# Portfolio Review

## South Florida Operating Engineers Apprentice & Training Fund

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July 31, 2025
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LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

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# About Us

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# About Legacy Wealth Management

Legacy Wealth Management is committed to helping clients find financial solutions through independent and comprehensive financial planning, tailored investment management approaches, and personalized, personal customer service.

Based in Plantation, Florida, our firm serves clients in Miami-Dade, Broward, and Palm Beach counties as well as clients across the United States. Our financial professionals have over 150 years of combined experience in the financial industry, providing clients an extensive understanding of complex financial matters.

Our mission is to have a positive impact on the lives of our clients and their families by delivering personalized planning solutions and ongoing service far exceeding their expectations. This mission is deeply grounded in our core values of integrity and transparency.

We abide by the fiduciary standard, putting our clients' best interests at the forefront of our work. We strive to be your trusted guide and resource as you pursue your financial goals.

# Your Advisor

Tony DuBose, AIF® is the Managing Principal and Chief Investment Officer of Legacy Wealth Management. Tony has assisted individuals, families, and institutions in pursuing their financial goals for over 27 years. His primary goal as a wealth advisor is to understand each client's unique needs and goals and to advocate for his clients' best interests. He is Chief Investment Officer of the firm, working with the investment committee to determine and execute key investment strategies.

"As an avid pilot, I relate much of flying a plane to investment management. Both are about knowing, understanding, and mitigating risks. Both are about keeping calm and alert in moments of sudden change. And both are about getting to where you want to go."

Tony enjoys expanding his knowledge in critical investment advisory and financial planning activities through continued education by attending key conferences and industry education programs. Tony graduated from Valdosta State University in 1983. He enjoys using his aviation skills to complete humanitarian missions for various nonprofit organizations.

He serves on the board of the NSU Halmos College of Arts & Sciences and Guy Harvey Oceanographic Research Center Dean's Development Council. Tony also serves as a board member of Gilda's Club of South Florida and is a member of Entrepreneur Organization.

Tony DuBose, AIF®
*Managing Principal*

# Global Portfolio Strategy

LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

# S&P 500 Starts the Second Half at an All-Time High

The LPL Strategic & Tactical Asset Allocation Committee (STAAC) determines the firm's investment outlook and asset allocation that helps define LPL Research's investment models and overall strategic and tactical investment thinking and guidance. The committee is chaired by the chief investment officer and includes investment specialists from multiple investment disciplines and areas of focus. The STAAC meets weekly to closely monitor all global economic and capital markets conditions to ensure that all the latest information is being digested and incorporated into its investment thought.

## Color Key:

- ● Strong Overweight View
- ● Overweight View
- ● Neutral View
- ● Underweight View
- ● Strong Underweight View

## Key changes from STAAC:

- **Raised year-end 2025 fair value target range for the S&P 500 to 6,000-6,100**
- **Raised the U.S. 10-year yield year-end target range to 4.00-4.50%**
- **Upgraded view to positive on alternatives specialty strategies and long/short equity**

## STAAC Asset Class Tactical Views as of 07/01/2025 (GWI)

| Asset Class | | | | | |
|---|---|---|---|---|---|
| **Equity** | · | · | ● | · | · |
| U.S. | · | · | ● | · | · |
| International Developed (EAFE) | · | · | ● | · | · |
| Emerging Markets | · | · | ● | · | · |
| Large/Mid Growth | · | ● | · | · | · |
| Large/Mid Value | · | · | ● | · | · |
| Small Growth | · | · | ● | · | · |
| Small Value | · | · | · | ● | · |
| **Fixed Income** | · | · | ● | · | · |
| Treasuries | · | · | ● | · | · |
| MBS | · | ● | · | · | · |
| IG Corporates | · | · | · | ● | · |
| TIPS | · | · | ● | · | · |
| International Developed | · | · | ● | · | · |
| Preferred | · | · | ● | · | · |
| High-Yield | · | · | ● | · | · |
| Bank Loans | · | · | ● | · | · |
| Emerging Markets | · | · | ● | · | · |
| **Cash** | · | · | · | ● | · |
| **Alternatives** | · | ● | · | · | · |

## STAAC Sector Tactical Views as of 07/01/2025 (GWI)

| Sector | | | | | |
|---|---|---|---|---|---|
| Materials | · | · | · | ● | · |
| Consumer Staples | · | · | ● | · | · |
| Financials | · | ● | · | · | · |
| Real Estate | · | · | ● | · | · |
| Communications Services | · | ● | · | · | · |
| Energy | · | · | ● | · | · |
| Industrials | · | · | ● | · | · |
| Information Technology | · | · | ● | · | · |
| Consumer Discretionary | · | · | ● | · | · |
| Healthcare | · | · | ● | · | · |
| Utilities | · | · | · | ● | · |

Source: STAAC as of July 1, 2025. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors. The STAAC views expressed are based on a Tactical Asset Allocation (TAA) for a portfolio that has a Growth With Income (GWI) investment objective.

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# Investment Takeaways

U.S. stocks ended June at record highs, capping solid quarterly and first half gains with the S&P 500 posting back-to-back monthly rallies, while the Nasdaq Composite secured its third straight monthly advance. Headline volatility continued to drive markets, with the biggest stories including trade negotiations, President Trump's signature reconciliation bill, and geopolitical tensions. The White House requested trading partners provide their "best and final" trade deals, although no new deals were inked in June. Also, on Capitol Hill, the *One Big Beautiful Bill Act* (OBBBA) made its way through Congress as airstrikes between Israel and Iran fueled geopolitical tensions, ending with the U.S. stepping in to bomb Iranian nuclear sights and brokering a ceasefire. The corporate earnings outlook remained healthy, with an above average number of S&P 500 companies offering positive earnings per share (EPS) guidance.

Treasury yields ended lower across the curve last month with the two-year yield falling back below 3.75% and the 10-year yield dropping below 4.25%. Core bonds, measured by the Bloomberg U.S. Aggregate Bond Index, rose 1.5%, reversing May's decline. Treasury yields faced downward pressure from increasing Federal Reserve (Fed) rate cut bets, with markets pricing in roughly 0.65% of policy easing by year end compared to 0.5% expected at the end of May. Simultaneously, bond markets analyzed the reconciliation bill for potential impacts on debt and deficit spending. Domestic corporate credit ended June in positive territory.

Looking forward, investors may be well served by bracing for occasional bouts of volatility until trade uncertainties are resolved. LPL Research advises against increasing portfolio risk beyond benchmark targets at this time, as the market seems to be factoring in a lot of positive news. The fixed income market remains volatile, with longer-term yields hovering just below levels that created discomfort in risk appetite for stocks back in May.

While the U.S. economy is holding up well, LPL Research believes the S&P 500 is fairly valued and that any further gains would necessitate an earnings surprise and carefully balanced lower Treasury yields (too low could signal rising recession risks). As trade deals come through, the trajectory of the average effective tariff rate, as well as OBBBA deficit spending will be crucial.

The STAAC's recommended tactical asset allocation includes:

- A neutral stance toward U.S. equities as elevated valuations amid limited corporate visibility and a cooling economy (that likely skirts recession) offset the opportunity for a meaningful upside, in our view, even with lowered tariffs.
- The Committee favors growth over value for exposure to the AI theme and compelling earnings growth, at a premium, as the economy slows.
- The Committee favors large caps over small caps for their balance sheet quality and better position to manage tariffs.
- The Committee recommends well diversified regional exposures, with benchmark-level allocations to the U.S., developed international, and emerging markets. Non-U.S. equities offer upside from a potentially weaker U.S. dollar.
- Within fixed income, the STAAC holds a neutral weight in core bonds, with a slight preference for mortgage-backed securities (MBS) over investment-grade corporates. The Committee believes the risk-reward for core bond sectors (U.S. Treasury, agency MBS, investment-grade corporates) is more attractive than plus sectors.

## 2025 MARKET FORECASTS

### Second Half Still Clouded With Trade Uncertainty

| | | Current |
|---|---|---|
| **10-Year U.S. Treasury Yield** | | 4.00% to 4.50%* |
| **S&P 500 Index Earnings per Share** | | $255 to $260 |
| **S&P 500 Index Fair Value** | | 6,000 – 6,100 |

Source: LPL Research, FactSet, Bloomberg
All indexes are unmanaged and cannot be invested into directly.

*Our year-end 2025 forecast for the U.S. 10-year Treasury yield is now 4.00% to 4.50% up from 3.75% to 4.25%. The Fed's higher for longer narrative and the poor supply/demand technicals for Treasury securities will likely keep interest rates at these elevated levels until the economic data weakens and/or inflation falls back in line with the Fed's longer term 2% target.

**Our year-end 2025 fair-value target range for the S&P 500 of 6,000–6,100 is based on a price-to-earnings ratio (PE) of 22 and our updated S&P 500 earnings per share (EPS) forecast of $275 in 2026.

Any forward-looking statements including economic forecasts may not develop as predicted and are subject to change.

All data, views, and forecasts herein are as of 07/01/25.

## 2025 ECONOMIC FORECASTS

### U.S. Economy Expected to Slow This Year

| | 2025 (Y/Y, real GDP) |
|---|---|
| **United States** | 1.3% |
| **Eurozone** | 0.9% |
| **Advanced Economics** | 1.5% |
| **Emerging Markets** | 4.2% |
| **Global** | 3.0% |

Source: LPL Research, Bloomberg.
The economic forecasts may not develop as predicted.

# Tactical Asset Allocation as of 07/01/2025

**Investment Objective**

| | Aggressive Growth | | | Growth | | | Growth with Income | | | Income with Moderate Growth | | | Income with Capital Preservation | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | TAA | Benchmark | Difference | TAA | Benchmark | Difference | TAA | Benchmark | Difference | TAA | Benchmark | Difference | TAA | Benchmark | Difference |
| **STOCKS** | 95.0% | 95.0% | 0.0% | 80.0% | 80.0% | 0.0% | 60.0% | 60.0% | 0.0% | 40.0% | 40.0% | 0.0% | 20.0% | 20.0% | 0.0% |
| **U.S. Equity** | 76.0% | 76.0% | 0.0% | 64.0% | 64.0% | 0.0% | 48.0% | 48.0% | 0.0% | 32.0% | 32.0% | 0.0% | 16.0% | 16.0% | 0.0% |
| Large/Mid Growth | 32.0% | 28.5% | 3.5% | 27.0% | 24.0% | 3.0% | 20.5% | 18.0% | 2.5% | 14.0% | 12.0% | 2.0% | 7.0% | 6.0% | 1.0% |
| Large/Mid Value | 29.5% | 28.5% | 1.0% | 25.0% | 24.0% | 1.0% | 18.5% | 18.0% | 0.5% | 12.0% | 12.0% | 0.0% | 6.0% | 6.0% | 0.0% |
| Small Growth | 9.5% | 9.5% | 0.0% | 8.0% | 8.0% | 0.0% | 6.0% | 6.0% | 0.0% | 4.0% | 4.0% | 0.0% | 2.0% | 2.0% | 0.0% |
| Small Value | 5.0% | 9.5% | -4.5% | 4.0% | 8.0% | -4.0% | 3.0% | 6.0% | -3.0% | 2.0% | 4.0% | -2.0% | 1.0% | 2.0% | -1.0% |
| **International Equity** | 19.0% | 19.0% | 0.0% | 16.0% | 16.0% | 0.0% | 12.0% | 12.0% | 0.0% | 8.0% | 8.0% | 0.0% | 4.0% | 4.0% | 0.0% |
| Developed (EAFE) | 12.0% | 12.0% | 0.0% | 10.0% | 10.0% | 0.0% | 8.0% | 8.0% | 0.0% | 5.0% | 5.0% | 0.0% | 4.0% | 4.0% | 0.0% |
| Emerging Markets | 7.0% | 7.0% | 0.0% | 6.0% | 6.0% | 0.0% | 4.0% | 4.0% | 0.0% | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| **Bonds** | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 35.0% | 35.0% | 0.0% | 55.0% | 53.0% | 2.0% | 75.0% | 70.0% | 5.0% |
| **U.S. Core** | 0.0% | 0.0% | 0.0% | 15.0% | 15.0% | 0.0% | 35.0% | 35.0% | 0.0% | 55.0% | 53.0% | 2.0% | 75.0% | 70.0% | 5.0% |
| Treasuries | 0.0% | 0.0% | 0.0% | 7.0% | 7.0% | 0.0% | 16.0% | 16.0% | 0.0% | 26.5% | 24.5% | 2.0% | 36.5% | 32.5% | 4.0% |
| MBS | 0.0% | 0.0% | 0.0% | 4.5% | 4.0% | 0.5% | 11.0% | 10.0% | 1.0% | 16.0% | 15.0% | 1.0% | 21.5% | 20.0% | 1.5% |
| IG Corporates | 0.0% | 0.0% | 0.0% | 3.5% | 4.0% | -0.5% | 8.0% | 9.0% | -1.0% | 12.5% | 13.5% | -1.0% | 17.0% | 17.5% | -0.5% |
| **Alternatives** | 3.0% | 0.0% | 3.0% | 3.0% | 0.0% | 3.0% | 3.0% | 0.0% | 3.0% | 3.0% | 0.0% | 3.0% | 3.0% | 0.0% | 3.0% |
| Tactical: Global Macro | 3.0% | 0.0% | 3.0% | 2.0% | 0.0% | 2.0% | 1.5% | 0.0% | 1.5% | 1.0% | 0.0% | 1.0% | 0.0% | 0.0% | 0.0% |
| Multi-Strategy | 0.0% | 0.0% | 0.0% | 1.0% | 0.0% | 1.0% | 1.5% | 0.0% | 1.5% | 2.0% | 0.0% | 2.0% | 3.0% | 0.0% | 3.0% |
| **Cash** | 2.0% | 5.0% | -3.0% | 2.0% | 5.0% | -3.0% | 2.0% | 5.0% | -3.0% | 2.0% | 7.0% | -5.0% | 2.0% | 10.0% | -8.0% |

For investors who have their own benchmarks, we would recommend emphasizing underweights or overweights relative to the individual benchmark at the most similar overall risk level.

Equity benchmark style weights are equally distributed across growth and value. Cap weights are based on the underlying holdings of the domestic benchmark indexes.

Bond benchmark sector allocations are based on a look-through analysis of the major sector components of the Bloomberg US Aggregate Bond Index.

Treasuries include other government related debt. MBS includes other securitized debt.

To better align with other STAAC publications, mid caps have been combined with large caps in the TAA. Accounts with distinct mid cap allocations may disaggregate mid caps from the “Large & Mid” exposure shown in the table roughly in-line with relative market cap values: 75% Large Cap 25% Mid Cap.

# Equity Asset Classes

### Path to Second Half Gains May Come With Volatility as Trade Policy Uncertainty Lingers

As discussed in LPL's Midyear Outlook 2025, LPL Research expects the stock market's performance in the second half to center mostly around trade negotiations, artificial intelligence (AI), and interest rates. Stock valuations reflect a lot of good news amid so much policy uncertainty. So, we expect only modest gains by year-end with likely bouts of volatility amid a challenging macroenvironment and view market pullbacks as opportunities to selectively add equities. The Strategic and Tactical Asset Allocation Committee (STAAC) continues to favor large caps slightly over small caps and growth slightly over value. Finally, from a geographic perspective, the STAAC recommends benchmark level exposures to U.S., developed international, and emerging markets, with U.S. upside potential from AI investment and deployment, and non-U.S. upside potential from a weaker dollar, should it materialize.

**Color Key:**

Strong Overweight · Overweight · Neutral · Underweight · Strong Underweight

| | Sector | Overall View | Relative Trend | Rationale |
|---|---|---|---|---|
| Market Capitalization and Style | **Large/Mid Growth** | Overweight | Positive | LPL's STAAC continues to favor a modest tilt toward the growth style and large caps as the second half begins. A slowing economy and superior, technology-driven earnings power support growth, while large caps are better positioned to manage tariffs. |
| | **Large/Mid Value** | Neutral | No Trend | Defensive value stocks may be poised for another stint of outperformance if stocks pull back after the recent rebound, though any relative strength may be short-lived. Cyclical value faces more tariff risk, but valuations are relatively attractive and the "One Big Beautiful Bill Act" is supportive of capital investment. |
| | **Small Growth** | Neutral | Positive | Valuations are attractive, some policy uncertainty has cleared, and earnings estimates have been resilient. But additional relative upside following the latest rally may be limited if the economy slows and markets pull back as expected. Fed rate cuts could be a catalyst and technicals look better than small value. |
| | **Small Value** | Underweight | No Trend | Attractive valuations, financial deregulation, and a likely pickup in capital investment are supportive. While some policy uncertainty has cleared, STAAC favors balance sheet strength in a slowing economy with lasting tariffs. Earnings estimates have been cut quite a bit and may fall further. Muddled technicals. |
| Region | **United States** | Neutral | No Trend | The STAAC maintains its neutral regional stance as the second half begins. Though some trade policy uncertainty has cleared, full valuations, elevated stagflation risk, and the earnings hit from tariffs in a slowing economy may limit opportunities for valuation expansion. AI investment is key to potential U.S. outperformance. |
| | **Developed International** | Neutral | Positive | The STAAC remains neutral on developed international as valuations, while still reasonable, have risen, the U.S. dollar decline could reverse, and U.S. tech strength is tough to keep up with. Economic and earnings growth outside the U.S. becoming more competitive. Ramped up deficit/defense spending in Europe is supportive. |
| | **Emerging Markets** | Neutral | No Trend | Fundamental and technical improvement in EM and the STAAC's preference to stay close to benchmarks until policy uncertainty clears drove the May 2025 upgrade to neutral. EM valuations remain attractive and trade tensions with China have eased. After a big drop already, don't count on more help from dollar weakness. |

Relative trend is an assessment of the intermediate term price trend and performance between various asset classes and sectors. For regions and styles, the relative trends are compared to each other.

# Equity Sectors

### Favor Communication Services and Financials as the Second Half Begins, Watch Industrials Closely

The STAAC continues to recommend a slight tilt toward more economically sensitive or cyclical sectors for the second half of 2025. Financials are attractively valued, face manageable tariff risk, and may garner support from deregulation and a steepening yield curve. Continued robust investment in AI, more trade policy clarity, and a strong earnings outlook could help the attractively valued communication services sector continue to outperform. Waning earnings momentum and slowing global growth support the Committee's cautious stance on materials. The Committee's preference for economic sensitivity over rate sensitivity explains the utilities underweight. Industrials could outperform if tariff rates come down and are likely beneficiaries of the One Big Beautiful Bill Act (OBBBA).

**Color Key:**

● Strong Overweight ● Overweight ● Neutral ● Underweight ● Strong Underweight

| | Sector | Overall View | Relative Trend | S&P Wgt. | Rationale |
|---|---|---|---|---|---|
| Cyclical | **Basic Materials** | · · · ● · | Negative | 1.9 | Underperformed in June (+2.3%) despite ongoing relative calm in U.S.-China relations and tariff support. Still, slowing global growth and lingering trade uncertainty offset potential benefits of tariffs on metal prices, limiting potential upside. |
| | **Consumer Cyclical** | · · ● · · | No Trend | 10.3 | June outperformer (+2.3%) as losses in Tesla (TSLA) offset gains in Nike (NKE) and — thanks to a late-month dip in oil prices — cruise lines. High tariff risk in retail, autos, and homebuilders and slowing consumer spending keep us at neutral. |
| | **Financial Services** | · ● · · · | Positive | 13.9 | Modest laggard in June (+3.2%) on weakness in insurance, which offset gains from strength in capital markets-oriented businesses. Active trading helps capital markets businesses, credit markets are healthy, and the yield curve may steepen, although bank lending activity is muted. Reasonable valuations and manageable tariff risk. |
| | **Real Estate** | · · ● · · | Negative | 2.0 | Underperformer in June (+0.2%) despite stable interest rates. Data center REIT Equinix (EQIX) lagged on disappointing guidance. Broadly, defensive characteristics were out of favor as the market rallied. Reasonable valuations. |
| Sensitive | **Communication Services** | · ● · · · | Positive | 9.6 | Outperformed in June (+7.3%) on strength in streaming and digital media companies, notably Meta (META) and Netflix (NFLX). Disney (DIS) another big winner on the month. AI investment remains a key driver. Earnings growth still strong but poised to slow. Reasonable valuations. Technical picture remains solid. Policy still a wildcard. |
| | **Energy** | · · ● · · | Negative | 3.1 | Solid June gains (+4.9%) on higher oil prices but slightly lagged the S&P 500. Slowing global growth, Mideast calm, and plenty of global oil supply limit sector attractiveness, but low valuations and firming nat gas demand outlook are notable. |
| | **Industrials** | · · ● · · | No Trend | 8.6 | Slight laggard in June (+3.6%) despite progress toward passing the OBBBA with its capital investment incentives. Trade uncertainty overhang lingers, and some green energy-related infrastructure spending was pulled back in the bill, but AI data center buildouts and near-shoring are supportive. Valuations are fair. Positive bias. |
| | **Technology** | · · ● · · | Positive | 33.3 | Top performing sector for third straight month in June (+9.8%) on strength in Oracle (ORCL) and semiconductors amid bullish AI outlook. Momentum is strong, but high valuations, overbought conditions, and lingering tariff risk temper our enthusiasm. |
| Defensive | **Consumer Defensive** | · · ● · · | No Trend | 5.5 | Only sector decliner in June (-1.9%) on weakness in food companies, slow earnings growth. Consumer spending is fine, and valuations are reasonable, but tariffs and RFK Jr.'s focus on healthy foods as Health Secretary create a challenging backdrop. |
| | **Healthcare** | · · ● · · | Negative | 9.3 | June laggard (+2.1%) and year-to-date decliner (-1.1%) mostly on policy-related headwinds, including Medicaid cuts in the OBBBA. Earnings growth is inflated by easy comparisons in 2024. Cheap sector but may still be a value trap. Show me story. |
| | **Utilities** | · · · ● · | Positive | 2.4 | June laggard (+0.3%) as big gains in AI power demand plays were not enough to offset rate risk and the market's preference for riskier sectors. Like staples, a likely outperformer in the next stock market selloff, especially if interest rates drop. |

Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services.

# Fixed Income

## A Solid First Half

U.S. fixed income investors have (quietly?) enjoyed a solid start to the year with the Bloomberg Aggregate Bond Index (Agg) up over 4% through June 30. The 4% return for the Agg is the best start to the year since 2020, when the index was up nearly 6% through June 30. Moreover, the 4% return is the fifth best first half start for the index over the last 20 years. Within the Agg, all sectors were positive, with mortgage-backed securities (MBS) outperforming investment-grade corporates and Treasury securities. Notably, Treasury yields are lower than they were to start the year despite the narrative that Treasury securities were losing their haven status. Valuations for riskier fixed income sectors remain rich relative to core sectors, in our view. Credit spreads have largely reversed the widening that took place in April and are back down to unattractive levels. Valuations for MBS remain attractive through.

**Color Key:**

● Strong Overweight ● Overweight ● Neutral ● Underweight ● Strong Underweight

| | | Low | Med | High | Rationale |
|---|---|---|---|---|---|
| Current Stance | **Credit Quality Preference** | | | ✓ | Recommend an up-in-quality approach in allocating to fixed income sectors. While all-in yields for lower quality remain above longer-term averages, we think the risk-reward favors owning core bond sectors over the riskier sectors. |
| | | **Short** | **Inter.** | **Long** | **Rationale** |
| Current Stance | **Duration Preference** | | ✓ | | Yields remain under pressure from conflicting narratives: slowing growth (lower yields) but stickier inflation (higher yields), tariff pressures, and an ongoing Treasury Department debt ceiling debate will likely keep rates directionless (but volatile) until/unless the economic data softens enough to allow the Fed to continue its rate cutting campaign. We remain neutral duration. |
| | | **Neg.** | **Neut.** | **Pos.** | **Rationale** |
| Current Stance | **Municipal Bond View** | | ✓ | | Performance was positive on the month, but munis have lagged broader taxable markets this year, primarily due to supply/demand imbalances. YTD, the municipal market has recorded $285 billion of new issuance, representing a 19% increase year over year. However, year-to-date inflows to funds and ETFs has been a paltry $10 billion so far. Curve steepness still suggests intermediate term allocations are worth a look. Valuations remain attractive. |

| | | Overall View | | | | | Overall Trend | Rationale |
|---|---|---|---|---|---|---|---|---|
| Core Sectors | **U.S. Treasuries** | · | · | ● | · | · | No Trend | The 10-year Treasury yield is lower by 0.38% so far this year, (through June 30) which is the largest drop in yields among developed nations, with most countries experiencing rising 10-year yields. To get Treasury yields much lower though, economic data will need to show further deterioration. Technically, 10-year yields continue to consolidate below resistance near the 4.50–4.60% range and above support from the May lows. |
| Core Sectors | **Mortgage-Backed Securities** | · | ● | · | · | · | No Trend | We remain constructive on agency MBS. Yields and spreads remain near multi-year highs, so we think MBS remain an attractive investment opportunity, particularly relative to lower-rated corporates. Elevated interest rate volatility is a headwind to MBS but recent demand from banks, traditionally the largest buyer of MBS, remains supportive. |
| Core Sectors | **Investment-Grade Corporates** | · | · | · | ● | · | No Trend | We recommend an underweight to benchmarks, but we think there is an opportunity to invest in shorter to intermediate maturity corporate securities without taking on elevated levels of interest rate or credit risk. Fundamentals remain solid, but valuations are stretched. |
| Core Sectors | **TIPS** | · | · | ● | · | · | No Trend | Treasury Inflation-Protected Securities (TIPS) underperformed nominals in June, as real yields decreased less than traditional Treasury securities during the month. All-in yields for TIPS remain attractive, particularly shorter maturity TIPS, and could provide a good hedge against unexpected inflation surprises. |
| Plus Sectors | **Preferred Securities** | · | · | ● | · | · | Negative | Valuations/spreads are back to historical averages, so no longer as attractive for tactical models, but all-in yields remain attractive for income-oriented investors. Recent Fed stress tests continue to show large, money-center bank fundamentals are generally sound, but the environment favors active management. |
| Plus Sectors | **High-Yield Corporates** | · | · | ● | · | · | Positive | Spreads have largely reversed the widening that took place in April and are back near secular tights. Yields for high-yield bonds are only around historical averages, and we think spreads are at risk for further widening due to tariff/trade war uncertainty. The asset class is better suited for income-oriented investors. |
| Plus Sectors | **Bank Loans** | · | · | ● | · | · | No Trend | Downgrades and defaults have increased and could increase still if the economy slows/contracts. Given the current economic uncertainty, high-risk credit sectors could underperform safer "core" sectors. |
| Plus Sectors | **Foreign Bonds** | · | · | ● | · | · | No Trend | Yields have moved higher recently but are still generally lower than U.S. markets. Currency volatility is a risk. The asset class is more attractive for U.S. dollar hedged investors. |
| Plus Sectors | **EM Debt** | · | · | ● | · | · | No Trend | Valuations are relatively attractive, but idiosyncratic risks remain, and ongoing trade wars could negatively impact smaller emerging countries. |

# Commodities and Currencies

### Strong Finish to the First Half

The Bloomberg Roll Select Commodity Total Return Index, an index developed to address the issue of negative roll yields, rallied 2.6% in June. A weaker dollar underpinned broad-based buying pressure across the commodities complex. Platinum surged nearly 30% and topped the leaderboard, while coffee led losses after tumbling 16.3%. Technically, the dollar is oversold near a secular uptrend, with both sentiment and positioning at contrarian levels. At minimum, a relief rally at this inflection point should not be ruled out.

For the first half, commodities modestly outperformed stocks; however, history shows continued outperformance in the second half is rare. Since 1992, there have only been five periods when the Bloomberg Roll Select Commodity Total Return Index outperformed the S&P 500 Total Return Index in both the first and second half.

The outlook for commodity markets in the second half of 2025 is likely to hinge on trade policy developments, which will help shape global growth and commodity performance. Long-term growth drivers, including the green energy transition and data center demand, remain intact, but China's economic recovery is a critical uncertainty, with a trade deal needed to boost rebound prospects and help counter deflationary fears. We expect precious metals to continue outperforming, while cyclically sensitive metals are gaining momentum. In energy, oil faces challenges from rising OPEC+ supply and weakening global demand.

**Color Key:** Positive  Neutral  Negative

| Sector | Overall View | Overall Trend | Rationale |
|---|---|---|---|
| **Energy** | Neutral | Neutral | West Texas Intermediate (WTI) briefly challenged a multi-year downtrend last month but failed as oil's geopolitical risk premium dissipated in the wake of a ceasefire agreement between Iran and Israel. The narrative in oil quickly shifted back to supply as OPEC+ announced another larger-than-expected output hike for August. The good news is that support around $55 held, with buyers stepping in again around $65. Technically, a close above $78.40 would reverse its current downtrend. Natural gas ticked higher in June but has lost momentum as the spot price recently slid below its 200-day moving average (dma). Above-average stockpiles coupled with mild weather in the Midwest underpinned the recent pullback. **We maintain our neutral view on the energy commodity sector.** |
| **Precious Metals** | Positive | Positive | Momentum in gold has cooled off after an impressive first half rally. Profit-taking pressure, de-escalation in the Middle East, and a slowdown in physical-gold ETF demand have weighed on the yellow metal. Support for gold sets up near $3,250, $3,120, and at $2,956. Use pullbacks as buying opportunities. Recent breakouts in silver and platinum round out a strong technical setup for the group. **We maintain our positive view on precious metals.** |
| **Industrial Metals** | Neutral | Neutral | Industrial metals advanced as recession fears abated. However, tariff uncertainty, along with weak export and manufacturing activity in China, have weighed on sentiment. Copper rallied to new highs after President Trump announced 50% tariffs on the industrial metal. Aluminum continues to trend higher since April, while steel prices have faded as front-running tariff momentum seemingly wore off. **We maintain our neutral view on the industrial metals group.** |
| **Agriculture (Ag) & Livestock** | Neutral | Neutral | Livestock markets advanced last month, with live cattle and lean hogs climbing 4.8% and 8.7%, respectively. Technically, both are trending higher and extended above their rising 200-dmas. Ag was mostly lower. Corn led losses among grains after falling 5%, violating key support near the 425–430 range. Coffee led softs lower for a second straight month as bean prices tumbled over 16.3%. **We maintain our neutral view on the ag & livestock space.** |
| **U.S. Dollar** | Neutral | Negative | The dollar followed interest rates lower last month and violated support off the April lows. The greenback is oversold near a secular uptrend, with both sentiment and positioning at contrarian levels. At minimum, a relief rally at this inflection point should not be ruled out. |

The Bloomberg Commodity Index (BCOM) is made up of 24 exchange-traded futures on physical commodities, representing 22 commodities which are weighted to account for economic significance and market liquidity

Any futures referenced are being presented as a proxy, not as a recommendation. The fast price swings in commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors.

Precious metal investing involves greater fluctuation and potential for losses.

# Alternative Investments

## Resilient Performance

In the first half of 2025, several key market forces we identified at the start of the year — rising uncertainties tied to the new U.S. administration's policy shifts, increased market volatility, and the testing of elevated U.S. equity valuations — began to take shape. As such, broadening portfolio diversification beyond the traditional 60/40 framework was crucial for effectively navigating the shifting market environment. Looking ahead, we expect there will be continued bouts of broad market volatility and varied performance within and across asset classes. While the current administration appears willing to work with international partners, uncertainty surrounding tariff policy is likely to persist. Prospects for deregulation and lower taxes remain, but quantifying their ability to offset tariff-related impacts will be challenging, given the true economic effects are not yet clear. Meanwhile, escalating geopolitical tensions and mixed economic data are expected to complicate the Fed's decision-making process, limiting the likelihood of a clear path forward. Considering these factors, we maintain a positive outlook on alternative strategies in general, as we believe they can help enhance portfolio stability in periods of uncertainty.

The first half of the year was quite conducive for equity market-neutral strategies, and we expect this environment to continue. Although tariff concerns briefly pushed the U.S. equity market near bear territory, it quickly rebounded to near-record highs following a temporary pause in tariff enforcement. However, tariff negotiations remain unresolved, with potential legal challenges adding further uncertainty. While deregulation and favorable tax policies could offer some support, elevated U.S. equity valuations — requiring higher earnings multiples amid slowing growth and shifting policies — reinforce our view that market-neutral strategies can continue to perform well and add value to portfolios. Focus on Sub-Strategy and Manager Differentiation for alternative strategies that help diversify portfolios, like global macro and managed futures. We came into 2025 holding a constructive view on subsets of each strategy, namely nimble discretionary macro with broad geographic exposure in global macro, and trend followers with broader mandates and reduced equity market concentration within managed futures.

In private markets, infrastructure, secondary private equity investments, and private credit remain our preferred strategies. In the first half of the year, infrastructure once again proved its resilience, with global public and private valuations holding steady despite broader stock market pressures. Continued investment — driven by both government initiatives and private sponsors — should further support the space. Secondary private equity investments have seen strong momentum in deal volumes and a pickup in the number of participants. With more limited partners, including pensions and endowments, looking to monetize some of their holdings and rebalance their portfolios, as well as general partners looking to create continuation funds, the space has become more liquid and efficient, making it a more viable standalone strategy.

**Color Key:** ● Positive ● Neutral ● Negative

| | Sector | Overall View | Rationale |
|---|---|---|---|
| Fundamental | Long/Short Equity | ● ← | Rising volatility and stock market dispersion may create good trading opportunities for market-neutral stock pickers. For more long-biased managers, international equities could provide attractive opportunities. |
| | Event Driven | ● | Merger and acquisition (M&A) and initial public offering (IPO) activity remains sluggish, and opportunities in distressed debt will likely be limited as well. |
| Tactical | Global Macro | ● | Agile discretionary macro managers should continue to capitalize on economic and policy shifts, along with intermittent spikes in market volatility. |
| | Managed Futures | ● | We continue to favor holding a diversified mix of sub-strategies, including but not limited to, short-term momentum, volatility breakout, pattern recognition, and trend following. Diversification within trend following in terms of markets and time frame is encouraged as well. |
| Multi-Strategy | Multi-PM Single Funds | ● | Multi-strategy funds should continue to benefit from the ability to dynamically invest across alternative investment strategies. |
| | Specialty Strategies | ● ← | Volatility arbitrage and cross-asset tail risk strategies with minimal carrying cost may be good additional diversifiers in portfolios. |

Please see https://www.hfr.com/indices for further information on the indices.
Definition: The HFRI 400 (US) Hedge Fund Indices are global, equal-weighted indices comprised of the largest hedge funds that report to the HFR Hedge Fund Research

# Important Disclosures

This material has been prepared for informational purposes only, and is not intended as specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors and they do not take into account the particular needs, investment objectives, tax and financial condition of any specific person. To determine which investment(s) may be appropriate for you, please consult your financial professional prior to investing. Any economic forecasts set forth may not develop as predicted and are subject to change.

Stock investing involves risk including loss of principal. Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies. Value investments can perform differently from the market as a whole and can remain undervalued by the market for long periods of time. The prices of small and mid-cap stocks are generally more volatile than large cap stocks. Bonds are subject to market and interest rate risk if sold prior to maturity.

### Asset Class Disclosures

Because of its narrow focus, specialty sector investing, such as healthcare, financials, or energy, will be subject to greater volatility than investing more broadly across many sectors and companies. Relative trend is an assessment of the intermediate term price trend and performance between various asset classes and sectors. For sectors each sector's relative trend is versus the S&P 500.

Yield spread is the difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings, and risk. Bank loans are loans issued by below investment-grade companies for short-term funding purposes with higher yield than short-term debt and involve risk. For the purposes of this publication, intermediate-term bonds have maturities between three and 10 years, and short-term bonds are those with maturities of less than three years.

Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Corporate bonds are considered higher risk than government bonds. Municipal bonds are subject to availability and change in price. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply. U.S. Treasuries may be considered "safe haven" investments but do carry some degree of risk including interest rate, credit, and market risk. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield. Mortgage-backed securities are subject to credit, default, prepayment, extension, market and interest rate risk.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Floating rate bank loans are loans issues by below investment grade companies for short term funding purposes with higher yield than short term debt and involve risk.

Credit Quality is one of the principal criteria for judging the investment quality of a bond or bond mutual fund. Credit ratings are published rankings based on detailed financial analyses by a credit bureau specifically as it relates to the bond issue's ability to meet debt obligations. The highest rating is AAA, and the lowest is D. Securities with credit ratings of BBB and above are considered investment grade. Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. It is expressed as a number of years.

Preferred stock dividends are paid at the discretion of the issuing company. Preferred stocks are subject to interest rate and credit risk. As interest rates rise, the price of the preferred falls (and vice versa). They may be subject to a call feature with changing interest rates or credit ratings.

Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses. Alternative investments are include non-traditional asset classes. This may include hedge funds, private equity/debt/credit, etc. This may also include Business Development Companies (BCDs) and Opportunity Zone investments. These are not registered securities and there may be significant restrictions on purchase and suitability requirements. Please contact your advisor for any further information.

The HFRX Absolute Return Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage.

The HFRX Equity Hedge Index measures the performance of the hedge fund market. Equity hedge strategies maintain positions both long and short in primarily equity and equity derivative securities.

The HFRI® Indices are broadly constructed indices designed to capture the breadth of hedge fund performance trends across all strategies and regions.

The HFRI Institutional Macro Index is a global, equal-weighted index of hedge funds with minimum assets under management of USD $500MM which report to the HFR Database and are open to new investments.

Event driven strategies, such as merger arbitrage, consist of buying shares of the target company in a proposed merger and fully or partially hedging the exposure to the acquirer by shorting the stock of the acquiring company or other means. This strategy involves significant risk as events may not occur as planned and disruptions to a planned merger may result in significant loss to a hedged position. Managed futures are speculative, use significant leverage, may carry substantial charges, and should only be considered suitable for the risk capital portion of an investor's portfolio.

Commodity-linked investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities baskets as well as weather, geopolitical events, and regulatory developments. The fast price swings in commodities and currencies will result in significant volatility in an investor's holdings. Any futures referenced are being presented as a proxy, not as a recommendation. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors. Precious metal investing involves greater fluctuation and potential for losses.

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# Important Disclosures

Investing in foreign and emerging markets securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks. All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy. Precious metal investing involves greater fluctuation and potential for losses.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Earnings per share is generally considered to be the single most important variable in determining a share's price. It is also a major component used to calculate the price-to-earnings valuation ratio.

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

All index data from FactSet.

The Strategic and Tactical Asset Allocation Committee (STAAC) is a division of LPL Research.

This research material has been prepared by LPL Financial, LLC.

# Portfolio Review

LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

Prepared For
**South Florida Operating Engine**
Prepared on 8/4/25

# Portfolio Review

South FL Operating Engineers App & Training Fund
5/1/25-7/31/25


**Prepared By**
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LEGACY WEALTH MANAGEMENT
MANAGING GENERATIONS OF WEALTH

Period: 5/1/25-7/31/25

## Summary

As of: 7/31/25

| | |
|---|---|
| PORTFOLIO | $1,640,140 |
| GAIN/LOSS | |
| Unrealized | $40,041 |

## Portfolio Performance

| | SELECTED PERIOD ($) | LAST QUARTER ($) | YEAR TO DATE ($) | LAST YEAR ($) | SINCE START DATE ($) |
|---|---|---|---|---|---|
| | **5/1/25 - 7/31/25** | **Q2,25** | **7/31/25** | **2024** | **3/5/24** |
| Beginning Value | 1,595,257 | 1,595,607 | 1,582,966 | 0 | 0 |
| Net Contribution | 0 | 0 | 0 | 1,514,686 | 1,514,686 |
| Change in Value | 44,883 | 38,899 | 57,174 | 68,280 | 125,454 |
| Ending Value | 1,640,140 | 1,634,506 | 1,640,140 | 1,582,966 | 1,640,140 |
| **Return** | **2.81%** | **2.44%** | **3.61%** | **4.51%**[6] | **5.81%** |

## Account Performance

| ACCOUNT | START DATE | VALUE ($) | % OF TOTAL | SELECTED PERIOD (%) | LAST QUARTER (%) | YEAR TO DATE (%) | LAST YEAR (%) | SINCE START DATE (%) |
|---|---|---|---|---|---|---|---|---|
| | | **7/31/25** | **7/31/25** | **5/1/25 - 7/31/25** | **Q2,25** | **7/31/25** | **2024** | |
| SoFL Opp Engineers App & Tr Funds | 3/5/24 | 1,640,140 | 100.00 | 2.81 | 2.44 | 3.61 | 4.51[6] | 5.81 |

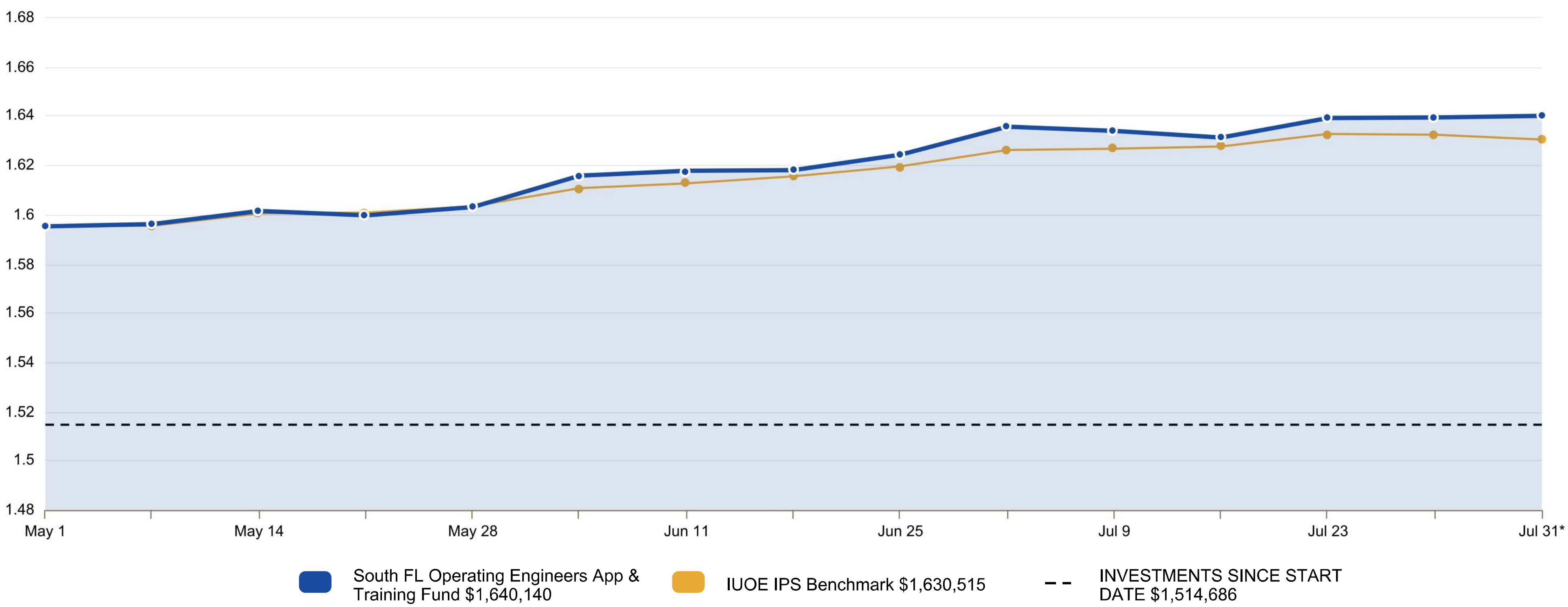
[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: LWM

Portfolio Review created on: 8/4/25.

Period: 5/1/25-7/31/25

## Portfolio Value (millions $)




[61] IUOE IPS Benchmark is comprised of 51% Bloomberg Bond Fund 1-5 Year Government/Corporate, 34% ICE BofAML US Treasury Bills 0-3 Month (TR), 11% Dow Jones U.S. Total Stock Market Index, 4% Bloomberg Commodity Index (TR).

*Represents partial period

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Portfolio Review created on: 8/4/25.

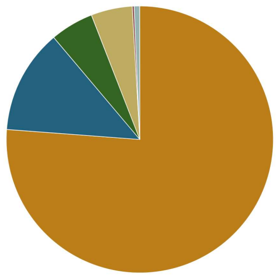
# Portfolio Snapshot

South FL Operating Engineers App & Training Fund

Prepared for: South Florida Operating Engine

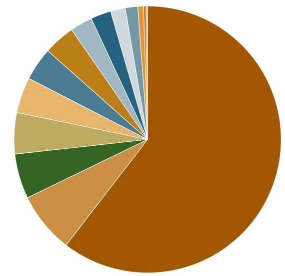
As of: 7/31/25

## Asset Type



| ASSET TYPE | CURRENT ALLOCATION | VALUE ($) | (%) |
|---|---|---|---|
| BONDS | | 1,249,916 | 76.21 |
| US STOCKS | | 207,278 | 12.64 |
| CASH | | 86,353 | 5.26 |
| NON-CLASSIFIED | | 81,862 | 4.99 |
| NON-US STOCKS | | 3,576 | 0.22 |
| OTHER | | 11,155 | 0.68 |
| **Total:** | | **$1,640,140** | **100%** |

## Investment Objective



| INVESTMENT OBJECTIVE | CURRENT ALLOCATION | VALUE ($) | (%) |
|---|---|---|---|
| US INVESTMENT GRADE BOND | | 991,713 | 60.47 |
| NON-US BOND | | 120,478 | 7.35 |
| CASH | | 89,356 | 5.45 |
| NON-CLASSIFIED | | 81,862 | 4.99 |
| OTHER BOND | | 70,805 | 4.32 |
| US LARGE CAP CORE EQUITY | | 65,835 | 4.01 |
| US HIGH YIELD BOND | | 62,234 | 3.79 |
| US MID CAP EQUITY | | 44,115 | 2.69 |
| US LARGE CAP VALUE EQUITY | | 40,511 | 2.47 |
| US SMALL CAP EQUITY | | 29,401 | 1.79 |
| US LARGE CAP GROWTH EQUITY | | 24,680 | 1.50 |
| OTHER/NON-CLASSIFIED | | 11,150 | 0.68 |
| OTHER US EQUITY | | 4,931 | 0.30 |
| OTHER | | 3,069 | 0.19 |
| **Total:** | | **$1,640,140** | **100%** |

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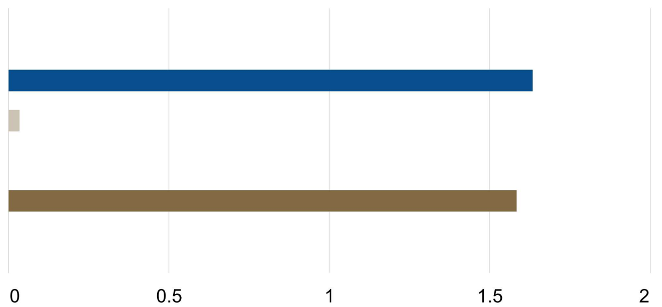
Portfolio Review created on: 8/4/25.

Period: 5/1/25 - 7/31/25

## Core Accounts (millions $)

**Return** 2.81 %




| | VALUE ($) |
|---|---|
| **Beginning Value** | **1,595,257** |
| **Net Contribution** | **0** |
| **Change In Value** | **44,883** |
| Dividend Reinvested | 15,692 |
| Fees | -2,288 |
| Interest Reinvested | 11 |
| Market Gain/Loss | 31,468 |
| **Ending Value** | **1,640,140** |

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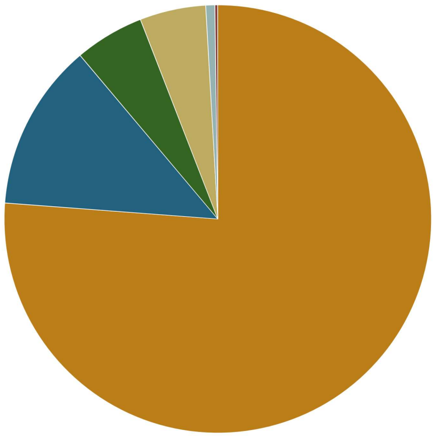
As of: 7/31/25

## Combined Total



| ASSET TYPE | VALUE ($) | (%) |
|---|---|---|
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| US STOCKS | 207,278 | 12.64 |
| CASH | 86,353 | 5.26 |
| NON-CLASSIFIED | 81,862 | 4.99 |
| OTHER | 11,155 | 0.68 |
| NON-US STOCKS | 3,576 | 0.22 |
| **Total:** | **$1,640,140** | **100%** |

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Portfolio Review created on: 8/4/25

As of: 7/31/25

## South Florida Operating Engine

**Account Name:** SoFL Opp Engineers App & Tr Funds

**Account Number:** XXXX5363

**Account Type:** Non-Profit Organization

| ASSET | TICKER | ASSET TYPE | MGT. NAME | QUANTITY | PRICE ($) | VALUE ($) |
|---|---|---|---|---|---|---|
| BROKERAGE MONEY MARKET | | CASH | BROKERAGE MONEY MARKET | 2,779.71 | 1.00 | 2,779.71 |
| COLUMBIA CONTRARIAN CORE FUND-I | SMGIX | US STOCKS | COLUMBIA THREADNEEDLE FUND SERVICES | 1,780.34 | 39.02 | 69,468.83 |
| DFA INVESTMENT GRADE PORTFOLIO FUND | DFAPX | BONDS | DIMENSIONAL FUNDS | 31,605.70 | 10.12 | 319,849.64 |
| DFA INVT DIMENSIONS GROUP IN US CORE EQ 1PT | DFEOX | US STOCKS | DIMENSIONAL FUNDS | 2,635.70 | 46.09 | 121,479.55 |
| INCOME FUND - I | JMSIX | BONDS | JP MORGAN FUNDS | 25,176.82 | 8.56 | 215,513.59 |
| PIMCO ^ MORTGAGE OPPTYS & BOND CL I2 | PMZPX | NON-CLASSIFIED | | 8,802.40 | 9.30 | 81,862.35 |
| SEI INSTL MANAGED TR MLTSTRG ALT A | SMSAX | CASH | SEI ASSET MANAGEMENT PROGRAMS | 6,633.37 | 9.90 | 65,670.35 |
| UNCONSTRAINED DEBT - I | JSISX | BONDS | JP MORGAN FUNDS | 21,469.62 | 9.82 | 210,831.65 |
| WISDOMTREE TR FLOATNG RAT TREA | USFR | BONDS | | 10,981.21 | 50.33 | 552,684.50 |
| | | | | **SoFL Opp Engineers App & Tr Funds Total:** | | **$1,640,140.17** |
| | | | | **South Florida Operating Engine Total:** | | **$1,640,140.17** |

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Portfolio Review created on: 8/4/25

As of: 7/31/25

## Mutual Fund ($)

| SECURITY | JUL 2025 | AUG 2025 | SEP 2025 | OCT 2025 | NOV 2025 | DEC 2025 | JAN 2026 | FEB 2026 | MAR 2026 | APR 2026 | MAY 2026 | JUN 2026 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| COLUMBIA CONTRARIAN CORE FUND-I | | | | | | 376 | | | | | | | 376 |
| DFA INVESTMENT GRADE PORTFOLIO FUND | | | 2,875 | | | 2,875 | | | 2,875 | | | 2,875 | 11,501 |
| DFA INVT DIMENSIONS GROUP IN US CORE EQ 1PT | | | 336 | | | 336 | | | 336 | | | 336 | 1,344 |
| INCOME FUND - I | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 12,904 |
| SEI INSTL MANAGED TR MLTSTRG ALT A | | | | | | 2,704 | | | | | | | 2,704 |
| UNCONSTRAINED DEBT - I | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 864 | 10,362 |
| **Mutual Fund Total:** | **$1,939** | **$1,939** | **$5,150** | **$1,939** | **$1,939** | **$8,230** | **$1,939** | **$1,939** | **$5,150** | **$1,939** | **$1,939** | **$5,150** | **$39,191** |

## Closed-End Mutual Fund ($)

| SECURITY | JUL 2025 | AUG 2025 | SEP 2025 | OCT 2025 | NOV 2025 | DEC 2025 | JAN 2026 | FEB 2026 | MAR 2026 | APR 2026 | MAY 2026 | JUN 2026 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WISDOMTREE TR FLOATNG RAT TREA | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 2,077 | 24,923 |
| **Closed-End Mutual Fund Total:** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$2,077** | **$24,923** |
| **South FL Operating Engineers App & Training Fund Total:** | **$4,016** | **$4,016** | **$7,227** | **$4,016** | **$4,016** | **$10,307** | **$4,016** | **$4,016** | **$7,227** | **$4,016** | **$4,016** | **$7,227** | **$64,115** |

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Prepared by: LWM

Portfolio Review created on: 8/4/25

# Account Performance Detail

South FL Operating Engineers App & Training Fund

Prepared for: South Florida Operating Engine

Period: 5/1/25 - 7/31/25

| ACCOUNT | ACCOUNT NUMBER | BEGINNING VALUE ($) | NET CONTRIBUTIONS ($) | CHANGE IN VALUE ($) | ENDING VALUE ($) | RETURN (%) | RETURN |
|---|---|---|---|---|---|---|---|
| SoFL Opp Engineers App & Tr Funds | XXXX5363 | 1,595,257 | 0 | 44,883 | 1,640,140 | 2.81 | |
| | **Portfolio Total:** | **1,595,257** | **$0** | **$44,883** | **$1,640,140** | **2.81%** | |

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Prepared by: LWM

Portfolio Review created on: 8/4/25

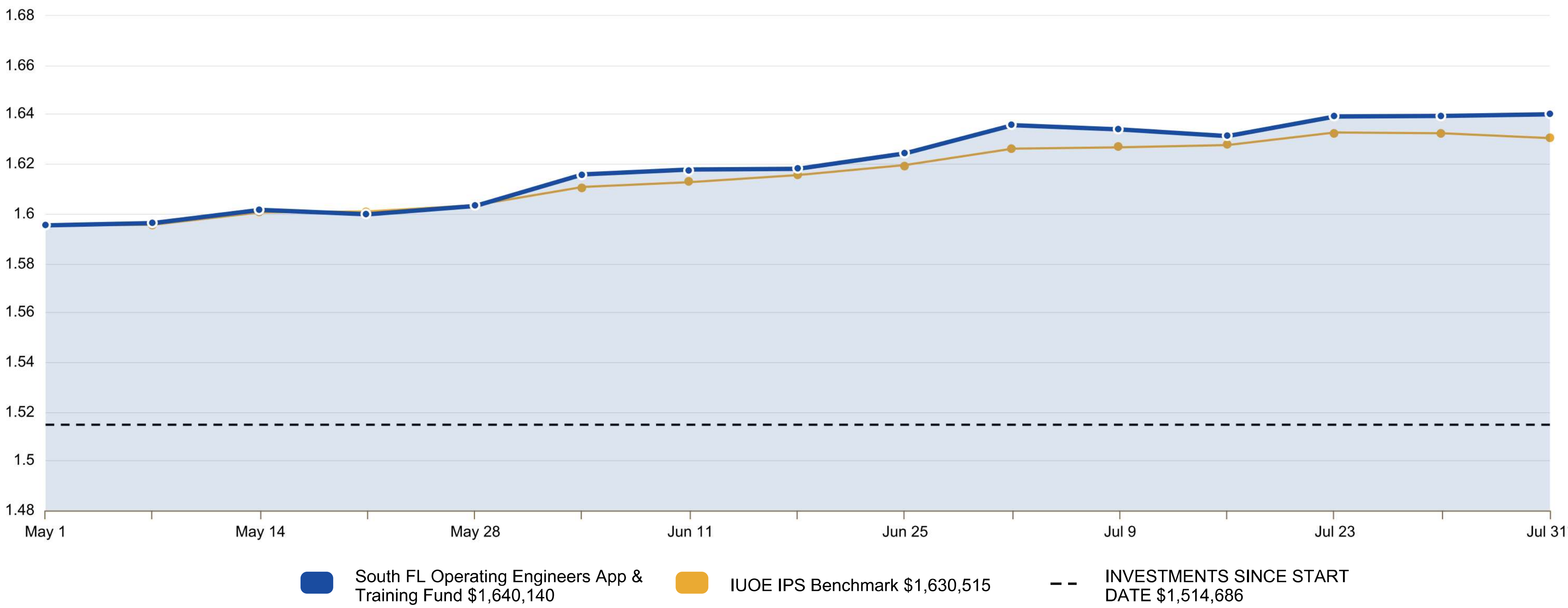
# Portfolio Value and Benchmark

South FL Operating Engineers App & Training Fund

Prepared for: South Florida Operating Engine

Period: 5/1/25 - 7/31/25

## Portfolio Value (millions $)




## Portfolio Performance

| PERIOD | ENDING VALUE ($) | NET CONTRIBUTION ($) | CHANGE IN VALUE ($) | PORTFOLIO (%) | IUOE IPS Benchmark PERFORMANCE (%) | DIFF (%) |
|---|---|---|---|---|---|---|
| Start | 1,595,257 | | | | | |
| 5/1/25 - 5/7/25 | 1,596,180 | 0 | 923 | 0.06 | 0.01 | 0.04 |
| 5/8/25 - 5/14/25 | 1,601,515 | 0 | 5,335 | 0.33 | 0.31 | 0.02 |
| 5/15/25 - 5/21/25 | 1,599,727 | 0 | -1,788 | -0.11 | 0.02 | -0.14 |
| 5/22/25 - 5/28/25 | 1,603,105 | 0 | 3,378 | 0.21 | 0.16 | 0.05 |

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: LWM

Portfolio Review created on: 8/4/25

Period: 5/1/25 - 7/31/25

| | | | | | IUOE IPS Benchmark | |
|---|---|---|---|---|---|---|
| PERIOD | ENDING VALUE ($) | NET CONTRIBUTION ($) | CHANGE IN VALUE ($) | PORTFOLIO (%) | PERFORMANCE (%) | DIFF (%) |
| 5/29/25 - 6/4/25 | 1,615,849 | 0 | 12,745 | 0.79 | 0.46 | 0.34 |
| 6/5/25 - 6/11/25 | 1,617,836 | 0 | 1,987 | 0.12 | 0.12 | 0.00 |
| 6/12/25 - 6/18/25 | 1,618,093 | 0 | 256 | 0.02 | 0.18 | -0.16 |
| 6/19/25 - 6/25/25 | 1,624,357 | 0 | 6,265 | 0.39 | 0.25 | 0.14 |
| 6/26/25 - 7/2/25 | 1,635,743 | 0 | 11,386 | 0.70 | 0.41 | 0.29 |
| 7/3/25 - 7/9/25 | 1,634,024 | 0 | -1,718 | -0.11 | 0.03 | -0.14 |
| 7/10/25 - 7/16/25 | 1,631,328 | 0 | -2,696 | -0.17 | 0.06 | -0.22 |
| 7/17/25 - 7/23/25 | 1,639,251 | 0 | 7,923 | 0.49 | 0.31 | 0.17 |
| 7/24/25 - 7/30/25 | 1,639,479 | 0 | 228 | 0.01 | -0.02 | 0.03 |
| 7/31/25 - 7/31/25* | 1,640,140 | 0 | 661 | 0.04 | -0.12 | 0.16 |
| **5/1/25 - 7/31/25*** | **$1,640,140** | **$0** | **$44,883** | **2.81%** | **2.21%**[61] | **0.60%** |

[61] IUOE IPS Benchmark is comprised of 51% Bloomberg Bond Fund 1-5 Year Government/Corporate, 34% ICE BofAML US Treasury Bills 0-3 Month (TR), 11% Dow Jones U.S. Total Stock Market Index, 4% Bloomberg Commodity Index (TR).

*Represents partial period

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: LWM

Portfolio Review created on: 8/4/25

## Disclosure

Advisory services offered through LWM Advisory Services, LLC. Securities offered through LPL Financial, member FINRA/SIPC. LPL Financial, LWM Advisory Services, LLC and Legacy Wealth Management are affiliated companies. Values are as of 07/31/2025 unless otherwise noted. **This is not an official LPL Financial ("LPL") statement; it has been prepared by your Advisor for informational purposes only, and does not replace the statements you should receive directly either from LPL or from the investment sponsors for which LPL is the broker-dealer of record or any other outside custodian.** It is intended to estimate the total value of your investments for which you receive such statements, as well as any investments held away from LPL about which you have provided to your Advisor information from which values can be estimated. This report has been prepared from data believed to be reliable but no representation is being made as to its accuracy or completeness.

The report includes securities held in your LPL account(s) or that LPL does not hold on your behalf and which are not included on LPL's books and records. These outside positions are securities held directly by an outside sponsor rather than in an LPL account. There may be differences in the way each outside securities position is reflected based on the various data sources used. If available, market value may be reflected for these outside positions. Performance may not be calculated for all outside securities positions. Information regarding outside securities positions may be limited because it is provided by a third party source.

Values shown should only be used as a general guide to portfolio value, and may vary from the actual liquidation values. Accounts held away from LPL are not covered by LPL's SIPC Insurance. The LPL Financial SIPC Membership provides account protection only to those assets held at LPL. To the extent some of the other entities may be SIPC members, please contact your financial advisor or the other entity or refer to the other entity's statement regarding SIPC membership. Position values, size of positions, and dates, may be estimates made by your Advisor based on information you have provided. The information contained in this report should not be relied upon for tax reporting purposes, accounting, or valuation purposes. The source of all price information for tracked positions is one or more third party vendors and may include the use of substitute prices where prices are not readily available.

Past performance is no guarantee of future results. Current values may be lower or higher than the values shown. We urge you to compare the information (e.g. market values, transactions, inflows, out flows, and fees) in this report with the information provided in the account statements you receive directly from LPL Financial, the investment sponsor, or custodian of the assets. If you are not receiving statements from your custodian, please contact your custodian directly or call LPL Financial at 800-558-7567.

For fee-based accounts only: The figures may or may not reflect the deduction of investment advisory fees. If the investment is being managed through a fee-based account or agreement, the returns may be reduced by those applicable advisory fees. Refer to your Advisor's Form ADV, Part II.

The Cost Basis information is subject to the validity of the supplier of cost basis information and should not be used for tax purposes. Please refer to your original statements and/or confirms.

For assets not purchased in the LPL account, you or the previous broker/dealer upon transfer may have provided the date acquired and purchase cost of the position. If no such data was submitted, N/A may be listed as the purchase Cost. N/A displays when investment information is incomplete and may be treated as zero when calculating Gain or Loss totals. Since the date acquired and the purchase cost on certain securities may have been provided by another source, this information may not reflect accurate data or correspond to data on your trade confirmations. This report may use one of the following accounting methods: First In, First Out (FIFO); Last In, First Out (LIFO); Average Cost, or Average Cost Long Term. For information on the method used, please contact your advisor.

Designating liquidations as "versus payment" date on a trade confirmation will not adjust the cost basis information on your statement or in this report. If this report includes outside accounts, manual accounts, or groups of accounts, detailed descriptions of terminology and calculations used in this report can be obtained by requesting information from your advisor.

The Modified Dietz formula is used as an approximation to the true, money-weighted rate-of-return (MWRR) or internal rate of return (IRR). The portfolio or asset is valued at the starting and ending points of the period. Cash flows are included in the calculation based on their timing (i.e., when they occurred during the period). The Modified Dietz will yield a result which approximates the IRR, which is the true, money-weighted rate-of-return. If the cash flows and returns are large, then the ability for the Modified Dietz to approximate the IRR is diminished. Otherwise, the Modified Dietz serves as an acceptable approximation to the IRR.

Positions on this statement may include assets that are not held or verified by LPL, for which you have supplied the price and quantity information to your LPL representative, through the delivery of a statement or other record prepared by the investment sponsor or other source other than your LPL representative.

This report may include personal assets that the firm does not hold on your behalf, and that are not included on the firm's books and records. Personal assets include the following:

Collectibles (e.g., art, antiques, coins, stamps)

[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: LWM

Portfolio Review created on: 8/4/25

Real estate (e.g., personal residence, vacation homes, investment property)
Intangible Assets (e.g., patents, trademarks, copyrights, goodwill)
Checking and savings accounts
Business ownership/interests (e.g., equipment, inventory, property, accounts receivables)
Insurance
Personal Property (e.g., cars, snowmobiles, etc.)

Information about personal assets is shown as an accommodation to you. The value of personal assets has not been verified by the firm and is included for informational purposes only. You should not use information about personal assets on this report for lending, legal, or tax purposes. You are encouraged to review and maintain any applicable source documents related to personal assets as they may contain notices, disclosures and other important information.



[A] The source data for the following accounts was provided by LPL BETA Brokerage:
XXXX5363

This report contains performance information calculated using Modified Dietz formula; may differ from other performance reporting systems and may differ from your LPL Quarterly Performance Reports.

The "Core Value and Benchmark" report graphs your actual core portfolio value over time, but does not include Manually Entered Assets. The starting point on the graph will always use that day's beginning balance. For fair comparison purposes, buy and sell transactions that occurred in your core portfolio during the period will be applied to any included Benchmarks. The "Net Contribution" column in the underlying legend includes all cash flows in and out of the core portfolio, including but not limited to buys, sells, dividends, interest and fees. If your core portfolio's Net Contribution contains dividend, interest and fees, it will not represent the same case flow adjustment that is applied to the benchmarks for fair comparison purposes. Additionally, interest and dividends will cause increased rate of returns in the legend without a corresponding affect on the graph.

**Composite Benchmark**
A composite benchmark has been used in this report. The underlying benchmarks and weightings are as follows:

**Bloomberg Bond Fund 1-5 Year Government/Corporate (51%)**
The Bloomberg Bond Fund Index 1-5yr Govt/Corp Index is a subset of the Bloomberg Bond Fund index and focuses its concentration on Government and Corporate issues within a 1 to 5 year time frame.

**ICE BofAML US Treasury Bills 0-3 Month (TR) (34%)**
The ICE BofAML U.S. Treasuries - Bills 0-3 Months Index is an unmanaged market index of U.S. Treasury securities maturing on average between 0 and 90 days that assumes reinvestment of all income.

**Dow Jones U.S. Total Stock Market Index (11%)**
The Dow Jones U.S. Total Stock Market Index, is an all-inclusive measure composed of all U.S. equity securities with readily available prices.

**Bloomberg Commodity Index (TR) (4%)**
The Bloomberg Commodity Index (TR) aims to provide broadly diversified representation of commodity markets as an asset class. The index is made up of exchange-traded futures on physical commodities. It currently represents 20 commodities, which are weighted to account for economic significance and market liquidity. Weighting restrictions on individual commodities and commodity groups promote diversification.

**BANK OF AMERICA**
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[A] This report may include assets that the firm does not hold and which are not included on the firm's books and records.

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*Represent partial period related to other periods on this report.

Pie chart slices labeled as other may include securities classified as other by the provider of asset classification data, as well as securities that did not fit in the other slices displayed.

[6] The return for this holding represents a partial period relative to the report period requested on the report. At some time during the reporting period, the holding was not in the portfolio. The partial period asset will affect the total account's rate of return.

[61]This benchmark is a Composite Benchmark. Please see below for more details.

IUOE IPS Benchmark is comprised of 51% Bloomberg Bond Fund 1-5 Year Government/Corporate, 34% ICE BofAML US Treasury Bills 0-3 Month (TR), 11% Dow Jones U.S. Total Stock Market Index, 4% Bloomberg Commodity Index (TR).

Performance calculations are performed using the Modified Dietz Calculation method

Any benchmark return calculations included on this report were performed using a cash flow adjusted calculation.

Estimated income and cash flows are forward looking estimates based on historical data. Such estimates have inherent limitations, as they are based on historical dividend and/or interest payments that may or may not be paid in the future or may be lower or higher than the estimated amounts shown. Dividend and interest payments are subject to change any time, and may be affected by current and future economic, political and business conditions. Estimated income for certain types of securities could include a return of principal or capital gains, in which case the estimated amounts shown would be overstated. Estimated income and cash flows are provided for illustrative purposes only, and should not be relied upon for financial or tax planning purposes.

Variable Rate Securities:

Interest rate data for certain complex and/or variable rate securities is provided by third-party data service providers. Although we seek to use reliable sources of information, the accuracy, reliability, timeliness, and completeness of interest rate data may vary sometimes, particularly for complex and/or variable rate securities and those with limited or no secondary market. As a result, we can offer no assurance as to the accuracy, reliability, timeliness, or completeness of interest rate data for such securities.

When updated interest rate data is received from a third-party data service provider , the updated data will be reflected in various sources where interest rate data is used or viewed. Prior use or communication of interest rate-related data will not be revised. Since variable interest rates may be subject to change at any time and are only as accurate as the data received from third-party data service providers, interest rate data should not be relied on for making investment, trading, or tax decisions. All interest rate data and other information derived from and/or calculated using interest rates are not warranted as to accuracy, reliability, timeliness, or completeness and are subject to change without notice. We disclaim any responsibility or liability to the fullest extent permitted by applicable law for any loss or damage arising from any reliance on or use of the interest rate data or other information derived from and/or calculated using interest rates in any way. You should request a current valuation for your securities from your financial adviser or broker prior to making a financial decision or placing an order or requesting a transaction in these securities.

Performance results prior to June 2014 reflect the performance of investments held in your accounts prior to LWM Advisory Services, LLC’s management of the accounts’ investments.

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# Investment Policy Statement

LWM
LEGACY WEALTH
MANAGEMENT
MANAGING GENERATIONS OF WEALTH℠

# South Florida Operating Engineers Apprentice & Training Fund

***INVESTMENT POLICY STATEMENT***
***8/30/2023***

*Adopted 08/30/2023*

# TABLE OF CONTENTS

## INTRODUCTION

This document establishes the Investment Policy Statement ("Investment Policy") for the South Florida Operating Engineers Apprentice and Training Plan (the "Plan"). The Board of Trustees of the Apprentice and Training Plan ("Board of Trustees") is responsible for managing the investment process of the Plan in a prudent manner with regard to preserving principal while providing reasonable returns.

The Board of Trustees has arrived at this Investment Policy through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the Plan, after consulting with such outside Investment Manager (as defined below) as is deemed appropriate. This Investment Policy has been chosen as the most appropriate policy for achieving the financial objectives of the Plan which are described in the "Statement of Objectives" section of this document; however, the Board of Trustees shall be free to deviate from this Investment Policy when it concludes that it is prudent and in the interest of the Plan to do so and may amend the Investment Policy at any time.

The Board of Trustees has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

In addition to the Investment Policy defined herein, the management of the Plan will be in compliance with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Advisers Act of 1940 and other applicable laws.

## DUTIES AND RESPONSIBILITIES

The Board of Trustees is responsible for managing the investment process in a prudent manner with regard to preserving principal while providing reasonable returns. In carrying out these duties, the Board of Trustees has retained an Investment Manager, SEI Investments Management Corporation (the "Investment Manager"), to assist in managing the assets of the Plan. The Investment Manager's role is to provide guidance to the Board of Trustees on matters pertaining to the investment of Plan assets including Investment Policy, investment selection, monitoring the Plan's performance and compliance with the Investment Policy. All decisions pertaining to the Investment Policy and guidelines for the Investment Policy's implementation will be made by the Board of Trustees. The Investment Manager, in carrying out the Investment Policy defined in this document, has authority and responsibility to select appropriate investments in the specific asset classes mandated by this Investment Policy, in accordance with (and subject to) the terms of an terms of the investment management agreement dated 5/27/2010 executed between the Investment Manager and the Plan (the "Investment Management Agreement").

Duties and responsibilities are described in detail below.

### Board of Trustees

The Board of Trustees will retain a qualified Investment Manager to assist in the development and implementation of the Investment Policy and guidelines.

The Board of Trustees will establish the Investment Policy of the Plan. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations. The Board of Trustees periodically will review the Investment Policy.

The Board of Trustees will regularly review the investment performance of the Plan including the performance of the Investment Manager to assure the Investment Policy is being followed and progress is being made toward achieving the objectives.

### Investment Manager

The Investment Manager retained by the Board of Trustees will assist the Board of Trustees in establishing the Investment Policy and guidelines contained in this Investment Policy.

In accordance with the terms of the Investment Management Agreement, the Investment Manager will be responsible for managing the asset allocation, determining investment strategy and implementing security selection decisions through the investment sub-advisors for the mutual funds managed by the Investment Manager, within the Investment Policy and as otherwise provided by the Board of Trustees. The Investment Manager will monitor asset allocation across and among asset classes.

The Investment Manager will monitor investment performance of the Plan. Performance reports will be provided to the Board of Trustees quarterly. The Investment Manager will report in a timely manner any substantive developments that may affect the management of Plan assets.

**STATEMENT OF OBJECTIVES**

**ERISA Compliance**

The assets of the Plan will be invested in accordance with all applicable laws in a manner consistent with fiduciary standards including ERISA (if applicable). Specifically:

1. The safeguards and diversity that a prudent investor would adhere to must be present in the investment program.
2. All transactions undertaken on behalf of the Plan must be in the best interest of plan participants and their beneficiaries.

**Primary Plan Objective**

The primary objective of the Plan is preservation of capital and long-term growth. The financial objectives of the Plan have been established in conjunction with a comprehensive review of the current and projected financial requirements.

**Plan Financial Objectives**

The primary financial objective of the Plan is preservation of capital and long-term growth. The objective is based on a long-term investment horizon, so that interim fluctuations should be viewed with appropriate perspective. It should be recognized that this is a union sensitive plan. If an opportunity for investment exists in a company that favors union practices that the Investment Manager is aware of, then that security should be considered more advantageous to the plan, as long as the following requirements are met: 1) the union sensitive security has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics that are available to the plan; 2) the union sensitive security is otherwise a prudent investment for the plan in terms of diversification; liquidity, and risk/return objectives of the plan and the requirements of these investment guidelines, and 3) the investment otherwise satisfies the requirements of DOL Interpretive Bulletin 94-1 to the extent that such interpretive bulletin is valid relating to economically targeted investments.

There can be no assurance that these objectives will be met.

The desired investment objective is a long-term expected rate above the actuarial assumption rate. The target rate of return for the Plan has been based upon an analysis of historical returns supplemented with an economic and structural review for each asset class. The Board of Trustees realizes that market performance varies and that long term expected rates of return may not be meaningful during some periods. The Board of Trustees also realizes and agrees that historical performance is no guarantee of future performance.

**STATEMENT OF INVESTMENT POLICY**

**Asset Allocation Targets**

It will be the policy of the Plan to invest assets with an allocation as shown below.

| Asset Class | Target Allocation | Permitted Variance |
|---|---|---|
| Equity | 11% | +/- 7% |
| Fixed Income | 51% | +/- 8% |
| Multi-Asset Class | 4% | +/- 0% |
| Cash | 34% | +/- 1% |

Any equity or fixed income holding resulting in a 20% loss from cost must be documented in writing to the Trustees as to your initial reasons for purchase as well as your reasons for continued retention.

Within each asset class, assets will be invested in accordance with the Guidelines set out below. The investments selected by the Investment Manager in accordance with this Investment Policy may include a small portion of total assets in cash reserves when deemed appropriate. However, the investments will be evaluated against their appropriate benchmarks on the performance of the total funds under management.

In accordance with the terms of the Investment Management Agreement, Manager will retain discretion with respect to the SEI mutual funds utilized by Manager to implement the Strategy. Additionally, Investment Manager will retain discretion with respect to modifications required to the asset allocation identified above. In the event the Investment Manager exercises its discretion as noted in this paragraph, Investment Manager will develop and adopt a revised draft Investment Policy Statement on behalf of the Fund. Investment Manager shall notify the Board as soon as practicable after implementing any change to the asset allocation or the SEI Funds used to implement the asset allocation as soon as practicable.

**Adherence to Policy Targets and Rebalancing**

The asset allocation established by this Investment Policy represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside of the policy range. Generally, these divergences should be of a short-term nature.

To ensure that divergence from the target policy is within acceptable limits, rebalancing of assets may be necessary. Rebalancing procedures are authorized by the Committee for the portion of Fund assets managed by the Investment Manager in accordance with the Investment Management Agreement.

Generally, rebalancing among funds may occur on a quarterly basis for the registered investment companies (i.e., mutual funds), hedge funds, and private equity (as applicable, if required) to ensure that the target asset allocation specified in this Investment Policy is maintained within acceptable ranges as determined by the Investment Manager. The Investment Manager will identify the amount of assets that must be reallocated in order to bring the Plan back into compliance with this Investment Policy and will issue the necessary instructions for the transfer of funds.

Notwithstanding the foregoing, under certain circumstances, the Investment Manager may (i) make tactical investment decisions for the Fund in accordance with the terms of the target variance noted above, (ii) modify the target variance(s) applicable to the strategy, (iii) modify its standard rebalancing operating procedures, and/or (iv) suspend some or all of the rebalancing procedures affecting the strategy. Investment Manager shall only modify or suspend its rebalancing procedures as outlined in this paragraph if it has prudently determined that such suspension is in the best interest of the Plan, its participants and beneficiaries in its reasonable sole discretion. If the Investment Manager has suspended it rebalancing procedures applicable to the Plan, the Investment Manager shall seek to notify the Board of Trustees as promptly as possible of such decision.

**Investment Securities and Diversification**

As described in the Investment Management Agreement, the Investment Manager implements this Investment Policy through investments in mutual funds and other pooled asset portfolios. It is the responsibility of the Manager to provide a prospectus (or other offering documents) for each investment and the responsibility of the Board of Trustees to read and understand the information contained in the prospectus.

Mutual funds may use shorting strategies as outlined in the prospectus. Further, certain mutual funds may participate in securities lending as determined by the prospectus (or other offering documents). Such investments are acceptable investments provided they conform to the diversification restrictions set forth below.

Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the Plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940, as amended (the “1940 Act”). Pursuant to the provisions of the 1940 Act, a mutual fund may not, with respect to 75% of its assets, (i) purchase securities of any issuer (except securities issued or guaranteed by the United States Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This restriction does not apply to the International Fixed Income Fund or the Emerging Markets Debt Fund.

In addition, no mutual fund may purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the United States Government, its agencies or instrumentalities.

## Guidelines for Portfolio Holdings

### Domestic Equity:

The Domestic Equity portion of the portfolio will consist primarily of equity securities of companies that are listed on registered exchanges or actively traded in the over-the-counter market. The equity portion may also be invested in securities that are not readily marketable (illiquid and restricted securities), receipts, securities issued by investment companies, warrants, repurchase agreements, convertible securities and US dollar denominated securities of foreign issuers that are traded on registered exchanges or listed on NASDAQ. A portion of the equity portfolio may also be invested in fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The Investment Advisor will equitize cash to remain as fully invested as possible.

### Non-U.S. Equity:

The non-U.S. equity portion of the portfolio will consist primarily of equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets, on U.S. or foreign registered exchanges, or the over-the-counter markets. The issuers of the securities are located in countries other than the United States, including emerging market countries. Additionally, the portfolio may seek to enhance returns by active management of currency exposure. This strategy may involve taking long and short positions using futures, foreign currency forward contracts, foreign currencies and other derivatives. The portfolio may also engage in currency transactions in an attempt to take advantage of certain inefficiencies in the currency exchange market, to increase the exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one currency to another. Any remaining assets may be invested in fixed income securities of emerging market governments and companies. Certain securities issued by governments of emerging market countries are, or may be, eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

A portion of the portfolio's assets may be invested in securities that are rated below investment grade, U.S. or non-U.S. cash reserves and money market instruments, repurchase agreements, securities that are not readily marketable, obligations of supranational entities, American Depository Receipts, European Depository Receipts and investment company securities including securities issued by foreign investment companies.

### Domestic Fixed Income:

The investment grade portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated investment grade or better, i.e., rated in one of the four highest rating categories by an NRSRO at the time of purchase, or, if not rated are determined to be of comparable quality by the Investment Adviser or a mutual fund sub-adviser. The portfolio may invest in traditional fixed income securities, such as bonds and debentures, issued by domestic and foreign private and governmental issuers, including mortgage-backed and asset-backed securities. In addition, the portfolio may also contain structured securities that make interest and principal payments based upon the performance of specified assets or indices. Structured securities include mortgage-backed securities such as pass-through certificates, collateralized mortgage obligations and interest and principal only components of mortgage-backed securities. Other investments include mortgage dollar roll transactions, Yankee obligations and obligations of supranational entities.

The high yield portion of the domestic fixed income portfolio will consist primarily of fixed income securities that are rated below investment grade, i.e., rated below the top four rating categories by a NRSRO at the time of purchase, or, if not rated, determined to be of comparable quality by the Investment Adviser or a mutual fund sub- adviser. There is no bottom limit on the ratings of high yield securities that may be purchased and held in the portfolio. Any remaining assets may be invested in equity, investment grade fixed income and money market securities.

### Short Duration Government Fund

The Short-Duration Government Fund invests substantially all of its net assets in U.S. Treasury obligations and obligations issued or guaranteed as to principal and interest by agencies or instrumentalities of the U.S. Government, including mortgage-backed securities, and repurchase agreements collateralized by such obligations. The Fund may invest in securities issued by various entities sponsored by the U.S. government, such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These issuers are chartered or sponsored by acts of Congress; however, their securities are neither issued nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the United States government. In addition, the Fund may invest in futures contracts, options, swaps and other similar instruments.

**Non U.S. Fixed Income:**
The non-U.S. investment grade portion of the fixed income portfolio will consist primarily of securities of non-U.S. issuers located in at least three countries other than the United States. Any remaining assets may be invested in obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities and preferred stocks. The non-U.S. investment grade portion will concentrate its investments in developed countries.

Non-U.S. investment grade fixed income securities will be traditional fixed income securities, such as bonds and debentures, and will be issued by foreign private and governmental issuers and may include mortgage-backed and asset-backed securities. The portfolio may also contain structured securities that derive interest and principal payments from specified assets or indices. The portfolio will be comprised primarily of investment grade securities denominated in various currencies, including the European Currency Unit. Investment grade securities are rated in one of the highest four rating categories by an NRSRO, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser.

The emerging debt portion of the portfolio will consist primarily of debt securities of government, government - related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. Investments will be made in emerging debt securities which are primarily rated below investment grade by internationally recognized credit rating organizations, or, if not rated, determined to be of comparable quality as determined by the Investment Adviser or a mutual fund sub-adviser. While there is no limit on the percentage invested in non-US dollar denominated assets, it is expected that the majority of the emerging debt assets will be denominated in U.S. dollars or hedged back to the U.S. dollar.

**Multi-Asset Real Return Strategy:**
This strategy uses a multi-asset class portfolio construction process and seeks to generate total returns that exceeds the rate of inflation over a full market cycle by selecting investments from among a broad range of asset classes, including fixed income and equity securities and commodity linked instruments.

**Cash Equivalent Reserves**

The investments selected by the Investment Adviser in accordance with this Investment Policy Statement may include a small portion of total assets in cash reserves when deemed appropriate.

Cash equivalent reserves will consist of money market securities such as high quality, short-term debt instruments. They include: (i) bankers' acceptances, certificates of deposits, notes and time deposits of highly-rated U.S. and foreign banks; (ii) U.S. Treasury obligations and obligations issued or guaranteed by the agencies and instrumentalities of the U.S. Government; (iii) high-quality commercial paper issued by U.S. and foreign corporations; (iv) debt obligations with a maturity of one year or less issued by corporations with outstanding high- quality commercial paper; (v) repurchase agreements involving any of the foregoing obligations entered into with highly-rated banks and broker-dealers; and (vi) foreign government obligations.

**Volatility**
Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the combined equity investment will be similar to that of the market opportunity available to institutional investors with similar return objectives. The volatility of fixed income portfolios may be greater than the market during periods when the portfolio duration exceeds that of the market.

**Proxy Statements**
Proxies, tender offers and the like will be voted in accordance with the terms of the Investment Management Agreement.

**Execution of Security Trades**
The Plan expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution. The Board of Trustees recognizes that mutual fund shares are purchased and sold at the net asset value next determined after receipt of the order and that accordingly, best price and execution may not be applicable to such transactions.

**CONTROL PROCEDURES**

**Review of Liabilities**

All major liability assumptions regarding number of participants, compensation, benefit levels and actuarial assumptions will be subject to an annual review by the Board of Trustees. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.

**Review of Investment Objectives**

Investment performance will be reviewed annually to determine the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy for achieving these objectives. In addition, the validity of the stated objective will be reviewed annually.

It is not expected that the Investment Policy will change frequently. In particular, short-term changes in the financial markets should not require an adjustment to the Investment Policy.

**Review of Investment Manager and Investments**

The Investment Manager will report on a quarterly basis to review the total Plan investment performance.

The Investment Manager will be responsible for keeping the Board of Trustees advised of any material change in its personnel, the investment strategy, or other pertinent information potentially affecting performance of all investments.

Performance reviews will focus on:

- Comparison of investment results to appropriate benchmarks, as well as market index returns in both equity and debt markets.
- Investment adherence to this Investment Policy and guidelines.
- Material changes in the investment organizations, such as in investment philosophy and personnel, etc.

**Performance Expectations**

The most important performance expectation is the achievement of long-term investment results that are consistent with the Plan's Investment Policy. Implementation of the policy will be directed toward achieving this return and not toward maximizing return without regard to risk.

The Board of Trustees recognizes that this real return objective may not be meaningful during some time periods. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, comparative performance statistics (including benchmark indices) will be used to evaluate investment results.

***ADOPTION OF INVESTMENT POLICY STATEMENT***

*The Board of Trustees of the South Florida Operating Engineers Apprentice and Training Fund has reviewed, approved and adopted this Investment Policy Statement, dated 8/30/2023 , prepared with the assistance of Legacy Wealth Management .*

DocuSigned by:
Mark Schauneman
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Trustee, Chairman

*Signature*

*8/30/2023*
*Date*