



Intermediate Fixed Income Commentary

PERFORMANCE SUMMARY

For the 4th Quarter the Intermediate Core strategy had a return before fees of 1.24% (1.14% Net of fees), outperforming the Bloomberg Barclays Intermediate Government/Credit Index return of 1.20%.

The Strategy maintained duration a neutral position versus benchmark. Performance from duration was flat during quarter. Curve positioning performance was also flat. The yield curve steepened with the 2-year and 3-year rates dropping 13bps and 8bps respectively, while the 5-year and 7-year rates were flat. The Strategy is overweight 3-year, 5-year and 7-year areas of the curve, while slightly underweight the 2-year. The 2s5s and 2s7s yield curve steepened approximately 14bps hurting the strategy.

The Strategy is neutral to corporate credit with a slight overweight to higher beta sectors. The Corporate Index spread level continued to move in a tight 10bp range. The market experienced some weakness in October with the index spread widening to +85 but this was met with good demand and spreads tightened closing at +74, unchanged from the end of September. Performance from sector allocation was flat, while security selection added slightly to performance as more cyclical and lower rated issuers outperformed. The Strategy is underweight, the non-corporate credit sectors, however performance was flat for the quarter.

The overweight to ABS and non-agency CMBS added to performance as spreads moved tighter with other spread product.

MARKET OUTLOOK

The upcoming year is likely to generate modest GDP growth, in the low-2% range, with AI-driven capital expenditures representing the main upside and risk factor. Inflation is expected to decline slightly but remain above target, enabling the Fed to ease monetary policy judiciously. The tension between sticky inflation and a weakening labor market has raised the bar for future Fed easing but our base case assumes two 25 basis point rate cuts in the first half of 2026. Short-term rates are expected to gradually move lower as policy easing unfolds, while long-term yields could remain under pressure due to potential sticky inflation and deficit spending concerns. The strategy remains duration neutral to the benchmark with an overweight to the belly of the yield curve while underweight longer maturities. We favor short to intermediate maturities which will benefit from falling short-term yields. However, the long end still seems vulnerable as uncertainty around inflation remains unresolved. The strategy is neutral versus the Corporate Index. Spreads begin the year tight leaving the market vulnerable to episodic widening. However, we find any spread widening likely to be short lived barring recession signals. Net new issuance is projected to increase significantly, driven by M&A activity and AI-related funding. Stable fundamentals, modest growth and strong technicals should be beneficial. The strategy remains overweight the ABS sector with exposure to high quality senior bonds from proven issuers, while avoiding esoteric and lower tier shelves. An easing monetary policy environment amidst steady economic growth should keep ABS spreads rangebound at tight levels. The strategy remains overweight CMBS with exposure to high-quality AAA tranches. Office properties should continue to weigh on aggregate measures of CMBS fundamentals, but a lower policy rate and easy financial conditions should continue to broadly help the sector.

PERFORMANCE*

	RECENT QUARTER	1-YEAR	3-YEAR	ANNUALIZED 5-YEAR	10-YEAR
Gross	1.24%	7.04%	5.22%	1.17%	2.61%
Net	1.14%	6.62%	4.80%	0.77%	2.20%
Benchmark	1.20%	6.97%	5.06%	0.96%	2.29%

Source - F/m Investments

*Returns are estimated. Benchmark: Bloomberg Intermediate Government/Credit

ATTRIBUTION FOR MOST-RECENT-QUARTER

	Total
Sector Rotation	0.03%
Security Selection	0.02%
Yield	0.00%
Term Structure	-0.01%
Total Excess Return (Gross of Fees)	0.04%

As of December 31, 2025. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. Investment performance reflects the reinvestment of dividends and other income. Gross-of-fees performance is shown net of trading expenses. Net of fees performance is shown net of a model investment management fee that is equal to the highest fee charged to the intended audience. For comparison purposes, the benchmarks include the reinvestment of income. The benchmarks are unmanaged and unavailable for direct investment. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Past performance is no guarantee of future results.

Intermediate Fixed Income Commentary

	Yield to Worst	Average Maturity	Effective Duration	Average Quality
Intermediate Fixed	3.97%	4.17 yrs	3.72 yrs	Aa3
Bloomberg Inter. G/C	3.89%	4.23 yrs	3.74 yrs	Aa3

QUALITY DISTRIBUTION (% of Market Value)

	Intermediate Fixed	Bloomberg Inter. G/C
AAA	9.4%	3.0%
AA	58.6%	68.7%
A	11.1%	13.8%
BBB	21.0%	14.5%
Total	100.0%	100.0%

SECTOR ALLOCATION (% of Market Value)

	Intermediate Fixed	Bloomberg Inter. G/C
U.S. Treasury Bonds	57.8%	65.1%
Agencies	0.0%	0.0%
Corporate	32.1%	29.0%
Industrials	16.3%	15.0%
Financials	13.0%	11.7%
Utilities	2.8%	2.3%
Non-Corporate	0.0%	5.9%
MBS	0.0%	0.0%
CMBS	4.8%	0.0%
CMO	0.0%	0.0%
Taxable Municipal	0.0%	0.0%
ABS	5.0%	0.0%
Cash	0.3%	0.0%
Total	100.0%	100.0%

As of December 31, 2025. Past performance is no guarantee of future results. Based off a model portfolio and does not include fees or expenses. Indices are unmanaged, do not reflect fees and are not available as direct investments. Portfolio characteristics and attribution reflect an active, representative account managed by F/m in the referenced investment strategy. Portfolio characteristics and attribution may vary among accounts invested in the same investment strategy. The representative account was chosen because F/m believes it closely resembles its intended investment strategy. Portfolio holdings and allocations are subject to change at any time without notice. Securities listed should not be considered a recommendation to buy or sell any security. Percentages may not add up to 100% due to rounding.



Intermediate Fixed Income Disclosures*

As of 4/1/2024 Ziegler Capital Management, LLC (dba ZCM) has been reorganized as part of F/m Investments, LLC ("F/m"). F/m is an investment adviser registered under the Investment Advisers Act of 1940.

Year/Period	Gross-of-Fees	Net-of-fees	Benchmark	Composite	Benchmark	Number of	Internal	Composite	Strategy	Firm	Firm
End	Return	Return	Return	3 Yr. Ex Post	3 Yr. Ex Post	Portfolios	Dispersion	Assets	Assets	AUM	AUA
				Std. Dev.	Std. Dev.			(USD millions)	(USD millions)	(USD millions)	(USD millions)
2015	1.2%	0.8%	1.1%	2.1%	2.1%	26	0.1%	\$610	\$961	N.A.	N.A.
2016	1.9%	1.5%	2.1%	2.2%	2.3%	31	0.1%	\$519	\$945	N.A.	N.A.
2017	2.3%	1.9%	2.1%	2.0%	2.1%	34	0.0%	\$508	\$880	N.A.	N.A.
2018	0.8%	0.4%	0.9%	2.0%	2.1%	39	0.0%	\$594	\$969	N.A.	N.A.
2019	6.8%	6.4%	6.8%	2.0%	2.1%	34	0.1%	\$519	\$578	N.A.	N.A.
2020	8.7%	8.3%	6.4%	2.4%	2.3%	34	0.1%	\$509	\$602	N.A.	N.A.
2021	-1.2%	-1.6%	-1.4%	2.5%	2.4%	37	0.0%	\$533	\$558	N.A.	N.A.
2022	-7.9%	-8.3%	-8.2%	4.0%	3.9%	37	0.1%	\$448	\$494	N.A.	N.A.
2023	5.4%	5.0%	5.2%	4.5%	4.6%	37	0.1%	\$523	\$573	N.A.	N.A.
2024	3.2%	2.8%	3.0%	5.0%	5.1%	38	0.1%	\$754	\$896	\$15,214	\$1,602

F/m Investments LLC (the "Firm" or "FMI") is a Registered Investment Adviser with the U.S. Securities Exchange Commission (the "SEC") under the 1940 Act, founded in 2019 as a Limited Liability Corporation in the State of Delaware. FMI became a majority owned indirect subsidiary of 1251 Capital Group, Inc on January 31, 2023.

F/m Investments LLC, doing business as FMI, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. FMI has been independently verified for the periods 5/15/2019 through 12/31/2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

FMI and has grown significantly through strategic business combinations. FMI purchased the Assets and Strategies of Integrated Alpha from Cognios Capita, LCC on 5/1/2020. FMI purchased the Assets and Strategies of Oakhurst Capital Management from First Western Capital Management on 11/13/2020. FMI purchased the Assets and Strategies of Genoa Asset Management from Ross Sinclair Asset Management on 6/30/2020. FMI and the former Ziegler Capital Management re-branded to become the new F/m Investments LLC on 4/1/2024, combining all Firm Assets and Strategies. FMI Through these combinations, have expanded our investment strategy offerings and broadened our portfolio management teams to best serve our expanding client base. Please refer to the firm's ADV Part 2 for additional disclosures regarding the firm and its practices. FMI's definition of the firm used to determine the total firm assets and firm-wide compliance includes all fee-paying and non-fee-paying discretionary and non-discretionary assets under management, including accrued income, in all strategies. Assets under Advisement ("AUA"), in the form of model portfolios provided to other financial institutions, are excluded from our definition of the firm and are provided as supplemental information. Returns are calculated in U.S. dollars and reflect the reinvestment of dividends and other earnings. Past performance is no guarantee of future results. To obtain a GIPS report or a list of our composite descriptions, a list of limited distribution pooled fund descriptions, a list of our broad distribution pooled funds, and/or policies for valuing investments, calculating performance, and preparing GIPS reports, please call (312) 368-1442 or send an e-mail to data@fminvest.com

Composite and Benchmark Description: The Intermediate Fixed Income Composite includes accounts comprised of intermediate term fixed income securities with maturities or average lives generally not exceeding ten years and a duration similar to the benchmark. Prior to 10/01/2011 the composite was named Intermediate Core. The benchmark is the Bloomberg Intermediate Government/Credit Index. The Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity. The index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities. Performance prior to April 2024 occurred while the investment management team was affiliated with another firm. The investment management team has managed the composite since its inception, and the investment process has not changed. The historical performance has been linked to performance earned at FMI.

Minimum Account Size: The minimum account size for this composite is \$1 million.

Composite Creation and Inception Date: The Intermediate Fixed composite inception date is January 1, 2000. The creation date is April 1, 2024. The composite creation date reflects the date FMI acquired the strategy assets and management team.

Significant Cash Flow Policy: Beginning January 1, 2013, portfolios with significant cash flows are excluded from the composite. Cash flows of 10% or more are considered significant.

Internal Dispersion: The internal dispersion is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the period. If there are less than 6 portfolios in the composite for the entire year, the internal dispersion is not statistically meaningful and is presented as N.A. All risk measures are calculated using gross-of-fees returns. Prior to 2024, dispersion was calculated using asset-weighted portfolio return standard deviation.

Fees: Gross-of-fees returns are presented after trading expenses and before management fees. Net-of-fees returns are calculated by applying a model fee using the highest applicable management fee from the strategies standard fee schedule. The model fee is applied on a monthly basis. The fee schedule is: 0.40% on the first \$50 million; 0.25% on the next \$50 million; 0.20% on all additional assets.

Other: Firm AUM prior to 2024 is shown as NA as it is from a prior Firm. Strategy assets include all portfolios in the Intermediate Fixed Income strategy, even those portfolios that are excluded from the composites because of significant cash flows or for other reasons, and include non-wrap, wrap and UMA assets. This is presented as supplemental information.



Disclosures

This review is for institutional advisory clients of F/m. The strategy review often expresses opinions about the direction of market, investment sector and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

Information contained herein is for informational purposes only and is not a recommendation to buy or sell any security. Contribution to portfolio return is calculated by multiplying the total return for the security by its average weight in the portfolio. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. A complete list of all holdings is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities represented herein. Other factors may impact overall performance for different accounts including the execution and timing of trades and any wrap sponsor's policies.

All investments involve risk, including the possible loss of principal, and there is no guarantee that investment objectives will be met. Bonds are subject to market, interest rate and credit risk; and are subject to availability and market conditions. Generally, the higher the interest rate the greater the risk. Bond values will decline as interest rates rise. Government bonds are subject to federal taxes. Municipal bond interest may be subject to the alternative minimum tax; other state and local taxes may apply. High yield bonds, also known as "junk bonds" are subject to additional risk such as increased risk of default. Some asset-backed securities may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices volatile and they are subject to liquidity and valuation risk. Investments in bonds issued by non-U.S. companies are subject to risks including country/regional risk, which is the chance that political upheaval, financial troubles, or natural disasters will adversely affect the value of securities issued by companies in foreign countries or regions; and currency risk, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

The Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity. The index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

NOT FDIC INSURED; NO BANK GUARANTEE; MAY LOSE VALUE