

# **Butler Family Foundation Investment Committee**

## **Conference Call**

**February 25, 2025 at 3:00 p.m. CT**

- I. Welcome
- II. Approval of Minutes
- III. Year in Review
- IV. Portfolio and Performance Update
  - A. Portfolio Summary Statement
  - B. Overall Foundation Performance
  - C. Individual Manager Performance
  - D. Summary of Fees and Managers
- V. Update on Current/Potential Investments
  - A. Starwood Opportunity Fund XIII
  - B. Templeton Global Bond Fund
- VI. Other Business

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### **Attachments:**

- a. Minutes of August 20<sup>th</sup> Investment Committee
- b. Principal Portfolio Summary Statement
- c. Historical Portfolio Performance
- d. Individual Manager Performance
- e. Summary of Fees and Managers
- f. Templeton Total Return Fund
- g. MFO Year-End report
- h. 20 Year Asset Class Returns

**Call-in Number: 866-705-2554 (Access Code 828154#)**

**MINUTES OF THE AUGUST 20, 2024  
INVESTMENT COMMITTEE MEETING  
OF THE  
PATRICK AND AIMEE BUTLER FAMILY FOUNDATION**

The Investment Committee meeting of the Patrick and Aimee Butler Family Foundation was held on Tuesday, August 20, 2024 at 3:00 p.m. Central Time via conference call.

The meeting was called to order by Patrick O'Brien, Chair of the Investment Committee. John K. Butler acted as recording Secretary of the meeting.

Upon call of the Secretary, the following Committee members were present: Emmett LeFevour, Patrick O'Brien and Ronald Kaliebe. Also present were John Butler and Robert Hybben. Andrew B. LeFevour was unable to attend.

The Chair then called for consideration of the minutes of the February 28, 2024 meeting of the Investment Committee. Upon motion duly made, seconded and unanimously carried, the minutes of the February 28, 2024 Investment Committee meeting were approved, ratified and confirmed.

The Chair called on Mr. John Butler, Chief Investment Officer, to review the current holdings of the portfolio and summarize any major changes since December 31, 2023. Mr. Butler began by reviewing the Principal Summary Statement. Mr. Butler then reviewed Individual Manager performance and asset allocations as of June 30, 2024. He commented that the stock market in the first half of the year continued to be driven by just a handful of companies, but performance had begun to broaden out in July. The market has also become more volatile as investors shift from a focus on inflation to a focus on the slowing economy and whether we will see the elusive "soft-landing" or whether it will be something harder.

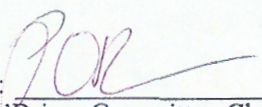
The Committee next discussed the Investment Policy Statement. The Investment Committee Charter notes that the Investment Policy Statement will be reviewed by the Committee each year at the August meeting. Mr. Butler commented that there were no recommended changes to the current document. After review and discussion, the Committee agreed that no changes were necessary.

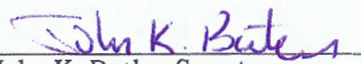
Mr. Butler then provided the Committee with an update on some of the Foundation investments. The Wastewater Opportunity Fund has returned nearly all the invested capital and it appears net returns will be flat, which is not a disaster, but clearly disappointing. Mr. Butler will not be investing in any other products offered by the Fund's sponsor, Equilibrium Capital. The Starwood Opportunity Fund will begin to make investments shortly but will utilize its line of credit until the final close and will not call capital from the Foundation until sometime in 2025. This means that the Starwood Capital investments will not show on reports until that time. Finally the Committee then reviewed the performance of the various Northstar Mezzanine Funds the Foundation has invested in over the years. Performance has been good and the net returns have averaged just over 10%. However, Mr. Butler also noted that while these funds play an important role in the portfolio, they are expensive.



The next Committee meeting will be in February 2025. The meeting will be scheduled in January and materials for it will be sent one week before.

The meeting adjourned at 3:50 p.m. Central Time.

ATTEST:   
Patrick O'Brien, Committee Chair

  
John K. Butler, Secretary

FD433  
SUMMARY STATEMENT  
OF INVESTMENT HOLDINGS  
BY SECURITY CATEGORIZATION

PATRICK AND AIMEE BUTLER FAMILY FOUNDATION  
CONSOLIDATED ACCOUNT  
BASE CURRENCY: USD

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AS OF DECEMBER 31, 2024

	<u>COST</u>	<u>MARKET VALUE</u>	<u>ACCRUED INCOME</u>	<u>%GAIN (LOSS)</u>	<u>% MKT</u>	<u>ESTIMATED ANNUAL INCOME</u>	<u>CURRENT YIELD</u>
SETTLED CASH	0.00	0.00	0.00	.0	.0	0.00	.00
RECEIVABLES	197,396.68	197,396.68		.0	.2		
PAYABLES	(13,886.64)	(13,886.64)		.0	.0		
NET CASH	183,510.04	183,510.04		.0	.2		
CASH EQUIVALENTS							
SHORT TERM FUNDS	8,930,449.76	8,930,449.76	32,223.34	.0	8.8	377,376.36	4.23
CASH EQUIVALENTS	8,930,449.76	8,930,449.76	32,223.34	.0	8.8	377,376.36	4.23
FIXED INCOME							
GOVERNMENT AND AGENCIES	7,327,857.65	6,921,291.94	50,472.33	(5.5)	6.8	340,719.69	4.92
BOND FUNDS	5,707,929.68	4,496,207.58	2,903.54	(21.2)	4.4	342,203.75	7.61
MUNICIPAL BONDS	2,938,226.45	2,864,642.90	38,831.18	(2.5)	2.8	153,038.50	5.34
CORPORATE BONDS AND NOTES	2,776,244.21	2,719,756.41	41,147.87	(2.0)	2.7	149,530.10	5.50
ASSET-BACKED SECURITIES	2,336,359.42	2,271,146.90	9,991.62	(2.8)	2.2	124,518.72	5.48
COLLATERALIZED MTG-BACKED	850.32	717.54	4.80	(15.6)	.0	57.56	8.02
FIXED INCOME	21,087,467.73	19,273,763.27	143,351.34	(8.6)	18.9	1,110,068.32	5.76
COMMON STOCK							
HEALTH CARE	1,120,880.11	2,493,410.00	7,680.00	122.5	2.4	91,080.00	3.65
UTILITIES	627,178.38	675,200.00	0.00	7.7	.7	21,900.00	3.24
FINANCIALS	956,608.77	3,213,350.00	0.00	235.9	3.1	67,400.00	2.10
CONSUMER STAPLES	1,291,426.31	2,198,440.00	0.00	70.2	2.2	83,104.00	3.78
CONSUMER DISCRETIONARY	178,715.00	1,513,195.00	0.00	746.7	1.5	40,420.00	2.67
MATERIALS	653,134.70	1,194,560.00	1,950.00	82.9	1.2	25,400.00	2.13
ENERGY	488,761.48	1,668,011.67	0.00	241.3	1.6	57,158.76	3.43
INFORMATION TECHNOLOGY	1,596,192.73	5,493,445.00	600.00	244.2	5.4	69,700.00	1.27
INDUSTRIALS	1,042,348.97	3,518,770.00	0.00	237.6	3.4	97,500.00	2.77
TELECOMMUNICATION SERVICE	680,825.30	799,800.00	0.00	17.5	.8	54,200.00	6.78
ADR'S	1,727,980.75	1,537,800.00	7,000.00	(11.0)	1.5	75,500.00	4.91
COMMON STOCK	10,364,052.50	24,305,981.67	17,230.00	134.5	23.8	683,362.76	2.81



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SUMMARY STATEMENT  
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PATRICK AND AIMEE BUTLER FAMILY FOUNDATION  
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AS OF DECEMBER 31, 2024

	<u>COST</u>	<u>MARKET VALUE</u>	<u>ACCRUED INCOME</u>	<u>%GAIN (LOSS)</u>	<u>% MKT</u>	<u>ESTIMATED ANNUAL INCOME</u>	<u>CURRENT YIELD</u>
EQUITY FUNDS							
MUTUAL EQUITY FUNDS	<u>14,575,407.97</u>	<u>19,646,233.04</u>	<u>0.00</u>	<u>34.8</u>	<u>19.3</u>	<u>24,509.84</u>	<u>.12</u>
EQUITY FUNDS	14,575,407.97	19,646,233.04	0.00	34.8	19.3	24,509.84	.12
MISCELLANEOUS							
OTHER MISCELLANEOUS	<u>360.00</u>	<u>360.00</u>	<u>0.00</u>	<u>.0</u>	<u>.0</u>	<u>0.00</u>	<u>.00</u>
MISCELLANEOUS	360.00	360.00	0.00	.0	.0	0.00	.00
VENTURE/LMTD PART/CLS HLD							
VENTURE CAPITAL	<u>21,432,110.89</u>	<u>29,589,986.24</u>	<u>0.00</u>	<u>38.1</u>	<u>29.0</u>	<u>0.00</u>	<u>.00</u>
VENTURE/LMTD PART/CLS HLD	21,432,110.89	29,589,986.24	0.00	38.1	29.0	0.00	.00
BALANCED FUNDS							
COLLECTIVE BALANCED FUNDS	<u>105,003.91</u>	<u>107,744.00</u>	<u>4,592.00</u>	<u>2.6</u>	<u>.1</u>	<u>4,928.00</u>	<u>4.57</u>
BALANCED FUNDS	105,003.91	107,744.00	4,592.00	2.6	.1	4,928.00	4.57
NET ASSETS	<u>76,678,362.80</u>	<u>102,038,028.02</u>	<u>197,396.68</u>	<u>33.1</u>	<u>100.0</u>	<u>2,200,245.28</u>	<u>2.16</u>

## Patrick and Aimee Butler Family Foundation - Historical Portfolio Performance

	Butler Family Foundation					Foundation Average					Market Benchmark (65/35)				
	<u>YR</u>	<u>TOTAL</u>	<u>5-YR</u>	<u>10-YR</u>	<u>ITD</u>	<u>YR</u>	<u>TOTAL</u>	<u>5-YR</u>	<u>10-YR</u>	<u>ITD</u>	<u>YR</u>	<u>TOTAL</u>	<u>5-YR</u>	<u>10-YR</u>	<u>ITD</u>
2005	4.7%	59.4%	7.2%		8.1%	8.2%	29.1%	4.6%		4.4%	4.0%	12.9%	2.8%		2.1%
2006	12.7%	79.7%	8.7%		8.7%	13.7%	46.8%	7.8%		5.6%	11.7%	26.2%	6.2%		3.4%
2007	6.3%	91.0%	10.3%		8.4%	10.3%	61.9%	11.2%		6.2%	6.2%	34.0%	9.7%		3.7%
2008	-21.2%	50.5%	2.0%		4.6%	-25.9%	19.9%	2.3%		2.0%	-22.1%	4.4%	0.7%		0.5%
2009	16.1%	74.7%	2.8%	5.7%	5.7%	20.5%	44.5%	3.9%	3.8%	3.8%	18.8%	24.0%	2.7%	2.2%	2.2%
2010	11.6%	94.9%	4.1%	5.6%	6.3%	12.5%	62.6%	4.7%	4.7%	4.5%	12.1%	39.0%	4.2%	3.5%	3.0%
2011	1.7%	98.1%	2.0%	5.3%	5.9%	-0.7%	61.5%	1.9%	4.8%	4.1%	4.4%	45.1%	2.8%	4.5%	3.2%
2012	12.6%	123.2%	3.2%	6.7%	6.4%	12.0%	80.8%	2.2%	6.6%	4.7%	12.3%	63.0%	4.0%	6.8%	3.8%
2013	18.6%	164.6%	12.0%	6.8%	7.2%	15.6%	109.1%	11.8%	6.9%	5.4%	20.4%	96.2%	13.5%	6.9%	4.9%
2014	5.0%	177.9%	9.7%	6.2%	7.1%	6.1%	121.8%	8.9%	6.4%	5.5%	11.0%	117.8%	11.9%	7.2%	5.3%
2015	0.7%	179.7%	7.5%	5.8%	6.6%	0.0%	121.8%	6.4%	5.6%	5.1%	0.9%	119.8%	9.6%	6.9%	5.0%
2016	9.5%	206.3%	9.1%	5.5%	6.8%	6.4%	136.0%	7.9%	4.9%	5.2%	8.8%	139.1%	10.5%	6.6%	5.3%
2017	12.0%	243.1%	9.0%	6.0%	7.1%	15.0%	171.4%	8.5%	5.3%	5.7%	15.4%	175.9%	11.1%	7.5%	5.8%
2018	-4.3%	228.3%	4.4%	8.1%	6.5%	-3.5%	161.9%	4.6%	8.1%	5.2%	-2.9%	167.9%	6.4%	9.9%	5.3%
2019	16.9%	283.8%	6.7%	8.2%	7.0%	17.4%	207.5%	6.7%	7.8%	5.8%	23.5%	230.9%	8.7%	10.3%	6.2%
2020	4.1%	299.5%	7.4%	7.4%	6.8%	13.1%	247.8%	9.4%	7.9%	6.1%	15.2%	281.2%	11.6%	10.6%	6.6%
2021	11.7%	346.2%	7.8%	8.5%	7.0%	16.3%	304.4%	11.4%	9.6%	6.6%	17.4%	347.5%	13.4%	11.9%	7.1%
2022	-6.4%	317.5%	4.0%	6.5%	6.4%	-12.0%	255.9%	5.6%	7.0%	5.7%	-16.1%	275.5%	6.4%	8.7%	5.9%
2023	10.3%	360.5%	7.0%	5.7%	6.6%	12.6%	300.8%	8.9%	6.7%	6.0%	18.7%	345.7%	10.7%	8.6%	6.4%
2024	6.5%	424.8%	5.6%	6.5%	6.9%	8.0%	367.4%	6.1%	7.7%	6.4%	16.8%	509.1%	9.8%	10.7%	7.5%

**Inception Date is 12/31/99**

**All returns are net of fees**

**Any returns in italic are estimates**



## Patrick and Aimee Butler Family Foundation - Individual Manager Performance

<u>Asset Class</u>	<u>Allocation - December 31, 2024</u>				<u>Performance Data - December 31, 2024</u>			
	<u>Assets</u>	<u>Wgt</u>	<u>Target</u>	<u>Range</u>	<u>1 YR</u>	<u>5 YR</u>	<u>ITD</u>	<u>Incep. Date</u>
<b>Cash</b>	\$8.8	9%	5%	0-10%	5.0%	2.3%	0.0%	NA
<b>Fixed Income</b>								
Sit Investment Assoc.	\$16.9	17%	15%	10-20%	3.9%	1.4%	2.9%	12/31/2011
Barclays Aggregate					1.3%	-0.3%	1.6%	
<b>U.S. Equities</b>	<b>\$36.1</b>	<b>35%</b>	<b>40%</b>	<b>35-45%</b>				
Vanguard Small-Cap Index Fund	\$11.8	12%			14.2%	9.3%	NA	3/31/2018
Large-Cap Value (Internal)	\$24.3	24%			9.4%	7.3%	7.3%	12/31/1999
S&P 500					25.1%	14.6%	7.5%	
<b>International Equities</b>	<b>\$29.3</b>	<b>29%</b>	<b>25%</b>	<b>20-30%</b>				
Vanguard Total Int. Stock Index	\$7.8	8%			5.2%	4.3%	NA	6/30/2022
Mondrian Investment Group	\$21.5	21%			5.1%	3.8%	5.5%	6/30/2004
MSCI All-Country World					5.5%	4.1%	4.9%	
<b>Alternative Investments</b>								
Miscellaneous	\$11.1	11%	15%	10-20%	5.0%	6.0%	NA	NA
HFRI Composite					9.2%	5.3%	4.2%	
<b>Total Foundation</b>	<b>\$102</b>	<b>100%</b>	<b>100%</b>		<b>6.5%</b>	<b>5.6%</b>	<b>6.9%</b>	<b>12/31/1999</b>

### Notes:

Mondarian fund was changed from International Equity Fund to All Countries World in January 2012  
Performance for Alternative Investments is an estimate due to manager changes and time lags

# Patrick & Aimee Butler Family Foundation

## Summary of Fees, Managers and Custodians - December 31, 2024

<u>Asset Class</u>	<u>SMA or Fund</u>	<u>Custodian</u>	<u>Manager</u>	<u>Assets</u>	<u>Fee</u>	<u>Est. Costs</u>
<u>Cash</u>						
Stock Account	SMA	Principal Cust. Ser.	Internal	\$1.6	0	\$0
Misc. Account	SMA	Principal Cust. Ser.	Internal	\$7.2	0	\$0
<u>Fixed Income</u>						
Sit Investment	SMA	Principal Cust. Ser.	Sit Investment	\$16.9	30	\$51
<u>Equities</u>						
Domestic - Large Value	SMA	Principal Cust. Ser.	Internal	\$24.3	0	\$0
Domestic - Small Cap	Fund	JP Morgan	Vanguard	\$11.8	5	\$6
International	Fund	JP Morgan	Mondrian	\$21.5	67	\$144
International	Fund	JP Morgan	Vanguard	\$7.8	5	\$4
<u>Alternatives</u>						
Debt Partnerships	Fund	Wells/US Bank	Northstar	\$4.1	200	\$82
Global Fixed Income	Fund	BNY Mellon	Templeton	\$2.6	110	\$29
Infrastructure Part.	Fund	Real Asset - NA	Morgan Stanley	\$3.6	200	\$72
Global Real Estate	Fund	Real Asset - NA	Morgan Stanley	\$0.3	200	\$6
Global Real Estate	Fund	Real Asset - NA	Starwood Capital	\$0.0	200	\$0
Wasterwater Opp.	Fund	Real Asset - NA	Equilibrium Cap.	\$0.1	200	\$2
Gateway Partnership	Fund	Real Asset - NA	Moran & Cos.	\$0.4	100	\$4
				\$102		
<b>Estimated Investment Fees (Direct &amp; Imbedded)</b>						\$399
<b>Custodial Costs</b>						\$40
<b>Internal Investment Costs</b>						\$85
<b>Estimated Total Investment Costs</b>						\$524
<b>Percent of Assets</b>						52 bp
<b>Average for Foundations</b>						90-120 bp

### Notes:

SMA is seperately managed account

All SMA custodied at Principal Custody Solutions

Fees are stated in basis points (1/100 of 1%)



# Templeton Global Total Return Fund

Advisor Class: TTRZX Class A: TGTRX Class C: TTRCX Class R: FRRGX Class R6: FTTRX

Multi-Sector | Factsheet as of December 31, 2024

## Investment Overview

The fund seeks total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing primarily in fixed and floating-rate debt securities and debt obligations of governments, government-related or corporate issuers worldwide. The fund regularly enters into various currency-related and other transactions involving derivative instruments.

## Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	-6.48	-4.51	-4.85	-1.42	3.01	-6.48	-4.51	-4.85	-1.42	3.01	9/30/2008
Class A	-6.74	-4.77	-5.11	-1.68	2.75	-10.26	-5.97	-5.83	-2.05	2.51	9/30/2008
Class C	-7.27	-5.17	-5.49	-2.07	2.34	-8.14	-5.17	-5.49	-2.07	2.34	9/30/2008
Class R	-6.97	-5.00	-5.34	-1.92	2.50	-6.97	-5.00	-5.34	-1.92	2.50	9/30/2008
Class R6	-6.38	-4.42	-4.75	-1.31	3.12	-6.38	-4.42	-4.75	-1.31	3.12	9/30/2008
Benchmark	-1.34	-4.22	-1.76	0.35	—	-1.34	-4.22	-1.76	0.35	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Advisor Class	-10.71	-6.48	-6.48	6.13	-12.28	-5.14	-5.59	2.01	2.03	3.08	8.66	-4.64
Class A	-10.92	-6.74	-6.74	5.88	-12.53	-5.39	-5.83	1.76	1.69	2.83	8.41	-4.88
Class C	-11.03	-7.27	-7.27	5.60	-12.92	-5.72	-6.23	1.27	1.37	2.43	7.99	-5.27
Class R	-10.84	-6.97	-6.97	5.61	-12.74	-5.54	-6.16	1.50	1.52	2.58	8.13	-5.12
Class R6	-10.85	-6.38	-6.38	6.31	-12.27	-4.91	-5.56	2.12	2.06	3.22	8.81	-4.53
Benchmark	-4.96	-1.34	-1.34	6.05	-16.01	-4.51	9.02	7.13	-1.36	7.69	2.84	-3.29

**Performance data quoted represents past performance, which does not guarantee future results.** Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com).

The fund began offering R6 Class shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Advisor performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

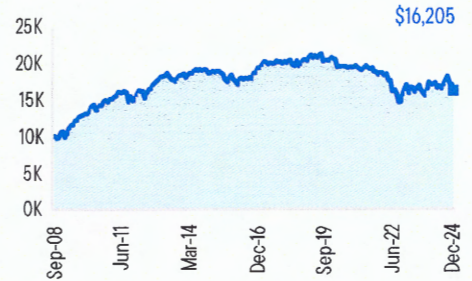
## Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)		30-Day SEC Yield (%)	
			Max	CDSC	Gross	Net	Without Waiver	With Waiver
Advisor Class	880208855	TTRZX	0.00	—	0.94	0.92	8.85	8.87
Class A	880208889	TGTRX	3.75	—	1.18	1.16	8.27	8.28
Class C	880208871	TTRCX	0.00	1.00	1.59	1.57	8.18	8.19
Class R	880208863	FRRGX	0.00	—	1.43	1.41	8.33	8.34
Class R6	880208764	FTTRX	0.00	—	0.81	0.76	8.90	8.94

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 04/30/2025 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

## Growth of \$10,000

Advisor Class Shares—Inception through 31st December 2024  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Monthly
Morningstar Category	Nontraditional Bond
Lipper Classification	Global Income Funds
Turnover (fiscal yr)	77%

## Benchmark(s)

Bloomberg Multiverse Index

## Fund Characteristics

	Fund
Total Net Assets	\$203.39 Million
Number of Holdings	108
Weighted Average Maturity	8.23 Years
Effective Duration	5.44 Years

## Risk Statistics (3-Year—Advisor Class)

	Fund
Beta	1.32
R-Squared	0.80
Sharpe Ratio	-0.63
Standard Deviation (%)	13.40



## Geographic Allocation (% of Total)

	Fund	Benchmark
Malaysia	11.97	0.41
Brazil	9.45	0.40
United States	9.06	41.14
Egypt	9.04	0.04
India	7.39	0.08
Hungary	7.37	0.12
Japan	0.00	9.34
China	0.00	9.83
Other	43.17	38.66
Cash & Cash Equivalents	2.56	0.00

## Currency Exposure (% of Total)

	Fund	Benchmark
Japanese Yen	20.31	8.92
Australian Dollar	14.07	1.28
Indian Rupee	12.67	0.00
Malaysian Ringgit	11.97	0.37
South Korean Won	10.93	1.04
Mexican Peso	10.83	0.29
US Dollar	-3.19	47.13
Euro	-3.67	21.47
Chinese Renminbi	-24.29	0.00
Other	50.37	19.50

## Credit Quality Allocation (% of Total)

	Fund	Benchmark
AAA	10.34	11.10
AA	11.52	40.96
A	11.97	29.99
BBB	30.95	13.71
BB	17.89	2.43
B	9.04	1.24
CCC	7.89	0.46
CC	0.00	0.05
C	0.00	0.01
NR	0.00	0.04
Not Applicable	-2.16	0.00
Cash & Cash Equivalents	2.56	0.00

## Portfolio Data Information

**Exposure:** Notional exposure figures are estimated and are intended to show the portfolio's direct exposure to securities and indirect exposure, through derivatives. Direct and indirect exposures are subject to change over time and methodologies for calculating indirect exposures vary by derivative type. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of derivatives, unsettled trades or other factors.

**Credit Quality** is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

## Portfolio Management

	Years with Firm	Years of Experience
Michael Hasenstab, PhD	26	30
Calvin Ho, PhD	19	20

## What should I know before investing?

**All investments involve risks, including possible loss of principal.** International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

## Glossary

**Beta:** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** Measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Weighted Average Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

## Important Information

The **Bloomberg Multiverse Index** provides a broad-based measure of the global fixed-income bond market. Source: Bloomberg Indices.

Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change.

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**Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at [www.franklintempleton.com](http://www.franklintempleton.com). Please read it carefully.**





## INVESTING MUTUAL FUNDS

## Michael Hasenstab: Crunching numbers, winning assets

Michael Hasenstab can crunch numbers with the best of them. And the lead manager of the Templeton Global Bond Fund has a doctorate in economics to prove it.

JUN 21, 2012

By Bloomberg



Michael Hasenstab can crunch numbers with the best of them. And the lead manager of the Templeton Global Bond Fund has a doctorate in economics to prove it. But number crunching is only part of the story behind the success of the 37-year-old bond expert, who was named the 2010 Morningstar Fixed Income Manager of the Year. Through the end of October, the fund took in \$15.2 billion in new investor money — the largest inflows for any fund in any investment category this year, according to Eric Jacobson, Morningstar Inc.'s director of fixed-income research. That's on top of inflows of \$17.6 billion last year. The fund now has total assets of \$61.2 billion. He also manages the smaller Templeton Global Total Return Fund, which has \$3.3 billion in assets. "Crunching the numbers is important, but there's no substitute for in-person research, meeting with policymakers and walking the streets," said Mr. Hasenstab, a dual citizen of the U.S. and Australia. "It's critical to a good understanding of what's happening in countries." Recent trips to Ireland, for example, convinced Mr. Hasenstab that the country is committed to getting its fiscal house in order and that its sovereign debt, currently yielding more than 8%, is a good investment. "They've implemented tough fiscal tightening and they've absorbed a 30% cut in unit labor costs in the manufacturing sector," he said. "They're experiencing the pain now, but they'll see the benefits of dealing with their problems upfront rather than putting them off." The inability of Congress to deal with deficit issues now is one reason Mr. Hasenstab currently has no exposure to U.S. Treasuries. That has hurt his performance this year. Despite the low yields that Treasuries now pay, investors have continued to flock to them as a safe haven in the volatile

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# MFO MANAGEMENT COMPANY

## INVESTMENT OFFICE

To Our Clients

January 27, 2025

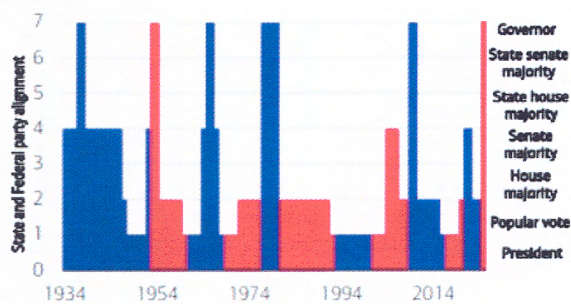
### ECONOMIC OUTLOOK & INVESTMENT STRATEGY

Entering 2025, there is much excitement among the investment and business communities about the future of the U.S. economy. While this is directly related to the hopes for the Trump administration's plans, it is not unusual as this is typically the case with any change in the White House as all candidates make wild promises to anyone with a vote. The hard part comes once in office, as promises must be put into action. Both Trump (45) and Biden had a split Congress which typically acts a natural inhibitor to the most aggressive plans. The last two administrations partly fulfilled their promises to drive economic growth as they were interrupted of course by a global pandemic. The independent Federal Reserve system also has a large role to play in their economic dreams as interest rates are the ultimate driver or restraint on growth.

So here we are in 2025, Trump (47) is back in office with rare control of both houses of Congress, many state governments and sweeping new economic plans to grow the economy faster than the past eight years (see below). Border security seems to be the first order of business based on day one Executive Orders. The U.S. government faces enormous deficits, so Trump's economic plans seem to focus on both economic growth (tax cuts/deregulation/energy/defense) while also reducing the deficits (tariffs/DOGE). Note even if current deficits are reduced there is little chance of reducing the national debt, other than growing GDP faster than the debt increase.

**Exhibit 2: Unified government at this scale is rare in US history**

Combined majorities in federal & state government, 1934-2025

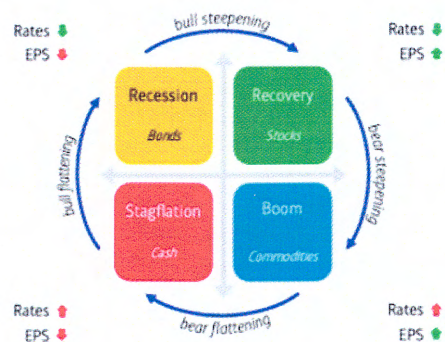


Source: BofA Research Investment Committee, National Conference on State Legislatures, Klarner 2013, Kaplan.

BoFA GLOBAL RESEARCH

**Chart 2: BofA Investment Clock: '24 "recovery" to transition to '25 "inflation boom"**

BoFA Investment Clock



Source: BofA Global Investment Strategy

BoFA

Let's take a look at a few of these items below:

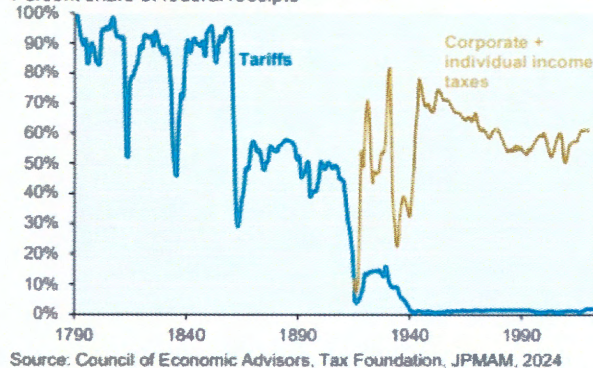
**Border Security** - The border issue is primarily a national security issue but plays into the economy as many of those that have come over the border are contributing to the labor pool. In so much as there are not enough American workers, these migrants play a large role in keeping the economy moving. No one denies the need for labor, but the border system is broken, as we need to know who is in the country.

**Taxes & Tariffs** - Taxes and tariffs go hand in hand as Trump intends to renew the expiring tax cuts from 2016 which if not renewed actually lead to the largest tax hike in history thus hurting the economy. Any additional tax cuts on corporations and reinstituting the SALT deduction would help fuel economic activity. To pay for these tax cuts, effective February 1<sup>st</sup> Trump is implementing 25% tariffs on Mexico and Canada. China, which has the largest trade imbalance with the U.S., will be dealt with soon. While tariffs have never really been a large revenue source for the government (see below) much of these tariffs are negotiating starting points which all lead to the U.S. onshoring theme that has been pushed as a national security issue by the last two administrations. The biggest risk of tax cuts and tariffs is that inflation upticks above 2-3%, pushing rates higher and slowing the economy (see top right picture above).



### Sources of federal revenues since 1790

Percent share of federal receipts



### Possible tariff options under consideration

Country		Current tariff	Possible tariff	Authority
China	Lists 1-2	25.0%	85.0%	Sec 301
China	List 3	25.0%	60.0%	Sec 301
China	List 4a	7.5%	17.5%	Sec 301
China	List 4b	0.0%	5.0%	Sec 301
Mexico	Auto imports*	2.5%	100.0%	Sec 232
EU	Auto imports	2.5%	25.0%	Sec 232
Global	All imports	2.7%	12.7%	IEEPA or Sec 122
China	All imports	13.7%	53.7%	Legislation
Global	All imports	2.7%	??	Legislation

Source: GS, JPMAM 2024 \* = Chinese EVs assembled in Mexico.  
Lists 1-2 are non-consumer goods; Lists 4a and 4b are mostly consumer goods

**Deregulation** - In our opinion one of the fastest ways to grow the economy is through easing regulations, whether that is energy, infrastructure or M&A. Building factories, roads and bridges should not take forever as there is too much red tape. The Idaho model below is interesting as is California promising to fast track their fire recovery, which could be a model for the rest of the country. The FTC has stopped almost all mergers under a variety of anti-competitive rulings. Deregulating the U.S. economy will also help close the offshoring gap along with tariffs. Made in America should be the goal of many industries as we pay too much to allies and adversaries alike.

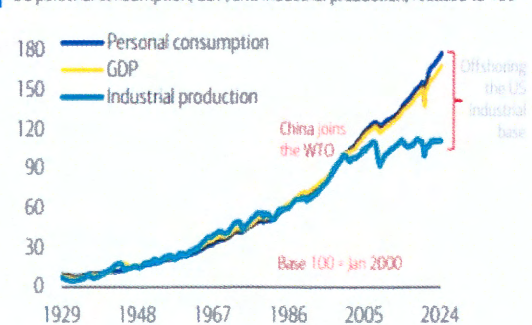
#### Exhibit 8: Idaho is the least-regulated & fastest growing US state

Number of pages of regulation in Idaho Administrative Code



#### Exhibit 7: Tough negotiations could re-energize the US industrial base

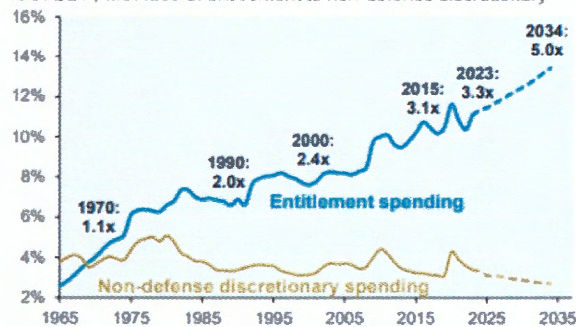
US personal consumption, GDP, and industrial production, rebased to 100



**DOGE** - The Department of Government Efficiency is where we have the most disagreement with the Trump economic plans. The promise to cut out \$2 trillion from the government budget is likely pure fantasy. There just is not enough discretionary spending to cut and entitlement cuts are a political third rail. We think there will be some cuts but are unlikely to cut much of the deficit. Remember from our last letter - the only bull market we are certain of is a bull market in government spending.

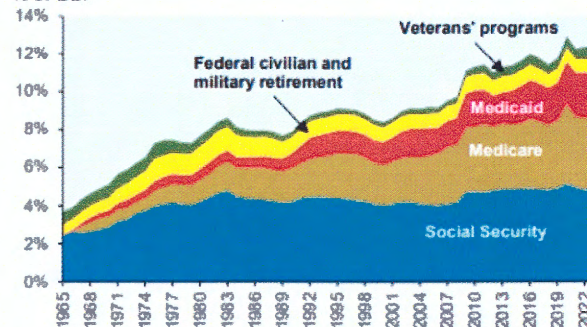
#### What does the Federal government spend money on?

% of GDP, with ratio of entitlement to non-defense discretionary



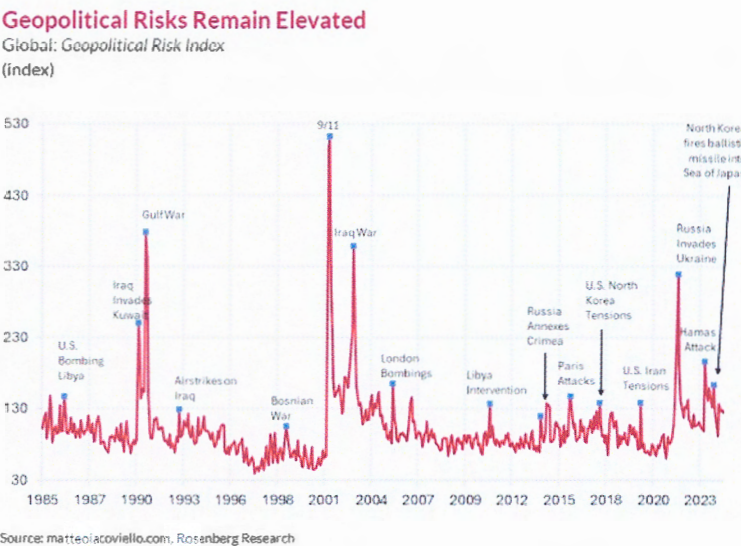
#### Breakdown of US entitlement spending

% of GDP





**Geopolitics** – The biggest tail risks to asset values are geopolitical issues, should the United States get dragged into a conflict. We hope for progress related to Russia/Ukraine; Israel/Hamas and the broader Middle East. China continues to be our gravest concern as they may want to take over Taiwan to distract everyone from the sharp economic slowdown they are facing. Trump and Xi plan on meeting soon, so any thaw in relations will be welcome.



## INVESTMENT STRATEGY & REVIEW

■ **OVERALL ASSET ALLOCATION:**

2024 was a great year for MFO clients with accounts up anywhere from 13-16%, depending on the allocation. Markets continue to move higher into 2025, but a repeat of 2023-2024 seems unlikely. The past 5-10 years have been exceptional for client accounts with 7-9% annual returns.

We continue to favor being overweight higher yielding fixed income, small caps, REITs and Long/Short hedge funds. We are more cautious on the cap weighted S&P 500 Index. Below are our asset allocation tables.

BENCHMARK ASSET ALLOCATION - FEBRUARY 2025				
ASSET CLASS **	ALL EQUITY (PERSONAL & TRUSTS) (AGGRESSIVE)	BALANCED OBJECTIVES (PERSONAL & TRUSTS)	INCOME ORIENTED (PERSONAL & TRUSTS)	FOUNDATION MODEL (TOTAL RETURN)
<b>Risk Reduction Assets</b>				
Fixed Income/Money Market	2%	20%	35%	15%
Long/Short Funds *	10%	13%	5%	15%
Sub-total Risk Assets	12%	33%	40%	30%
<b>Real Assets</b>				
Real Estate, REITs, Commodities, Utilities	13%	11%	15%	10%
<b>Growth Assets</b>				
U.S. Large Company Equities	35%	23%	20%	22%
U.S. Small Company Equities	30%	23%	17%	20%
Foreign Developed Equities	10%	10%	8%	10%
Venture Capital/Private Equity *	0%	0%	0%	8%
Sub-total Growth Assets	75%	56%	45%	60%
<b>Totals</b>	100%	100%	100%	100%
* subject to account circumstances & size, long/short funds, could be up to 15% and private equity/venture capital could be up to 7% of Equity, Balanced and Income-oriented accounts				
**Please remember that at any given date actual individual account values may fluctuate within a few percentage points around these targets.				

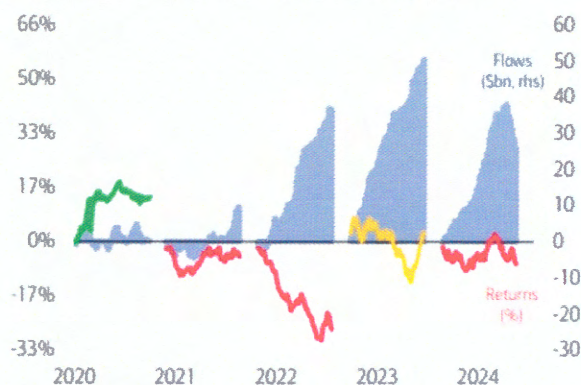


## ■ FIXED INCOME:

The 10-year Treasury interest rate continues to hover around 4.5-5.0%, after a sharp move up late in the year. We expect rates to stay in that range and do not expect significant Federal Reserve cuts for the first part of the year at least. If inflation becomes a bigger risk again, the bond market will be the ultimate leading indicator. A few funds in client accounts including the *River Canyon Total Return Bond Fund* and the *BlackRock Floating Rate Income Fund* are yielding almost 9% which are competitive with historical equity returns.

Ironically after the first Fed rate cut in September, interest rates have gone up as concerns about the health of the U.S. balance sheet has loomed large in investors' minds. We continue to get a lot of questions about the U.S. deficit and the size of the national debt. Next year, interest expense will be larger than the defense budget and second only to Social Security/Medicare programs. However, we are not as concerned as others about a U.S. default or not being able to fund the deficits. The U.S. Treasury is still the gold standard worldwide among banks, pensions and sovereign wealth funds which are sitting on trillions of U.S. Treasuries, do you think they are going to stop buying and let them default?

**Exhibit 11: Treasuries keep losing, they keep buying, but not forever**  
Annual cumulative flows and total returns for Treasury ETFs

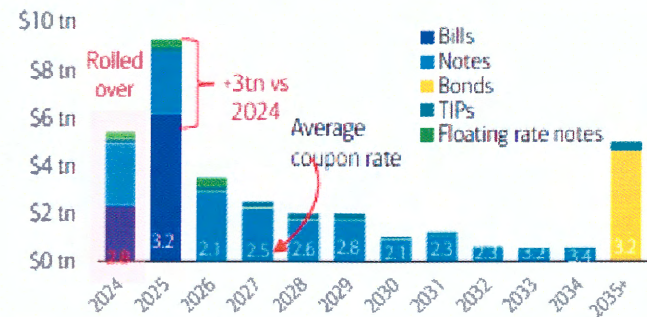


Source: BofA Research Investment Committee, Bloomberg, EPFR

BofA GLOBAL RESEARCH

**Exhibit 12: The Treasury has \$9tn of debt to roll over in 2025**

Outstanding marketable Treasury securities by maturity year; simple average coupon rate

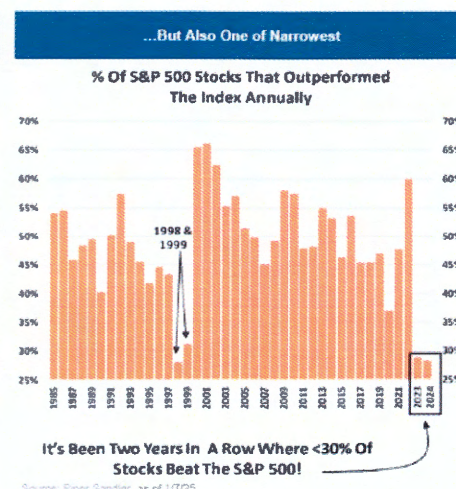
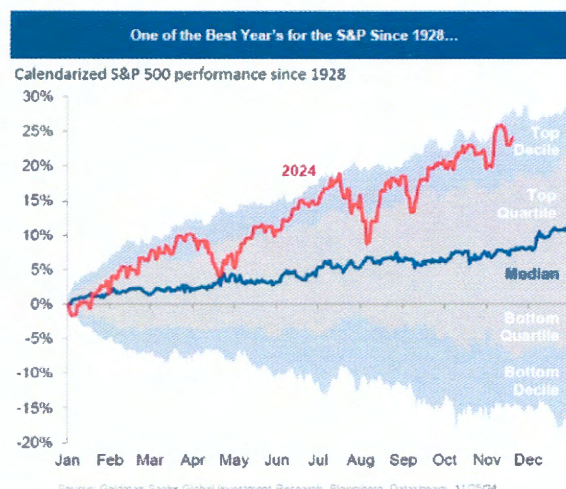


Source: BofA Research Investment Committee, US Treasury

BofA GLOBAL RESEARCH

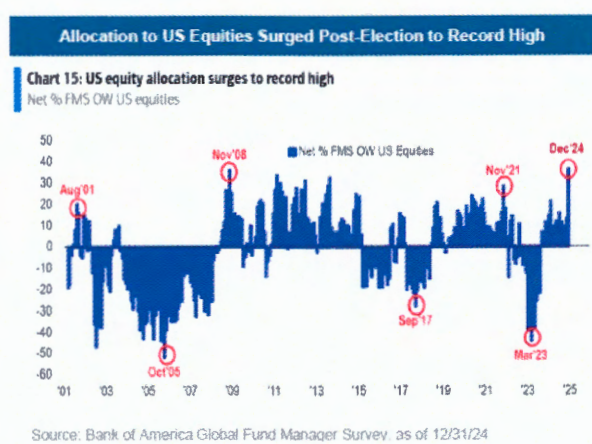
## ■ EQUITIES:

The S&P 500 Index was up 25% in 2024 on top of 26% in 2023. It is rare that the index was up over 20% two years in a row albeit with narrow contributors (Mag7/technology). Small caps, REITs, Utilities and gold were up double digits contributing to strong client account performance in 2024. Foreign markets lagged the U.S. but were also positive.

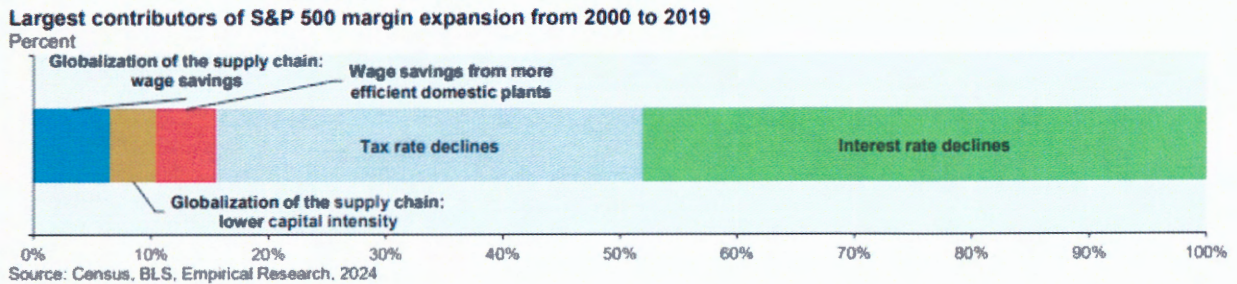




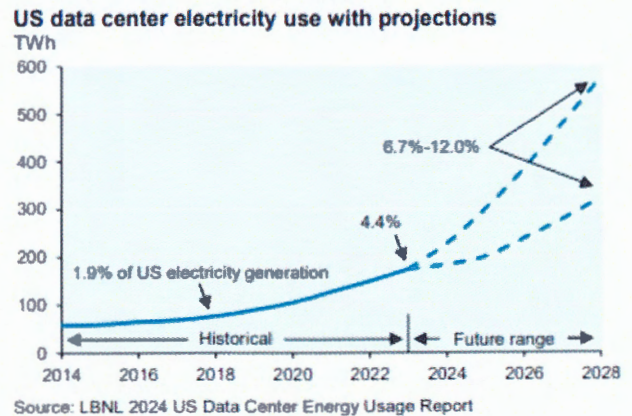
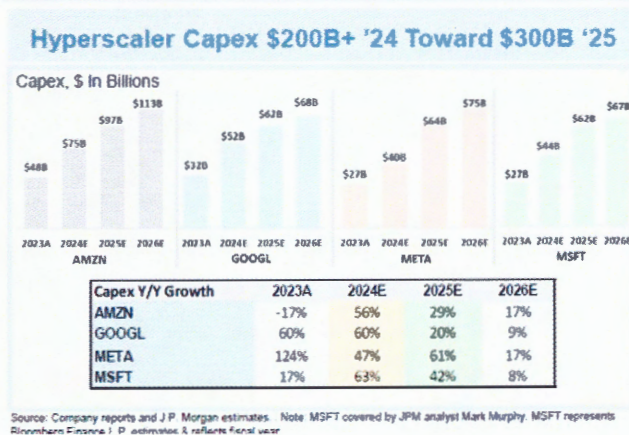
**Outlook 2025** - Going forward we expect lower overall returns than in the past few years as markets tend to return the mean after such strong performance. The S&P 500 and related valuations are high as are expectations for earnings growth and investor confidence (see below). Market corrections would not be uncommon at this point in the cycle and are overdue. Geopolitical risks, tariff wars and a jump in inflation are our biggest concerns going into the year.



We continue to expect positive returns in 2025 as earnings grow and the economy stays strong. Simply put, historical data says the higher the starting multiple the lower the future returns although markets tend to go higher than expected before slowing down. The margin graphic below is interesting in that most margin expansion (which drives earnings growth) comes from tax rates and interest rate declines. The renewal of the 2016 tax cuts will not set back earnings, but interest rates staying flat would not provide a bump to margins in 2025.



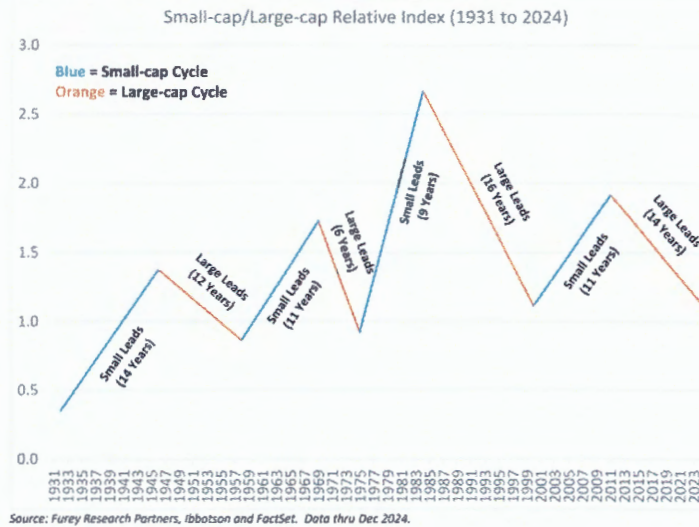
While no two years are ever the same, the theme of 2025 will continue to be AI and the data center buildout. While the cumulative capex of cloud providers (Amazon, Microsoft, Meta and Google) is at levels never seen in history, 2025 may transition into a year of AI applications to be used on these cloud platforms. Some are applications are external to these companies like Salesforce agents, but many are closely associated like OpenAI, Gemini and Anthropic. The limiting force in all of this seems to be the power market. We continue to be bullish on the public utilities that will have to grow their footprint to generate additional sources of AI revenue. We own the *Vanguard Utility Index* in most client accounts.





**Small & Mid-Caps** - We also still believe that small and mid-cap companies are well positioned to benefit from a strong U.S. economy (large percent U.S. revenues), reasonable interest rate levels and more robust capital markets (debt, equity and M&A). We have shown numerous valuation charts in past letters as valuation is at all-time lows versus large caps, as has performance. The graph below further supports our belief in SMID caps. We have slanted the portfolio more toward growth versus value funds.

Fig 30. Small-caps enduring its second longest large-cap leadership cycle



## Appendix: The Flow Show - YTD returns

### The Asset Class Quilt of Total Returns

Chart 20: Historical asset class performance by year  
Ranked cross asset returns by year since 2000

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commodities	US Treasuries	Commodities	MSCI EM	REITS	MSCI EM	REITS	MSCI EM	US Treasuries	MSCI EM	Gold	US Treasuries	REITS	S&P 500	S&P 500	S&P 500	Commodities	MSCI EM	Cash	S&P 500	Gold	Commodities	Commodities	S&P 500	Gold
94.2%	8.7%	38.9%	16.3%	32.0%	34.0%	37.8%	39.8%	14.0%	19.0%	28.2%	9.8%	23.8%	32.4%	18.7%	1.4%	17.3%	37.8%	1.8%	31.8%	34.8%	48.3%	31.1%	28.3%	28.7%
US Treasuries	Global IG	Gold	MSCI EAFE	Commodities	Commodities	MSCI EM	Commodities	Gold	Global HY	MSCI EM	Gold	Global HY	MSCI EAFE	REITS	US Treasuries	Global HY	MSCI EAFE	US Treasuries	REITS	MSCI EM	REITS	Cash	MSCI EAFE	S&P 500
13.4%	4.6%	25.8%	39.1%	28.7%	33.7%	32.8%	33.0%	4.3%	42.3%	19.2%	8.9%	19.3%	23.3%	11.7%	0.8%	14.8%	25.9%	0.9%	27.4%	18.8%	37.1%	1.9%	18.9%	25.0%
REITS	Cash	Global IG	REITS	MSCI EM	Gold	MSCI EAFE	Gold	Cash	MSCI EAFE	REITS	Global IG	MSCI EM	Global HY	US Treasuries	Cash	S&P 500	S&P 500	Gold	MSCI EAFE	S&P 500	S&P 500	Gold	Global HY	MSCI EM
8.5%	4.4%	14.9%	33.5%	28.0%	17.8%	24.3%	31.9%	2.1%	32.5%	15.9%	4.9%	18.6%	8.0%	0.1%	0.1%	12.9%	23.0%	+1.8%	22.3%	18.4%	28.7%	-0.8%	13.4%	8.0%
Cash	Global HY	US Treasuries	Commodities	MSCI EAFE	MSCI EAFE	Gold	MSCI EAFE	Global IG	REITS	S&P 500	Global HY	MSCI EAFE	REITS	Global IG	MSCI EAFE	MSCI EM	Gold	Global HY	Commodities	Global IG	MSCI EAFE	US Treasuries	Gold	Global HY
6.2%	3.1%	11.8%	30.1%	20.7%	14.0%	23.2%	11.6%	-8.3%	31.7%	18.1%	2.6%	17.9%	0.7%	3.2%	0.9%	11.2%	12.9%	-3.3%	20.1%	10.2%	11.9%	12.9%	12.7%	7.5%
Global IG	Gold	Cash	Global HY	Global HY	REITS	S&P 500	US Treasuries	Global HY	S&P 500	Global HY	S&P 500	S&P 500	Global IG	Gold	REITS	Gold	REITS	Global IG	MSCI EM	MSCI EAFE	Global HY	Global HY	REITS	Commodities
3.1%	-0.7%	1.8%	30.7%	12.4%	10.7%	16.8%	8.1%	-27.8%	36.9%	13.9%	2.1%	16.0%	0.1%	0.1%	-3.4%	8.6%	11.8%	-3.4%	18.8%	8.4%	1.4%	Global HY	REITS	Commodities
Gold	MSCI EM	Global IG	S&P 500	S&P 500	S&P 500	Global HY	Global IG	S&P 500	Commodities	Commodities	Cash	Global IG	Cash	Cash	Global IG	Global IG	REITS	Global IG	US Treasuries	US Treasuries	MSCI EAFE	MSCI EM	Cash	Global HY
-8.6%	-2.4%	-1.1%	28.7%	10.9%	4.9%	13.8%	7.3%	-37.0%	35.1%	13.3%	0.1%	11.1%	0.1%	0.0%	-3.8%	4.3%	10.2%	-3.9%	17.8%	9.2%	Cash	MSCI EAFE	MSCI EM	Cash
Global HY	REITS	REITS	Gold	Global IG	Cash	Global IG	S&P 500	Commodities	Gold	MSCI EAFE	Commodities	Gold	Commodities	Global HY	Global HY	REITS	Global IG	S&P 500	Global HY	Global HY	MSCI EM	Global IG	Global IG	MSCI EAFE
-5.8%	-7.8%	-2.4%	18.9%	9.4%	3.1%	7.2%	9.9%	-42.6%	35.0%	8.2%	-2.0%	8.3%	-2.1%	-0.1%	-4.2%	1.3%	9.3%	-4.9%	13.7%	8.0%	-2.3%	-16.7%	9.9%	4.1%
S&P 500	S&P 500	MSCI EM	Global IG	Gold	US Treasuries	Cash	Cash	MSCI EAFE	Global IG	Global IG	REITS	US Treasuries	MSCI EM	MSCI EM	Gold	US Treasuries	Commodities	Commodities	Global IG	Cash	US Treasuries	S&P 500	Cash	REITS
-9.1%	-11.9%	6.0%	14.3%	4.8%	2.8%	4.9%	5.0%	41.1%	19.2%	6.0%	-9.4%	2.2%	-2.3%	-1.8%	-10.4%	1.1%	7.6%	-13.1%	11.4%	0.9%	-2.4%	-18.1%	5.1%	3.2%
MSCI EAFE	MSCI EAFE	MSCI EAFE	US Treasuries	US Treasuries	Global HY	US Treasuries	Global HY	REITS	Cash	US Treasuries	MSCI EAFE	Cash	US Treasuries	MSCI EAFE	MSCI EM	MSCI EAFE	US Treasuries	MSCI EAFE	US Treasuries	REITS	Global IG	MSCI EM	US Treasuries	Global IG
14.0%	21.2%	15.7%	2.3%	3.9%	1.2%	3.0%	3.0%	-50.2%	0.2%	5.9%	11.7%	0.1%	-5.3%	-4.5%	-14.3%	1.0%	7.0%	-12.2%	7.0%	-4.4%	-3.0%	-19.8%	3.9%	1.2%
MSCI EM	Commodities	S&P 500	Cash	Cash	Global IG	Commodities	REITS	MSCI EM	US Treasuries	Cash	MSCI EM	Commodities	Gold	Commodities	Commodities	Cash	Cash	MSCI EM	Cash	Commodities	Gold	REITS	Commodities	US Treasuries
30.8%	-21.4%	-22.1%	1%	1.3%	-3.0%	-0.2%	-10.0%	-33.2%	-3.7%	8.1%	18.2%	-5.3%	-27.3%	-29.3%	-28.4%	8.3%	0.8%	-14.3%	2.2%	-15.0%	-4.1%	-29.2%	-3.5%	0.5%

Source: BofA Global Investment Strategy, Bloomberg. \*2024 YTD

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Should you have any questions, please feel free to contact the MFO Investment Office at (248) 723-0050 or visit us at our new address - 380 N. Old Woodward, Suite 175, Birmingham, MI 48009.

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# The Asset Class Quilt of Total Returns

**Chart 20: Historical asset class performance by year**  
Ranked cross asset returns by year since 2000

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Commodities 58.2%	US Treasures 6.7%	Commodities 39.5%	MSCI EM 36.1%	REITS 32.0%	MSCI LM 31.9%	REITS 37.5%	MSCI LV 39.8%	US Treasures 14.0%	MSCI LV 9.0%	Gold 29.2%	US Treasures 9.6%	REITS 23.8%	S&P 500 32.4%	S&P 500 13.7%	S&P 500 1.4%	Commodities 17.5%	MSCI LM 17.6%	Cash 1.8%	S&P 500 31.5%	Gold 24.8%	Commodities 46.3%	Commodities 31.1%	S&P 500 26.3%	Gold 26.7%	Gold 1.5%
US Treasures 13.4%	Global IG 4.6%	Gold 25.6%	MSCI EAFE 39.2%	Commodities 28.7%	Commodities 33.7%	MSCI LM 12.8%	Commodities 33.0%	Gold 4.3%	Global HY 62.0%	MSCI EM 19.2%	Gold 8.9%	Global HY 19.3%	MSCI EAFE 23.3%	REITS 11.7%	US Treasures 0.8%	Global HY 14.8%	MSCI EAFE 25.9%	US Treasures 0.8%	REITS 27.4%	MSCI LV 18.8%	REITS 37.1%	Cash 1.5%	MSCI EAFE 18.9%	S&P 500 25.0%	Commodities 0.7%
REITS 5.5%	Cash 4.4%	Global IG 14.9%	REITS 33.5%	MSCI EM 26.3%	Gold 17.8%	MSCI EAFE 26.9%	Gold 31.9%	Cash 2.1%	MSCI EAFE 32.5%	REITS 15.9%	Global IG 4.5%	MSCI EM 18.6%	Global HY 8.0%	US Treasures 6.0%	Cash 0.1%	S&P 500 12.0%	S&P 500 22.0%	Gold -1.9%	MSCI EAFE 22.8%	S&P 500 18.4%	S&P 500 28.7%	Gold -0.8%	Global HY 13.4%	MSCI LM 8.0%	S&P 500 0.6%
Cash 6.2%	Global HY 3.1%	US Treasures 11.6%	Commodities 30.1%	MSCI EAFE 20.7%	MSCI EAFE 14.0%	Gold 23.2%	MSCI EAFE 11.6%	Global IG -8.3%	REITS 31.7%	S&P 500 15.1%	Global HY 2.6%	MSCI EAFE 17.9%	REITS 0.7%	Global IG 3.2%	MSCI EAFE -0.8%	MSCI LM 11.2%	Gold 12.9%	Global HY -3.3%	Commodities 20.1%	Global IG 10.3%	MSCI EAFE 11.9%	US Treasures -12.9%	Gold 12.7%	Global HY 7.5%	MSCI EAFE 0.4%
Global IG 3.1%	Gold -0.7%	Cash 1.8%	Global HY 30.7%	Global HY 12.4%	REITS 10.7%	S&P 500 15.8%	US Treasures 9.1%	Global HY -27.9%	S&P 500 26.5%	Global HY 13.9%	S&P 500 2.1%	S&P 500 16.0%	Global IG 0.1%	Gold 0.1%	REITS -3.4%	Gold 8.6%	REITS 11.5%	Global IG -3.4%	MSCI LV 18.0%	MSCI EAFE 8.4%	Global HY 1.4%	Global HY -13.2%	REITS 11.3%	Commodities 5.5%	Cash 0.1%
Gold -5.4%	MSCI LV -2.4%	Global HY -1.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	Global HY 13.5%	Global IG 7.3%	S&P 500 -37.0%	Commodities 26.1%	Commodities 13.3%	Cash 0.1%	Global IG 11.1%	Cash 0.1%	Cash 0.0%	Global IG -3.8%	Global IG 4.3%	Global HY 10.2%	REITS -3.9%	Gold 17.9%	US Treasures 8.2%	Cash 0.0%	MSCI EAFE -13.9%	MSCI LM 10.1%	Cash 5.3%	Global HY 0.1%
Global HY -5.0%	REITS -7.8%	REITS -2.4%	Gold 19.9%	Global IG 9.4%	Cash 3.1%	Global IG 7.2%	S&P 500 5.6%	Commodities -42.6%	Gold 25.0%	MSCI EAFE 8.2%	Commodities -2.6%	Gold 8.3%	Commodities -2.1%	Global HY -0.1%	Global HY -4.2%	REITS 1.3%	Global IG 9.3%	S&P 500 -4.3%	Global HY 13.7%	Global HY 8.0%	MSCI LM -2.3%	Global IG -16.7%	Global IG 9.5%	MSCI EAFE 4.4%	MSCI LM -0.4%
S&P 500 -9.1%	S&P 500 -11.8%	MSCI LM -6.0%	Global IG 14.5%	Gold 4.6%	US Treasures 2.8%	Cash 4.9%	Cash 5.0%	MSCI EAFE -43.1%	Global IG 19.2%	Global IG 6.0%	REITS -9.4%	US Treasures 2.2%	MSCI LM -2.3%	MSCI LM -1.8%	Gold -10.4%	US Treasures 1.1%	Commodities 7.5%	Commodities -13.1%	Global IG 11.4%	Cash 0.5%	US Treasures -2.4%	S&P 500 -18.1%	Cash 5.1%	REITS 3.2%	US Treasures -0.4%
MSCI EAFE -14.0%	MSCI EAFE -21.2%	MSCI EAFE -15.7%	US Treasures 2.3%	US Treasures 3.5%	Global HY 1.5%	US Treasures 3.1%	Global HY 3.0%	REITS -50.2%	Cash 0.2%	US Treasures 5.9%	MSCI EAFE -11.7%	Cash 0.1%	US Treasures -3.3%	MSCI EAFE -4.5%	MSCI LM -14.8%	MSCI EAFE 1.0%	US Treasures 2.4%	MSCI EAFE -13.2%	US Treasures 7.0%	REITS -4.4%	Global IG -3.0%	MSCI LM -19.6%	US Treasures 3.9%	Global IG 1.2%	Global IG -0.7%
MSCI LM -30.6%	Commodities -21.4%	S&P 500 -22.1%	Cash 1.1%	Cash 1.3%	Global IG -3.0%	Commodities -0.2%	REITS -10.0%	MSCI LV -51.2%	US Treasures -3.7%	Cash 0.1%	MSCI LM -18.2%	Commodities -0.3%	Gold -27.3%	Commodities -29.3%	Commodities -29.4%	Cash 0.3%	Cash 0.8%	MSCI LV -14.3%	Cash 2.2%	Commodities -15.0%	Gold -4.1%	REITS -25.2%	Commodities -3.5%	US Treasures 0.5%	REITS -1.0%

Source: BofA Global Investment Strategy, Bloomberg. \*2024 YTD

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