

A QUARTER REVIEW:

The year 2023 began plagued by fear and uncertainty as the Fed aggressively tightened policy and economists were all but certain this would be the year the economy would buckle under the Fed's pressure. To make matters worse, the abrupt failure of Silicon Valley Bank rattled investors and sent markets tumbling. By summer, optimism emerged as investors grew confident that the banking crisis was contained, and overall market sentiment began to improve. Throughout the second half of the year the combination of steady economic data and convincing progress on inflation propelled risk assets higher.

The Bloomberg Intermediate Government/Credit Index ("Intermediate G/C") returns experienced mostly positive performance throughout the year, only turning negative in October as the market embraced the Federal Reserve's commitment to keeping rates "higher for longer." This sentiment shifted abruptly following the October payrolls report, which revealed a slower pace of job gains. The Fed further fueled a fourth-quarter bond market rally during its December meeting by disclosing plans to cut rates multiple times in the coming year. Notably, the Intermediate G/C surged by 4.56% during the quarter, marking its best performance since 2008.

ATTRIBUTION			
	JOHNSON	BLOOMBERG INTERMEDIATE G/C	DIFFERENCE
DURATION	2.95%	2.65%	0.31%
NON-PARALLEL	0.22%	0.20%	0.02%
OTHER RATES	0.02%	0.00%	0.02%
SECTOR/QUALITY	0.63%	0.37%	0.26%
SELECTION	0.04%	-0.03%	0.07%
INCOME	1.33%	1.28%	0.05%

PERFORMANCE						
	QTD	1YR	3YR	5YR	7YR	10YR
JOHNSON (GROSS)	5.19%	5.59%	-1.78%	1.88%	1.90%	2.24%
JOHNSON (NET)	5.12%	5.32%	-2.02%	1.63%	1.65%	1.98%
BLOOMBERG INTERMEDIATE G/C	4.56%	5.24%	-1.63%	1.59%	1.57%	1.72%

PERFORMANCE SUMMARY

The Johnson Intermediate Fixed Income strategy returned 5.12% net of fees during the fourth quarter, outperforming the Bloomberg Intermediate U.S. Government/Credit Bond Index which rose by 4.56%. The story of the quarter was the massive reversal in rates during the final two months of the year. After briefly touching 5% in October, a lackluster non-farm payrolls report sent rates sharply lower. The Federal Reserve added fuel to the bond market rally at its December meeting, revealing plans to cut rates a few times as soon as this year. All told, the Intermediate G/C index rallied 5.60% from its October low to close the year up 5.24%.

The primary drivers of the strategy's relative outperformance during the fourth quarter were a longer duration stance versus the index and a modest corporate overweight. Rates fell sharply in the 4th quarter and corporate bond spreads narrowed 21 basis points as investors grew increasingly optimistic that easier Fed policy could help "soften" the economy's landing. The tailwind to the relative performance from the corporate overweight throughout the quarter was somewhat offset by the Strategy's higher

CONTRIBUTORS	DETRACTORS
DURATION	CORPORATE DURATION
CORPORATE ALLOCATION	
MBS ALLOCATION	

quality bias and shorter corporate duration profile relative to the index. Finally, the strategy benefited from the out of index allocation to Agency Backed MBS, as MBS spreads tightened over the final two months of the year.

MARKET OUTLOOK AND PORTFOLIO POSITIONING:

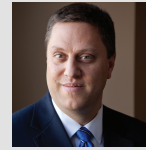
The Johnson forward-looking outlook on the market remains mixed. Despite the Federal Reserve's proactive measures to ease policy restrictions, a complete cyclical upswing in the economy appears distant. Credit spreads are currently at the tighter end of recent ranges, suggesting expectations for a more tranquil 2024 than we anticipate. Consequently, we are maintaining a somewhat defensive posture in the portfolio, coupled with a modestly longer duration than the benchmark.

To mitigate potential impacts from widening spreads at current levels, we will concentrate on shorter-than-benchmark corporate exposure. Additionally, we will continue to maintain our out-of-index Agency MBS positioning, considering it an attractive high-quality corporate alternative. This strategy is aligned with our cautious stance amid uncertainties in the market landscape.

OUR FIXED INCOME STRATEGY TEAM:



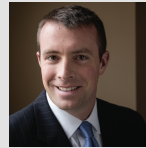
Jason Jackman, CFA
Chief Executive Officer, Principal



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Brandon Zureick, CFA
Managing Director & Portfolio Manager, Principal



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Our primary objective across all duration mandates is to outperform the market with comparable volatility by utilizing our proprietary and unique Quality Yield approach and the deep experience and continuity of our investment team.

For more information on our products and services, please contact a member of the our Sales & Client Service Team at 513.389.2770 or info@johnsonasset.com.

PORTFOLIO SUMMARY

	JOHNSON	BLOOMBERG US INTERMEDIATE G/C
COUPON	3.18%	2.88%
YIELD TO MATURITY	4.52%	4.37%
WEIGHTED AVG. MATURITY (IN YEARS)	4.74	4.26
WEIGHTED AVG. DURATION (IN YEARS)	4.17	3.78
CONVEXITY	0.11	0.10



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