION  
REVIEW**

# ENDOWMENT ASSETS: PERFORMANCE & ASSET ALLOCATION (AS OF 12/31/2023)

ENDOWMENT ASSETS	MARKET VALUE (\$MM)	TRAILING PERIODS								CALENDAR YEARS				SINCE INCEPTION <sup>3</sup>
		QTD	FYTD	CYTD	1 YR	3 YR	5 YR	7 YR	10 YR	2022	2021	2020	2019	
<b>YSU Endowment Fund</b>	\$16.032	7.9%	5.8%	12.8%	12.8%	4.8%	10.6%	8.8%	8.0%	<b>-15.7%</b>	<b>20.9%</b>	<b>16.3%</b>	23.8%	8.4%
<i>Benchmark<sup>1</sup></i>		10.5%	6.9%	20.9%	20.9%	6.7%	12.1%	10.5%	9.6%	-16.6%	20.6%	16.2%	25.6%	9.5%
<i>Benchmark<sup>2</sup></i>		9.7%	6.2%	17.7%	17.7%	4.7%	10.0%	8.7%	8.1%	-15.8%	15.9%	14.7%	22.2%	8.7%

## COMPLIANCE

- Reporting & Oversight by Clearstead, Management/Implementation by Huntington
- Asset Allocation Guidelines: 70% Equities (60-80%) / 30% Cash & Fixed Income (20-40%) **(IN COMPLIANCE)**

## HOLDINGS

- Equity Mutual Funds – 16% (Mutual Funds & ETFs)
- Stocks – 52% (30-60 Concentrated U.S. Large/Mid-Cap Stock Portfolio)
- Alternatives – 2% (Real Estate Mutual Fund)
- Fixed Income Mutual Funds – 2% (Federated High Yield)
- Individual Bonds – 22% (Individual Bond Portfolio: U.S. Corporate / Gov't / Asset Backed Debt)
- Cash – 6%

1) Benchmark: 75% S&P 500 / 25% BBg US Aggregate.  
2) Benchmark: 60% S&P 500 / 40% BBg US Aggregate.  
3) Inception date: 06/2013,



## **DETAILED PERFORMANCE**

# EXECUTIVE SUMMARY

	Market Value 10/01/2023	Market Value 12/31/2023	% of Portfolio	4th Quarter 2023 (%)	YTD (%)
<b>Total University Assets</b>	<b>\$84,550,946</b>	<b>\$71,759,116</b>	<b>100.0</b>	<b>5.8</b>	<b>11.0</b>
<i>Total Policy Benchmark<sup>1</sup></i>				4.1	8.7
<b>Total Operating &amp; Short Term</b>	<b>\$22,103,843</b>	<b>\$5,297,918</b>	<b>7.4</b>	<b>1.4</b>	<b>5.0</b>
<i>Total Operating &amp; Short Term Benchmark<sup>2</sup></i>				1.4	5.0
<b>Total Long Term/ Reserves Pool</b>	<b>\$62,447,104</b>	<b>\$66,461,197</b>	<b>92.6</b>	<b>6.6</b>	<b>11.8</b>
<i>Total Long Term/ Reserves Fund Benchmark<sup>3</sup></i>				6.4	11.8
<b>Total Domestic Equity</b>	<b>\$19,142,506</b>	<b>\$19,159,694</b>	<b>26.7</b>	<b>11.6</b>	<b>22.7</b>
<i>Russell 3000 Index</i>				12.1	26.0
<b>Total International Equity</b>	<b>\$4,967,584</b>	<b>\$5,457,629</b>	<b>7.6</b>	<b>9.9</b>	<b>16.2</b>
<i>MSCI EAFE (Net)</i>				10.4	18.2
<b>Total Alternatives</b>	<b>\$6,973,420</b>	<b>\$8,963,058</b>	<b>12.5</b>	<b>2.8</b>	<b>7.1</b>
<i>Total Alternatives Benchmark</i>				3.6	6.6
<b>Total Fixed Income</b>	<b>\$31,200,858</b>	<b>\$32,648,770</b>	<b>45.5</b>	<b>3.9</b>	<b>5.9</b>
<i>Total Fixed Income Benchmark<sup>4</sup></i>				3.3	4.9
<b>Total Cash &amp; Cash Equivalents</b>	<b>\$162,736</b>	<b>\$232,046</b>	<b>0.3</b>	<b>1.3</b>	<b>5.2</b>
<i>90 Day U.S. Treasury Bill</i>				1.4	5.0

1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.

2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.

3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int,

4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.

5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.



# ASSET ALLOCATION GUIDELINES COMPLIANCE

Total Plan Asset Allocation Policy	Range	Current
Operating & Short-Term Pool	0% - 50%	7%
Long Term/ Reserves Pool	50% - 100%	93%

Operating & Short-Term Pool	Range	Current
Operating Assets	60% - 100%	100%
Short-Term Assets	0% - 40%	0%

Long Term/ Reserves Pool	Target	Range	Current
Domestic Equity	27%	20% - 35%	29%
International Equity	8%	0% - 15%	8%
Total Equity	35%	25% - 45%	37%
Alternatives	15%	0%-20%	11%
Short-Term Fixed Income	30%	25% - 45%	30%
Intermediate Fixed Income	20%	10% - 30%	22%
Cash & Cash Equivalents	0%	0% - 5%	0%

In Line    Within Tolerance    Review

# SCHEDULE OF ASSETS

	Ticker	Account Type	Begin Market Value \$	Market Value 12/31/2023	% of Portfolio
<b>Total University Assets</b>			<b>\$84,550,946</b>	<b>\$71,759,116</b>	<b>100.0</b>
<b>Total Operating &amp; Short Term</b>			<b>\$22,103,843</b>	<b>\$5,297,918</b>	<b>7.4</b>
Federated Hermes Government Obligations Fund	GOSXX	Cash	\$22,103,843	\$5,297,918	7.4
<b>Total Long Term/ Reserves Pool</b>			<b>\$62,447,104</b>	<b>\$66,461,197</b>	<b>92.6</b>
<b>Total Domestic Equity</b>			<b>\$19,142,506</b>	<b>\$19,159,694</b>	<b>26.7</b>
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	\$13,015,865	\$12,992,618	18.1
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	\$2,950,232	\$3,056,749	4.3
Loomis Sayles Sm Growth N	LSSNX	US Stock Small Cap Growth	\$1,587,629	\$1,539,866	2.1
Victory Integrity Small Value Y	VSVIX	US Stock Small Cap Value	\$1,588,780	\$1,570,461	2.2
<b>Total International Equity</b>			<b>\$4,967,584</b>	<b>\$5,457,629</b>	<b>7.6</b>
William Blair International Growth I	BIGIX	International	\$2,172,574	\$2,472,228	3.4
Dodge & Cox Internat'l Stock	DODFX	International	\$2,795,010	\$2,985,401	4.2
<b>Total Alternatives</b>			<b>\$6,973,420</b>	<b>\$8,963,058</b>	<b>12.5</b>
Weatherlow Offshore Fund I Ltd CI IIA		Hedge Fund	\$4,617,654	\$4,811,179	6.7
Cliffwater Corporate Lending I		Private Debt	-	\$1,855,785	2.6
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.		Direct Lending	\$2,355,766	\$2,296,094	3.2
<b>Total Fixed Income</b>			<b>\$31,200,858</b>	<b>\$32,648,770</b>	<b>45.5</b>
JPMorgan Core Bond	WOBDX	US Fixed Income Core	\$4,934,285	\$5,248,419	7.3
YSU Intermediate Term Bond		US Fixed Income Core	\$4,263,239	\$4,461,235	6.2
Fidelity Interm Treasury Bond Index	FUAMX	US Fixed Income Core	-	\$3,262,274	4.5
PGIM High Yield R6	PHYQX	US Fixed Income High Yield	\$3,095,765	\$5,729	0.0
YSU Short Term Bond		US Fixed Income Short Term	\$12,743,122	\$13,098,573	18.3
Lord Abbett Short Duration Income I	LLDYX	US Fixed Income Short Term	\$6,164,447	\$6,572,540	9.2
<b>Total Cash &amp; Cash Equivalents</b>			<b>\$162,736</b>	<b>\$232,046</b>	<b>0.3</b>
Federated Hermes Government Obligations Fund	GOSXX	Cash	\$162,736	\$232,046	0.3

# ATTRIBUTION OF MARKET VALUE

## TOTAL UNIVERSITY ASSETS

	Q1-2023	Q2-2023	Q3-2023	Q4-2023	One Year
Total University Assets					
Beginning Market Value	\$73,068,111	\$88,538,544	\$77,367,011	\$84,550,946	\$73,068,111
Contributions	\$20,000,000	-	\$15,000,000	-	\$35,000,000
Distributions	-\$7,041,880	-\$13,121,696	-\$7,026,806	-\$17,000,000	-\$44,190,382
Net Cash Flows	\$12,958,120	-\$13,121,696	\$7,973,194	-\$17,000,000	-\$9,190,382
Net Investment Change	\$2,512,313	\$1,950,164	-\$789,259	\$4,208,169	\$7,881,387
Ending Market Value	\$88,538,544	\$77,367,011	\$84,550,946	\$71,759,116	\$71,759,116
Change \$	\$15,470,433	-\$11,171,532	\$7,183,935	-\$12,791,831	-\$1,308,995

## LONG-TERM POOL

	Q1-2023	Q2-2023	Q3-2023	Q4-2023	One Year
Total Long Term/ Reserves Pool					
Beginning Market Value	\$59,507,519	\$61,709,542	\$63,401,993	\$62,447,104	\$59,507,519
Contributions	-	-	-	-	-
Distributions	-\$41,880	-\$27,473	-\$26,806	-	-\$96,159
Net Cash Flows	-\$41,880	-\$27,473	-\$26,806	-	-\$96,159
Net Investment Change	\$2,243,903	\$1,719,924	-\$928,083	\$4,014,094	\$7,049,838
Ending Market Value	\$61,709,542	\$63,401,993	\$62,447,104	\$66,461,197	\$66,461,197
Change \$	\$2,202,023	\$1,692,451	-\$954,889	\$4,014,094	\$6,953,679

# PERFORMANCE SUMMARY

	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
<b>Total University Assets</b>	<b>100.0</b>	<b>5.8</b>	<b>4.7</b>	<b>11.0</b>	<b>1.1</b>	<b>3.3</b>	<b>6.1</b>	<b>5.2</b>	<b>4.3</b>	<b>-7.8</b>	<b>7.8</b>	<b>9.5</b>	<b>4.2</b>	<b>Apr-04</b>
<i>Total Policy Benchmark</i>		4.1	4.1	8.7	1.8	2.6	4.4	3.8	3.2	-4.7	4.3	5.5	3.2	
<b>Total Operating &amp; Short Term</b>	<b>7.4</b>	<b>1.4</b>	<b>2.7</b>	<b>5.0</b>	<b>3.2</b>	<b>2.1</b>	<b>2.0</b>	<b>1.7</b>	<b>1.3</b>	<b>1.4</b>	<b>0.0</b>	<b>1.1</b>	<b>1.0</b>	<b>Jul-10</b>
<i>Total Operating &amp; Short Term Benchmark</i>		1.4	2.7	5.0	3.1	2.0	1.8	1.7	1.2	1.2	0.0	0.8	0.9	
Federated Hermes Government Obligations Fund	7.4	1.3	2.5	4.8	3.0	2.0	1.6	1.5	1.0	1.4	0.0	0.3	2.8	Nov-21
<i>90 Day U.S. Treasury Bill</i>		1.4	2.7	5.0	3.2	2.2	1.9	1.7	1.2	1.5	0.0	0.7	3.0	
<b>Total Long Term/ Reserves Pool</b>	<b>92.6</b>	<b>6.6</b>	<b>4.9</b>	<b>11.8</b>	<b>-0.4</b>	<b>2.8</b>	<b>6.4</b>	<b>5.5</b>	<b>4.7</b>	<b>-11.2</b>	<b>9.5</b>	<b>8.8</b>	<b>5.1</b>	<b>Jul-10</b>
<i>Total Long Term/ Reserves Fund Benchmark</i>		6.4	5.3	11.8	0.5	2.9	6.3	5.5	4.7	-9.7	8.0	9.2	4.8	
<b>Total Domestic Equity</b>	<b>26.7</b>	<b>11.6</b>	<b>7.6</b>	<b>22.7</b>	<b>0.5</b>	<b>8.6</b>	<b>14.6</b>	<b>12.4</b>	<b>11.1</b>	<b>-17.7</b>	<b>26.9</b>	<b>18.5</b>	<b>13.6</b>	<b>Jul-10</b>
<i>Russell 3000 Index</i>		12.1	8.4	26.0	0.9	8.5	15.2	12.8	11.5	-19.2	25.7	20.9	13.9	
Vanguard Institutional Index	18.1	11.7	8.0	26.2	1.7	10.0	15.7	13.4	12.0	-18.1	28.7	18.4	14.2	Jul-10
<i>S&amp;P 500 Index</i>		11.7	8.0	26.3	1.7	10.0	15.7	13.4	12.0	-18.1	28.7	18.4	14.2	
Vanguard Mid Cap Index Adm	4.3	12.3	6.6	16.0	-2.9	5.5	12.7	10.2	9.4	-18.7	24.5	18.2	11.6	Oct-10
<i>Vanguard Mid Cap Index Benchmark</i>		12.3	6.6	16.0	-2.9	5.5	12.7	10.2	9.4	-18.7	24.5	18.2	11.7	
Loomis Sayles Sm Growth N	2.1	8.2	2.6	12.1	-7.0	-1.6	10.1	11.0	8.4	-22.8	10.2	34.3	7.2	Sep-19
<i>Russell 2000 Growth Index</i>		12.7	4.5	18.7	-6.5	-3.5	9.2	8.1	7.2	-26.4	2.8	34.6	6.9	
Victory Integrity Small Value Y	2.2	11.9	10.4	17.6	4.2	13.2	12.6	7.5	7.5	-7.7	33.6	1.2	10.6	Oct-10
<i>Russell 2000 Value Index</i>		15.3	11.8	14.6	-1.0	7.9	10.0	6.1	6.8	-14.5	28.3	4.6	9.5	
<b>Total International Equity</b>	<b>7.6</b>	<b>9.9</b>	<b>4.6</b>	<b>16.2</b>	<b>-2.2</b>	<b>1.7</b>	<b>9.3</b>	<b>7.1</b>	<b>4.4</b>	<b>-17.6</b>	<b>10.0</b>	<b>16.7</b>	<b>5.3</b>	<b>Oct-10</b>
<i>MSCI EAFE (Net)</i>		10.4	5.9	18.2	0.6	4.0	8.2	6.9	4.3	-14.5	11.3	7.8	5.6	
<i>MSCI AC World ex USA (Net)</i>		9.8	5.6	15.6	-1.5	1.5	7.1	6.3	3.8	-16.0	7.8	10.7	4.6	
William Blair International Growth I	3.4	13.8	3.7	15.4	-9.1	-3.4	9.2	7.5	4.6	-28.3	9.0	32.0	6.9	Jul-12
<i>MSCI AC World ex USA (Net)</i>		9.8	5.6	15.6	-1.5	1.5	7.1	6.3	3.8	-16.0	7.8	10.7	5.8	
Dodge & Cox Internat'l Stock	4.2	6.8	5.4	16.7	4.3	6.5	8.6	6.4	4.0	-6.8	11.0	2.1	5.6	Oct-10
<i>MSCI EAFE (Net)</i>		10.4	5.9	18.2	0.6	4.0	8.2	6.9	4.3	-14.5	11.3	7.8	5.6	

1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.

2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.

3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int,

4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.

5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.

# PERFORMANCE SUMMARY

	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
<b>Total Alternatives</b>	<b>12.5</b>	<b>2.8</b>	<b>2.5</b>	<b>7.1</b>	<b>-0.1</b>	<b>1.6</b>	<b>2.9</b>	<b>2.3</b>	<b>-</b>	<b>-6.9</b>	<b>5.3</b>	<b>-3.7</b>	<b>1.6</b>	<b>Mar-15</b>
<i>Total Alternatives Benchmark</i>		3.6	4.2	6.6	0.5	2.3	3.8	3.2	-	-5.3	6.2	0.6	2.4	
Weatherlow Offshore Fund I Ltd Cl IIA	6.7	4.2	3.8	7.6	-1.0	1.2	8.0	6.0	4.9	-8.9	5.6	24.7	-1.5	Jul-21
<i>HFRI Fund of Funds Composite Index</i>		3.6	4.2	6.6	0.5	2.3	5.2	4.2	3.3	-5.3	6.2	10.9	0.8	
Cliffwater Corporate Lending I	2.6	3.2	6.7	12.7	9.6	9.8	-	-	-	6.6	10.3	8.7	1.1	Dec-23
<i>Credit Suisse Leveraged Loan Index</i>		2.9	6.3	13.0	5.8	5.6	5.6	4.7	4.4	-1.1	5.4	2.8	0.0	
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.	3.2	0.0	2.8	9.1	-	-	-	-	-	-	-	-	8.8	Jul-22
<i>Credit Suisse Leveraged Loan Index</i>		2.9	6.3	13.0	5.8	5.6	5.6	4.7	4.4	-1.1	5.4	2.8	11.1	
<b>Total Fixed Income</b>	<b>45.5</b>	<b>3.9</b>	<b>3.7</b>	<b>5.9</b>	<b>-0.6</b>	<b>-0.4</b>	<b>2.1</b>	<b>2.0</b>	<b>1.8</b>	<b>-6.7</b>	<b>0.1</b>	<b>5.2</b>	<b>2.0</b>	<b>Jul-10</b>
<i>Total Fixed Income Benchmark</i>		3.3	3.5	4.9	-0.4	-0.5	1.5	1.5	1.5	-5.4	-0.8	4.5	1.6	
JPMorgan Core Bond	7.3	6.3	3.1	5.8	-3.7	-2.9	1.4	1.6	1.9	-12.3	-1.1	8.1	1.1	Sep-17
<i>Bmbg. U.S. Aggregate Index</i>		6.8	3.4	5.5	-4.2	-3.3	1.1	1.3	1.8	-13.0	-1.5	7.5	0.9	
YSU Intermediate Term Bond	6.2	4.6	3.7	5.7	-1.4	-1.4	2.0	1.9	1.9	-8.0	-1.3	7.5	3.1	Apr-04
<i>Bmbg. Intermed. U.S. Government/Credit</i>		4.6	3.7	5.2	-1.7	-1.6	1.6	1.6	1.7	-8.2	-1.4	6.4	2.8	
Fidelity Interm Treasury Bond Index	4.5	5.7	2.5	4.1	-4.7	-4.1	0.6	0.9	1.5	-12.7	-3.0	9.1	3.3	Dec-23
<i>Bmbg. U.S. Treasury: 5-10 Year</i>		6.0	2.7	4.1	-4.6	-4.1	0.7	1.0	1.6	-12.6	-3.0	9.1	0.0	
PGIM High Yield R6	0.0	6.9	7.3	12.3	-0.3	1.9	5.4	4.7	4.8	-11.5	6.5	5.7	4.7	Jan-17
<i>Bmbg. U.S. Corp: High Yield Index</i>		7.2	7.7	13.4	0.4	2.0	5.4	4.6	4.6	-11.2	5.3	7.1	4.6	
YSU Short Term Bond	18.3	2.8	3.5	5.0	0.8	0.4	1.8	1.7	1.4	-3.3	-0.4	3.7	2.3	Apr-04
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		2.6	3.4	4.6	0.3	0.1	1.5	1.4	1.3	-3.8	-0.4	3.3	2.1	
Lord Abbett Short Duration Income I	9.2	2.6	3.6	5.4	0.3	0.6	2.1	2.1	2.1	-4.6	1.1	3.2	2.1	Apr-18
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		2.6	3.4	4.6	0.3	0.1	1.5	1.4	1.3	-3.8	-0.4	3.3	1.6	
<b>Total Cash &amp; Cash Equivalents</b>	<b>0.3</b>	<b>1.3</b>	<b>3.0</b>	<b>5.2</b>	<b>3.3</b>	<b>2.2</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>1.5</b>	<b>0.0</b>	<b>0.4</b>	<b>1.6</b>	<b>Apr-18</b>
<i>90 Day U.S. Treasury Bill</i>		1.4	2.7	5.0	3.2	2.2	1.9	1.7	1.2	1.5	0.0	0.7	1.9	
Federated Hermes Government Obligations Fund	0.3	1.3	2.5	4.8	3.0	2.0	1.6	1.5	1.0	1.4	0.0	0.3	1.6	Dec-19
<i>90 Day U.S. Treasury Bill</i>		1.4	2.7	5.0	3.2	2.2	1.9	1.7	1.2	1.5	0.0	0.7	1.8	

1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.  
 2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.  
 3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int,  
 4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.  
 5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.



## **SUPPORTING INFORMATION**

# HEADWINDS AND TAILWINDS



## TAILWINDS


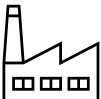

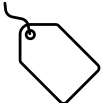


- Presidential cycle generally supportive of gains
- Corporate America working through higher rates - earnings and margins improving
- Services economy still moderately expanding
- Diversification away from “Magnificent 7” should not hinder returns
- Strong consumer – at full employment, unemployment claims near historic lows, and job growth still positive



## HEADWINDS

- Treasury supply surging; rates may move higher
- Potential drag from student loan payments resuming
- Debt building, defaults rising in riskier cohorts (corporate and consumer)
- Manufacturing still in contraction; global growth environment weak
- Fiscal policy likely to exert a modest drag on growth in 2024
- Disconnect between Fed & Market (on rate cuts) corrects in-favor of Fed

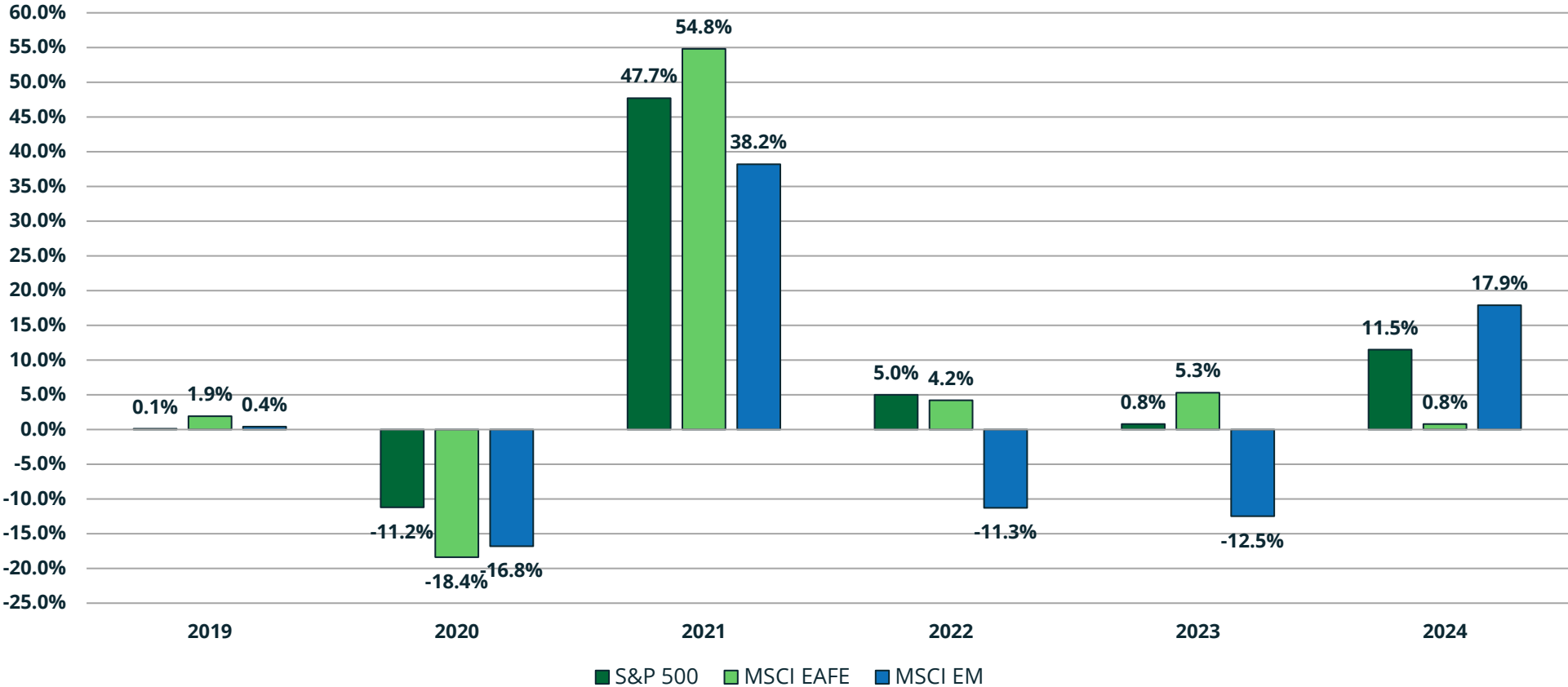
Source: Clearstead. As of 12/31/2023.

AREA	EXPECTATIONS
 <b>Labor Markets</b>	<ul style="list-style-type: none"><li>• U.S. may track to 75k-175k jobs per month</li><li>• Unemployment rate may rise but remain &lt;4.0%</li><li>• Average hourly wages rangebound between 3.5% and 4%</li></ul>
 <b>Manufacturing</b>	<ul style="list-style-type: none"><li>• Slowdown in manufacturing activity improves</li><li>• Input prices falling with select sectors outperforming (Utilities, Housing, etc.)</li></ul>
 <b>Services</b>	<ul style="list-style-type: none"><li>• Services industry remains positive</li><li>• Spending remains resilient at full employment, but tighter credit conditions pose some risks</li></ul>
 <b>Inflation</b>	<ul style="list-style-type: none"><li>• Core CPI remains elevated but falls below 4%</li><li>• Headline CPI likely to hover around 3%</li><li>• Service sector prices remain high due to elevated wage costs</li></ul>
 <b>Equity Markets</b>	<ul style="list-style-type: none"><li>• Volatility may increase; Bullish S&amp;P range ≈ 4,600 to 4,800</li><li>• Some technical support at the lower-end</li><li>• Market's assumption for no landing/soft-landing has become consensus</li></ul>
 <b>Fixed Income Markets</b>	<ul style="list-style-type: none"><li>• 10-Yr UST likely range bound between 3.5% and 4.5%</li><li>• Uncertainty around Fed policy with potential interest rate cuts in 2<sup>nd</sup> half of year</li></ul>

Source: Clearstead, as of 12/31/2023.  
Expectations for 1<sup>st</sup> quarter of calendar year 2024.



EARNINGS OUTLOOK BY YEAR

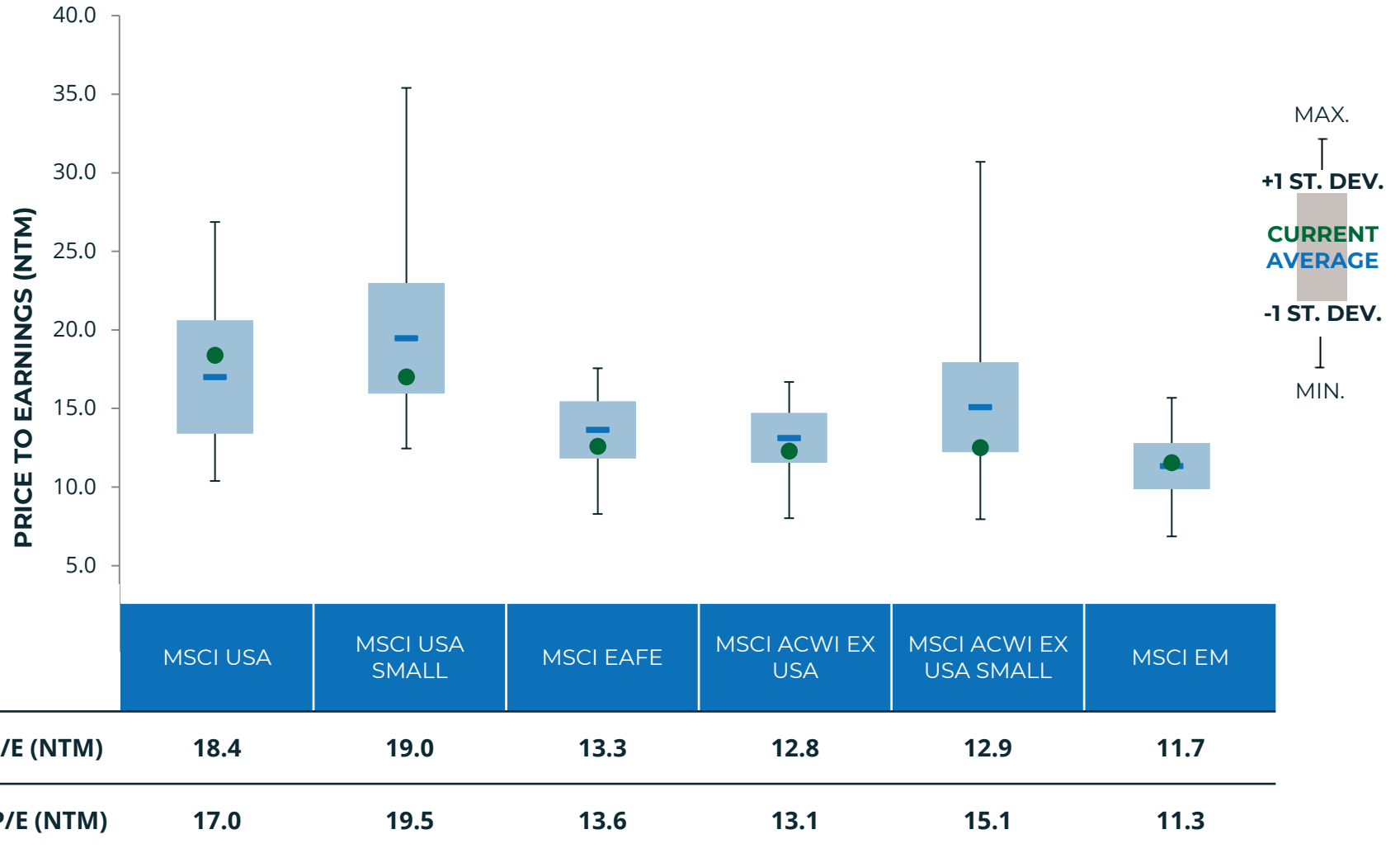


- Earnings expectations have been revised lower again as analysts downgrade their expectations
- Expectations for EM markets have eroded the most in the face of heightened energy costs, global monetary tightening, and the slowdown in the Chinese economy (CY2022 EM earnings ex Russia would be approximately -3%)

Source: Bloomberg, FactSet, Goldman Sachs.  
Data as of 12/31/2023.



# GLOBAL EQUITY VALUATIONS



Source: Bloomberg as of 12/31/2023. Average taken over full index history. MSCI USA- 1994 - Current; MSCI USA Small- 1994 - Current; MSCI EAFE- 2003 - Current; MSCI ACWI ex USA- 2003 - Current; MSCI ACWI ex USA Small- 1994 - Current; MSCI EM- 2003.

# GLOBAL HEADLINE INFLATION

	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
<b>Dev. Markets</b>																								
US	7.0	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	3.7	3.2	3.1
EU	5.0	5.1	5.9	7.5	7.5	8.1	8.6	8.9	9.1	10.0	10.7	10.0	9.2	8.5	8.5	6.9	7.0	6.1	5.5	5.3	5.3	4.3	2.9	2.4
Japan	0.8	0.5	0.9	1.2	2.5	2.5	2.4	2.6	3.0	3.0	3.7	3.8	4.0	4.3	3.3	3.2	3.5	3.2	3.3	3.3	3.2	3.0	3.3	2.8
UK	5.4	5.5	6.2	7.0	9.0	9.1	9.4	10.1	9.9	10.1	11.1	10.7	10.5	10.1	10.4	10.1	8.7	8.7	7.9	6.8	6.7	6.7	4.6	3.9
Canada	4.8	5.1	5.7	6.7	6.8	7.7	8.1	7.6	7.0	6.9	6.9	6.8	6.3	5.9	5.2	4.3	4.4	3.4	2.8	3.3	4.0	3.8	3.1	3.1
Australia	3.5	3.5	3.5	5.1	5.1	5.1	6.1	6.1	6.1	7.3	7.3	7.3	7.8	7.8	7.8	7.0	7.0	7.0	6.0	6.0	6.0	5.4	5.4	5.4
Switzerland	1.5	1.6	2.2	2.4	2.5	2.9	3.4	3.4	7.3	7.2	7.2	7.2	7.2	7.2	3.4	2.9	2.6	2.2	1.7	1.6	1.6	1.7	1.7	1.4
Norway	5.3	3.2	3.7	4.5	5.4	5.7	6.3	6.8	6.5	6.9	7.5	6.5	5.9	7.0	6.3	6.5	6.4	6.7	6.4	5.4	4.8	3.3	4.0	4.8
Sweden	3.9	3.7	4.3	6.0	6.4	7.3	8.7	8.5	8.9	10.8	10.9	11.5	12.3	11.7	12.0	10.6	10.5	9.7	9.3	9.3	7.5	6.5	6.5	5.8
<b>Asia</b>																								
China	1.5	0.9	0.9	1.5	2.1	2.1	2.5	2.7	2.5	2.8	2.1	1.6	1.8	2.1	1.0	0.7	0.1	0.2	0.0	-0.3	0.1	0.0	-0.2	-0.5
India	5.6	5.8	5.0	5.4	6.3	7.0	6.2	5.8	5.9	6.5	6.1	5.4	5.8	6.2	6.2	5.8	5.1	4.4	5.6	7.5	6.9	4.7	4.5	4.5
Indonesia	1.9	2.2	2.1	2.6	3.5	3.6	4.4	4.9	4.7	6.0	5.7	5.4	5.5	5.3	5.5	5.0	4.3	4.0	3.5	3.1	3.3	2.3	2.6	2.9
Malaysia	3.2	2.3	2.2	2.2	2.3	2.8	3.4	4.4	4.7	4.5	4.0	4.0	3.8	3.7	3.7	3.4	3.3	2.8	2.4	2.0	2.0	1.9	1.8	1.5
S Korea	3.7	3.6	3.7	4.1	4.8	5.4	6.0	6.3	5.7	5.6	5.7	5.0	5.0	5.2	4.8	4.2	3.7	3.3	2.7	2.3	3.4	3.7	3.8	3.3
Taiwan	2.6	2.8	2.3	3.3	3.4	3.4	3.6	3.4	2.7	2.8	2.7	2.4	2.7	3.1	2.4	2.4	2.4	2.0	1.8	1.9	2.5	2.9	3.1	2.9
<b>Latin America</b>																								
Brazil	10.1	10.4	10.5	11.3	12.1	11.7	11.9	10.1	8.7	7.2	6.5	5.9	5.8	5.8	5.6	4.7	4.2	3.9	3.2	4.0	4.6	5.2	4.8	4.7
Chile	7.2	7.7	7.8	9.4	10.5	11.5	12.5	13.1	14.1	13.7	12.8	13.3	12.8	12.3	11.9	11.1	9.9	8.7	7.6	6.5	5.3	5.1	5.0	4.8
Colombia	5.6	6.9	8.0	8.5	9.2	9.1	9.7	10.2	10.8	11.4	12.2	12.5	13.1	13.3	13.3	13.3	12.8	12.4	12.1	11.8	11.4	11.0	10.5	10.2
Mexico	7.4	7.1	7.3	7.5	7.7	7.7	8.0	8.2	8.7	8.7	8.4	7.8	7.8	7.9	7.6	6.9	6.3	5.8	5.1	4.8	4.6	4.5	4.3	4.3

Inflation has eased in most countries but is still above many Central Banks' inflation targets.

- Only China and Taiwan saw negligible rises in inflation; China is seeing minor deflation at present.
- The US, Canada, Mexico, and most of Europe have seen sustained declines in inflation.

Bloomberg Inflation Monitor as of 12/31/2023.

# GLOBAL GROWTH EXPECTATIONS

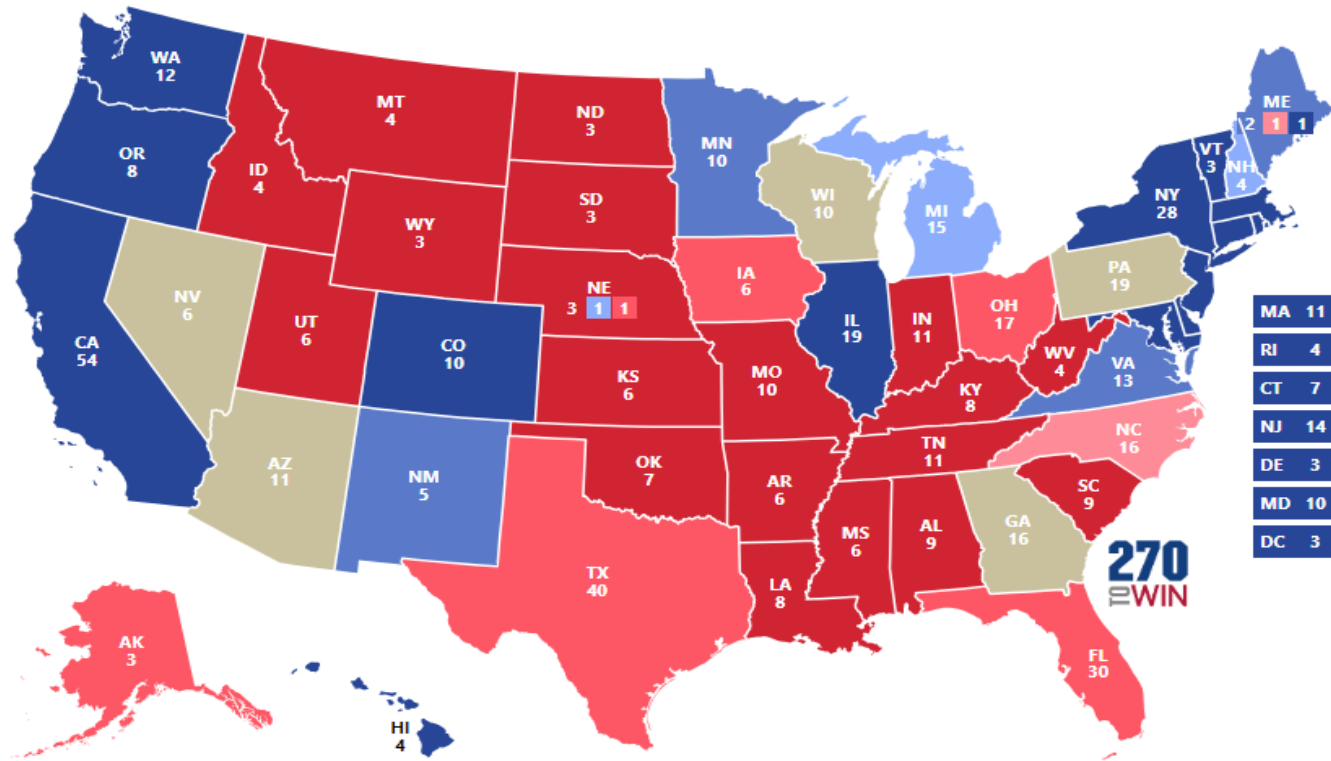
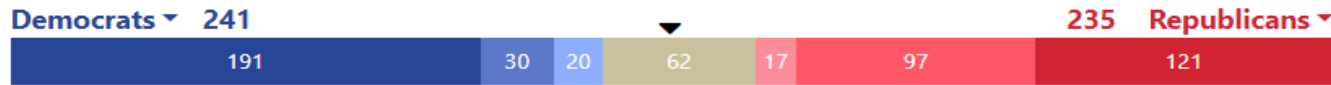
## Real GDP Growth Forecasts

	CY2023	CY2024				CY2025			
	Estimate s	IMF	OECD	Bloomberg Consensus	Goldman Sachs	IMF	OECD	Bloomberg Consensus	Goldman Sachs
<b>US</b>	<b>2.4%</b>	1.5%	1.5%	1.3%	2.3%	1.7%	1.7%	1.7%	1.9%
<b>EU*</b>	<b>0.5%</b>	1.2%	0.9%	0.5%	0.7%	1.3%	1.5%	1.4%	1.4%
<b>China</b>	<b>5.2%</b>	4.2%	4.7%	4.5%	4.8%	4.0%	4.2%	4.3%	4.2%
<b>Japan</b>	<b>1.9%</b>	1.0%	1.0%	0.8%	1.3%	0.9%	1.2%	1.0%	1.1%
<b>UK</b>	<b>0.5%</b>	0.6%	0.7%	0.3%	0.6%	0.8%	1.2%	1.2%	1.0%
<b>India</b>	<b>6.9%</b>	6.3%	6.1%	6.0%	6.2%	6.3%	6.5%	6.2%	6.5%

Source: Clearstead, Forecasts as of 12/30/2023 Bloomberg & GS; Oct-2023 IMF, Nov-2023 OECD; \*Eurozone

- Global growth is generally forecasted to be weaker in CY2024 than it was in CY2023
  - Growth projections for CY2024 are on-par or below CY2023, and still represent below-trend real growth most of the world—world real GDP growth of around ≈2.7% for CY2024.
  - Expectations for CY2025 are slightly better but still represent below-trend (pre-Pandemic) growth for most of the world.

# PRESIDENTIAL ELECTION – EARLY LOOK



Map Updated: Dec. 20, 2023 at 00:04 UTC (Dec. 19, 7:04 PM EST)

## Toss-Up States

- Pennsylvania - 19 votes
- Georgia - 16 votes
- Arizona - 11 votes
- Wisconsin - 10 votes
- Nevada - 6 votes

- Only about five states too close to call at this point; but the race may tighten in select states after Primary season concludes.
  - Barring any health issues—a Trump-Biden matchup will be set by mid-March.

Source: Clearstead, 538.Com  
Data as of 12/31/2023.

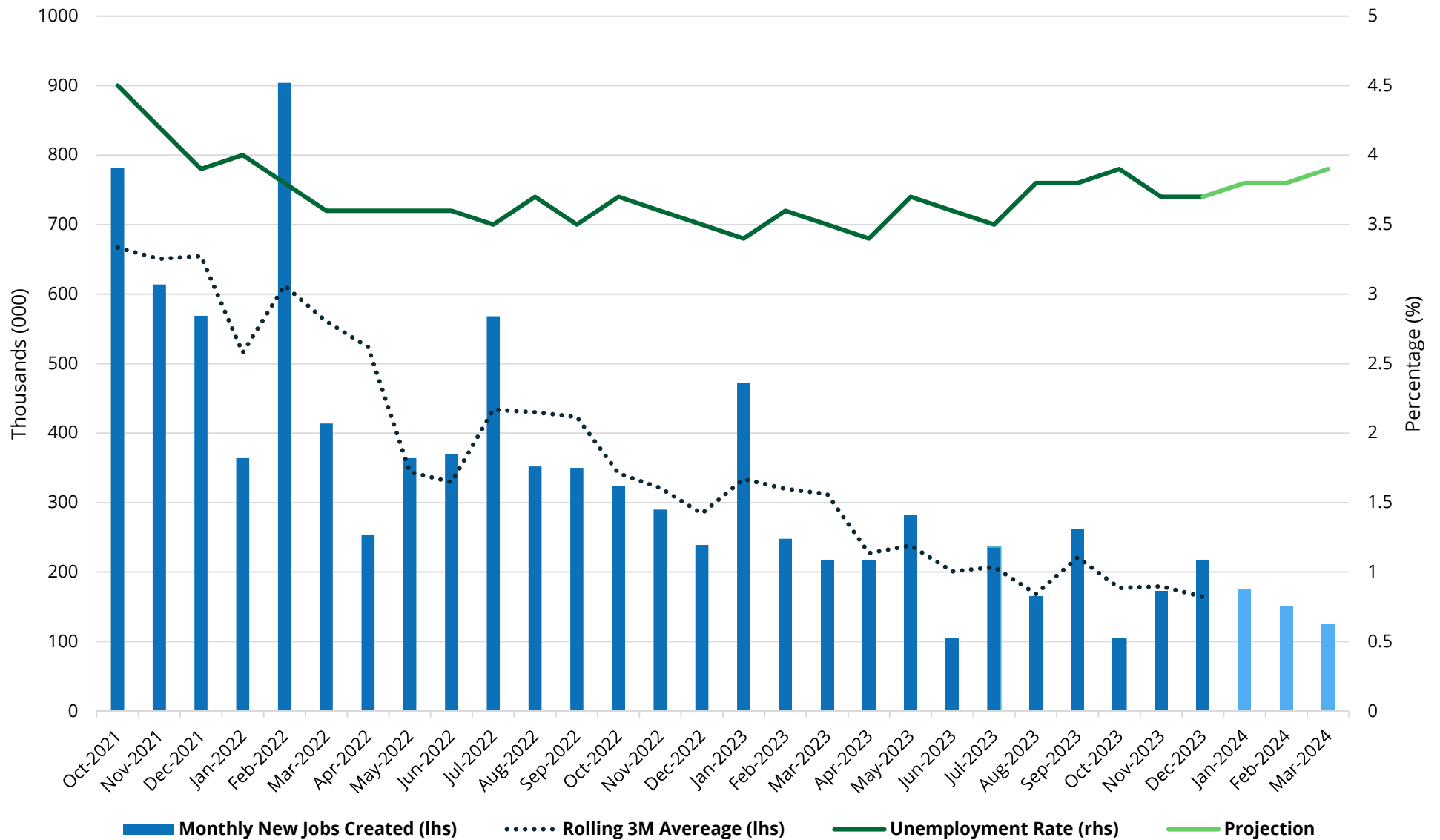
# GLOBAL ECONOMY

		Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	12M Trend
Global	Mfg	49.1	49.9	49.6	49.6	49.5	48.7	48.6	49.0	49.2	48.8	49.3	49.0	
	Serv	50.1	52.6	54.4	55.4	55.5	53.9	52.6	51.0	50.7	50.4	50.6	51.6	
US	Mfg	46.9	47.3	49.2	50.2	48.4	46.3	49.0	47.9	49.8	50.0	49.4	48.2	
	Serv	46.8	50.6	52.6	53.6	54.9	54.4	52.3	50.5	50.1	50.6	50.8	51.3	
Eurozone	Mfg	48.8	48.5	47.3	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.2	
	Serv	50.8	52.7	55.0	56.2	55.1	52.0	50.9	47.9	48.7	47.8	48.7	48.1	
UK	Mfg	47.0	49.3	47.9	47.8	47.1	46.5	45.3	43.0	44.3	44.8	47.2	46.4	
	Serv	48.7	53.5	52.9	55.9	55.2	53.7	51.5	49.5	49.3	49.5	50.9	52.7	
Japan	Mfg	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.7	
	Serv	52.3	54.0	55.0	55.4	55.9	54.0	53.8	54.3	53.8	51.6	50.8	52.0	
China	Mfg	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	
	Serv	52.9	55.0	57.8	56.4	57.1	53.9	54.1	51.8	50.2	50.4	51.5	52.9	
India	Mfg	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	
	Serv	57.2	59.4	57.8	62.0	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	
S. Korea	Mfg	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	

- Global manufacturing and service PMIs have converged many major economies in Q4 close to neutral.
  - Manufacturing and services PMIs are still signaling stagnation economic activity
    - Global services PMIs are mildly positive in select economies (US, Japan, and China);
- Whereas global manufacturing PMIs are consistent with a mild contraction in the manufacturing sector and slowing global trade.
- India in the one country whose PMIs show universal strength.

Source: Bloomberg, Markit/HIS.  
Data as of 12/31/2023.

# LABOR MARKET



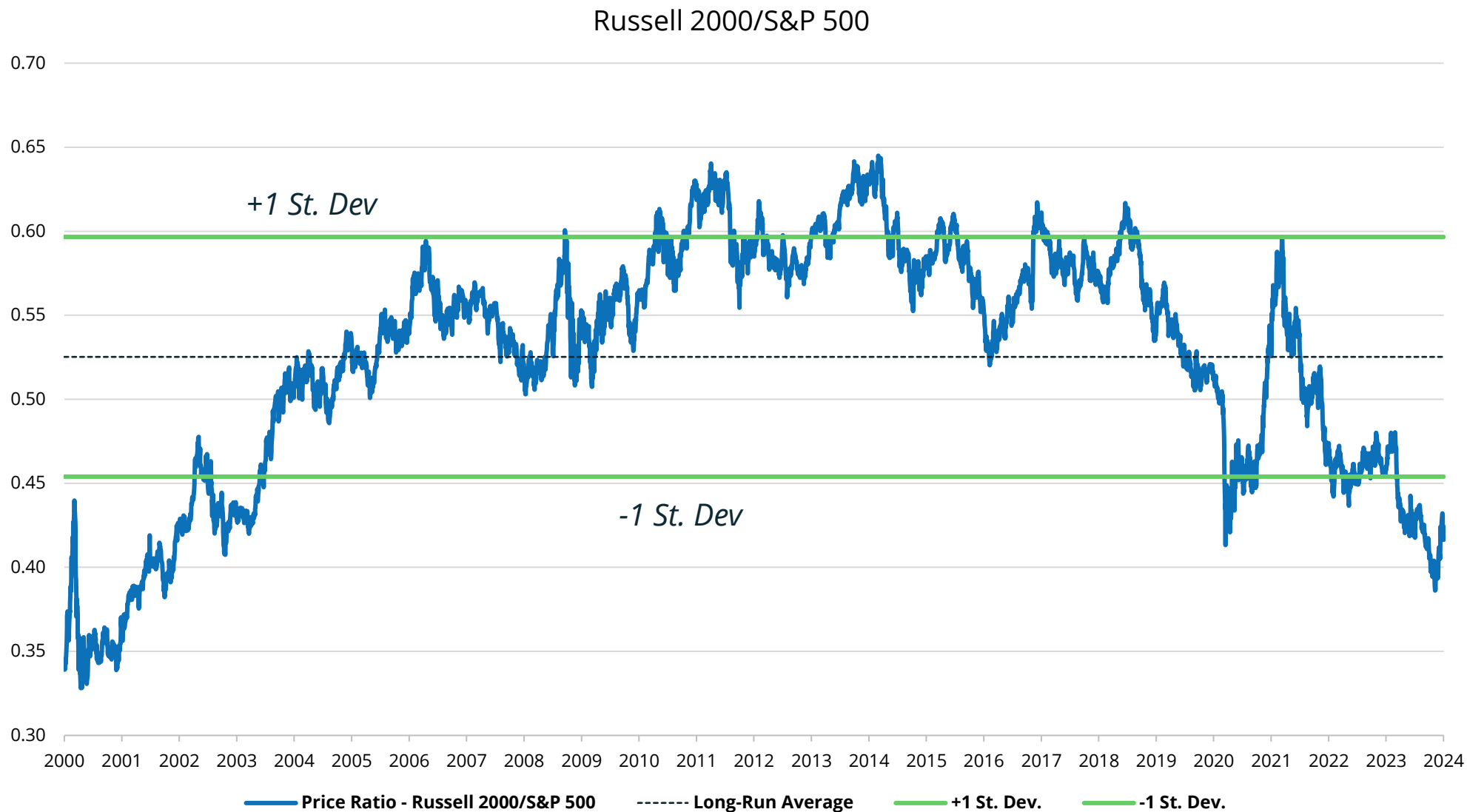
Source: Clearstead; Bloomberg LP - 1/5/2024. Projection assumes approximate decline of 25,000 jobs/month.

# GEOPOLITICAL RISKS

Geo-Politics	Global Significance	Asset Class Impact
<b>Russia-Ukraine War</b>	The conflict is likely to grind-on all of 2024 as neither side looks ready for serious peace-talks unless battlefield gains/losses surge.	Commodity price volatility—oil, gas, grains, and select metals.
<b>Israel-Gaza Conflict</b>	While the conflict in Gaza may wind down over the course of H1-2024, the aftermath has left the world & Middle East on edge.	Energy price volatility; increased shipping costs to Europe; delayed/disrupted supply chains.
<b>China-Taiwan Tensions</b>	The future political status of Taiwan is a constant source of tension in East Asia. China views nearly all foreign policy matters through the lens of Taiwan.	Negative sentiment towards Chinese risk assets (equities, debt, and real estate) and FDI into China.
<b>Near-Shoring/Friend-Shoring</b>	More and more companies are shifting from a philosophy of “just in time” to “just in case” in terms their supply chains	Inflationary development overall; favors select economies— Industrials in Mexico, India, Vietnam & Thailand.
<b>US Debt Levels</b>	US spending more on monthly interest payments than on its monthly defense budget; net public debt at 100% of GDP and rising.	Volatility in US Fixed Income; higher rates on the margin
<b>Global Elections</b>	Over 2 billion votes cast in half-dozen major economies	Varies – see global election detail



# SMALL CAPS ATTRACTIVE

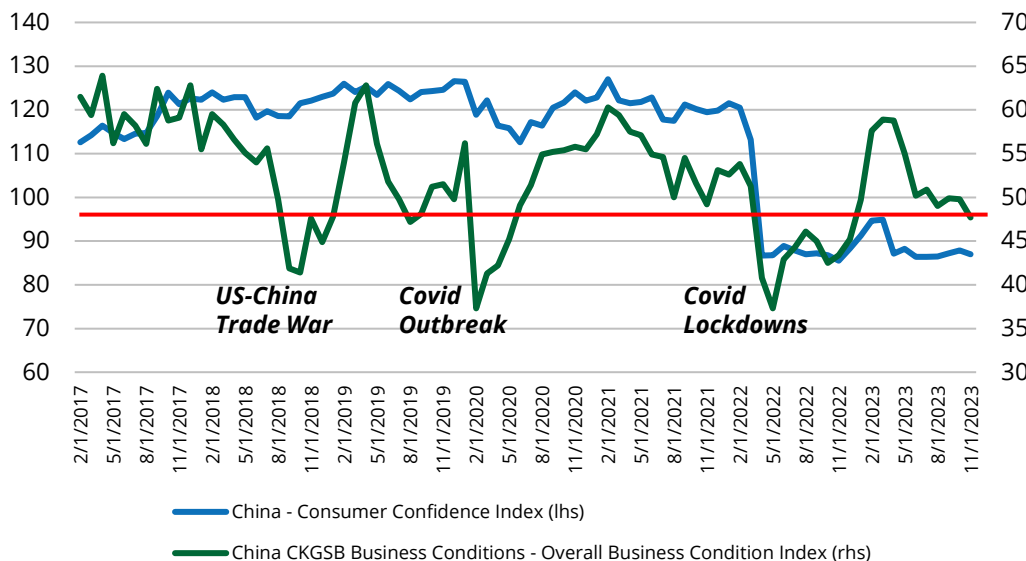


Source: Source: Clearstead Bloomberg 1/5/2024. Past performance is not an indicator of future results.

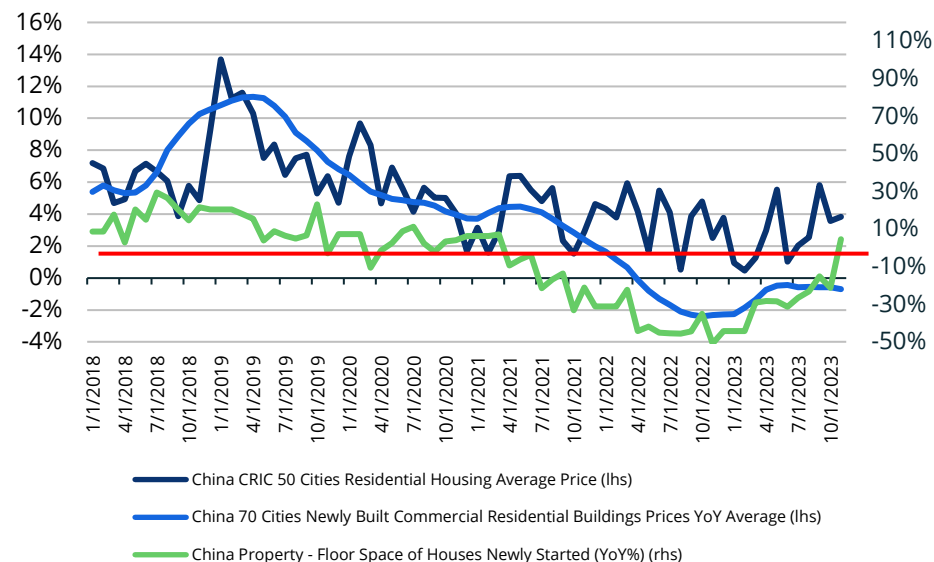


# CHINA: EQUITIES, HOUSING, SENTIMENT REMAIN DEPRESSED

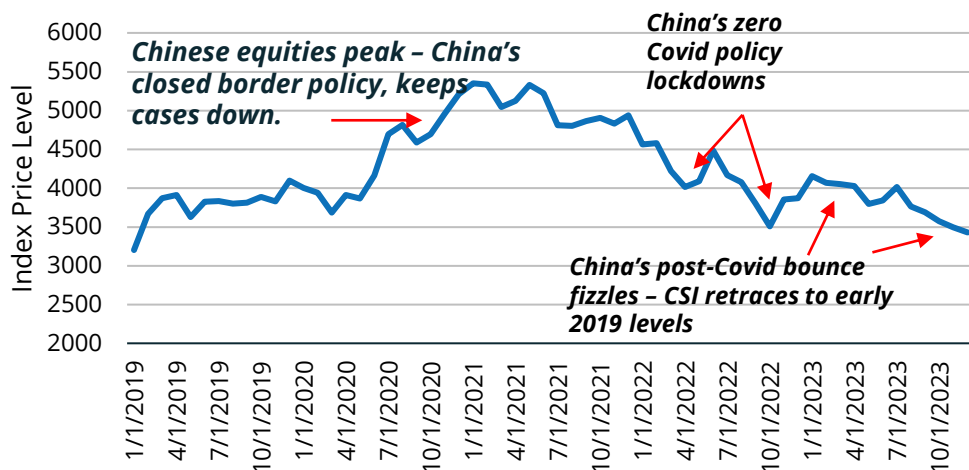
### Chinese Consumer Sentiment & Business Outlook



### Housing Market Doldrums



### CSI 300 Index



- China is **gripped with a crisis of confidence**—stemming from structural weaknesses in its property sector—which is **holding back domestic investors and consumers**.
  - Few signs of a turnaround in sentiment.
  - FDI was negative in 2023 for the first time in 25 years.
- China is in the midst of a **multi-year deleveraging cycle**—for both households and businesses.

Source: Clearstead, Bloomberg 12/30/2023  
Past performance is not an indicator of future results



## **DEFINITIONS & DISCLOSURES**

# DEFINITIONS & DISCLOSURES

Information provided is general in nature, is provided for informational purposes only, and should not be construed as investment advice. Any views expressed are based upon the data available at the time the information was produced and are subject to change at any time based on market or other conditions. Clearstead disclaims any liability for any direct or incidental loss incurred by applying any of the information in this presentation. All investment decisions must be evaluated as to whether it is consistent with their investment objectives, risk tolerance, and financial situation.

Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss. All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index.

Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.

Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax advantaged accounts such as IRAs and 401(k)s.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.

## Index Definitions:

The **S&P 500 Index** is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The **S&P 400 Index** is an unmanaged index considered representative of mid-sized U.S. companies. The **S&P 600 Index** is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.

The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large-capitalization growth stocks and large-capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization growth stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization growth stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.

The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501<sup>st</sup> rank.

The **MSCI EAFE (Europe, Australasia, Far East) Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Index** is designed to measure global emerging market equity performance. The **MSCI World Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Europe Index** is an unmanaged index considered representative of developed European countries. The **MSCI Japan Index** is an unmanaged index considered representative of stocks of Japan. The **MSCI Pacific ex Japan Index** is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.

The **U.S. 10-Year Treasury Yield** is generally considered to be a barometer for long-term interest rates.

The **Merrill Lynch 91-day T-bill Index** includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.

The **Barclays Capital (BC) U.S. Treasury Index** is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC MBS Index** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FLHMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The **BC TIPS Index** is an unmanaged index made up of U.S. Treasury Inflation Linked Index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, autos, home equity loans, stranded-cost utility (rate-reduction) bonds, and manufactured housing. The **BC Global Aggregate Index** is composed of three sub-indices: the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of investment grade fixed rate debt on a global scale. The **BC U.S. Corporate Long Aa Index** is an unmanaged index representing public obligations of U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC ABS Index** is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. The **BC Quality Distribution AAA, B, and CC-D indices** measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The **BC Universal Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurostoxx Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC Long-term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate-term investment grade bonds. The **BC Intermediate 1-3 Year Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bank of America ML U.S. High Yield Index** tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million.

The **HFRF Funds of Funds Index (HFRF FOFI)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD.

The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years.

The **FTSE NAREIT All REITs Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List.

The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The **Cambridge PE Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports.

The **University of Michigan Consumer Sentiment Index** is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964.

**VIX** - The CBOE Volatility Index (VIX) is based on the price of eight S&P 500 index put and call options.

**Gold** - represented by the dollar spot price of one troy ounce

**WTI Crude** - West Texas Intermediate is a grade of crude oil used as a benchmark in oil pricing.

The **Affordability Index** measures of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income.

The **Homeownership %** is computed by dividing the number of owner-occupied housing units by the number of occupied housing units or households.

**HFRF Emerging Markets: Asia ex-Japan, Global Index, Latin America Index, Russia/Eastern Europe Index.** The constituents of the HFRF Emerging Markets Indices are selected according to their Regional Investment Focus only. There is no Investment Strategy criteria for inclusion in these indices. Funds classified as Emerging Markets have a regional investment focus in one of the following geographic areas: Asia ex-Japan, Russia/Eastern Europe, Latin America, Africa or the Middle East. **HFRF EH: Energy/Basic Materials** strategies which employ investment processes designed to identify opportunities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist. **HFRF EH: Equity Market Neutral** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRF EH: Quantitative Directional** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRF EH: Short-Biased** strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. **HFRF EH: Technology/Healthcare** strategies employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist in identifying opportunities in companies engaged in all development, production and application of technology, biotechnology and as related to production of pharmaceuticals and healthcare industry.

**HFRF ED: Distressed Restructuring** strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

**HFRF ED: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. **HFRF ED: Private Issue/Regulation D** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are primarily private and illiquid in nature. **HFRF Macro: Systematic Diversified** strategies have investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. **HFRF RV: Fixed Income - Asset Backed** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed income instrument backed physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. **HFRF RV: Fixed Income - Convertible Arbitrage** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. **HFRF RV: Multi-Strategies** employ an investment thesis is predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. **HFRF RV: Yield Alternatives Index** strategies employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Unless otherwise noted, the CPI figure is as of the date this report is created.

The **Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market.

The **Dow Jones US Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

The **S&P 500 Value Index**, **Index S&P 500 Growth Index** and **S&P 500 Growth Index** are a broad-based market indices that measure the performance of large-capitalization value companies, large-capitalization growth companies, and large-capitalization growth companies, respectively. The **S&P 400 MidCap Value Index**, **S&P 400 MidCap Index** and **S&P 400 MidCap Growth Index** are indices that measure the performance of mid-sized value companies, mid-sized companies and mid-sized growth companies, respectively. The **S&P 600 SmallCap Index** and **S&P 600 SmallCap Growth Index** are indices that measure the performance of small-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "SMID" cap. The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large-capitalization growth stocks and large capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization growth stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization growth stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "SMID" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization. The **Russell Microcap Index** measures the performance of the microcap segment of the U.S. equity market. The **Russell Top 200 Value Index** measures the performance of the especially large cap segment of the U.S. equity universe represented by stocks in the largest 200 by market cap that exhibit value characteristics. The **Russell Developed ex-US Large Cap Index** measures the performance of the largest investable securities in developed countries globally, excluding companies assigned to the United States.

# DEFINITIONS & DISCLOSURES

The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank. The **Wilshire 4500 Index** is comprised of all stocks in the Wilshire 5000 minus the stocks in the S&P 500. The **Wilshire Real Estate Securities Index (RESI)** is comprised of publicly traded real estate equity securities.

All MSCI indices are gross, defined as With Gross Dividends; Gross total return indices reinvest as much as possible of a company's dividend distributions. The reinvested amount is equal to the total dividend amount distributed to persons residing in the country of the dividend-paying company. Gross total return indices do not, however, include any tax credits. The **MSCI EAFE (Europe, Australasia, Far East) Gross Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Gross Index** is designed to measure global emerging market equity performance. The **MSCI World Gross Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Gross Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Europe Gross Index** is an unmanaged index considered representative of developed European countries. The **MSCI Japan Gross Index** is an unmanaged index considered representative of stocks of Japan. The **MSCI Pacific ex. Japan Gross Index** is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan. The **MSCI AC (All Country) Asia ex Japan Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The **MSCI ACWI Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding U.S. The **MSCI ACWI ex US Small Cap Growth Gross Index** is a market capitalization weighted total return index measured in U.S. dollars based on share prices and reinvested net dividends that is designed to measure the equity market performance of the small cap growth segments of developed and emerging markets, excluding the U.S. The **MSCI Canada Gross Index** is designed to measure the performance of the large and midcap segments of the Canada market. The **MSCI EAFE Small Cap Gross Index** measures the performance of small cap stocks in European, Australasian, and Far Eastern markets. The **MSCI EAFE Value Gross Index** is a market capitalization-weighted index that monitors the performance of value stocks from Europe, Australasia, and the Far East. The **MSCI EM Latin America Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI Pacific Free ex Japan Gross Index** measures the performance of the Australian, Hong Kong, New Zealand, and Singapore equity markets. The **MSCI World Small Cap Gross Index** is designed to measure the equity market performance of the small cap segment of developed markets. The **MSCI US Small Cap 1750 Gross Index** represents the universe of small capitalization companies in the US equity market. The **MSCI US Mid Cap 450 Index** represents the universe of medium capitalization companies in the US equity market. The **MSCI US Prime Market 750 Index** represents the growth companies of the MSCI US Prime Market 750 Index.

The **Barclays Capital® (BC) U.S. Treasury Index** is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC CMBS Index** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The **BC US TIPS Index** is an unmanaged market index made up of U.S. Treasury Inflation Linked Index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, auto, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. The **BC Global Aggregate Index** is composed of three sub-indices: the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of investment grade fixed rate debt on a global scale. The **BC US Corporate Long Aa Index** is an unmanaged index representing public obligations of U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of US-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC Emerging Market Bond Index** is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. The **BC Quality Distribution AAA, B, and CC-D Indices** measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The **BC Universal Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC 1-5 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to five years. The **BC Long-term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate-term investment grade bonds. The **BC Intermediate 1-3 Year Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years. The **BC U.S. 1-3 Year Government Bond Index** is composed of treasury bond and agency bond and agency bond indices that have maturities of one to five years. The **BC 1-3 Year US Treasury Index** measures the performance of U.S. Treasury securities that have a maturity between 1 to 3 years. The **BC Government Credit Index** measures the performance of U.S. Government and corporate bonds rated investment grade or better, with maturities of at least one year.

The **BC High Yield Index** covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included. The **BC Intermediate Government Index** measures the performance of intermediate U.S. government securities. The **BC Intermediate Government/Credit Bond Index** measures the performance of intermediate term U.S. government and corporate bonds. The **BC U.S. Long Term Corporate Index** measures the performance of investment-grade, fixed-rate, taxable securities issued by industrial, utility, and financial companies, with maturities greater than 10 years. The **BC Global Credit Hedged USD Index** contains investment grade and high yield credit securities from the Multiverse represented in US Dollars on a hedged basis. The **BC Long A+ U.S. Credit Index** measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a maturity of greater than 10 years. The **BC U.S. Gov/Credit 5-10 Year Index** includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued.

The **Cambridge U.S. Private Equity Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports. Please Note: the performance of this index lags by 1 quarter.

The **Bank of America (BoFA) Merrill Lynch (ML) 91-day-till bill Index** includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months. The **BoFA ML U.S. High Yield Master Index & Bank of America ML U.S. High Yield Master II Indices** track the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million. The **BoFA ML All US Convertibles Index** consists of convertible bonds traded in the U.S. dollar denominated investment grade and non investment grade convertible securities sold into the U.S. market and publicly traded in the United States. The **BoFA ML US Corp & Govt 1-3 Yrs Index** tracks the performance of U.S. dollar-denominated investment grade government and corporate public debt issued in the U.S. domestic bond market with at least 1 yr and less than 3 yrs remaining to maturity, including U.S. Treasury, U.S. agency, foreign government, supranational and corporate securities. The **BoFA ML U.S. High-Yield BB-B Constrained Index** is a modified market capitalization-weighted index of U.S. dollar-denominated, below-investment-grade corporate debt publicly issued in the U.S. domestic market. The **BoFA Merrill Lynch US Year Treasury 1-3 Year Index** tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years. The **BoFA ML CMBS Fixed Rate AAA Index** is a subset of the BoFA ML U.S. Fixed Rate CMBS Index including all securities rated AAA. The **BoFA ML U.S. Fixed Rate CMBS Index** tracks the performance of U.S. dollar-denominated investment-grade fixed rate commercial mortgage-backed securities publicly issued in the U.S. domestic market. The **BoFA ML U.S. Dollar 3-Month LIBOR Index** represents the London interbank offered rate (LIBOR) with a constant 3-month average maturity.

The **Citi Select MLP Index** is a USD denominated, price return index, comprised of the common units of up to 30 of the most liquid market limited partnerships in the Energy Sector. The **Citigroup World Government Bond Index (WGBI) 1-5 Year Hedged USD Index** is a comprehensive measure of the total return performance of the government bond markets of approximately 22 countries with maturities ranging from one to five years. The **Citigroup WGBI Index** is a market capitalization weighted bond index consisting of the government bond markets of the multiple countries. The **Citigroup WGBI ex US Index** is a market capitalization weighted bond index consisting of the government bond markets of the multiple countries, excluding the U.S. The **Citigroup 3-Month U.S. Treasury Bill Index** performance is an average of the last 3-Month Treasury Bill issues.

The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years. Please Note: the performance of this index lags by 1 quarter. The **NCREIF Timberland Index** is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only.

The **Ibbotson Intermediate Government Bond Index** is measured using a one-bond portfolio with a maturity near 5 years. The **JPMorgan Emerging Markets Bond Index (EMBI+)** Index tracks total returns for traded external debt instruments (external meaning foreign currency denominated fixed income) in the emerging markets. The **JPMorgan GBI Global ex-US Index** represents the total return performance of major non-U.S. bond markets.

The **HFRI Funds of Funds (HFRI FOF)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD. **HFRI Relative Value Index** tracks investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between relationship securities, as opposed to the outcome of the corporate transaction. **HFRI Funds of Funds Conservative Index** is an equal-weighted index representing funds or funds that invest with multiple managers focused on consistent performance and lower volatility via absolute strategies. **HFRI ED: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

The **FTSE All-World ex US Index** comprises large and midcap stocks providing coverage of developed and emerging markets, excluding the U.S. The **FTSE NAREIT Developed Index** is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia. The **FTSE NAREIT Developed ex US Index** is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia, excluding the U.S. The **FTSE High Dividend Yield Index** includes stocks that are characterized by higher than average dividend yields, and is based on the US component of the FTSE Global Equity Index Series (GEIS). The **FTSE NAREIT All REITs Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List. The **FTSE NAREIT Equity REIT Index** is an unmanaged index reflecting performance of the U.S. real estate investment trust market.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Please Note: the performance of this index lags by 1 month.

The **Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market. The **Dow Jones (DJ) UBS Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity. The **DJ U.S. Total Stock Market Index** is an all-inclusive measure composed of all U.S. equity securities with readily available prices. The **DJ U.S. Completion Total Stock Market Index** is a subset of the DJ U.S. Total Stock Market Index that excludes components of the S&P 500. The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The **Dow Jones Target Date (Today, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055) Indices** were created to benchmark portfolios of stocks, bonds and cash. Each index is made up of composite indices representing these three asset classes. The asset class indices are weighted differently within each target date index depending on the time horizon. Each month, the allocations among the asset class indices are rebalanced to reflect an increasingly conservative asset mix.

The **Morningstar Lifetime Allocation Index** series consists of 13 Indices (Income, 2000, 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055) available in three risk profiles: aggressive, moderate, and conservative. The indexes are built on asset allocation methodologies developed by Ibbotson Associates, a leader in asset allocation research and a Morningstar company since 2006. The Indexes provide pure asset-class exposure to global equities, global fixed-income, commodities, and Treasury Inflation-Protected Securities (TIPS) by using existing Morningstar indexes as allocation building blocks. The portfolio allocations are held in proportions appropriate to the U.S. investor's number of years until retirement. The Conservative, Moderate and Aggressive risk profiles are for investors who are comfortable with below-average exposure to equity market volatility, investors who are comfortable with average exposure to equity market volatility and well-funded investors who are comfortable with above average exposure to equity market volatility, respectively.

These reports are not to be construed as an offer or the solicitation of an offer to buy or sell securities mentioned herein. Information contained in these reports are based on sources and data believed reliable. The information used to construct these reports was received via a variety of sources. These reports are for informational purposes only and are not intended to satisfy any compliance or regulatory conditions set forth by any governing body of the securities industry. These reports do not take the place of any brokerage statements, any fund company statements, or tax forms. You are urged to compare this report with the statement you receive from your custodian covering the same period. Differences in positions may occur due to reporting dates used and whether certain assets are not maintained by your custodian. There may also be differences in the investment values shown due to the use of differing valuation sources and methods. Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss. This evaluation report has been prepared for the exclusive use of a specific client and no part of it may be used by any investment manager without permission of that client and Clearstead.

Evaluation of investment managers covers both quantitative and qualitative aspects. In addition to the investment performance evaluation, we monitor ownership structure, track key-employee information, and hold regular meetings with each investment management organization employed by our clients.

The data presented in this report have been calculated on a time-weighted rate of return basis. All returns are net of investment advisory fees, but gross of Clearstead advisory fees and custodian fees, unless otherwise labeled. The deduction of Clearstead advisory fees and custodian fees would have the effect of decreasing the indicated investment performance.

The performance data shown represent past performance. Past performance is not indicative of future results. Current performance data may be lower or higher than the performance data presented.

Returns for periods longer than one year are annualized. Each number is independently rounded.

A current copy of Hartland & Co.'s ADV-Part 2 is available to all clients upon request.