

ULLICO SFA FIXED INCOME CIF

SPONSORED BY HAND BENEFITS & TRUST COMPANY AND ADVISED BY ULLICO INVESTMENT ADVISORS, INC.

Data as of March 31, 2025

Share Class R1, CUSIP: 41023L415

FUND

Ullico SFA Fixed Income CIF ("Ullico SFA CIF")

This information is provided as a resource to evaluate the experience of Ullico Investment Advisors, Inc. ("UIA"), the sub-advisor to the Ullico SFA CIF.

FUND OBJECTIVE

Outperform a typical client's designated SFA rate.

INVESTMENT STRATEGY

The Ullico SFA CIF is an investment grade fixed income ("IGFI") strategy designed to meet the specific investment objectives of multiemployer pension plans that receive funds from the Special Financial Assistance ("SFA") program administered by the Pension Benefit Guaranty Corporation ("PBGC").

INVESTMENT GRADE FIXED INCOME PHILOSOPHY

The key tenets of the IGFI philosophy offered through the Ullico SFA CIF are based on UIA's belief that:

- Within the U.S. investment grade fixed income market, the spread sectors (i.e., corporate bonds, mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities) offer an opportunity for delivering competitive returns through sector rotation and security selection;
- Relative value investing that relies upon fundamental credit analysis of corporate credit and detailed cash flow analysis of securitized instruments may deliver more consistent risk-adjusted performance; and
- A well-diversified portfolio of fixed income securities with attractive risk-adjusted spreads, properly matched to the market duration, is designed to outperform the market with low tracking risk.

UIA was established as an SEC registered investment advisor in 1990. UIA is a subsidiary of Ullico Inc., a private stock company owned primarily by unions, union benefit plans and labor organizations. Ullico and its family of companies have a mission to provide products and services that meet the needs of labor and their employers. As of March 31, 2025, UIA's assets under management totaled \$12.7 billion, of which \$1.6 billion was investment grade fixed income.

TOTAL ANNUAL EXPENSE RATIO

0.25% or \$2.50/\$1,000 investment annually.

ABOUT THE ULLICO SFA FIXED INCOME CIF

The Ullico SFA CIF is a daily valued collective investment fund ("CIF") created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invests in the strategy of Ullico Investment Advisors, Inc. which serves as a sub-advisor to the CIF.

TOTAL RETURNS

The funding date of the Ullico SFA CIF was December 23, 2022.

	Ullico SFA CIF (net)	Benchmark*
QTR	2.03%	1.64%
1 Year	5.62%	4.61%
ITD (12/23/22 – 3/31/25)	4.61%	3.63%

BENCHMARK

Bloomberg U.S. Aggregate 1-3 Year Total Return Index

MORNINGSTAR CATEGORY

Intermediate Core Bond

SFA STRATEGY DESCRIPTION

- UIA seeks to manage a portfolio with an average yield exceeding a typical client's designated SFA rate.
- Portfolio cash flow characteristics and duration are designed with a goal of limiting rate risk exposure relative to a typical client's projected liabilities.
- Investable universe will be similar to Bloomberg Aggregate index but will be limited to sectors and securities that meet PBGC requirements, e.g., U.S. dollar-denominated, registered bonds only.
- Portfolio sector allocation focuses on higher-yielding investment grade spread sectors, with an emphasis on corporate credit.
- UIA seeks to add incremental return through active sector rotation and security selection.

The Ullico SFA CIF is offered only to qualified institutional and accredited investors.

Total returns are actual returns of the CIF. The CIF is valued daily. Monthly returns are calculated by comparing the closing value of the CIF at the end of a month with the closing value at the end of the previous month. Monthly returns are geometrically linked to produce partial, single or multi-year returns. Annualized rates of return are computed by linking the annual rates of return and then appropriately adjusting this cumulative total to reflect the number of years in the annualized calculation. The net returns include (1) realized and unrealized gains, (b) cash and cash equivalent returns, (c) the reinvestment of dividends and (d) accrual of the maximum CIF expense load and other earnings.

**The CIF Investment Policy states that the primary investment goals of the CIF are to outperform the Bloomberg U.S. Aggregate Bond Index benchmark and a typical client's designated SFA rate. The Aggregate Index was the initial performance benchmark, and as stated in the Investment Policy, UIA may recommend a shorter duration benchmark at a future date as the projected liabilities of a typical SFA portfolio move closer to maturity. Based on UIA's review of the liability projections of the current CIF investors, and the expected liability structure of future CIF investors, UIA decided to change the reference benchmark to the Bloomberg U.S. Intermediate Aggregate Index from April 1, 2024, through December 31, 2024, and to the Bloomberg U.S. Aggregate 1-3 Year Total Return Index effective January 1, 2025. Future CIF performance reports will provide performance relative to a linked benchmark performance series as described above.*

The Ullico SFA CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Ullico Investment Advisors, and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees. Although information provided by Ullico Investment Advisors, Inc. has been obtained from, and is based upon, sources believed to be reliable, there is no guarantee of its accuracy, and any such information may be incomplete or inaccurate. All opinions constitute Ullico Investment Advisors, Inc.'s judgment as of the date of this document and are subject to change without notice. Forward-looking statements are subject to uncertainty and are not a guarantee of future results.

Current Market Yields Exceed CIF Investor SFA Rate of Return

- SFA funds are intended to provide resources to pay pension benefits for 30 years – through plan year 2051. The SFA rate of return for investors in the Ullico SFA CIF range from 3.07% to 3.77%.
- The table shown on the right displays the sector allocation and market yield of the Ullico SFA CIF.
- As of March 31, 2025, the Ullico SFA CIF offered an average market yield of 4.56% which exceeds the Ullico SFA CIF investors' designated SFA rates.

Sector	Ullico SFA CIF Allocation	Ullico SFA CIF Yield
Corporate Credit	40.45%	4.95%
Agency Mortgage-Backed Securities ("MBS")	27.48%	4.53%
US Treasury	23.96%	4.00%
Commercial MBS ("CMBS")	0.94%	4.56%
Agency Debt	2.77%	4.43%
Asset-Backed Securities ("ABS")	0.00%	0.00%
Cash	4.41%	4.21%
Total	100.00%	4.56%

Source: UIA as of 3/31/25

Period	Cumulative Cash Flow Projections as a % of Total Projected Cash Flows
Next 6 months	30.0%
7-12 months	44.9%
Year 2	57.0%
Year 3	69.7%
Year 4	83.5%
Year 5	90.0%
Year 6	91.8%
7+ years	100.0%

Data starts as of 4/1/25

*First six months percentage includes cash, other liquid assets, and projected principal and interest payments.

Ullico SFA CIF Compliance Test Results per PBGC Final Rule as of 3/31/25		
	In Compliance	Out of Compliance
Fixed-rate securities only	√	
U.S. Dollar securities only	√	
Registered securities only (no private placements)	√	
Investment Grade only	√	
Leverage of portfolio capital prohibited	√	
Derivatives prohibited	√	

PRINCIPAL RISKS OF THE ULLICO SFA CIF

Any of the principal risks summarized below may adversely affect the Ullico SFA CIF's net asset value, performance and ability to meet its investment objective.

Suitability: Investors are expected to select investments whose investment strategies are consistent with their financial goals and risk tolerance.

Loss of Money: Because the investment's market value may fluctuate up and down, an investor may lose money, including part of the principal, when he or she buys or sells the investment.

Active Management: The investment is actively managed and subject to the risk that the adviser's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general.

Fixed Income Securities: The value of fixed income or debt securities may be susceptible to general movements in the bond market and are subject to interest rate and credit risk.

U.S. Government Obligations: Investments in U.S. government obligations are subject to varying levels of government support. In the event of default, some U.S. government securities, including U.S. Treasury obligations and Ginnie Mae securities, are issued and guaranteed as to principal and interest by the full faith and credit of the U.S. government. Other securities are obligations of U.S. government-sponsored entities but are neither issued nor guaranteed by the U.S. government.

Mortgage-Backed and Asset-Backed Securities: Investments in mortgage-backed and asset-backed securities may be subject to increased price volatility because of

changes in interest rates, issuer information availability, credit quality of the underlying assets, market perception of the issuer, availability of credit enhancement, and prepayment of principal. The value of ABS and MBS may be adversely affected if the underlying borrower fails to pay the loan included in the security.

Prepayment (Call): The issuer of a debt security may be able to repay principal prior to the security's maturity because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income.

Reinvestment: Payments from debt securities may have to be reinvested in securities with lower interest rates than the original securities.

Dollar Rolls: Dollar roll transactions may be subject to the risk that the market value of securities sold to the counterparty declines below the repurchase price, the counterparty defaults on its obligations, or the portfolio turnover rate increases because of these transactions. In addition, any investments purchased with the proceeds of a security sold in a dollar roll transaction may lose value.

New Fund: A Fund with a limited history of operations may be subject to the risk that they do not grow to an economically viable size in order to continue operations.

Market/Market Volatility: The market value of the portfolio's securities may fall rapidly or unpredictably because of changing economic, political, or market conditions, which may reduce the value of the portfolio.

Additional Risks: There is no guarantee that the Ullico SFA CIF will attain its investment objectives.