



FIDUCIARY VEST

Gulf Coast State College Foundation

*An analysis of your assets, effective spending
rates, and ability to support both the GCSC
Guarantee and tuition scholarships*

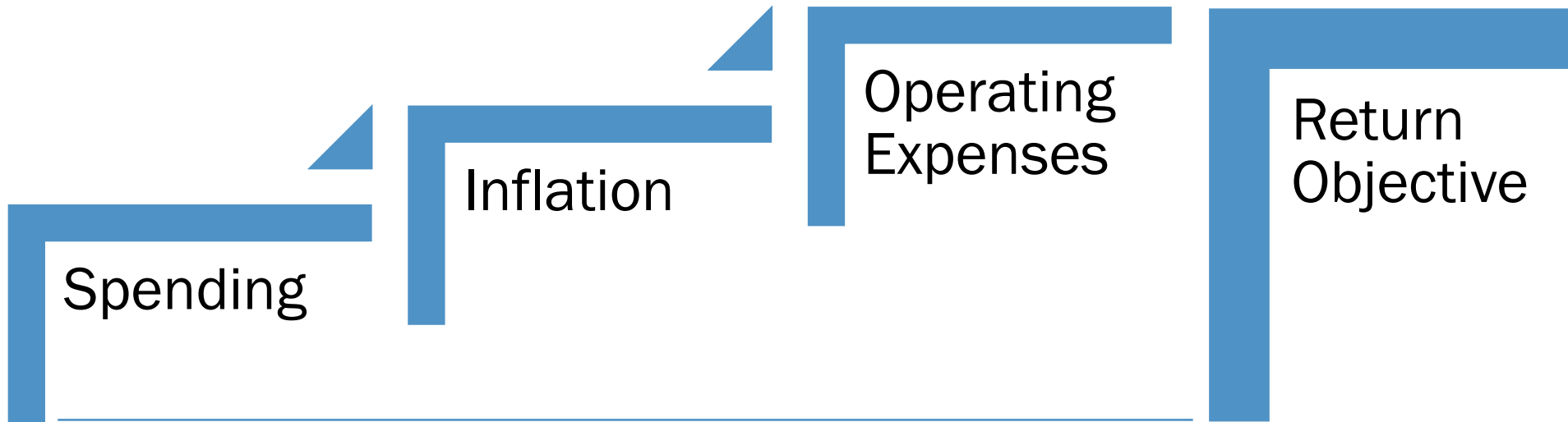
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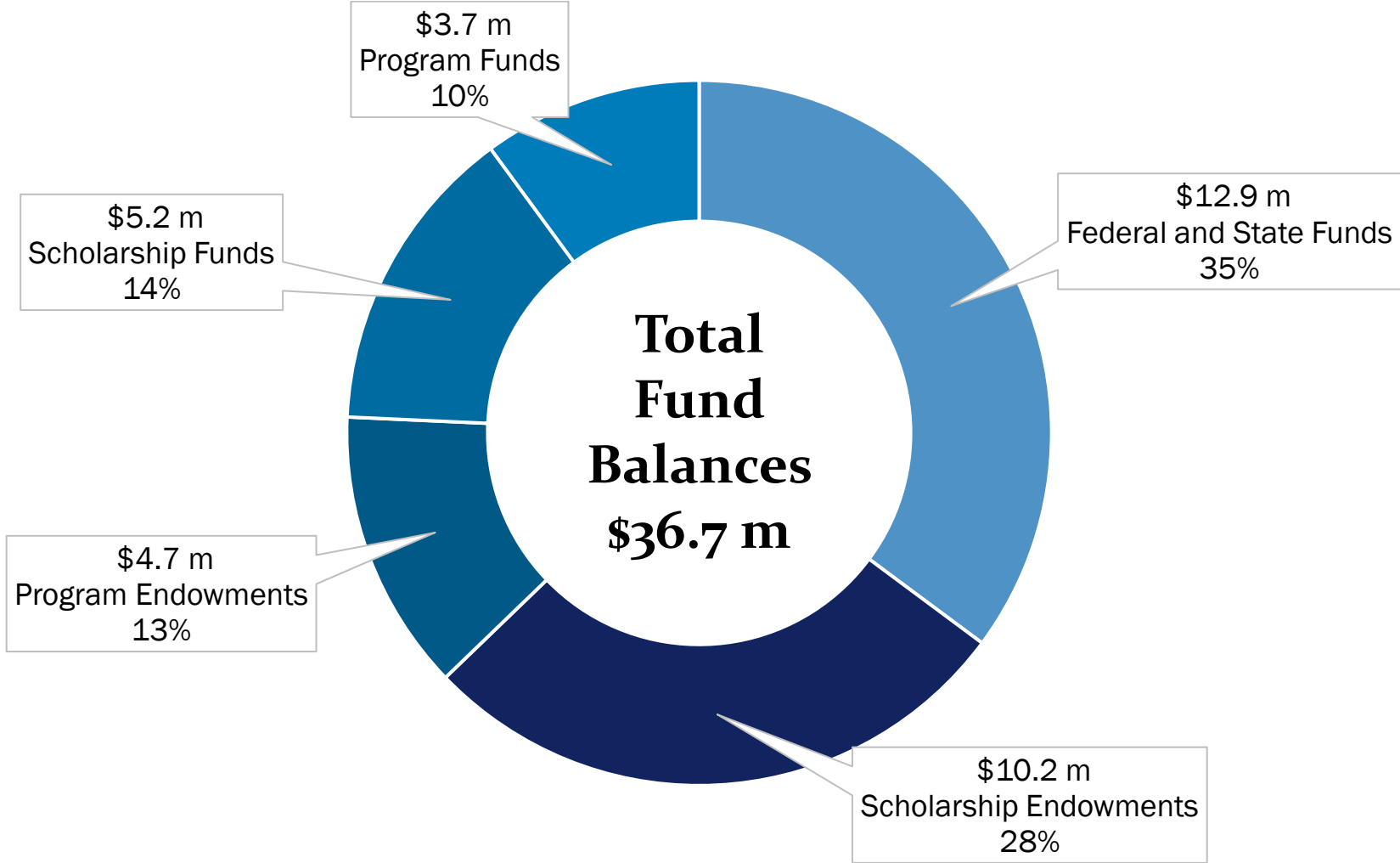
Intergenerational Equity



“The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task in managing the endowment is to preserve equity among generations.” -James Tobin (1974)



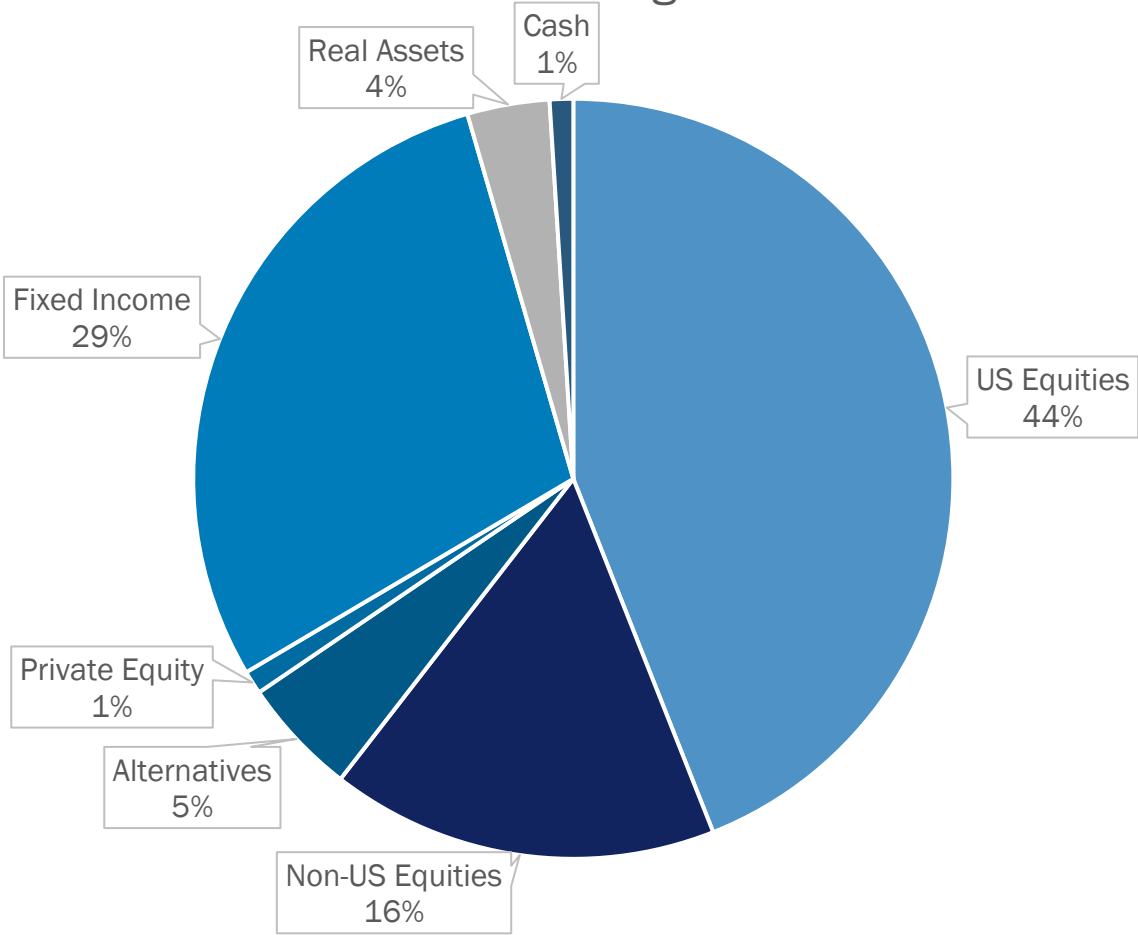
Total Fund Balances as of March 31, 2025



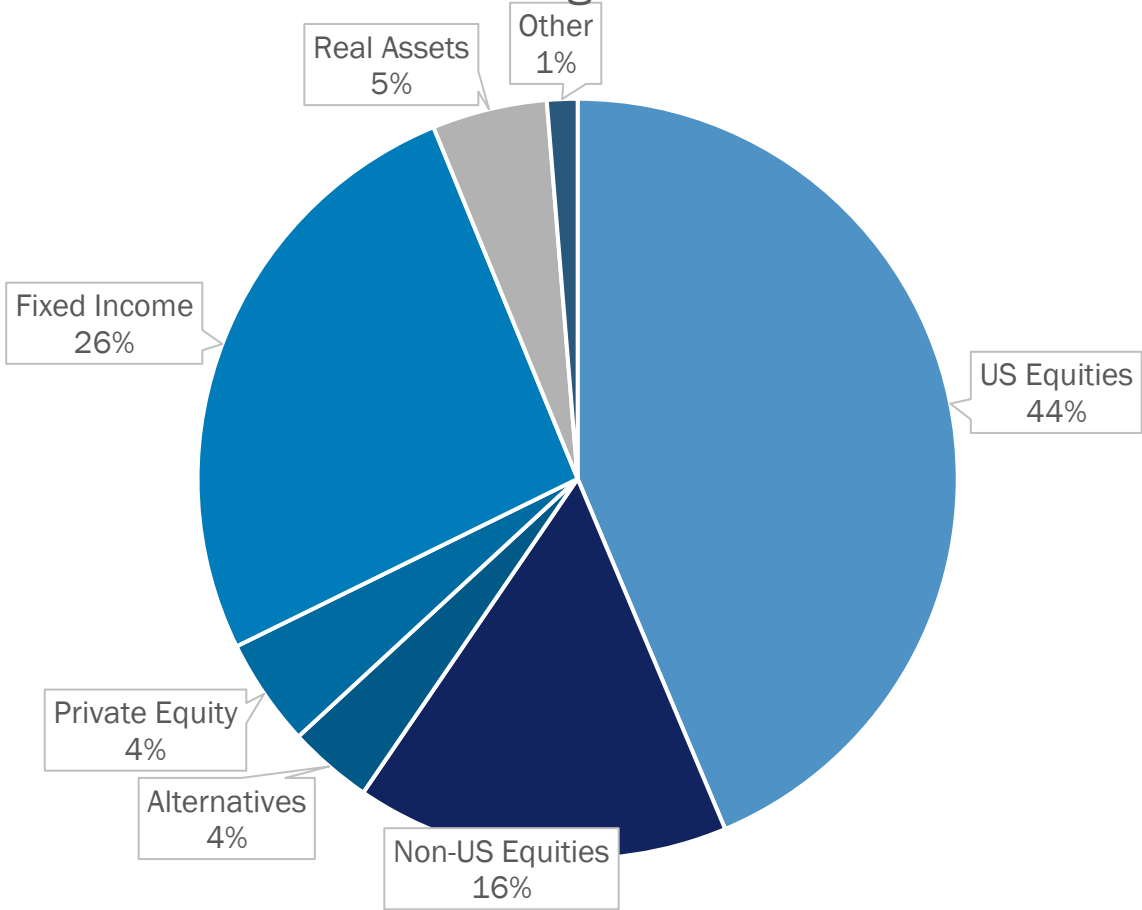
Initial Asset Allocation



Gulf Coast State College Foundation



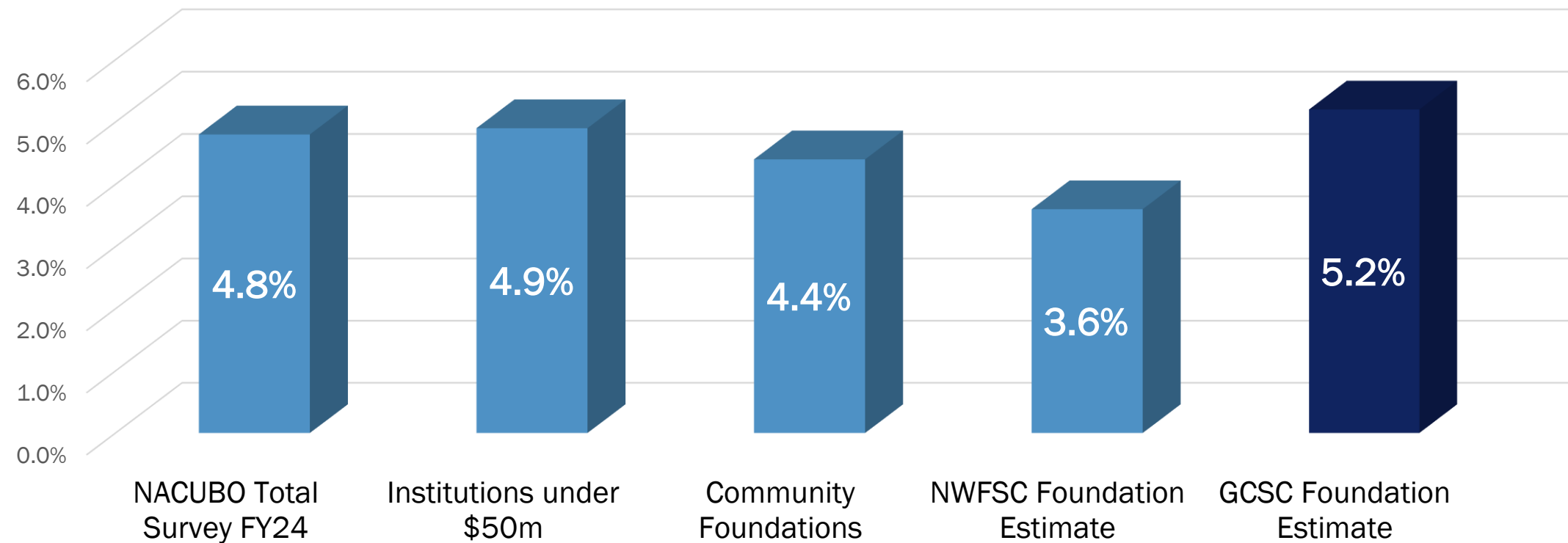
NACUBO Average Under \$50m



Spending Rates of Peers



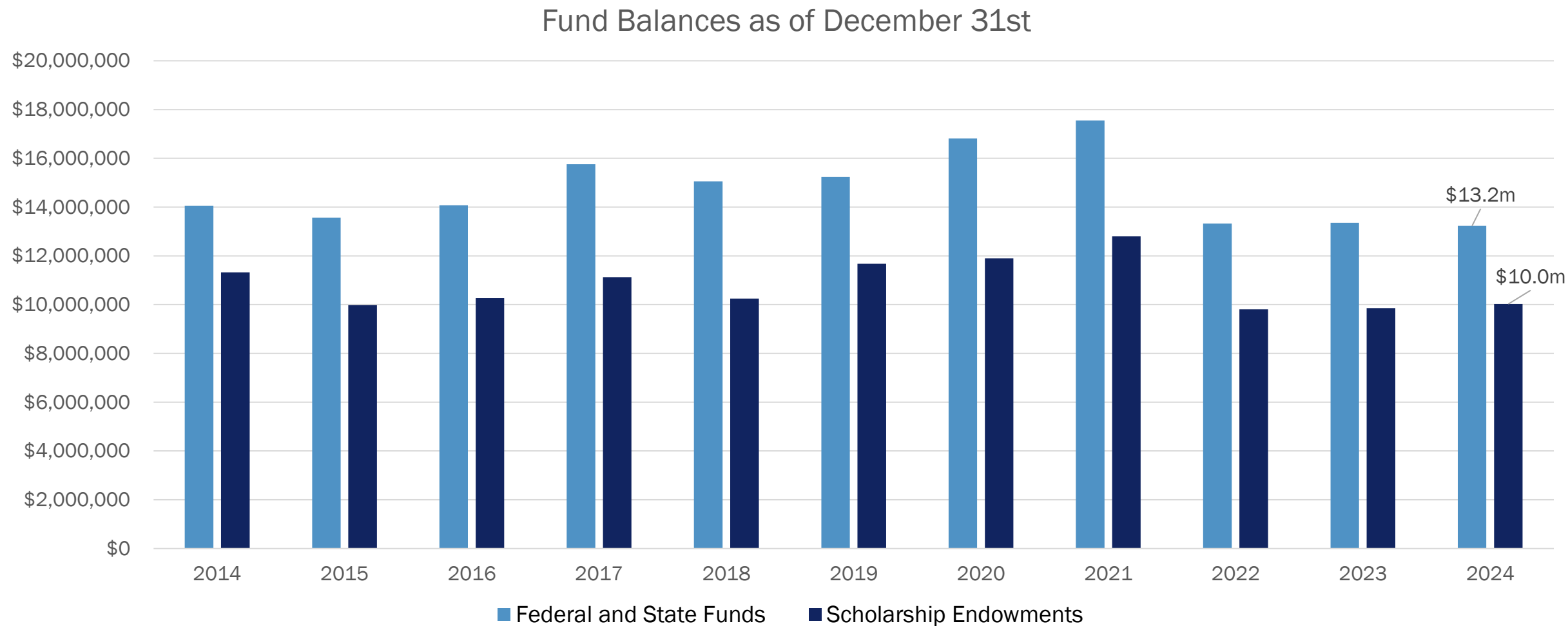
Average Annual Effective Spending Rates



Effective Spending Rate is calculated as the total amount spent from the funds divided by the beginning-of-the-year asset value

Sources: NACUBO, FEG, NWFSCF, GWCSF

Historical Balances of Selected Pools



Gulf Coast State College Guarantee



A **5.0%** effective spending rate would require **\$20 million** of endowed assets to fund the estimated **\$1 million** per year required for the Guarantee

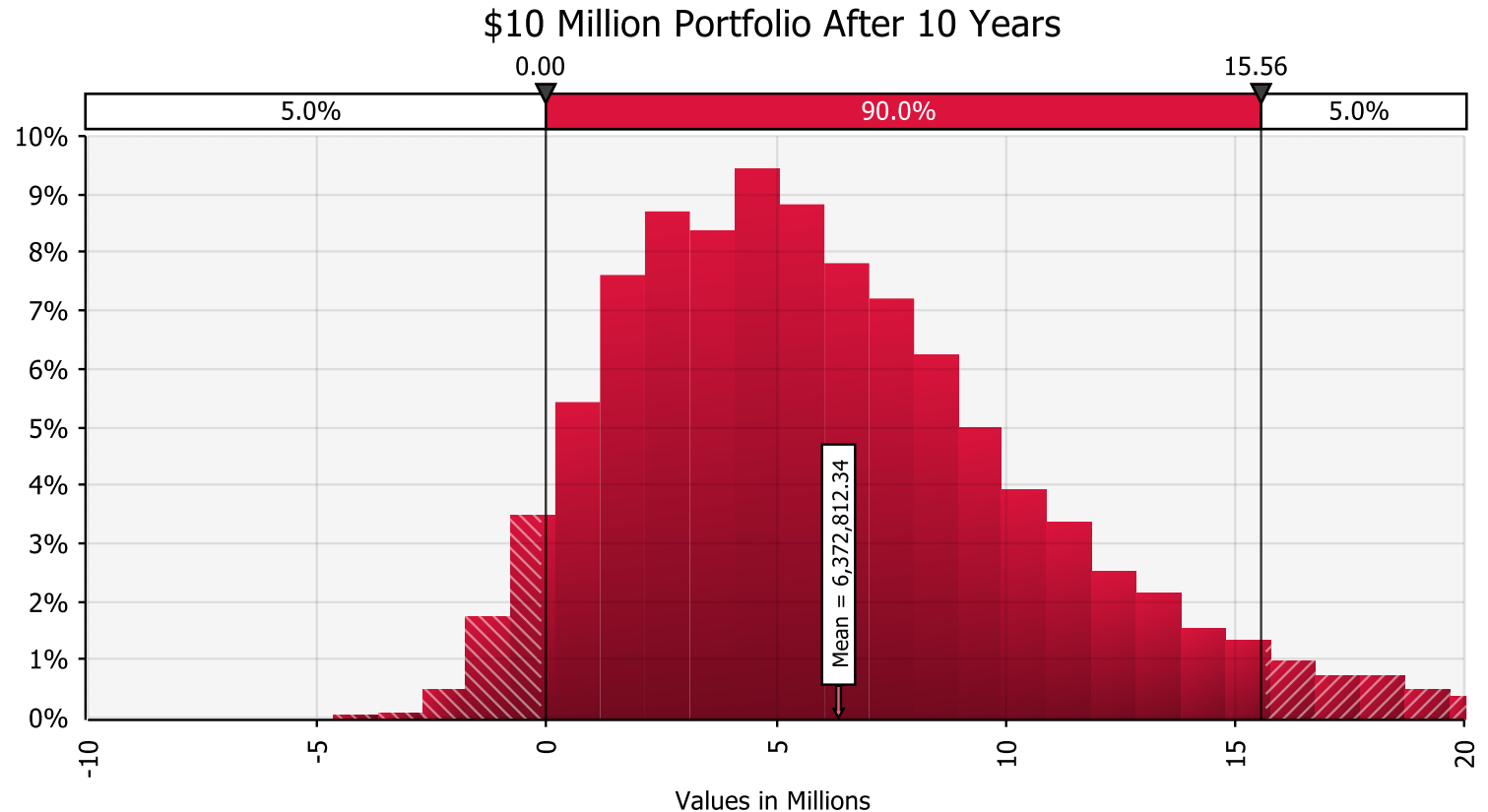
- ✓ The current assets for the GCSC Guarantee is \$4.6 million, and are not being spent to allow for growth
- ✓ Approximately \$1 million per year is drawn from the Federal and State Funds to cover the Guarantee, and all our modeling assumes this continues annually
- ✓ As the assets grow, you may consider drawing from the GCSC Guarantee assets in good market years, and drawing from the Federal and State Funds in poor market years

The challenge: funding the Guarantee while growing the assets through fundraising and investment returns.

Modeling Risks for the GCSC Guarantee



- When the GCSC Guarantee assets get to \$10 million, there remains a substantial risk of running out of money when spending \$1 million every year
- If the assets grow to \$15 million, the probability of running out of money drops to approximately 5%
- At \$20 million in assets, the probability is less than 1% of ever running out of money when spending \$1 million per year



Modeling Future Values of the GCSC Guarantee



Starting Portfolio (\$)	10,000,000	12,700,000	15,000,000	20,000,000
	Portfolio in 10 Years	Portfolio in 10 Years	Portfolio in 10 Years	Portfolio in 10 Years
Average Case	6,382,886	12,406,485	17,556,313	28,676,405
Best Case	24,148,552	38,223,637	48,294,487	72,162,255
Worst Case	(2,371,518)	77,295	1,861,539	6,044,087
95th Percentile	15,573,151	25,650,401	34,108,659	52,176,203
75th Percentile	8,905,304	16,020,402	22,206,706	35,415,329
50th Percentile	5,557,690	11,253,283	16,191,711	26,664,006
25th Percentile	2,930,413	7,393,246	11,217,410	19,620,453
5th Percentile	(7,775)	3,382,715	6,061,636	12,177,550

Endowed Funding for Scholarships



To maintain **\$1,400** per year x **781** scholarships with a **5.0%** effective spending rate you need **\$21.9 million** in endowed assets

- ✓ Permanent Endowed assets totaled \$14.9 million as of March 31, 2025
- ✓ Your 2025/26 spending draw for 781 scholarships at \$1,400 per year totals approximately \$1.1 million – this works out to a 7.3% effective spending rate, an unsustainable level
- ✓ Your current Endowed assets can only support approximately \$950 per year at a 5% spending rate
- ✓ One scholarship to fund \$1,400 per year in perpetuity should be \$28,000 – \$35,000
- ✓ With the inability for current assets to fund \$1,400 per year, you may consider more than \$35,000 for future endowments

The challenge: how much fundraising is needed to support both current and future scholarships?



Appendix

Capital Market Assumptions



FiduciaryVest, LLC Asset Class Assumptions
Nominal Return and Variability Components

January 2025

Asset Class	Passive Benchmark Portfolio	Building Block Components: Risk Free Rate + Risk Premium ...	Risk Free ¹	Risk Premia			Asset Class ²	Strategy ³	Expected Total Return	Historical ⁴				
				Horizon	Default	Equity				Index Return	Index Standard Deviation	Correlation with Stocks	Correlation with Bonds	Year
Inflation		Expected inflation (3.2% = long term history) ⁵	2.4%						2.4%	3.7%	2.8%	(0.15)	(0.21)	1955
Risk Free Rate	5 Year Treasury Bond Yield		4.4%						4.4%	5.4%	3.1%	0.02	0.27	1955
Debt Securities														
Cash	eVestment US Enhanced Cash Management	Horizon Discount	4.4%	-0.8%					3.6%	4.5%	3.4%	0.01	0.70	1955
Stable Value	eVestment US Stable Value Fixed Income	Horizon Premium	4.4%	0.0%					4.4%	5.8%	2.9%	0.01	0.70	1999
US Intermediate Govt Bonds	Bloomberg US Intermediate Government Index		4.4%						4.4%	5.7%	5.5%	0.07	0.95	1955
US Long Treasury Bonds	Bloomberg US Long Treasury Index	Horizon Premium	4.4%	0.5%					4.9%	6.4%	11.7%	0.10	0.87	1955
Short Duration TIPS	Bloomberg US TIPS 1-10 Yr	Horizon Discount	4.4%	-0.4%					4.0%	6.8%	4.9%	(0.06)	0.74	2003
TIPS	Bloomberg US TIPS	Horizon Premium	4.4%	0.5%					4.9%	7.0%	5.8%	(0.07)	0.76	1998
US Short Bonds	Bloomberg US Govt/Credit 1-3 Year	Horizon Discount	4.4%	-0.4%	0.1%				4.1%	5.4%	4.7%	0.14	0.86	1976
US Intermediate Bonds	Bloomberg US Intermediate Govt/Credit	Horizon Premium + Default Premium	4.4%	0.3%					4.7%	5.9%	5.5%	0.18	0.97	1977
US Core Bonds	Bloomberg US Aggregate Bond Index	Default Premium	4.4%		0.5%				4.9%	6.2%	7.3%	0.22	1.00	1976
US Corporate Bonds	Bloomberg US Intermediate Credit Bond Index	Default Premium	4.4%		0.9%				5.3%	6.6%	6.8%	0.36	0.94	1973
US Long Corporate Bonds	Bloomberg US Long Corp	Horizon Premium + Default Premium	4.4%	0.5%	1.0%				5.9%	6.8%	10.6%	0.37	0.89	1955
Municipal Bonds	Bloomberg US Municipal	Horizon Premium + Default Premium	4.4%	0.5%	0.2%				5.1%	6.1%	7.6%	0.20	0.89	1988
Short Term High Yield	ICE BofAML 1-5 Year BB-B Cash Pay High Yield	Default Premium	4.4%		1.5%				5.9%	7.9%	8.3%	0.58	0.37	1990
High Yield Bonds	Bloomberg US Corporate High Yield Yield	Default Premium	4.4%		3.3%				7.7%	9.0%	11.7%	0.62	0.42	1984
International Bonds	Bloomberg Global Aggregate (Ex USD)	Horizon Premium + Default Premium	4.4%	0.1%	0.1%				4.6%	4.7%	9.3%	0.14	0.59	1990
Emerging Mkts Bonds	JP Morgan EMBI Global Diversified	Default Premium	4.4%		3.7%				8.1%	8.3%	10.3%	0.38	0.47	1997
Floating Rate/Bank Loans	Morningstar LSTA US Performing Loans	Default Premium	4.4%		1.9%				6.3%	5.5%	8.5%	0.62	0.14	1997
Equity Securities														
US Large Cap Equity	S&P 500 Index	Domestic Equity Risk Premium	4.4%			6.4%			10.8%	12.0%	17.0%	1.00	0.22	1955
US Mid Cap Equity	Russel Midcap Index	Domestic Equity + Mid-Cap Size Risk Premium	4.4%			6.4%	0.6%		11.4%	13.1%	19.0%	0.92	0.24	1980
US Small Cap Equity	Russel 2000 Index	Domestic Equity + Small-Cap Size Risk Premium	4.4%			6.4%	0.7%		11.5%	13.2%	22.9%	0.84	0.18	1980
US Micro-Cap Equity	Wilshire US Micro Index	Domestic Equity + Micro-Cap Size Risk Premium	4.4%			6.4%	0.5%		11.3%	13.0%	27.4%	0.72	0.05	1991
InfI (Dev. Mkts) Equities	MSCI World Ex US Index	Domestic Equity + International Risk Premium	4.4%			6.4%	-1.3%		9.5%	10.7%	20.9%	0.69	0.10	1971
InfI Emerging Mkts Equities	MSCI Emerging Markets Index	Domestic Equity + Emerging Market Premium	4.4%			6.4%	-1.5%		9.3%	10.1%	27.0%	0.48	(0.04)	1990
InfI Small Cap Equities	MSCI World Ex US Small Cap	Domestic Equity + InfI Small Cap Risk Premium	4.4%			6.4%	-0.3%		10.5%	9.3%	23.3%	0.81	(0.04)	1990
Real Estate Securities	FTSE NAREIT All Equity REITs	Domestic Equity + Real Estate Risk Premium	4.4%			6.4%	1.1%		11.9%	12.6%	18.6%	0.58	0.28	1972
Global Listed Infrastructure	S&P Global Infrastructure Index	Domestic Equity + Infrastructure Risk Premium	4.4%			6.4%	-1.3%		9.5%	10.5%	23.0%	0.83	(0.09)	2004
Alternative Strategies														
(Benchmarks: Universes of active managers, except Commodities)														
Long/Short Equities	Barclay Equity Long/Short	50% Equity Premium + Long / Short Risk Premium	4.4%			3.2%		0.8%	8.4%	11.3%	12.2%	0.57	0.23	1990
Long/Short Futures	Barclay TOP 50 Index	Managed Futures Risk Premium	4.4%					2.3%	6.7%	6.0%	7.8%	(0.13)	0.20	1990
Commodities	Bloomberg Commodity Index	Commodities Risk Premium	4.4%				1.4%		5.8%	4.7%	18.6%	0.30	(0.15)	1994
Hedge Funds	HFRI Fund of Funds Composite Index	Hedge Fund Risk Premium	4.4%					2.7%	7.1%	6.4%	8.6%	0.61	0.16	1990
Event Driven	HFRI Event-Driven Total Index	Event Driven Risk Premium	4.4%					6.1%	10.5%	10.0%	11.1%	0.71	0.17	1990
Convertible Arbitrage	HFRI Convertible Arbitrage Index	Convertible Arbitrage Risk Premium	4.4%					3.5%	7.9%	8.0%	10.1%	0.53	0.29	1990
Distressed Securities	Barclays Distressed Securities Index	Distressed Securities Risk Premium	4.4%		4.8%				9.2%	8.7%	12.0%	0.67	0.03	1994
Private Credit	Cliffwater Direct Lending Index	Private Credit Risk Premium	4.4%		4.6%				9.0%	9.4%	4.7%	0.76	(0.07)	2004
Global Macro	Barclays Global Macro Index	Global Macro Risk Premium	4.4%					4.4%	8.8%	7.8%	7.0%	0.47	0.25	1994
Merger Arbitrage	HFRI Merger Arbitrage Index	Merger Arbitrage Risk Premium	4.4%					3.0%	7.4%	7.5%	6.4%	0.53	0.18	1990
Energy Infrastructure (MLPs)	Alerian MLP Index	Domestic Equity + Infrastructure Risk Premium	4.4%			6.4%		0.8%	11.6%	12.4%	29.8%	0.58	(0.17)	2004
Timberland	NCREIF - Timberland Index	Liquidity Risk Premium	4.4%					4.2%	8.6%	7.6%	6.5%	0.14	(0.15)	1994
Direct Real Estate	NCREIF Property Index Unsmoothed Index	Liquidity Risk Premium	4.4%					5.2%	9.6%	8.6%	9.9%	0.32	0.00	1994
Private Equity	Cambridge U.S. Private Equity Unsmoothed	Equity Premium + Liquidity Risk Premium	4.4%			6.4%		4.3%	15.1%	15.5%	20.6%	0.80	(0.10)	1990
Venture Capital	Cambridge U.S. Venture Capital	Equity Premium + Liquidity Risk Premium	4.4%			6.4%		6.2%	17.0%	18.8%	33.8%	0.20	0.13	1990
Manager (Elliott)	Elliott Historical Returns	Elliott Premium	4.4%					7.7%	12.1%	11.6%	7.4%			1990

NOTE: Forecasts of investment returns are heavily affected by the length of the forecasting period ("horizon"). "Expected" returns developed in this assumption-set are inherently biased toward a 3-5-year forecasting horizon, because the base building block reflects the current US risk-free borrowing rate and its counterpart, the current inflation-expectation rate.

By contrast, as the length of the forecasting horizon increases, the impact of today's risk free and inflation rates disappear, replaced by long term index returns (shown) which become increasingly more probable forecasts of expected outcomes.

[A practical alternative to a single, long-horizon forecast is a series of 3-5 year forecasts, accompanied by appropriate marginal adjustments of investment allocation at each re-forecast.]

¹ 5 Year US Treasury Notes (as of January 2025)

² Asset Class factor generally refers to a demonstrated premium return from asset categories.

³ These categories are actively managed universes, grouped according to strategies and measured according to return premia.

⁴ Historical returns and correlations were measured at quarterly intervals from 1/1/1955 to 12/31/2023 (or inception of the data for fixed income and equity, if later than 1955).

Some alternative strategy benchmarks had historical returns that began before 1994, but that was not included in order to standardize correlations across alternative strategies.

⁵ Market Implied Inflation = Yield differential between 10 Year Treasuries and 10 Year TIPS (as of January 2025)

Normal Market Correlations



FiduciaryVest, LLC 2025 Asset Class Assumptions
Cross-Correlations

	Inflation	Risk Free Rate	Cash	Stable Value	US Intermediate Govt Bonds	US Long Treasury Bonds	Short Duration TIPS	TIPS	US Short Bonds	US Intermediate Bonds	US Core Bonds	US Corporate Bonds	US Long Corporate Bonds	Municipal Bonds	Short Term High Yield	High Yield Bonds	International Bonds	Emerging Mkts Bonds	Floating Rate Loans	US Large Cap Equities	US Mid Cap Equities	US Small Cap Equities	US Micro Cap Equities	International Equities	Emerging Equities	International Small Cap	Real Estate Securities (REITs)	Global Listed Infrastructure	Long/Short Equities	Long/Short Futures	Commodities	Hedge Funds	Event Driven	Convertible Arbitrage	Distressed Securities	Private Credit	Global Macro	Merger Arbitrage	Energy Infrastructure (MLPs)	Timberland	Direct Real Estate	Private Equity	Venture Capital		
Normal Markets																																													
Inflation	1.00																																												
Risk Free Rate	0.55	1.00																																											
Cash	0.52	0.95	1.00																																										
Stable Value	0.01	0.69	0.74	1.00																																									
US Intermediate Govt Bonds	(0.04)	0.40	0.56	0.74	1.00																																								
US Long Treasury Bonds	(0.28)	0.02	0.17	0.40	0.82	1.00																																							
Short Duration TIPS	0.02	0.12	0.26	0.63	0.64	0.48	1.00																																						
TIPS	(0.10)	(0.02)	0.13	0.55	0.64	0.59	0.97	1.00																																					
US Short Bonds	0.11	0.63	0.76	0.85	0.94	0.62	0.63	0.56	1.00																																				
US Intermediate Bonds	(0.08)	0.37	0.52	0.73	0.95	0.78	0.73	0.72	0.93	1.00																																			
US Core Bonds	(0.21)	0.26	0.40	0.69	0.93	0.86	0.70	0.74	0.86	0.97	1.00																																		
US Corporate Bonds	(0.14)	0.29	0.40	0.65	0.82	0.67	0.71	0.71	0.84	0.95	0.94	1.00																																	
US Long Corporate Bonds	(0.28)	0.03	0.11	0.41	0.69	0.75	0.59	0.67	0.62	0.83	0.88	0.92	1.00																																
Municipal Bonds	(0.24)	0.20	0.31	0.58	0.72	0.67	0.63	0.69	0.69	0.85	0.88	0.89	0.87	1.00																															
Short Term High Yield	(0.04)	0.21	0.14	0.29	0.16	(0.03)	0.30	0.25	0.31	0.38	0.37	0.63	0.58	0.50	1.00																														
High Yield Bonds	(0.12)	0.12	0.04	0.23	0.19	0.12	0.28	0.27	0.29	0.39	0.41	0.64	0.66	0.49	0.92	1.00																													
International Bonds	(0.15)	0.15	0.19	0.52	0.53	0.39	0.58	0.58	0.50	0.59	0.58	0.60	0.55	0.51	0.41	0.41	1.00																												
Emerging Mkts Bonds	(0.22)	0.11	0.11	0.42	0.26	0.20	0.56	0.54	0.34	0.45	0.47	0.62	0.63	0.57	0.71	0.70	0.38	1.00																											
Floating Rate Loans	0.01	0.09	0.02	0.07	(0.07)	(0.20)	0.19	0.14	0.11	0.18	0.17	0.46	0.44	0.37	0.89	0.86	0.20	0.59	1.00																										
US Large Cap Equities	(0.10)	0.05	0.00	0.01	0.01	0.06	(0.03)	(0.03)	0.09	0.15	0.20	0.35	0.39	0.22	0.59	0.65	0.16	0.38	0.60	1.00																									
US Mid Cap Equities	0.04	0.12	0.05	0.08	0.03	0.00	0.09	0.07	0.13	0.18	0.21	0.40	0.43	0.26	0.70	0.76	0.18	0.54	0.70	0.92	1.00																								
US Small Cap Equities	0.04	0.11	0.03	0.08	(0.02)	(0.09)	0.06	0.03	0.09	0.12	0.13	0.33	0.33	0.19	0.66	0.70	0.17	0.54	0.62	0.84	0.96	1.00																							
US Micro Cap Equities	(0.02)	0.07	(0.03)	0.09	(0.09)	(0.17)	0.08	0.05	0.04	0.06	0.07	0.29	0.30	0.16	0.66	0.68	0.21	0.57	0.62	0.72	0.88	0.94	1.00																						
International Equities	(0.02)	0.11	(0.01)	0.03	(0.12)	(0.11)	0.04	0.01	(0.01)	0.03	0.04	0.23	0.28	0.06	0.55	0.63	0.23	0.49	0.60	0.69	0.74	0.68	0.75	1.00																					
Emerging Equities	0.02	0.09	(0.02)	0.10	(0.18)	(0.25)	0.16	0.11	(0.04)	(0.03)	(0.03)	0.16	0.17	0.05	0.58	0.61	0.28	0.60	0.57	0.48	0.63	0.65	0.67	0.78	1.00																				
International Small Cap	(0.01)	0.06	(0.05)	0.02	(0.15)	(0.17)	0.06	0.03	(0.03)	0.01	0.03	0.25	0.29	0.10	0.67	0.74	0.23	0.58	0.69	0.80	0.90	0.87	0.86	0.92	0.87	1.00																			
Real Estate Securities (REITs)	0.05	0.07	0.01	0.12	0.12	0.12	0.30	0.29	0.15	0.26	0.28	0.43	0.45	0.36	0.58	0.65	0.12	0.57	0.57	0.58	0.73	0.69	0.58	0.49	0.45	0.65	1.00																		
Global Listed Infrastructure	0.02	(0.02)	(0.14)	(0.04)	(0.26)	(0.28)	0.06	0.03	(0.13)	(0.07)	(0.05)	0.18	0.21	0.11	0.62	0.63	0.12	0.49	0.66	0.78	0.87	0.89	0.91	0.73	0.65	0.86	0.63	1.00																	
Long/Short Equities	0.17	0.59	0.50	0.50	0.14	(0.07)	0.13	0.03	0.35	0.24	0.21	0.34	0.19	0.27	0.45	0.42	0.13	0.41	0.39	0.60	0.63	0.63	0.65	0.54	0.42	0.57	0.34	0.66	1.00																
Long/Short Futures	0.29	0.27	0.28	0.27	0.31	0.13	0.22	0.14	0.32	0.25	0.19	0.16	0.02	0.16	(0.06)	(0.10)	0.16	(0.19)	(0.15)	(0.12)	(0.12)	(0.13)	(0.12)	(0.17)	(0.18)	(0.19)	0.04	(0.09)	0.09	1.00															
Commodities	0.59	0.24	0.15	0.09	(0.16)	(0.32)	0.36	0.26	(0.02)	(0.09)	(0.13)	0.02	(0.06)	(0.11)	0.30	0.29	0.14	0.32	0.37	0.27	0.44	0.44	0.45	0.44	0.51	0.51	0.45	0.55	0.39	0.15	1.00														
Hedge Funds	0.18	0.44	0.36	0.39	0.05	(0.11)	0.21	0.12	0.24	0.17	0.15	0.32	0.22	0.24	0.53	0.50	0.15	0.55	0.51	0.61	0.71	0.70	0.71	0.67	0.64	0.73	0.52	0.72	0.84	0.06	0.56	1.00													
Event Driven	0.11	0.41	0.28	0.36	0.02	(0.16)	0.19	0.11	0.23	0.18	0.17	0.38	0.30	0.28	0.71	0.70	0.22	0.60	0.67	0.72	0.83	0.83	0.83	0.74	0.67	0.83	0.66	0.84	0.82	0.03	0.57	0.86	1.00												
Convertible Arbitrage	(0.01)	0.20	0.16	0.29	0.11	(0.09)	0.32	0.24	0.31	0.33	0.30	0.55	0.46	0.44	0.78	0.74	0.21	0.57	0.86	0.53	0.63	0.57	0.60	0.51	0.48	0.59	0.51	0.63	0.54	(0.01)	0.36	0.61	0.72	1.00											
Distressed Securities	0.13	0.22	0.10	0.22	(0.12)	(0.26)	0.21	0.14	0.08	0.06	0.05	0.29	0.24	0.15	0.72	0.69	0.18	0.56	0.72	0.65	0.79	0.78	0.81	0.70	0.65	0.80	0.66	0.83	0.64	(0.05)	0.62	0.80	0.91	0.75	1.00										
Private Credit	0.19	0.14	0.01	(0.00)	(0.26)	(0.27)	0.09	0.05	(0.11)	(0.05)	(0.05)	0.19	0.20	0.13	0.64	0.61	0.05	0.47	0.69	0.70	0.77	0.71	0.67	0.69	0.60	0.79	0.73	0.84	0.61																

Bear Market Correlations



FiduciaryVest, LLC 2025 Asset Class Assumptions
Cross-Correlations

	Inflation	Risk Free Rate	Cash	Stable Value	US Intermediate Govt Bonds	US Long Treasury Bonds	Short Duration TIPS	TIPS	US Short Bonds	US Intermediate Bonds	US Core Bonds	US Corporate Bonds	US Long Corporate Bonds	Municipal Bonds	Short Term High Yield	High Yield Bonds	International Bonds	Emerging Mkts Bonds	Floating Rate Loans	US Large Cap Equities	US Mid Cap Equities	US Small Cap Equities	US Micro Cap Equities	International Equities	Emerging Equities	International Small Cap	Real Estate Securities (REITs)	Global Listed Infrastructure	Long/Short Equities	Long/Short Futures	Commodities	Hedge Funds	Event Driven	Convertible Arbitrage	Distressed Securities	Private Credit	Global Macro	Merger Arbitrage	Energy Infrastructure (MLPs)	Timberland	Direct Real Estate	Private Equity	Venture Capital					
Bear Markets																																																
Inflation	1.00																																															
Risk Free Rate	0.58	1.00																																														
Cash	0.47	0.73	1.00																																													
Stable Value	0.07	0.43	0.69	1.00																																												
US Intermediate Govt Bonds	(0.11)	(0.14)	0.43	0.78	1.00																																											
US Long Treasury Bonds	(0.23)	(0.32)	0.13	0.65	0.92	1.00																																										
Short Duration TIPS	0.23	0.32	0.44	0.83	0.68	0.62	1.00																																									
TIPS	0.12	0.25	0.40	0.87	0.74	0.70	0.99	1.00																																								
US Short Bonds	(0.04)	0.30	0.64	0.91	0.82	0.66	0.75	0.78	1.00																																							
US Intermediate Bonds	(0.20)	0.02	0.36	0.82	0.88	0.81	0.80	0.84	0.90	1.00																																						
US Core Bonds	(0.20)	(0.03)	0.34	0.82	0.90	0.85	0.77	0.83	0.84	0.97	1.00																																					
US Corporate Bonds	(0.17)	(0.00)	0.22	0.64	0.68	0.59	0.74	0.76	0.74	0.88	0.84	1.00																																				
US Long Corporate Bonds	(0.28)	(0.20)	0.02	0.47	0.61	0.58	0.61	0.64	0.56	0.79	0.75	0.94	1.00																																			
Municipal Bonds	(0.13)	0.12	0.29	0.69	0.62	0.53	0.77	0.79	0.66	0.76	0.73	0.87	0.87	1.00																																		
Short Term High Yield	0.09	0.19	0.11	0.29	0.14	(0.01)	0.54	0.50	0.31	0.40	0.35	0.72	0.67	0.70	1.00																																	
High Yield Bonds	0.09	0.12	0.05	0.29	0.18	0.06	0.59	0.55	0.28	0.41	0.37	0.73	0.70	0.71	0.98	1.00																																
International Bonds	(0.05)	0.05	0.12	0.59	0.53	0.55	0.67	0.70	0.50	0.66	0.67	0.69	0.69	0.61	0.39	0.46	1.00																															
Emerging Mkts Bonds	0.03	0.23	0.31	0.70	0.56	0.46	0.83	0.83	0.65	0.74	0.71	0.90	0.83	0.92	0.81	0.83	0.71	1.00																														
Floating Rate Loans	0.39	0.49	0.30	0.31	0.04	(0.13)	0.53	0.47	0.30	0.33	0.27	0.61	0.49	0.54	0.89	0.86	0.36	0.74	1.00																													
US Large Cap Equities	0.06	0.05	(0.11)	(0.04)	(0.14)	(0.22)	0.19	0.13	(0.04)	0.05	0.01	0.46	0.43	0.38	0.79	0.80	0.22	0.55	0.70	1.00																												
US Mid Cap Equities	0.06	0.07	(0.04)	0.04	(0.03)	(0.14)	0.26	0.21	0.07	0.17	0.12	0.58	0.56	0.47	0.84	0.83	0.36	0.66	0.78	0.95	1.00																											
US Small Cap Equities	0.04	0.05	(0.02)	0.03	(0.04)	(0.16)	0.19	0.16	0.03	0.10	0.08	0.50	0.46	0.40	0.78	0.78	0.30	0.61	0.72	0.92	0.97	1.00																										
US Micro Cap Equities	0.01	0.06	(0.06)	0.06	(0.07)	(0.17)	0.18	0.17	0.04	0.11	0.08	0.50	0.47	0.39	0.76	0.75	0.45	0.61	0.70	0.85	0.93	0.95	1.00																									
International Equities	0.09	0.15	(0.06)	(0.05)	(0.21)	(0.31)	0.15	0.09	(0.06)	0.02	(0.03)	0.42	0.39	0.32	0.75	0.75	0.28	0.51	0.72	0.97	0.94	0.90	0.86	1.00																								
Emerging Equities	0.05	0.12	(0.13)	0.00	(0.19)	(0.25)	0.17	0.13	(0.03)	0.04	(0.00)	0.43	0.41	0.33	0.74	0.75	0.44	0.54	0.67	0.91	0.89	0.86	0.93	0.93	1.00																							
International Small Cap	0.04	0.11	(0.09)	(0.06)	(0.19)	(0.29)	0.15	0.10	(0.07)	0.05	0.01	0.49	0.49	0.41	0.79	0.79	0.34	0.58	0.76	0.93	0.96	0.94	0.92	0.96	0.91	1.00																						
Real Estate Securities (REITs)	0.11	0.11	0.07	0.12	0.13	0.04	0.35	0.32	0.18	0.32	0.27	0.66	0.68	0.60	0.74	0.74	0.37	0.69	0.75	0.69	0.84	0.78	0.68	0.67	0.57	0.79	1.00																					
Global Listed Infrastructure	0.25	0.14	(0.12)	(0.27)	(0.37)	(0.45)	0.00	(0.08)	(0.27)	(0.22)	(0.26)	0.24	0.26	0.22	0.67	0.66	0.09	0.38	0.67	0.90	0.89	0.86	0.80	0.90	0.82	0.91	0.74	1.00																				
Long/Short Equities	0.24	0.37	0.29	0.14	(0.06)	(0.29)	0.23	0.16	0.19	0.13	0.07	0.51	0.41	0.45	0.81	0.75	0.18	0.61	0.84	0.86	0.90	0.88	0.82	0.87	0.79	0.87	0.76	0.85	1.00																			
Long/Short Futures	0.47	0.29	0.55	0.50	0.54	0.45	0.43	0.40	0.52	0.47	0.49	0.30	0.15	0.17	(0.05)	(0.08)	0.27	0.25	0.20	(0.15)	(0.09)	(0.12)	(0.15)	(0.14)	(0.18)	(0.17)	0.07	(0.16)	0.06	1.00																		
Commodities	0.70	0.53	0.27	0.17	(0.08)	(0.13)	0.44	0.34	0.08	0.07	0.04	0.21	0.06	0.08	0.40	0.41	0.37	0.39	0.68	0.42	0.49	0.46	0.45	0.47	0.45	0.46	0.49	0.52	0.49	0.39	1.00																	
Hedge Funds	0.44	0.39	0.26	0.33	0.10	(0.02)	0.56	0.49	0.25	0.27	0.23	0.57	0.47	0.51	0.78	0.79	0.53	0.75	0.86	0.78	0.85	0.83	0.81	0.80	0.79	0.81	0.75	0.76	0.82	0.19	0.79	1.00																
Event Driven	0.36	0.36	0.26	0.21	0.04	(0.14)	0.37	0.30	0.23	0.24	0.20	0.59	0.48	0.48	0.83	0.78	0.33	0.69	0.92	0.81	0.89	0.86	0.82	0.82	0.77	0.85	0.80	0.81	0.95	0.26	0.64	0.89	1.00															
Convertible Arbitrage	0.12	0.18	0.13	0.20	0.10	(0.09)	0.40	0.35	0.31	0.38	0.32	0.69	0.62	0.55	0.92	0.88	0.32	0.66	0.85	0.71	0.76	0.70	0.69	0.71	0.69	0.74	0.67	0.60	0.81	(0.00)	0.36	0.69	0.80	1.00														
Distressed Securities	0.24	0.28	0.08	0.07	(0.10)	(0.23)	0.30	0.24	0.08	0.16	0.10	0.56	0.55	0.51	0.84	0.82	0.42	0.66	0.88	0.77	0.88	0.84	0.86	0.80	0.91	0.85	0.82																					

IMPORTANT DISCLOSURES ABOUT THE RELIABILITY OF INVESTMENT FORECASTS

I. The Limitations of Investment Forecasting - in General:

1. The accuracy of any forecast of investment outcomes is entirely dependent upon how well ***certain assumptions*** match up with the actual future results from investment categories about which the assumptions were made. To create a ***multi-asset forecasting model***, 3 key assumptions are required for each investing category: (1) rate of expected annual return, (2) expected volatility of those returns and (3) correlation of returns with those of the other categories included in the model.
2. Probably the most crucial assumption for investment forecasts is the selected length of ***future time period*** ("Time Horizon") over which the investment's expected outcomes are to be forecasted.
 - (a) Investment categories that are more volatile than others will generally require a longer Time Horizon in order for its forecasted average annual return to be reasonably reliable. Ex: stocks require a longer Horizon than bonds.
 - (b) Extrapolation of the recent (e.g. 5 years, or less) performance history of an investment category is usually a poor approach to setting expectations for its future returns.
3. The occurrence, timing and impact of ***sporadic traumatic events*** that affect the behavior of otherwise orderly securities markets is not forecastable.

II. Forecasting Results* Produced by FiduciaryVest, LLC:

1. For client use, FiduciaryVest produces investment forecasting models that are exclusively designed for multi-year asset allocation purposes over periods of at least 3 to 5 years, or longer. The models generate *stochastic* output results [i.e., range(s) of expected outcomes, presented as higher-to-lower probability of future occurrence].
2. FiduciaryVest typically creates forecasting assumptions for its models, based upon: (a) a 5-year Time Horizon, (b) the apparent cyclical stage of the primary investment markets, at the time the model is created, (c) the current interest rate yield on US Treasury notes and (d) long term historical patterns of returns, volatility, correlation and "risk premium" for each asset class being included in the model.
3. Although the assumptions are expressed in annual terms, the FiduciaryVest modeling process makes no attempt to forecast one-year results. Multi-year forecast periods are presumed to produce more reliable forecasting results.
4. FiduciaryVest creates forecasting models using state-of-the-art software tools and a widely recognized assumption-setting approach. However, there can be no assurance as to the degree of accuracy produced in the forecasts, especially with respect to any particular future period.

* FiduciaryVest may produce forecasting models using different assumptions for different clients, especially when delivered at different points in time. Unless provided under a formal service agreement, FiduciaryVest accepts no responsibility to routinely provide updates for delivered forecasts which may have become outdated.