FORWARD-LOOKING RETURNS

10-Year Market Forecasts

Category	Asset Class	2023	2022	Y/Y Change
Fixed Income	Cash[1]	3.8%	0.1%	3.7%
	Short-Term Bonds	4.3%	0.6%	3.7%
	U.S. Bonds	5.0%	1.7%	3.3%
	TIPS	4.6%	1.3%	3.3%
	Dynamic Bonds[2]	5.6%	2.0%	3.6%
	Long-Term Bonds	5.3%	2.5%	2.8%
	Corp High Yield Bonds	7.1%	3.7%	3.4%
	Global Bonds	5.1%	1.4%	3.6%
	Foreign Developed Bonds	4.0%	1.2%	2.8%
	Emerging Markets Bonds	6.2%	2.6%	3.6%
	Muni Bond[3]	5.8%	1.2%	4.6%
	Muni High Yield[3]	9.9%	4.9%	5.1%
Global Equity	U.S. All Cap	6.7%	5.9%	0.9%
	U.S. Large Cap	6.7%	5.9%	0.8%
	U.S. Mid Cap	6.7%	5.7%	1.0%
	U.S. Small Cap	6.5%	6.1%	0.4%
	Global Equities	8.1%	7.2%	0.9%
	Intl Developed Equity	8.9%	7.7%	1.2%
	Emerging Markets	10.8%	9.6%	1.2%
Real Assets & Alternatives	Broad Real Assets[4]	6.8%	4.7%	2.1%
	Real Estate	6.4%	5.4%	1.0%
	Private Real Estate	7.4%	6.4%	1.0%
	Global Infrastructure	6.6%	7.1%	-0.5%
	Commodity Futures	6.7%	3.3%	3.4%
	Marketable Alts	8.1%	5.9%	2.2%
	Liquid Alternatives	6.6%	4.4%	2.2%
	Private Equity	9.7%	8.9%	0.9%

Fixed Income: The 2022 pull back in fixed income was painful, but it has also sowed the seeds for opportunity going forward. Yields across many fixed income sectors are multiple times higher from year-end 2021 producing greater opportunity for meaningfully higher returns in the years to come. Additionally, the diversifying principles of fixed income with recharged yields makes owning fixed income and duration more compelling than it was in 2022 and doing so may add to portfolio resiliency going forward.

Global Equity: Our global equity outlook has improved, bolstered by more attractive valuations. U.S. valuations are near averages relative to history while international and emerging markets remain more attractive, but with elevated risks.

Real Assets & Alternatives: A continued bid for inflationary assets and more attractive valuations across some subsets of assets contributed to higher forecasts.

The opportunity set for marketable alternatives rose with more attractive valuations in both global equities and fixed income.

1) 3-month forecast 2) Dynamic bonds are a blend of 33% Cash, 33% Corp HY, and 34% Global Bonds. 3) Tax Equivalent yield based on highest marginal Federal tax rate (37%). 4) Broad Real Assets is 20% REITS, 20% Global Infrastructure, 20% Commodities, 20% US Bonds, 15% Corp High Yield, 5% TIPS.

With markets having cheapened significantly in 2022, our go-forward capital market forecasts (which drive our portfolio decisions) increased across all asset classes, most materially in fixed income given the dramatic increase in yields over 2022.

Source: Fiducient Advisors Capital Market Assumptions. Market and economic data including, but not limited to valuations, fixed income yields and inflation are used to derive forecasts. Outputs and opinions are as of the date referenced and are subject to change. Information is intended for general information purposes only and does not represent any specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

There is no guarantee that any of these expectations will become actual results. For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary information at the end of this paper for summary of indices used to represent each asset class.

PORTFOLIO ALLOCATIONS

2023 Allocation Updates

Fixed Income		Y / Y Change	Context
	U.S. Bonds	▲▲	A ~200% year-over-year increase in yields following the most aggressive rate hikes since the 70's coupled with greater potential for volatility across markets makes high-quality fixed income materially more compelling
	TIPS	▲	Materially higher real rates, the risk of longer-lasting inflation and seemingly complacent long-term inflation expectations created opportunity to add an inflation linked, high quality position within fixed income
	Dynamic Bonds	▼▼	Dynamic has outperformed core fixed income materially in 2022 as was the hope after increasing the position. Repositioning part of those assets back into attractive areas while still maintaining an material allocation to the space
	High Yield Bonds	▲	Higher yields, stronger fundamentals than in recent past, and a positive technical backdrop have lead to an increased allocation
	Global Bonds	▼	The outlook for global bonds has materially improved, but on a risk-adjusted basis slightly less than U.S. Therefore, we're modestly reducing the position.
	Muni Bond	▲▲	A ~400% year-over-year increase in yields following the most aggressive rate hikes since the 70's coupled with greater potential for volatility across markets makes high-quality fixed income materially more compelling
	Muni High Yield	- -	Yields have materially improved, but the duration profile has increased by ~65% adding to the potential volatility of the position. Allocation remains unchanged year-over-year

PORTFOLIO ALLOCATIONS

Global Equity	U.S. Large Cap		U.S. Valuations are more attractive than 2022, but remain near historic averages and above other comparable risk assets leading to an overall reduction in allocation
	U.S. Mid/Small Cap		Near all-time absolute valuation lows, all-time lows relative to large cap, and a tendency to rebound faster than large caps after market bottoms leads to a larger allocation
	Int'l Developed Equity	- -	While valuations would compel us to increase our overweight to non-U.S. equity, we are holding our allocation flat based on the potential for exogenous events outside of the United States. Non-U.S. equity remains attractive and an overweight within portfolios, but risk management compels us to temper how far to extend that view
	Emerging Markets	- -	
Real Assets & Alternatives	Real Estate	- -	In anticipation of persistent inflation we increased real asset allocations in 2022. We plan to keep these allocations with modest rebalancing among underlying components from broad real assets to real estate given the larger relative pullback in REITS in 2022 compared to broad real assets
	Broad Real Assets	- -	

PORTFOLIO IMPACT

Traditional Fixed Income

Resiliency, risk management and humility all come to mind as important components of allocations. As a result, our 2023 allocations include **increased exposure to high-quality and intermediate-duration U.S. fixed income**. While fixed income has lacked its historical diversification benefits in 2022, we believe with recharged higher yields and greater volatility in equity markets, fixed income may retake its historical position of diversifying equity exposure.

Real Assets

The good news/bad news of inflation moderating, but not immediately, highlights our points above regarding resiliency. The path is unlikely to be smooth, but seemingly in the right direction. We increased our real asset allocations coming into 2022 and we plan to maintain that increased position in light of inflation remaining above the Fed's 2% target.

Inflation Protected Bonds

We are adding Treasury Inflation Protected Securities (TIPS), a financial asset that acts a lot like a real asset. The market is hyper focused on short-term inflation but is seemingly complacent about long-term inflation, leaving room for opportunity in the middle. Such an allocation to high-quality inflation-linked bonds adds quality to the portfolio and potential upside if long-term inflation assumptions are too sanguine.

U.S. Small Cap

We have no ability, or need, to precisely call the market bottom. However, as we look forward, we believe it prudent to prepare for a potential market rebound. As such, we are increasing our weighting to U.S. small cap stocks and high yield bonds, recognizing they have historically led over large cap and investment grade bonds respectively in rebounds.

International Equities

A less hawkish Fed following a market bottom may moderate U.S. dollar strength and prove to be a tailwind for non-U.S. equity. Therefore, **we are maintaining our overweight to non-U.S. equity.**

While valuations would compel us to increase our overweight to non-U.S. equity, we are holding our year-over-year allocation flat based on the greater potential for exogenous events outside of the United States. Non-U.S. equity remains attractive and an overweight within portfolios, but risk management compels us to temper that view.

Final Thoughts

2022 was the reset button for many markets. Exiting zero-bound interest rate policies, moderating inflation and repricing global fixed income and equity have all helped sow the seeds for a brighter outlook in 2023 and beyond. While we anticipate volatile asset prices will persist in the years to come, leaning into newly created opportunities may prove to be the right decision over the long-term.

DISCLOSURES

Indices used to generate historical risk and return metrics	Most Recent Index	Index Dates	Linked Index 1	Index Dates	Linked Index 2	Index Dates	Linked Index 2	Index Dates
Cash	FTSE Treasury Bill 3 Mon USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
ST Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
TIPS	Bloomberg US Treasury US TIPS TR USD	11/21 - 3/97	Bloomberg US Agg Bond TR USD	2/97 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni Bond	Bloomberg Municipal 5 Yr 4-6 TR USD	11/21 - 1/88	Bloomberg US Agg Bond TR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni High Yield	Bloomberg HY Muni TR USD	11/21 - 11/95	Bloomberg Municipal 5 Yr 4-6 TR USD	10/95 - 1/88	Bloomberg US Agg Bond TR USD	12/87 - 1/79	N.A.	N.A. - N.A.
US Bond	Bloomberg US Agg Bond TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Bonds - Dynamic	*Custom Blend of Indices	11/21 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
For. Dev. Bond	[illegible]	11/21 - 1/85	Bloomberg US Agg Bond TR USD	12/84 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
HY Bond	Bloomberg US Corporate High Yield TR USD	11/21 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
EM Bond	JPM GBI-EM Global Diversified TR USD	11/21 - 1/03	JPM EMBI Global Diversified TR USD	12/02 - 1/94	Bloomberg US Corporate High Yield TR USD	12/93 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79
Global Bonds	Bloomberg Global Aggregate TR Hdg USD	11/21 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Global Equity	MSCI ACWI GR USD	11/21 - 1/88	S&P 500 TR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (AC)	Russell 3000 TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (LC)	S&P 500 TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (MC)	Russell Mid Cap TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (SC)	Russell 2000 TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Int'l Dev. Equity	MSCI EAFE GR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
EM Equity	MSCI EM GR USD	11/21 - 1/88	MSCI EAFE GR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Real Estate	Wilshire US RESI TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Private Real Estate	Wilshire US RESI TR USD	11/21 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Broad Real Assets	S&P Real Asset TR USD	11/21 - 5/05	*Custom Real Assets Index	4/05 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Commod. Fut.	BCI+TIPS-CASH	11/21 - 3/97	BCI-AGG-CASH	2/97 - 1/91	GSCI-AGG-CASH	12/90 - 1/79	N.A.	N.A. - N.A.
Global Infrastructure	DJ Brookfld Global Infra TR USD	11/21 - 2/03	Alerian MLP TR USD	1/03 - 1/96	Wilshire US RESI TR USD	12/95 - 1/79	N.A.	N.A. - N.A.
Hedge Funds	HFRI Fund of Funds Composite USD	11/21 - 1/90	HFR Hedge Fund Aggregate Average	12/89 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Hedge Funds (Liquid)	HFRI Fund of Funds Composite USD	11/21 - 1/90	HFR Hedge Fund Aggregate Average	12/89 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Private Equity	[illegible]	11/21 - 4/86	Russell 2000 TR USD	3/86 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.

*US Bonds - Dynamic Index - 1/3 Bloomberg Gbl Agg Ex USD TR Hdg USD, 1/3 FTSE Treasury Bill 3 Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD

This report does not represent a specific investment recommendation. Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and are reported gross of any fees and expenses. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

INDEX DEFINITIONS

FTSE Treasury Bill 3 Month measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

Bloomberg Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.

Bloomberg High Yield Municipal Bond Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

FTSE World Government Bond Index (WGBI) (Unhedged) provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries,

FTSE World Government Bond Index (WGBI) (Hedged) is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

DISCLOSURES

Bloomberg US Corporate High Yield TR USD covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
JP Morgan Government Bond Index-Emerging Market Index (GBI-EMI) is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
JPMorgan EMBI Global Diversified is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.
MSCI ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.
The S&P 500 is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.
Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country
The Wilshire US Real Estate Securities Index (Wilshire US RESI) is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.
Alerian MLP Index is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
Bloomberg Commodity Index (BCI) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.
HFRI Fund of Funds Composite is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.
Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture) is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
HFN Hedge Fund Aggregate Average is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.
Goldman Sachs Commodity Index (GSCI) is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.

Material Risks Disclosures

Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.

Cash may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.

Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

International Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impact by currency and/or country specific risks which may result in lower liquidity in some markets.

Real Assets can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

Private Equity involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

Private Credit involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.