



Portfolio Update


BLUE HERON SYSTEMATIC PORTFOLIOS

January 9, 2024



BLUE HERON SYSTEMATIC PORTFOLIOS

Recent Activity: The current exposure in these systematic portfolios is consistent with the latest asset allocation model weightings:

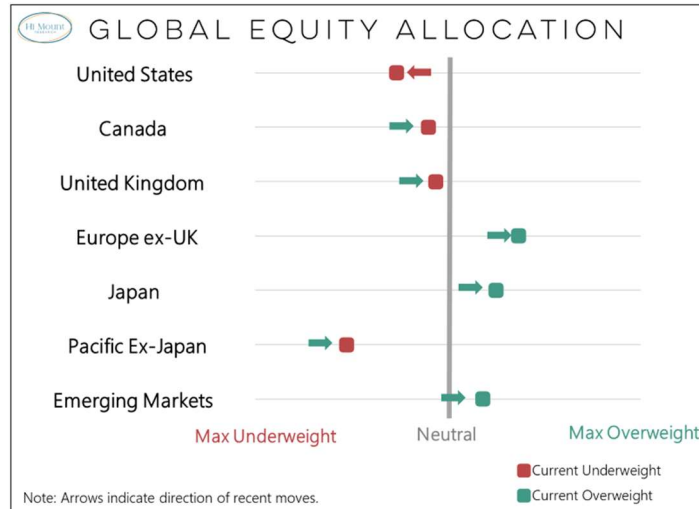
	BLUE HERON MODELS	BLUE HERON MODELS WITH STATIC ASSET ALLOCATION						BLUE HERON MODELS WITH SYSTEMATIC ALLOCATION
	Current Weight	100%	80%	60%	40%	20%	0%	71%
Equities	Current Weight	100%	80%	60%	40%	20%	0%	71%
US Large-Cap Growth	14.6%	14.6%	11.7%	8.8%	5.8%	2.9%	0.0%	10.3%
US Large-Cap Value	13.8%	13.8%	11.0%	8.3%	5.5%	2.8%	0.0%	9.7%
Mid-Caps	12.9%	12.9%	10.3%	7.7%	5.2%	2.6%	0.0%	9.1%
Small-Caps	9.5%	9.5%	7.6%	5.7%	3.8%	1.9%	0.0%	6.7%
Canada	3.8%	3.8%	3.0%	2.3%	1.5%	0.8%	0.0%	2.7%
Emerging Markets	10.3%	10.3%	8.3%	6.2%	4.1%	2.1%	0.0%	7.3%
Europe ex-UK	17.4%	17.4%	13.9%	10.4%	6.9%	3.5%	0.0%	12.3%
United Kingdom	5.2%	5.2%	4.1%	3.1%	2.1%	1.0%	0.0%	3.6%
Pacific ex-Japan	2.8%	2.8%	2.3%	1.7%	1.1%	0.6%	0.0%	2.0%
Japan	9.9%	9.9%	7.9%	5.9%	3.9%	2.0%	0.0%	7.0%
Fixed Income	Current Weight	0%	20%	40%	60%	80%	100%	29%
T-Bills	11.0%	0.0%	2.2%	4.4%	6.6%	8.8%	11.0%	3.2%
ST Govt/Credit	12.1%	0.0%	2.4%	4.8%	7.3%	9.7%	12.1%	3.6%
LT Govt/Credit	17.6%	0.0%	3.5%	7.0%	10.5%	14.1%	17.6%	5.2%
Credit	14.3%	0.0%	2.9%	5.7%	8.6%	11.4%	14.3%	4.2%
High Yield	16.5%	0.0%	3.3%	6.6%	9.9%	13.2%	16.5%	4.8%
Munis	13.2%	0.0%	2.6%	5.3%	7.9%	10.5%	13.2%	3.9%
Global ex USD	15.4%	0.0%	3.1%	6.2%	9.2%	12.3%	15.4%	4.5%
Commodities		0%	0%	0%	0%	0%	0%	0%

as of: 1/5/2024

BLUE HERON SECTOR ROTATION MODEL								
1/5/2024	Min	Average	Max	Current	UW	OW	Absolute Trend	
Energy	0%	9%	31%	0%	-100%			Falling
Materials	0%	9%	35%	10%			1%	Rising
Industrials	0%	9%	28%	11%			9%	Rising
Consumer Discretionary	0%	10%	31%	13%			12%	Rising
Consumer Staples	0%	10%	35%	8%	-19%			Rising
Health Care	0%	10%	28%	9%	-10%			Rising
Financials	0%	9%	23%	12%			22%	Rising
Information Technology	0%	11%	35%	13%			10%	Rising
Communication Services	0%	8%	27%	14%			30%	Rising
Utilities	0%	9%	31%	1%	-92%			Falling
Real Estate	0%	8%	21%	10%			13%	Rising



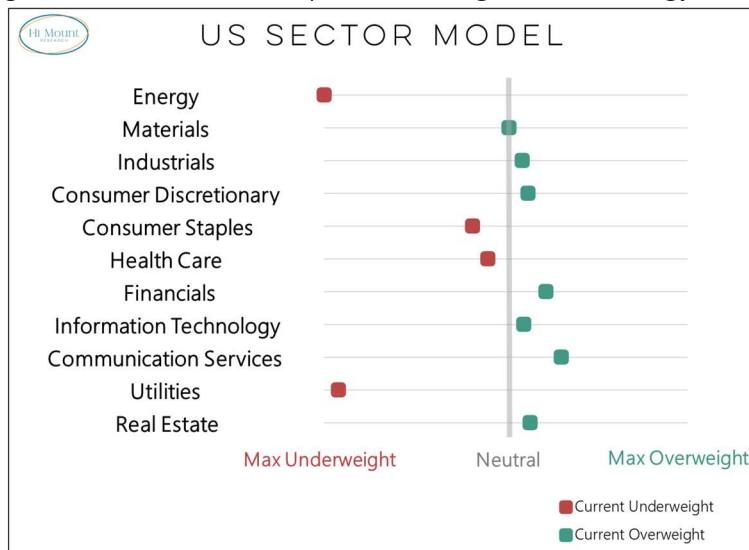
Equity: As US leadership has deteriorated, exposure in the equity portfolio has continued to shift overseas. The long-term average mix of exposure is 54% US and 46% non-US. The equity portfolio is currently 51% US and 49% non-US.



Fixed Income: All the components of the fixed income model are trending higher on a total return basis but LT government/credit is the relative leader while T-Bills and ST government/credit are laggards.

Composite: Our systematic asset allocation overlay continues to avoid Commodities (which are trending lower) and has above average exposure to Equities (which are trending higher on an absolute basis and relative to Fixed Income).

Sector Rotation: Our Blue Heron Sector Rotation Portfolio launches Financials and Communication Services getting the largest overweights (relative to their respective averages) while Energy and Utilities are largely avoided.





BLUE HERON EQUITY PORTFOLIO				
Category	Ticker	Description	Weight	Category Total
Domestic Equity	IVW	Large-Cap Growth	14.6%	51%
	IVE	Large-Cap Value	13.7%	
	IJH	Mid-Cap	12.9%	
	IJR	Small-Cap	9.4%	
Foreign Equity	EWC	Canada	3.8%	49%
	IEMG	Emerging Markets	10.3%	
	EZU	Eurozone	17.4%	
	EWU	United Kingdom	5.2%	
	EPP	Pacific ex Japan	2.8%	
	EWJ	Japan	9.9%	

(Exposure as of 1/5/2024)



BLUE HERON FIXED INCOME PORTFOLIO				
Category	Ticker	Description	Weight	Category Total
Fixed Income	BIL	1-3 Month T-Bills	11.0%	100%
	SHY	1-3 Year Treasuries	12.1%	
	TLT	20+ Year Treasuries	17.6%	
	VCIT	Corporate Credit	14.3%	
	HYG	High Yield	16.5%	
	MUB	Munis	13.2%	
	BNDX	Global ex USD	15.3%	

(Exposure as of 1/5/2024)



BLUE HERON ALLOCATION PORTFOLIO				
Category	Ticker	Description	Weight	Category Total
Domestic Equity	IIVW	Large-Cap Growth	10.3%	36%
	IVE	Large-Cap Value	9.7%	
	IJH	Mid-Caps	9.1%	
	IJR	Small-Caps	6.7%	
Foreign Equity	EWC	Canada	2.6%	35%
	IEMG	Emerging Markets	7.3%	
	EZU	Eurozone	12.3%	
	EWU	United Kingdom	3.6%	
	EPP	Pacific ex-Japan	2.0%	
	EWJ	Japan	7.0%	
Fixed Income	BIL	1-3 Month T-Bills	3.2%	29%
	SHY	1 -3 Year Treasuries	3.6%	
	TLT	20+ Year Treasuries	5.2%	
	VCIT	Corporate Credit	4.2%	
	HYG	High Yield	4.8%	
	MUB	Munis	3.9%	
	BNDX	Global Ex USD	4.5%	
Commodities	PDBC	No K-1 Commodity ETF	0%	0%

(Exposure as of 1/5/2024)



BLUE HERON SECTOR ROTATION PORTFOLIO				
Category	Ticker	Description	Weight	Category Total
Domestic Equity	XLE	Energy	0.0%	100%
	XLB	Materials	9.7%	
	XLI	Industrials	11.1%	
	XLY	Consumer Discretionary	12.5%	
	XLP	Consumer Staples	8.3%	
	XLV	Health Care	9.1%	
	XLF	Financials	11.8%	
	XLK	Information Technology	13.2%	
	XLC	Communication Services	13.9%	
	XLU	Utilities	0.7%	
	XLRE	Real Estate	9.7%	

(Exposure as of 1/5/2024)