

# DeMarche

## BALANCED COMPOSITE

FOURTH QUARTER 2022

### PROFILE:

- Global Balanced Approach
- Composite Assets: \$141 million
- Inception Date: 9/1/2003

### INVESTMENT PHILOSOPHY:

We believe that different economies create different investment markets, and changing markets impact leadership of various asset classes and styles. We exploit these inefficiencies and mispricing to deliver improved, diversified, risk-adjusted results through multiple alpha sources.

### PROCESS:

- Global Dynamic Asset Allocation
- Fundamental & Quantitative Analysis
- Manager Search & Selection
- Relative Valuation
- Tactical Rebalancing
- On-Going Due Diligence

### INVESTMENT TEAM:

Tim Marchesi, CFA  
34 years experience  
17 years on strategy

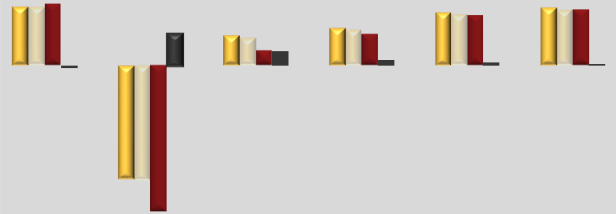
James Dykstal, CFA  
35 years experience  
13 years on strategy

Mark Andes  
19 years experience  
17 years on strategy

### CONTACT:

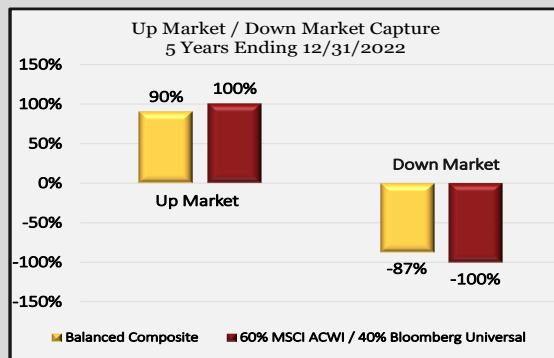
Tim Marchesi, CEO  
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www.demarche.com

### ANNUALIZED RETURNS AS OF 12/31/2022



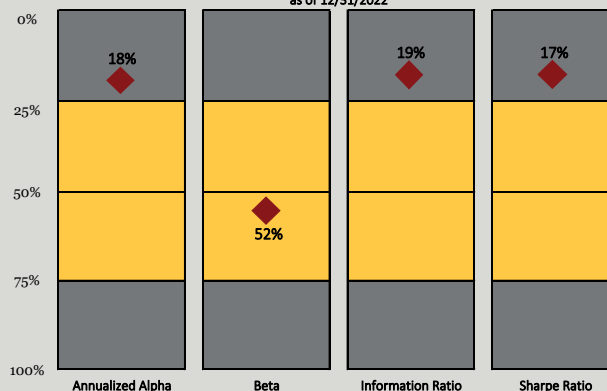
	QTR	1 Year	3 Years	5 Years	10 Years	Since Inception (9/01/2003)
Balanced Composite (Gross of Advisor Fees <sup>1</sup> )	6.53	-12.44	3.36	4.16	5.89	6.37
Balanced Composite (Net/Net of Fees <sup>2</sup> )	6.47	-12.64	3.13	3.94	5.67	6.13
60% MSCI ACWI / 40% Bloomberg Universal	6.79	-16.03	1.69	3.49	5.49	6.13
Value Added (Gross of Advisor Fees <sup>3</sup> )	-0.26	3.59	1.67	0.67	0.40	0.24

5-Year MPT Statistics vs. 60% MSCI ACWI/40% Bloomberg Universal	Balanced Composite
Annualized Alpha	0.99
Standard Deviation	11.77
Information Ratio	0.14
Beta	0.92
R-Squared	0.84
Sharpe Ratio	0.25



Asset Allocation	Model Portfolio*
Large Cap Value	10.4%
Large Cap Growth	10.4%
Dividend Focus Large Cap	5.2%
Small Cap Value	7.7%
Small Cap Growth	6.8%
Dividend Focus Small Cap	0.0%
International Equity	10.0%
Emerging Markets Equity	11.0%
Investment Grade Fixed Income	10.0%
Emerging Market Debt	2.0%
High Yield Fixed Income	8.6%
Bank Loans	5.0%
Private Credit	1.0%
Commodities	2.0%
Private Real Estate	4.0%
Hedge Fund of Funds	3.0%
Private Equity	2.9%
Ultrashort Bonds	0.0%
Cash	0.0%

### eVestment Global Tactical Asset Allocation Universe Annualized 5-Year Statistics as of 12/31/2022



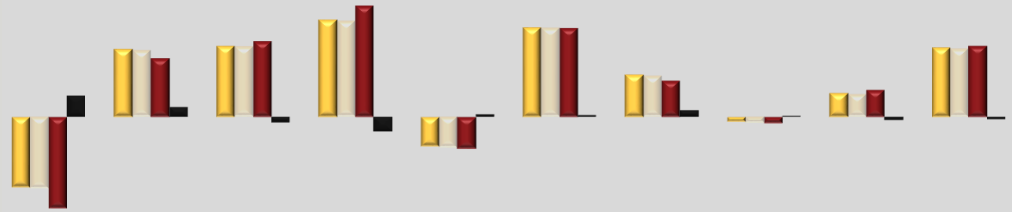
<sup>1</sup>Gross of DeMarche advisory fee, net of underlying investment manager fees.

<sup>2</sup>Net of DeMarche advisory fee, net of investment manager fee.

<sup>3</sup>Calculated gross of DeMarche Advisory fee, net of underlying investment manager fees. Numbers may not foot due to rounding. eVestment statistics measured against 60% MSCI ACWI/40% BlmBarc Universal

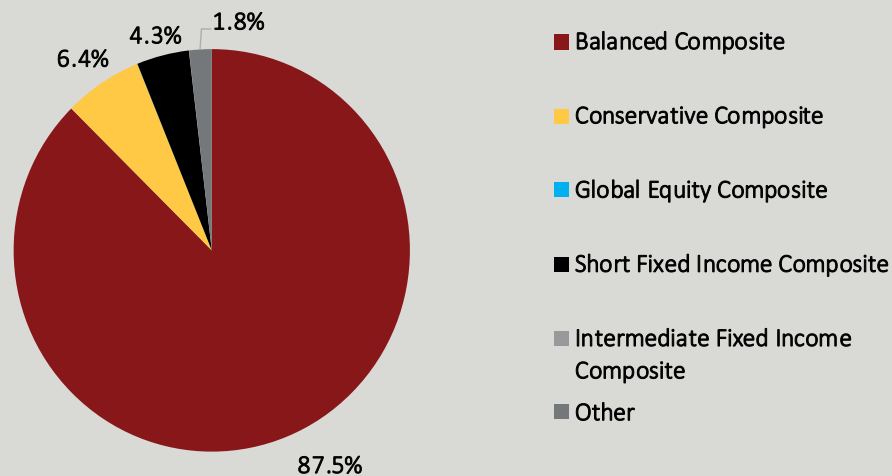
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### CALENDAR YEAR RETURNS AS OF 12/31/2022



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Balanced Composite (Gross of Advisor Fees <sup>1</sup> )	-12.44	12.05	12.54	17.15	-5.21	15.86	7.50	-0.84	4.20	12.28
Balanced Composite (Net/Net of Fees <sup>2</sup> )	-12.64	11.73	12.38	16.92	-5.40	15.63	7.30	-1.04	4.00	12.06
60% MSCI ACWI / 40% Bloomberg Universal	-16.03	10.39	13.43	19.64	-5.63	15.65	6.42	-1.04	4.79	12.62
Value Added (Gross of Advisor Fees <sup>3</sup> )	3.59	1.66	-0.90	-2.49	0.42	0.22	1.08	0.21	-0.59	-0.34

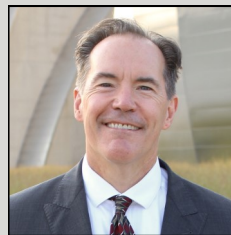
### Discretionary Investment Strategies



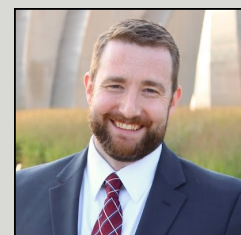
The chart above includes discretionary strategies offered by DeMarche and the percentage of firm assets under management they represent. Factsheets for the other composites are available upon request.



Timothy Marchesi, CFA  
Chief Investment Officer



James Dykstal, CFA  
Portfolio Manager



Mark Andes  
Portfolio Manager

<sup>1</sup>Gross of DeMarche advisory fee, net of underlying investment manager fees.

<sup>2</sup>Net of DeMarche advisory fee, net of investment manager fee.

<sup>3</sup>Calculated gross of DeMarche Advisory fee, net of underlying investment manager fees. Numbers may not foot due to rounding.

### HIGHLIGHTS:

- Seeks to provide a high Information Ratio, high Sharpe Ratio and a lower standard deviation of returns versus the benchmark and peer group strategies

### ATTRIBUTES:

- Benchmark: 60% MSCI ACWI Index / 40% Bloomberg Universal
- Target Cash: 0%-5%
- Active Management Emphasis with Opportunistic Use of Passive Investments

### ABOUT DeMarche:

- Registered Investment Advisor
- Founded in 1974
- Research-driven boutique
- Firm AUA: \$19 billion<sup>1</sup>
- Firm AUM: \$169 million

### MAILING ADDRESS:

DeMarche  
6700 Antioch Rd  
Antioch Plaza, Suite 420  
Merriam, KS 66204

### DeMarche Balanced Composite

Period	Total Return (gross-of-fees)	Total Return (net-of-fees)	Benchmark Return	Composite 3-yr Std Dev (net of fees)	Benchmark 3-yr Std Dev	# of Portfolios in the Composite	Internal Dispersion (basis points)	Composite Assets	Total AUM
	(%)	(%)	(%)	(%)	(%)			(\$MM)	(\$MM)
2012	10.9	10.7	12.2	6.9	10.4	6	440	261	381
2013	12.3	12.1	15.2	6.5	8.8	5	814	256	396
2014	4.2	4.0	5.6	4.8	5.7	8	139	188	308
2015	-0.8	-1.0	-0.3	6.1	6.0	10	206	189	300
2016	7.5	7.3	5.3	5.5	5.4	13	268	209	285
2017	15.9	15.7	16.3	5.9	5.9	13	720	241	346
2018	-5.2	-5.4	-5.6	6.6	6.5	8	196	240	322
2019	17.2	16.9	19.6	7.9	7.9	10	367	286	337
2020	12.5	12.4	13.4	16.5	14.2	13	371	360	1,451
2021	12.1	11.7	10.4	15.3	12.8	14	1133	412	1,349
2022	-12.4	-12.6	-16.0	13.5	13.7	13	817	148	170

**Definition of the Firm:** DeMarche was founded in 1974 and is an investment advisor registered with the Securities and Exchange Commission (SEC) that provides investment consulting services to institutional clients. The Balanced Composite is managed by Discretionary Management Services, LLC (DMS), an affiliate of DeMarche. DMS was founded in 2007 and is an investment advisor registered with the SEC that provides investment outsourcing services to institutional clients over multiple investment styles and objectives. Additional information regarding the firm's policies and procedures for calculation and reporting performance returns is available upon request.

**Composite Description:** The inception date of the composite is September 1, 2003 and the creation date is January 1, 2014. The strategy employs a dynamic "manager of managers" approach utilizing quantitative and fundamental analysis to actively shift around a custom benchmark. The Balanced Composite includes all discretionary accounts with targeted total equity allocations ranging between 37.5% to 72.5%. Accounts are officially included in the composite on the first day of the first full month after initial funding if the account is deemed to be fully invested and transitioned. Prior to October 1, 2019, accounts were only included in the composite if they had a minimum of \$2,000,000 in assets.

**Benchmark:** The Balanced Composite uses a custom benchmark comprised of 60% MSCI ACWI Index and 40% Bloomberg Universal Index. Prior to 2018, the benchmark used was comprised of 60% MSCI World and 40% Citi WGBI. Prior to 2015, the benchmark used was comprised of 25% Russell 1000, 10% Russell 2000, 15% MSCI EAFE, 5% MSCI Emerging Markets, 32% Bloomberg Barclays Aggregate, 6% BofA Merrill Lynch High Yield, 5% NCREIF-ODCE and 2% 3-month FTSE T-Bill. The index is fully invested and includes the reinvestment of income. The index returns do not include any transaction costs, management fees, or other costs. All index information has been taken from published sources.

**Performance Figures:** Performance figures are presented net of fees as well as gross of fees. The gross returns are gross of management fees and net of commissions, other transaction costs and underlying fees. All reported returns reflect the reinvestment of dividends, interest and other earnings. Actual returns may significantly differ and would be reduced by DeMarche investment management fees, underlying investment manager fees, commissions, and other costs and expenses incurred in the management of an actual account. Due to the nature of our multi-asset class, multi-manager, custom approach to portfolio construction, client guideline restrictions and other factors, there is some dispersion for the returns of accounts included in the composite. Individual client relative objectives may differ from the composites relative objective. Past performance is not a guarantee of future results.

**Internal Dispersion:** Measured by the arithmetic difference between the highest and lowest gross return earned by portfolios that were members of the composite for the full calendar year. Performance calculated as gross of management fees and net of commissions, other transactions costs and underlying fund fees.

**Minimum Account Size:** There is no minimum account size required, but there is a minimum annual fee for of \$50,000 per client for discretionary services. Fees and minimums are negotiable.

**Model Portfolio:** The Model Portfolio represents the asset allocation of a simulated portfolio that would fall into the Balanced Composite. Individual discretionary accounts that are members of the Balanced Composite may not match the asset allocation of the Model Portfolio.

**Other Matters:** The Balanced Composite does not utilize leverage or derivatives. Underlying investment managers of individual composite constituent accounts may utilize leverage or derivatives. Client accounts are included in the composite calculation when there is performance available for a full month. A description of calculation policies and a list of composite descriptions is available upon request.

**Other Definitions:** Annualized Alpha is the incremental return of the portfolio when the market is stationary and can be positive or negative. Beta is a measure of a portfolio's volatility and is the covariance of the portfolio in relation to the market. A Beta percentile rank of "0" indicates the lowest measure of volatility in relation to the benchmark. The Information Ratio is a measure of the value added per unit of active risk by a portfolio over an index or benchmark. The Sharpe Ratio is a measure of efficiency utilizing the relationship between annualized risk-free return and standard deviation. Up market capture is a measure of a portfolio's performance in up markets relative to the market itself. Down market capture is a measure of a portfolio's performance in down markets relative to the market itself. eVestment® is a Nasdaq company that provides a suite of cloud-based solutions to help the institutional investing community identify and capitalize on global investment trends, better select and monitor investment managers and more successfully enable asset managers to market their funds worldwide.

<sup>1</sup>Represents total assets under advisement as of June 30, 2022.