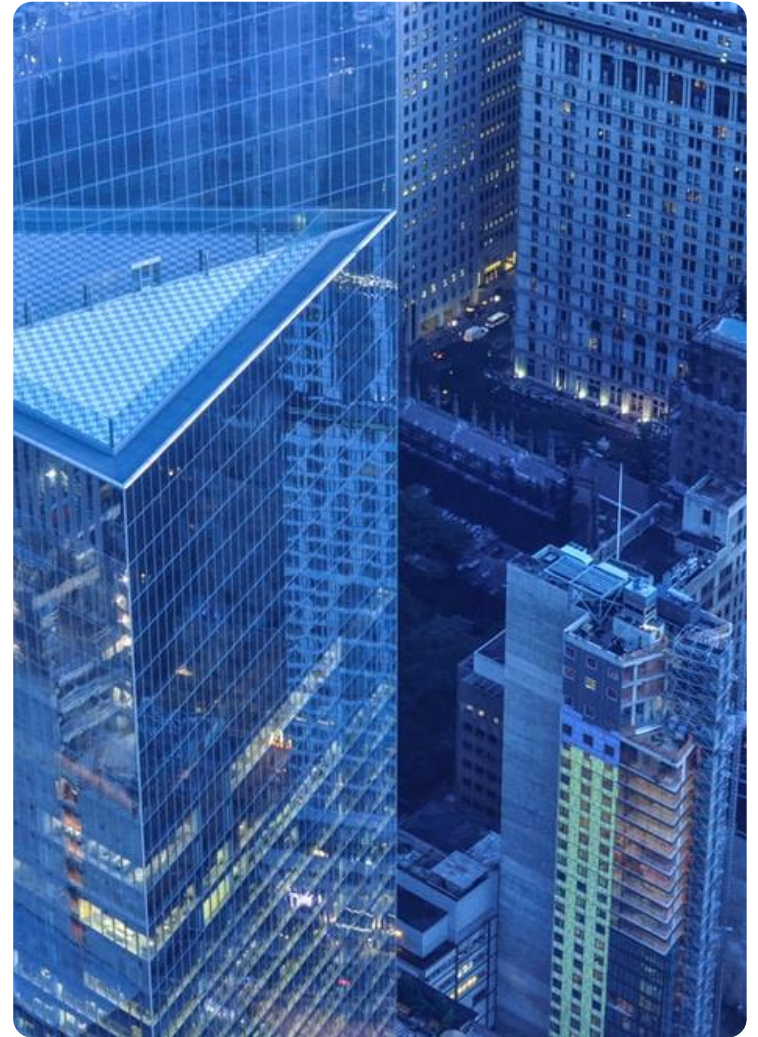


# Town of Branford Police Pension Plan

Fixed Income Separate Account  
Manager Search

May 2022



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SYNERGIES

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# Fixed Income Separate Account Manager Search

# Memo

To: Town of Branford Police Pension Plan  
From: GYL Financial Synergies, LLC (GYL)  
RE: Fixed Income Manager Search and Analysis  
Date: May 2022

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On January 28, 2022, GYL was notified by Mesirow that Ryan Johnson and Christopher Langs would be leaving the firm to pursue an opportunity with Brookfield Asset Management. Ryan Johnson focused on the energy sector and Christopher Langs focused on the industrials and materials sectors at Mesirow. Both acted as Portfolio Managers/Analysts in their roles at Mesirow. Peter Hegel, the head Portfolio Manager, will remain at Mesirow along with two credit analysts Michael Coutre and Anne Tremmel. Peter Hegel is getting close to retirement, but he plans to stay on for the next few years to rebuild the team. Effective April 28, 2022, Mesirow has added David Nirtaut as a Senior Portfolio Manager to the team. Mr. Nirtaut has an extensive background as fixed income Portfolio Manager and will be offered an ownership stake within Mesirow. In addition, Mesirow is actively seeking one additional Portfolio Manager and Analyst to replace Ryan Johnson and Christopher Langs. Mesirow confirmed there will be no changes to the underlying exposures of the strategies or the portfolio breakdown in the near-term future.

Given Mesirow's status as a boutique fixed income team within the larger, privately held Mesirow Financial, this change is fairly significant to Mesirow's fixed income organizational structure. Therefore, GYL determined it was in the best interest of its clients to conduct a thorough due diligence review of the firm. In addition, GYL deemed it appropriate to send out a Request for Information (RFI) to several other fixed income managers.

The three firms that received the RFI were selected as they were deemed to be appropriate replacements and passed a range of criteria noted in the RFI. In addition, Sage Advisory and City National Rochdale are more boutique structured firms similar to Mesirow. Macquarie is a larger firm with a deeper bench of resources and is a fixed income manager that GYL has gained a deeper knowledge from having worked with them for many years.

The following elements were considered in the evaluation of the proposal:

- Completeness of response
- Ability to satisfy functional requirements
- Ability to provide excellent customer service, including performance standards and incentives
- Cost
- Flexibility/modularity of approach
- Depth of resources

Provided below is a summary of our findings based on each fixed income manager's response.

**City National Rochdale (CNR)**

CNR is a wholly owned subsidiary of City National Bank, which is wholly owned by RBC USA Holdco Corp, an indirect subsidiary of RBC. The firm was founded in 1986 and is headquartered in both New York City, NY and Beverly Hills, CA. The firm has assets under management of \$58 billion as of 12/31/2021 of which \$20.3 billion is invested in fixed income. Currently the firm has a total of 252 employees. The firm offers a broad range of municipal, government, and corporate securities, as well as taxable, tax-exempt, and liquidity management strategies. Client portfolios are constructed based on client specific needs. CNR prides itself on the capability to offer in-person meetings and ongoing communication by the CEO Garrett D'Alessandro.

CNR seeks to outperform across varying interest rate environments. Portfolio construction considers maturity structure, sector weightings and credit quality and is customized to the client-specifics. Credit analysis and market sentiment drive the individual bond security decisions. CNR uses bottom-up research by way of quantitative modeling with a top-down economic perspective. The portfolio manager will hold a discussion with the client to determine the number of metrics ("floors") to incorporate including the clients risk budget. CNR will then tactically overweight/underweight risk exposures to minimize volatility.

The firm's fee schedule is a bit more costly than the competitors based on a tier schedule that starts at 35 bps for the first \$10 million. According to CNR, of their 386 institutional clients, there are 3 municipal plans that total \$158 million on their platform. The remaining institutional accounts primarily consist of non-profits, endowments, and foundations. Although it was noted that the firm employs 252 individuals, it did not provide for the number of professionals that focus on fixed income. It appears that this firm provides more of a consultant role in addition to managing assets. CNR's response to the RFI was incomplete in two sections including whether the firm is capable of matching client liabilities and also the firm failed to respond to whether it was subject to any legal proceedings. Upon further investigation, it was determined that effective March 3, 2022, the SEC announced that CNR had agreed to pay more than \$30 million to settle charges due to undisclosed conflicts of interest. From at least 2016 through 2019, CNR failed to inform its clients of its practice of investing assets in proprietary mutual funds that generate fees for CNR and affiliates rather than competitor funds for which fees may be lower. Additionally, CNR failed to inform some prospective clients that they could invest in CNR's proprietary funds at a lower cost<sup>1</sup>.

**Macquarie Investment Management (Macquarie)**

Macquarie began in 1969 when Hill Samuel Australia Limited commenced operations as an investment and merchant bank that became Macquarie Group in Australia. In 1985, Macquarie Group developed Macquarie Investment Management. In 2010 Delaware Investments (which was founded in 1929) was acquired by Macquarie Funds Group and changed its name to Macquarie Investment Management in 2017. The most recent acquisition completed by Macquarie is the purchase of Waddell & Reed Financial which occurred on April 30, 2021. The firm's assets under management as of 12/31/2021 are \$585 billion including both public and private investments, of which \$183 billion is invested in fixed income. There are currently 120 fixed income professionals at the firm and Macquarie has noted they expect this number to grow in 2022. The firm offers a broad range of US multisector fixed income strategies including US Core Fixed Income, US Intermediate Fixed Income, US Limited Term, and Intermediate Duration US Govt.

Macquarie differentiates their strategies by their willingness to go against the crowd and exploit opportunity on a global basis. Macquarie also holds a firm level Global Strategic Forum 3 times per year to discuss the firm's outlook and sector positioning. The firm onboarded BlackRock Solutions' Aladdin platform in 2019 to assist in pre- and post-trade monitoring. Additionally, Macquarie has sector teams specific to investment grade and high yield credit, bank loans, emerging markets debt, structured products, private placements, and municipal bonds. Assets almost doubled in 2021 due to acquisitions and the addition of private investments. Macquarie proposed a 19 bps fee for its investment strategies which is the least costly of all other respondents for the Core Bond strategy.

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<sup>1</sup> <https://www.sec.gov/news/press-release/2022-33>

The firm seeks to capture value from a diverse set of alpha sources and not rely on single factor outcomes. Macquarie believes fixed income markets are inefficient and overlook the following factors: model uncertainty, different definitions of fair value, transaction costs and emotion. Duration-timing approaches are considered ill-suited to add consistent alpha. The firm uses aggregation and allocation of block trades/investment opportunities. Commingled orders are allocated in a manner deemed equitable to each account. Due to the fact orders may consist of different prices, each account participating in the order may be allocated an average price. Investment decisions are made jointly by lead portfolio managers J. David Hillmeyer and Daniela Mardarovici, along with Steve Juszczyszyn and Eric Frei.

Macquarie was comprehensive in their response to the RFI. Set forth is a brief description of each strategy that Macquarie recommends in the RFI.

- **Core Fixed Income** – Focuses on income and preservation of principal. This strategy seeks high quality and invests in investment grade to minimize default risk.
- **Intermediate Fixed Income** – Considers the market as efficient with respect to interest rate risk and mispriced securities exposed to credit, prepayment, and liquidity risks. This strategy seeks to exploit inefficiencies with a focus on optimal security selection, emphasize the spread sectors, and construct portfolios with attractive risk / reward characteristics.
- **Limited Term Fixed Income** – Is a flexible short-term bond strategy that seeks to weather market cycles. The strategy balances income and stability while mitigating interest rate risk. The strategy invests in short term fixed income that is diversified by investing across less highly correlated sectors.
- **Intermediate Duration Government** – Seeks to outperform its benchmark with a comparable yield over a full market cycle. The strategy is top down and identifies opportunities in duration and yield curve positioning, sector allocation, while investing bottom-up by security selection. This strategy is Government only with an emphasis on Agency Mortgage-Backed Securities.

There have been two leadership changes to the organization over the past few years. In March 2019, Paul Grillo as co-head of Multisector Strategies (with David Hillmeyer) retired from the firm, and Daniela Mardarovici was hired to fill his role. On April 1, 2021, Martin Stanley stepped down as Group Head of Macquarie Asset Management (MAM) and from the Executive Committee.

### **Sage Advisory (Sage)**

Sage Advisory was founded in 1996 and is headquartered in Austin, TX. The firm is a Limited Liability Company and is affiliated with Sage Realty and Sage Capital. The firm is 100% employee owned; however, Robert Smith, President and CIO is the majority owner with a 61.2% stake in the company. The firm's assets under management were \$17.5 billion as of 12/31/2021 with over 83% invested in fixed income. There are currently 21 investment professionals across the Investment Committee, Portfolio Management Team, and Research Team. The firm has realized a consistent 15% - 20% compound annual growth rate in assets under management and revenues during the last decade. Much of the growth in assets has come from a focus on liability-based investment management opportunities with corporate, municipal, Taft-Hartley retirement plans, insurance entities and through structured investment vehicles (i.e., CBO/CLO's). The strategies proposed under the RFI include a focus on Core Aggregate Taxable Fixed Income. Sage is able to offer custom LDI, Govt/Credit Intermediate and a 1-3 yr Short-Term Fixed Income under this umbrella.

Given the firm's boutique operations and focus on fixed income, Sage possesses the ability to customize analytics, portfolios, and ongoing reporting for institutional clients. Portfolios are constructed with highly liquid cash bonds. All strategies at Sage are managed in a team format that leverages the depth and experience of all team members. The firm seeks to evaluate what can go wrong with an investment before it determines what can go right. To this end, managing portfolio volatility and downside risk are at the forefront of its investment decisions. Sage believes fixed income returns are driven by three key factors: income, price, and volatility. Sage's philosophy is to 1) deliver a consistent income advantage relative to the market; 2) maintain a risk profile consistent with the assigned mandate, and 3) fulfill

its role in the asset allocation process by delivering a low correlation to equities and serving as a constant source of efficient liquidity. Sage proposed a fee of 20 bps for its Core and LDI portfolios and 15 bps for its Intermediate Gov/Credit and Short-Term Fixed Income investment strategies.

Investment strategies are derived applying top-down macro views with a bottom-up process centered on portfolio design and risk management. This approach has been taken to harvest yield premiums from diversified sources while controlling overall portfolio risk. Sage invests in the investment grade and high yield universe as well as the complete term structure of the yield curve. Sage seeks to generate a consistent income advantage by harvesting diversified sources of credit, liquidity, and term premiums driven by sector allocation, security selection, duration, and yield curve management. Volatility creates exploitable valuation gaps, and the firm seeks to identify and capture shorter-term mean-reverting opportunities in a risk-controlled manner. Additional tactical trading opportunities in rates, sectors, and security selection are also considered. Sage manages portfolio duration risk, yield curve positioning, market segment allocation, and active security selection. Each Sage strategy is managed to deliver efficient cash flows, with an emphasis on minimizing downside risk while maintaining a high level of liquidity in all market environments. Sage can also provide actuarial and market risk analytics to create customized, dynamic investment solutions for its clients. Given the harvesting process that Sage employs, its strategies tend to have a higher turnover than peers.

Over the past few years there has been a fair amount of personnel changes at the firm. In August 2020, Sage Co-Founder retired. In June 2021 ownership shares were extended to Robert Moser, Director, and National Sales Director. In September 2021, Gregory J. Figaro sold his interest in the firm and seven additional employees were added to the partnership.

#### **Mesirow Financial (Mesirow)**

Mesirow as the incumbent investment manager was founded in 1937 and is headquartered in Chicago, IL. Mesirow Financial is a wholly owned subsidiary of Mesirow Financial Services, which is a wholly owned subsidiary of parent corporation Mesirow Financial Holdings, Inc. The firm is privately held, and majority employee owned. The firm assets under management as of 12/31/2021 are \$52 billion of which \$3 billion is fixed income. Given its existing resources, the team has the capacity to manage approximately \$15 billion in fixed income assets without affecting the efficacy of its strategies and process. Thus, the team has a great deal of available capacity to manage any future growth. The strategies employed by GYL clients include Core Total Return, Intermediate Government Credit, Government Securities Only and Short-Term Fixed Income.

The firm is mindful of risk management. As head Portfolio Manager, Peter Hegel ensures each portfolio is invested in line with the current policy, that all client specific guidelines are followed and that all client-directed cash flows are invested. All guidelines that can be quantified are programmed into Mesirow's various electronic compliance systems. Mesirow monitors and controls all major risks as follows:

- **Duration Risk** - is managed by staying duration neutral. Mesirow believe that by keeping the duration of a client's portfolio closely matched to the appropriate duration target it can minimize volatility or tracking error without sacrificing return.
- **Credit Risk** – Mesirow's credit group provides independent, unbiased views on the majority of the eligible issuers measured on a market-weighted basis. Mesirow then limit exposure to highly correlated issuers by carefully monitoring industry weightings relative to the benchmark index.
- **Liquidity Risk** – Almost all securities Mesirow invests can be sold within the regular two-day settlement period. Also, given Mesirow's size, nearly all holdings can be sold with little or no effect on the market level in normal market environments. Mesirow does not use leverage and does not focus on the less liquid derivative securities. As a result, Mesirow is seldom, if ever, in the situation of being a “forced seller.”
- **Diversification Risk**– Mesirow seeks to employ diversification at the sector, industry, and issuer level.

All members of the Fixed Income team, including the portfolio managers and analysts, have research responsibilities for the portfolio holdings and are expected to generate buy and sell ideas. Portfolio managers/sector specialists are primarily responsible for sector weighting decisions and yield curve exposures while research analysts focus on issuer credit analysis. The firm has a succession plan and redundancies in the event of the departure of a key professional.

At the industry level within the corporate sector, Mesirow monitors its exposures on a market value and contribution to duration basis. There are no formal limits on industry weightings. Quality weightings are determined based on relative value.

Mesirow monitors intra-rating yield spreads versus historical norms on a weekly basis as a framework for analyzing the credit weighting decisions. The Core Total Return Fixed Income strategy is 100% invested in BBB- or higher at purchase. Within the investment-grade categories, quality maximums vary by client objectives and risk tolerances. At the issuer level, Mesirow has internal guidelines that are based on an issuer's perceived risk and roughly correspond to published credit ratings as outlined below:

- Treasuries/Agencies/GSEs unrestricted
- AAA rated 3.0% maximum
- AA/A 2.0%,
- BBB 1.5%,
- High Vol issuers 0.5%

Mesirow has experienced significant turnover affecting the organizational structure of its firm. In 2019 one Portfolio Manager retired. As of 2022, two Portfolio Managers and one Fixed Income Trader have resigned from the firm. There have been three client portfolios totaling \$58 million in assets lost since these key professionals have resigned. Mesirow's management fees range from 25 to 30 bps depending on strategy and client assets, which is more expensive than Macquarie and Sage have identified in their response to this RFI. It is important to note that a fairly small allocation of 6% of the firm's assets under management are invested in fixed income.

### **Conclusion**

Mesirow has provided investment management to GYL clients since 2005. The Town of Branford Police Pension Plan added Mesirow as the fixed income manager to invest a portion of the Plan's assets in the Mesirow Core Total Return strategy effective July 7, 2005. The firm has continued to stay true to their process providing a dedicated and consistent approach to active management. Mesirow focuses on risk management and seeks to well define the constraints within a portfolio while being able to actively customize accounts based on client needs. Mesirow's organizational changes led to the Request for Information to be distributed to fixed income managers. Based on the responses received, it was noted that Sage is most similar to Mesirow given it is a smaller boutique shop that is able to customize portfolios to client needs as well. Both firms are structured in a team format that leverages the depth and experience of all its fixed income professionals. Additionally, Sage is able to offer a lower fee than Mesirow for all four products. One difference between these firms is that only 6% of assets under management consist of fixed income at Mesirow whereas 83% of assets at Sage are invested in fixed income. Sage and Mesirow are both solid candidates for the fixed income space and have provided attractive risk-adjusted returns. Given the recent turnover at Mesirow and the action taken to rebuild their team, GYL recommends Mesirow be placed on watch at this time.



**Important Disclosures**

**Data Sources:** The information found in this document was derived from responses provided by City National Rochdale, Macquarie Investment Management and Sage Advisory in reference to the Request for Information for a Fixed Income Manager provided by GYL. Additionally, the information provided by Mesirow Financial was derived from their response to the Fixed Income Manager Due Diligence Questionnaire provided by GYL. While we believe this information to be reliable, its accuracy and completeness are not guaranteed.

The aforementioned information, prepared by GYL Financial Synergies, LLC, represents a summary of display of services & costs provided by the respective fixed income money managers.

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# Fixed Income Manager Score Card

Criteria	City National	Macquarie	Mesirow	Sage	Weight
Completeness of Response	1	5	5	5	10%
Ability to Satisfy Functional Requirements	4	5	5	5	20%
Customer Service, Performance Standards and Incentives	5	5	5	5	20%
Flexibility/Modularity of Approach	4	3	4	5	20%
Depth of Resources	3	5	3	4	15%
Cost	3	5	4	5	15%
<b>Weighted Score</b>	<b>3.6</b>	<b>4.6</b>	<b>4.4</b>	<b>4.9</b>	<b>100%</b>

*Scores are derived from a 1 - 5 scoring range and are based on the qualitative review of each respondent's written response to questions posed in GYL's Request for Information. A score of 1 represents an unresponsive or unqualified answer to the criteria in GYL's view. A score of 5 represents that the respondent's answers met and/or exceeded expectations of the criteria in GYL's view.*

# Fixed Income Manager Statistics

Short-Term Strategies			
	Sage Short-Term Fixed Income	Macquarie US Limited Term Fixed Income	Mesirow Strategic Fixed Income - Short
Current Yield	2.43	2.03	2.018
Maturity (Yrs.)	1.99	2.27	2.364
Duration (Yrs.)	1.7	1.91	2.173
YTW (%)	2.66	2.482	2.425
Credit Quality	A	AA-	AA-

Short-Term Strategies			
	Sage Short-Term Fixed Income	Macquarie US Limited Term Fixed Income	Mesirow Strategic Fixed Income - Short
U.S. Treasury	22.57%	32.51%	26.49%
CMO	5.55%	1.82%	0.00%
ABS	10.93%	9.14%	0.66%
CMBS	10.43%	0.68%	0.53%
MBS	0.00%	4.37%	0.57%
Credit	46.79%	46.64%	64.37%
Gov't Related	2.83%	0.86%	0.00%
EM	0.00%	1.94%	0.00%
HY	0.00%	0.00%	0.00%
Cash	0.90%	2.04%	7.37%

\*All figures were obtained directly from the respective manager and are as of March 31, 2022.

# Fixed Income Manager Statistics

Government/Credit Strategies			
	Sage Intermediate Fixed Income	Macquarie US Interm Term Fix-Inc	Mesirow Strategic Fixed Income - Int G/C
Current Yield	2.27	2.17	2.535
Maturity (Yrs.)	4.39	4.35	4.601
Duration (Yrs.)	3.75	3.80	4.057
YTW (%)	2.89	2.79	2.785
Credit Quality	Aa	AA-	A+

Government/Credit Strategies			
	Sage Intermediate Fixed Income	Macquarie US Interm Term Fix-Inc	Mesirow Strategic Fixed Income - Int G/C
U.S. Treasury	39.66%	44.48%	34.10%
CMO	2.21%	0.00%	0.10%
ABS	7.47%	0.86%	0.00%
CMBS	9.88%	1.99%	1.40%
MBS	1.37%	6.40%	0.29%
Credit	36.25%	44.35%	62.88%
Gov't Related	1.20%	0.00%	0.00%
EM	0.00%	0.00%	0.00%
HY	0.00%	0.20%	0.00%
Cash	1.97%	1.72%	1.23%

\*All figures were obtained directly from the respective manager and are as of March 31, 2022.

# Fixed Income Manager Statistics

Intermediate Core Strategies			
	Sage Core Aggregate Fixed Income	Macquarie US Core Fixed Income	Mesirow Strategic Fixed Income – Core TR
Current Yield	2.64	2.99	2.783
Maturity (Yrs.)	9.13	9	8.042
Duration (Yrs.)	6.54	6.43	6.244
YTW (%)	3.11	3.42	3.014
Credit Quality	Aa	A-	A+

Intermediate Core Strategies			
	Sage Core Aggregate Fixed Income	Macquarie US Core Fixed income	Mesirow Strategic Fixed Income – Core TR
U.S. Treasury	24.46%	16.10%	26.66%
CMO	5.76%	0.69%	0.01%
ABS	6.95%	7.55%	1.18%
CMBS	7.34%	9.23%	3.20%
MBS	18.98%	19.89%	7.99%
Credit	32.03%	37.66%	59.66%
Gov't Related	0.78%	0.88%	0.00%
EM	0.00%	3.59%	0.00%
HY	0.00%	2.94%	0.00%
Cash	1.13%	1.47%	1.31%

\*All figures were obtained directly from the respective manager and are as of March 31, 2022.

# Important Disclosures

**Data Sources:** The information found in this document was derived from the Request For Information for Fixed Income Manager and Morningstar Direct. Additional information found in this document was derived from email correspondences and attachments, and verbal correspondence with relationship representatives from City National Rochdale (CNR), Macquarie Investment Management, Sage Advisory and Mesirow Financial. While we believe this information to be reliable, its accuracy and completeness are not guaranteed.

The aforementioned information, prepared by GYL Financial Synergies, LLC, represents a summary of display of services & costs provided by the respective fixed income managers. For more information, please refer to respective Fixed Income Manager Request For Information “RFI” response. While every attempt has been made to ensure accuracy, the completeness of this information is not guaranteed.

**CONFLICTS OF INTEREST:** To review important information about certain relationships and potential conflicts of interest that may exist between GYL Financial Synergies, LLC and our clients, we refer you to GYL Financial Synergies, LLC’s Form ADV, Part 2A and Part 3 Customer Relationship Summary (Form CRS), collectively referred to as our “Disclosure Documents”.

**DISCLOSURE DOCUMENTS:** GYL Financial Synergies, LLC makes available to all clients, at no charge, a copy of its Disclosure Documents (Part 2A and Part 3 of Form ADV). To request a copy of these forms, please contact us at (860) 206-7400.

**STATEMENT OF OPINION:** The views contained in this presentation represent the opinions of GYL Financial Synergies, LLC as of the date hereof unless otherwise indicated. This and/or the accompanying information was prepared by or obtained from sources GYL Resnick believes to be reliable but does not guarantee its accuracy. The report herein is not a complete analysis of every material fact in respect to any security, mutual fund, company, industry, or market sector. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Past performance does not guarantee future results.

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# Separate Account Investment Detail

## Investment approach

We believe that the fixed income markets are efficient with respect to interest rate risk, but regularly misprice securities that are exposed to credit, prepayment, and liquidity risks. To seek to exploit these inefficiencies and attempt to provide our clients with consistent excess returns potential over the long term, we focus on optimal security selection, emphasize the spread sectors, and construct portfolios with attractive/risk reward characteristics.

## Strategy overview

**Assets managed in this strategy: \$1.89 billion**

**Benchmark: ICE BofA 1-3 Year Treasury Index**  
**Benchmark: Bloomberg 1-3 Year US Government / Credit Index**

The ICE BofA 1-3 Year Treasury Index is composed of US Treasury notes and bonds with maturities greater than or equal to one year and less than three years. It does not include inflation-linked US government bonds.

The Bloomberg 1-3 Year US Government / Credit Index is a market value-weighted index of government fixed-rate debt securities and investment grade US and foreign fixed-rate debt securities with average maturities of one to three years.

2. The portfolio information shown is that of a representative US Limited-Term Fixed Income portfolio. Holdings, weightings and characteristics are current as of the date indicated, are subject to change, and may not reflect the current portfolio. Total may not equal 100% due to rounding.

3. Each fixed income security in the account is assigned a numerical value based on its Moody's, S&P, Fitch, or internal (if necessary) rating. Credit default swaps' ratings are based on the underlying credit security. Other swaps' ratings are based on the counterparty.

Please refer to back section for important performance disclosures.

**The performance quoted represents past performance and does not predict future returns.**

## Annualized returns<sup>1</sup> (supplemental) (%)

	1Q 2022*	1 year	3 year	5 year	10 year
Strategy (gross of fees)	-2.53	-2.71	1.55	1.75	1.69
Strategy (net of fees)	-2.56	-2.85	1.40	1.62	1.55
Benchmark (ICE)	-2.34	-2.84	0.88	1.07	0.85
Benchmark (Bloomberg)	-2.49	-2.91	1.02	1.26	1.10

\*Returns less than one year are not annualized.

## Calendar year performance<sup>1</sup> (supplemental) (%)

	2017	2018	2019	2020	2021
Strategy (gross)	2.05	1.06	4.99	5.00	-0.95
Strategy (net)	1.94	0.95	4.82	4.84	-1.09
Benchmark (ICE)	0.42	1.57	3.55	3.10	-0.55
Benchmark (Bloomberg)	0.84	1.60	4.03	3.33	-0.47

<sup>1</sup> Unless otherwise indicated, source of data is Bloomberg and Macquarie. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged, and one cannot invest directly in an index. The benchmarks are a Performance Comparator, and the Strategy may bear little resemblance to its benchmarks. **The performance quoted represents past performance and does not predict future returns.**

## Risk stats<sup>2</sup> (supplemental)

	5 years			10 years		
	Strategy	Benchmark (ICE)	Benchmark (Bloomberg)	Strategy	Benchmark (ICE)	Benchmark (Bloomberg)
Sharpe ratio	0.44	-0.01	0.13	0.80	0.25	0.50
Information ratio vs. ICE	0.58	—	—	0.82	—	—
Tracking error vs. ICE	1.17	—	—	1.01	—	—
Standard deviation	1.50	1.31	1.22	1.36	1.03	0.97
Alpha vs. ICE	0.94	—	—	0.92	—	—

## Sector weightings<sup>2</sup> (supplemental) (%)

	Strategy	Benchmark (ICE)	Benchmark (Bloomberg)
Corporate bonds	46.6	—	22.0
US Treasury securities	32.5	100.0	68.4
Asset-backed securities	9.1	—	—
RMBS and CMBS**	6.9	—	—
Government related	2.8	—	8.6
Cash	2.0	—	—

\*\*Residential mortgage-backed securities and commercial mortgage-backed securities

## Portfolio characteristics<sup>2</sup> (supplemental)

	Strategy	Benchmark (ICE)	Benchmark (Bloomberg)
Yield to worst (weighted average)	2.48%	2.21%	2.41%
Effective duration (weighted average)	1.91 years	1.86 years	1.92 years
Number of securities	127	94	1,667

## Credit quality<sup>2,3</sup> (supplemental) (%)

	Strategy	Benchmark (ICE)	Benchmark (Bloomberg)
AAA	47.6	100.0	75.8
AA	10.1	—	2.7
A	24.5	—	11.7
BBB	17.9	—	9.8



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## The strategy is subject to the following risks:

- The value of the portfolio may fall as well as rise, and you may not receive back the amount invested.
- Fixed income securities can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt. The strategy may be subject to the risk that the principal of a fixed income security that is held by the strategy may be prepaid prior to maturity, potentially forcing the strategy to reinvest that money at a lower interest rate.
- Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the portfolio may be prepaid prior to maturity, potentially forcing the portfolio to reinvest that money at a lower interest rate.
- Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.
- Liquidity risk is the possibility that securities cannot be readily sold within seven days at approximately the price at which a fund has valued them.
- Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.
- IBOR risk is the risk that changes related to the use of the London interbank offered rate (LIBOR) or similar rates (such as EONIA) could have adverse impacts on financial instruments that reference these rates. The abandonment of these rates and transition to alternative rates could affect the value and liquidity of instruments that reference them and could affect investment strategy performance.
- Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Strategy's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Strategy from executing advantageous investment decisions in a timely manner and could negatively impact the Strategy's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Strategy.

# Macquarie Asset Management

## US Limited-Term Fixed Income strategy

Factsheet • March 31, 2022 • This is a marketing communication

Period end	Composite return gross -of-fees (%)	Composite return net -of-fees (%)	Benchmark return (%)	Composite internal dispersion (%)	3-year annualized standard deviation (%)		As of December 31 <sup>st</sup>		
					Composite	Benchmark	Number of portfolios	Composite assets (\$m)	Total firm assets (\$m)
2021	-1.0	-1.1	-0.6	n/a	1.5	1.2	<5	35	501,794
2020	5.0	4.8	3.1	n/a	1.4	1.2	<5	35	249,478
2019	5.0	4.8	3.6	n/a	1.0	1.0	<5	112	258,422
2018	1.1	0.9	1.6	n/a	1.0	0.9	<5	831	234,263
2017	2.1	1.9	0.4	n/a	1.1	0.8	<5	801	251,743
2016	1.9	1.8	0.9	n/a	1.3	0.8	<5	745	172,360
2015	0.9	0.8	0.5	n/a	1.3	0.6	<5	156	171,424
2014	2.4	2.2	0.6	n/a	1.2	0.4	<5	197	190,825
2013	0.0	-0.1	0.4	n/a	1.1	0.5	<5	368	191,724
2012	3.3	3.2	0.4	n/a	1.1	0.7	<5	309	183,245

Macquarie Asset Management (MAM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MAM has been independently verified for the periods from January 1, 2017, through December 31, 2020. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

As part of an internal corporate restructure, on April 3, 2017, the firm was redefined to reflect our global rebranding as Macquarie Investment Management (MIM). MIM now incorporates the previously independent firms, including Macquarie Investment Management Business Trust (MIMBT), Macquarie Investment Management Global Limited (MIMGL), Macquarie Capital Investment Management Limited (MCIM), Macquarie Funds Management Hong Kong Limited (MFMHKL), Macquarie Investment Management Australia Limited (MIMAL), Macquarie Investment Management Austria Kapitalanlage AG and Macquarie Investment Management Korea. On June 29, 2018, ValueInvest Asset Management S.A. was acquired by Macquarie Investment Management, renamed to Macquarie Investment Management Europe S.A., and is now part of MIM. On April 9, 2021, Macquarie Investment Management Korea was sold and is no longer part of MIM. On April 30, 2021, Ivy Investment Management Company was acquired by Macquarie Investment Management and is now part of MIM.

Effective December 31, 2021, the firm was redefined to include Macquarie Infrastructure and Real Assets. Additionally, the firm name was changed from Macquarie Investment Management (MIM) to Macquarie Asset Management (MAM) related to global rebranding in 2021.

Macquarie Asset Management (MAM) is a global asset manager with offices in the United States, Europe, Asia, and Australia. Our conviction-based, long-term approach guides us in managing assets on behalf of institutional and individual investors worldwide, across fixed income, equities, listed real estate, listed infrastructure, infrastructure, renewables, agriculture, private credit via public and private funds, hedge funds and multi-asset solutions.

In connection with the redefinition, firm assets prior to 2017 were not restated.

Prior to April 3, 2017, the firm was defined as Delaware Investments. Delaware Investments has been independently verified for the periods January 1, 1992, through December 31, 2016. The verification reports are available upon request. Verification does not ensure the accuracy of any specific GIPS Report.

Macquarie Investment Management Business Trust (MIMBT), formerly known as Delaware Management Business Trust (DMBT), is a US-registered investment advisor offering a comprehensive array of diversified investment management strategies across all major asset classes. MIMBT, an asset management division of Macquarie Group, refers to Macquarie Management Holdings, Inc. (MMHI), formerly known as Delaware Management Holdings, Inc. (DMHI), and its subsidiaries. Macquarie Group refers to Macquarie Group Limited (MGL) and its subsidiaries and affiliates worldwide. Managed accounts advisory services are provided by Delaware Capital Management (DCM), a series of MIMBT. Managed accounts advisory services are referred through Delaware Capital Management Advisers, Inc., an SEC-registered investment advisor.

The US Limited-Term Fixed Income Composite ("Composite"), formerly the Limited-Term Fixed Income Composite, seeks to invest in high quality bonds that have historically offered above-average yields and superior total returns relative to the shorter-maturity bond market, as a whole. This composite was created in 1993 and the inception date is December 1, 1992. In November of 2007, responsibility for US Limited-Term Fixed Income investment management was assumed by a new team. The Composite includes all discretionary, fee-paying accounts, including pooled funds and excluding wrap-fee accounts, managed in this strategy. Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains, are presented before and after the deduction of actual investment advisory fees, and are calculated in US dollars. The returns of some accounts in the composite may include income from securities lending. The investment advisory fees are disclosed in Part 2A of Macquarie Investment Management Business Trust's Form ADV. The US Limited-Term Fixed Income fee schedule is as follows: first \$25 million, 0.25%; next \$75 million, 0.20%; amounts over \$100 million, 0.15%. Net returns are calculated using actual management fees, which includes performance fees, if applicable. Net returns prior to January 1, 2011, have not been examined. Some clients may utilize a performance-based fee, therefore actual fees paid may be higher or lower than the maximum fixed fee. Management fees, and any other expenses incurred in the management of the account, will reduce your return. The actual fee schedule may vary. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds are available upon request. **The performance quoted represents past performance and does not predict future returns.**

Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all the portfolios that were included in the composite for the entire year. Internal dispersion is only shown if the composite has at least six accounts that were managed for the full calendar year.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark over the preceding 36-month period. This measure is not required to be presented for annual periods ended prior to 2011 or when 36 monthly composite returns are not yet available.

The benchmark for the composite is the ICE BofA 1-3 Year US Treasury Index. The ICE BofA 1-3 Year US Treasury Index generally tracks the market for US Treasury securities with maturities of one to three years. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. Indices are unmanaged, and one cannot invest directly in an index. Benchmark returns are not covered by the report of independent verifiers. Benchmark information contained herein has been obtained from third-party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks cited are the property of their respective owners.

Bonds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a bond that is held by a portfolio will be prepaid prior to maturity, at the time when interest rates are lower than what the bond was paying. A portfolio may then have to reinvest that money at a lower interest rate.

Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.

Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.

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Future results are impossible to predict. This document contains opinions, conclusions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements.

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## Investment approach

We believe that the fixed income markets are efficient with respect to interest rate risk, but regularly misprice securities that are exposed to credit, prepayment, and liquidity risks. To seek to exploit these inefficiencies and attempt to provide our clients with consistent excess returns potential over the long term, we focus on optimal security selection, emphasize the spread sectors, and construct portfolios with attractive risk / reward characteristics.

## Strategy overview

**Assets managed in this strategy: \$782.9 million**

**Benchmark: Bloomberg Intermediate US Government / Credit Index**

The Bloomberg Intermediate US Government/Credit Index is composed of more than 4,000 publicly issued corporate and US government debt securities rated investment grade (Baa3/BBB- or better) with at least one year to maturity and at least \$250 million par outstanding. Securities included in the index must have a maturity from 1 up to (but not including) 10 years.

## Annualized returns<sup>1</sup> (supplemental) (%)

	1Q 2022*	1 year	3 year	5 year	10 year
Strategy (gross of fees)	-4.36	-4.02	1.88	2.16	2.25
Strategy (net of fees)	-4.41	-4.21	1.68	1.96	2.06
Benchmark	-4.51	-4.10	1.50	1.81	1.85

\*Returns less than one year are not annualized.

## Calendar year performance<sup>1</sup> (supplemental) (%)

	2017	2018	2019	2020	2021
Strategy (gross)	2.71	0.77	7.00	7.59	-1.51
Strategy (net)	2.51	0.59	6.79	7.38	-1.71
Benchmark	2.14	0.88	6.80	6.43	-1.44

<sup>1</sup> Unless otherwise indicated, source of data is Bloomberg and Macquarie. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged, and one cannot invest directly in an index. The benchmark is a Performance Comparator, and the Strategy may bear little resemblance to its benchmark. **The performance quoted represents past performance and does not predict future returns.**

## Risk stats<sup>2</sup> (supplemental)

	3 years		5 years		10 years	
	Strategy	Benchmark	Strategy	Benchmark	Strategy	Benchmark
Sharpe ratio	0.37	0.25	0.41	0.28	0.69	0.53
Information ratio	0.89	—	0.89	—	0.99	—
Tracking error	0.43	—	0.39	—	0.41	—
Standard deviation	3.03	2.95	2.61	2.59	2.40	2.36
Alpha	0.36	—	0.35	—	0.40	—

## Sector weightings<sup>2</sup> (supplemental) (%)

	Strategy	Benchmark
US Treasury securities	44.5	61.4
Investment grade credits	44.4	30.3
RMBS, CMO, and CMBS**	8.4	—
Asset-backed securities	0.9	—
High yield credits	0.2	—
Government-related	—	6.8
Emerging markets	—	1.4
Municipals	—	0.2
Cash / other	1.7	—

\*\* Residential mortgage-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities

## Portfolio characteristics<sup>2</sup> (supplemental)

	Strategy	Benchmark
Yield to worst (weighted average)	2.79%	2.69%
Effective duration (weighted average)	3.80 years	4.06 years
Number of securities	216	5,515

## Credit quality<sup>2,3</sup> (supplemental) (%)

	Strategy	Benchmark
AAA	55.5	67.2
AA	0.5	3.0
A	14.2	13.8
BBB	29.6	16.1
High yield	0.2	—

2. The portfolio information shown is that of a representative US Intermediate-Term Fixed Income portfolio. Holdings, weightings and characteristics are current as of the date indicated, are subject to change, and may not reflect the current portfolio. Total may not equal 100% due to rounding.

3. Each fixed income security in the account is assigned a numerical value based on its Moody's, S&P, Fitch, or internal (if necessary) rating. Credit default swaps' ratings are based on the underlying credit security. Other swaps' ratings are based on the counterparty.

Please refer to back section for important performance disclosures.

**The performance quoted represents past performance and does not predict future returns.**

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## The strategy is subject to the following risks:

- The value of the portfolio may fall as well as rise, and you may not receive back the amount invested.
- Fixed income securities can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt. The strategy may be subject to the risk that the principal of a fixed income security that is held by the strategy may be prepaid prior to maturity, potentially forcing the strategy to reinvest that money at a lower interest rate.
- Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the portfolio may be prepaid prior to maturity, potentially forcing the portfolio to reinvest that money at a lower interest rate.
- Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.
- Liquidity risk is the possibility that securities cannot be readily sold within seven days at approximately the price at which a fund has valued them.
- Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.
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- Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Strategy's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Strategy from executing advantageous investment decisions in a timely manner and could negatively impact the Strategy's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Strategy.

# Macquarie Asset Management

## US Intermediate-Term Fixed Income strategy

Factsheet • March 31, 2022 • This is a marketing communication

Period end	Composite return gross-of-fees (%)	Composite return net-of-fees (%)	Benchmark return (%)	Composite internal dispersion (%)	3-year annualized standard deviation (%)		Number of portfolios	Composite assets (\$m)	Total firm assets (\$m)
					Composite	Benchmark			
2021	-1.5	-1.7	-1.4	0.0	2.5	2.4	6	407	501,794
2020	7.6	7.4	6.4	0.1	2.5	2.3	6	336	249,478
2019	7.0	6.8	6.8	n/a	2.0	2.1	6	305	258,422
2018	0.8	0.6	0.9	0.1	2.0	2.1	6	387	234,263
2017	2.7	2.5	2.1	0.2	2.0	2.1	7	422	251,743
2016	2.2	2.0	2.1	0.2	2.2	2.3	8	387	172,360
2015	1.3	1.1	1.1	0.3	2.3	2.1	9	370	171,424
2014	4.1	3.9	3.1	n/a	2.2	2.0	6	233	190,825
2013	-1.1	-1.2	-0.9	n/a	2.3	2.1	5	198	191,724
2012	6.0	5.8	3.9	n/a	2.3	2.2	<5	158	183,245

Macquarie Asset Management (MAM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

MAM has been independently verified for the periods from January 1, 2017, through December 31, 2020. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

As part of an internal corporate restructure, on April 3, 2017, the firm was redefined to reflect our global rebranding as Macquarie Investment Management (MIM). MIM now incorporates the previously independent firms, including Macquarie Investment Management Business Trust (MIMBT), Macquarie Investment Management Global Limited (MIMGL), Macquarie Capital Investment Management Limited (MCIM), Macquarie Funds Management Hong Kong Limited (MFMHKL), Macquarie Investment Management Australia Limited (MIMAL), Macquarie Investment Management Austria Kapitalanlage AG and Macquarie Investment Management Korea. On June 29, 2018, ValueInvest Asset Management S.A. was acquired by Macquarie Investment Management, renamed to Macquarie Investment Management Europe S.A., and is now part of MIM. On April 9, 2021, Macquarie Investment Management Korea was sold and is no longer part of MIM. On April 30, 2021, Ivy Investment Management Company was acquired by Macquarie Investment Management and is now part of MIM.

Effective December 31, 2021, the firm was redefined to include Macquarie Infrastructure and Real Assets. Additionally, the firm name was changed from Macquarie Investment Management (MIM) to Macquarie Asset Management (MAM) related to global rebranding in 2021.

Macquarie Asset Management (MAM) is a global asset manager with offices in the United States, Europe, Asia, and Australia. Our conviction-based, long-term approach guides us in managing assets on behalf of institutional and individual investors worldwide, across fixed income, equities, listed real estate, listed infrastructure, infrastructure, renewables, agriculture, private credit via public and private funds, hedge funds and multi-asset solutions.

In connection with the redefinition, firm assets prior to 2017 were not restated.

Prior to April 3, 2017, the firm was defined as Delaware Investments. Delaware Investments has been independently verified for the periods January 1, 1992, through December 31, 2016. The verification reports are available upon request. Verification does not ensure the accuracy of any specific GIPS Report.

Macquarie Investment Management Business Trust (MIMBT), formerly known as Delaware Management Business Trust (DMBT), is a US-registered investment advisor offering a comprehensive array of diversified investment management strategies across all major asset classes. MIMBT, an asset management division of Macquarie Group, refers to Macquarie Management Holdings, Inc. (MMHI), formerly known as Delaware Management Holdings, Inc. (DMHI), and its subsidiaries. Macquarie Group refers to Macquarie Group Limited (MGL) and its subsidiaries and affiliates worldwide. Managed accounts advisory services are provided by Delaware Capital Management (DCM), a series of MIMBT. Managed accounts advisory services are referred through Delaware Capital Management Advisers, Inc., an SEC-registered investment advisor.

The US Intermediate-Term Fixed Income Composite ("Composite"), formerly the Intermediate Fixed Income Composite and earlier the Intermediate Focus Fixed Income Composite, seeks to invest in investment grade fixed income securities across the government, corporate, mortgage-backed, asset-backed, and commercial mortgage-backed markets. The strategy invests in securities with maturities of various lengths, depending on market conditions, but will have an intermediate dollar-weighted average effective maturity. This composite was created in 1993 and the inception date is January 1, 1992. In November 2007, responsibility for US Intermediate-Term Fixed Income investment management was assumed by a new team. The Composite includes all discretionary, fee-paying accounts, including pooled funds and excluding wrap-fee accounts, managed in this strategy. Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains, are presented before and after the deduction of actual investment advisory fees, and are calculated in US dollars. The returns of some accounts in the composite may include income from securities lending. The investment advisory fees are disclosed in Part 2A of Macquarie Investment Management Business Trust's Form ADV. The US Intermediate-Term Fixed Income fee schedule is as follows: first \$25 million, 0.30%; next \$25 million, 0.25%; next \$50 million, 0.20%; amounts over \$100 million, 0.15%. Net returns are calculated using actual management fees, which includes performance fees, if applicable. Net returns prior to January 1, 2011, have not been examined. Some clients may utilize a performance-based fee, therefore actual fees paid may be higher or lower than the maximum fixed fee. Management fees, and any other expenses incurred in the management of the account, will reduce your return. The actual fee schedule may vary. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds are available upon request. **The performance quoted represents past performance and does not predict future returns.** Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all the portfolios that were included in the composite for the entire year. Internal dispersion is only shown if the composite has at least six accounts that were managed for the full calendar year.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark over the preceding 36-month period. This measure is not required to be presented for annual periods ended prior to 2011 or when 36 monthly composite returns are not yet available.

The benchmark for the composite is the Bloomberg Intermediate US Government/Credit Index. The Bloomberg Intermediate US Government/Credit Index is composed of investment grade corporate and US government debt securities with maturities from 1 up to (but not including) 10 years. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. Indices are unmanaged, and one cannot invest directly in an index. Benchmark returns are not covered by the report of independent verifiers. Benchmark information contained herein has been obtained from third party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks cited are the property of their respective owners.

Bonds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a bond that is held by a portfolio will be prepaid prior to maturity, at the time when interest rates are lower than what the bond was paying. A portfolio may then have to reinvest that money at a lower interest rate.

Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.

Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.

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# Macquarie Asset Management

## US Intermediate-Term Fixed Income strategy

Factsheet • March 31, 2022 • This is a marketing communication

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## Investment approach

We believe that the fixed income markets are efficient with respect to interest rate risk, but regularly misprice securities that are exposed to credit, prepayment, and liquidity risks.

To seek to exploit these inefficiencies and attempt to provide our clients with consistent excess returns potential over the long term, we focus on optimal security selection, emphasize the spread sectors, and construct portfolios with attractive/risk reward characteristics.

## Strategy overview

**Assets managed in this strategy: \$13.05 billion**

**Benchmark: Bloomberg US Aggregate Index**

The Bloomberg US Aggregate Index measures the performance of publicly issued investment grade (Baa3/BBB- or better) corporate, US government, mortgage- and asset-backed securities with at least one year to maturity and at least \$300 million par amount outstanding.

2. The portfolio information shown is that of a representative US Core Fixed Income portfolio. Holdings, weightings and characteristics are current as of the date indicated, are subject to change, and may not reflect the current portfolio. Total may not equal 100% due to rounding.

3. Each fixed income security in the account is assigned a numerical value based on its Moody's, S&P, Fitch, or internal (if necessary) rating. Credit default swaps' ratings are based on the underlying credit security. Other swaps' ratings are based on the counterparty.

Please refer to back section for important performance disclosures.

**The performance quoted represents past performance and does not predict future returns.**

## Annualized returns<sup>1</sup> (supplemental) (%)

	1Q 2022*	1 year	3 year	5 year	10 year
Strategy (gross of fees)	-6.22	-4.64	2.25	2.61	2.53
Strategy (net of fees)	-6.25	-4.77	2.10	2.45	2.37
Benchmark	-5.93	-4.15	1.69	2.14	2.24

\*Returns less than one year are not annualized.

## Calendar year performance<sup>1</sup> (supplemental) (%)

	2017	2018	2019	2020	2021
Strategy (gross)	3.91	-0.09	9.37	9.62	-1.74
Strategy (net)	3.76	-0.25	9.18	9.46	-1.87
Benchmark	3.54	0.01	8.72	7.51	-1.54

<sup>1</sup> Unless otherwise indicated, source of data is Bloomberg and Macquarie. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged, and one cannot invest directly in an index. The benchmark is a Performance Comparator, and the Strategy may bear little resemblance to its benchmark. **The performance quoted represents past performance and does not predict future returns.**

## Risk stats<sup>2</sup> (supplemental)

	3 years		5 years		10 years	
	Strategy	Benchmark	Strategy	Benchmark	Strategy	Benchmark
Sharpe ratio	0.35	0.23	0.40	0.29	0.57	0.51
Information ratio	0.93	—	1.14	—	0.62	—
Tracking error	0.60	—	0.47	—	0.46	—
Standard deviation	4.29	4.03	3.73	3.57	3.39	3.23
Alpha	0.46	—	0.38	—	0.20	—

## Sector weightings<sup>2</sup> (supplemental) (%)

	Strategy	Benchmark
Investment grade corporates	37.7	24.8
RMBS**	20.6	27.6
US Treasury securities	16.1	39.5
Commercial mortgage-backed securities	9.2	2.0
Asset-backed securities	7.6	0.3
Emerging Markets	3.6	1.4
High yield corporates	2.9	—
Government related	0.9	3.7
Municipal bonds	—	0.7
Cash / other	1.5	—

\*\*Residential mortgage-backed securities.

## Portfolio characteristics<sup>2</sup> (supplemental)

	Strategy	Benchmark
Yield to worst (weighted average)	3.42%	2.91%
Effective duration (weighted average)	6.43 years	6.68 years
Number of securities	361	12,538

## Credit quality<sup>2,3</sup> (supplemental) (%)

	Strategy	Benchmark
AAA	51.9	72.5
AA	1.8	2.9
A	4.0	11.0
BBB	39.2	13.6
Below BBB	3.1	—

# Macquarie Asset Management

## US Core Fixed Income strategy

Factsheet • March 31, 2021 • This is a marketing communication

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### The strategy is subject to the following risks:

- The value of the portfolio may fall as well as rise, and you may not receive back the amount invested.
- Fixed income securities can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt. The strategy may be subject to the risk that the principal of a fixed income security that is held by the strategy may be prepaid prior to maturity, potentially forcing the strategy to reinvest that money at a lower interest rate.
- Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a fixed income security that is held by the portfolio may be prepaid prior to maturity, potentially forcing the portfolio to reinvest that money at a lower interest rate.
- Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.
- Liquidity risk is the possibility that securities cannot be readily sold within seven days at approximately the price at which a fund has valued them.
- Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.
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- Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Strategy's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Strategy from executing advantageous investment decisions in a timely manner and could negatively impact the Strategy's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Strategy.

# Macquarie Asset Management

## US Core Fixed Income strategy

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Period end	Composite return gross-of-fees (%)	Composite return net-of-fees (%)	Benchmark return (%)	Composite internal dispersion (%)	3-year annualized standard deviation (%)		As of December 31 <sup>st</sup>		
					Composite	Benchmark	Number of portfolios	Composite assets (\$m)	Total firm assets (\$m)
2021	-1.7	-1.9	-1.5	0.1	3.7	3.4	8	1,682	501,794
2020	9.6	9.5	7.5	0.2	3.6	3.4	8	1,643	249,478
2019	9.4	9.2	8.7	0.2	2.9	2.9	8	1,335	258,422
2018	-0.1	-0.3	0.0	0.1	2.7	2.9	9	1,328	234,263
2017	3.9	3.8	3.5	0.2	2.8	2.8	9	1,460	251,743
2016	2.7	2.6	2.6	0.2	3.0	3.0	9	1,405	172,360
2015	0.9	0.8	0.6	0.1	3.2	2.9	9	1,334	171,424
2014	6.3	6.1	6.0	0.2	3.0	2.7	9	1,380	190,825
2013	-3.0	-3.2	-2.0	n/a	3.1	2.8	8	1,365	191,724
2012	5.4	5.3	4.2	n/a	2.7	2.4	6	1,279	183,245

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As part of an internal corporate restructure, on April 3, 2017, the firm was redefined to reflect our global rebranding as Macquarie Investment Management (MIM). MIM now incorporates the previously independent firms, including Macquarie Investment Management Business Trust (MIMBT), Macquarie Investment Management Global Limited (MIMGL), Macquarie Capital Investment Management Limited (MCIM), Macquarie Funds Management Hong Kong Limited (MFMHKL), Macquarie Investment Management Australia Limited (MIMAL), Macquarie Investment Management Austria Kapitalanlage AG and Macquarie Investment Management Korea. On June 29, 2018, ValueInvest Asset Management S.A. was acquired by Macquarie Investment Management, renamed to Macquarie Investment Management Europe S.A., and is now part of MIM. On April 9, 2021, Macquarie Investment Management Korea was sold and is no longer part of MIM. On April 30, 2021, Ivy Investment Management Company was acquired by Macquarie Investment Management and is now part of MIM.

Effective December 31, 2021, the firm was redefined to include Macquarie Infrastructure and Real Assets. Additionally, the firm name was changed from Macquarie Investment Management (MIM) to Macquarie Asset Management (MAM) related to global rebranding in 2021.

Macquarie Asset Management (MAM) is a global asset manager with offices in the United States, Europe, Asia, and Australia. Our conviction-based, long-term approach guides us in managing assets on behalf of institutional and individual investors worldwide, across fixed income, equities, listed real estate, listed infrastructure, infrastructure, renewables, agriculture, private credit via public and private funds, hedge funds and multi-asset solutions.

In connection with the redefinition, firm assets prior to 2017 were not restated.

Prior to April 3, 2017, the firm was defined as Delaware Investments. Delaware Investments has been independently verified for the periods January 1, 1992, through December 31, 2016. The verification reports are available upon request. Verification does not ensure the accuracy of any specific GIPS Report.

Macquarie Investment Management Business Trust (MIMBT), formerly known as Delaware Management Business Trust (DMBT), is a US-registered investment advisor offering a comprehensive array of diversified investment management strategies across all major asset classes. MIMBT, an asset management division of Macquarie Group, refers to Macquarie Management Holdings, Inc. (MMHI), formerly known as Delaware Management Holdings, Inc. (DMHI), and its subsidiaries. Macquarie Group refers to Macquarie Group Limited (MGL) and its subsidiaries and affiliates worldwide. Managed accounts advisory services are provided by Delaware Capital Management (DCM), a series of MIMBT. Managed accounts advisory services are referred through Delaware Capital Management Advisers, Inc., an SEC-registered investment advisor.

The US Core Fixed Income Composite ("Composite"), formerly the Core Fixed Income Composite and earlier the Core Focus Fixed Income Composite, employs a client-driven, value-oriented investment style, which seeks to produce risk-adjusted long-term total returns above the broad fixed income market. This composite was created in 2002 and the inception date is January 1, 1993. In November 2007, responsibility for US Core Fixed Income investment management was assumed by a new team. The Composite includes all discretionary, fee-paying accounts, excluding pooled funds and excluding wrap-fee accounts, managed in this strategy. Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains, are presented before and after the deduction of actual investment advisory fees, and are calculated in US dollars. The returns of some accounts in the composite may include income from securities lending. The investment advisory fees are disclosed in Part 2A of Macquarie Investment Management Business Trust's Form ADV. The US Core Fixed Income fee schedule is as follows: first \$25 million, 0.30%; next \$25 million, 0.25%; next \$50 million, 0.20%; amounts over \$100 million, 0.15%. Net returns are calculated using actual management fees, which includes performance fees, if applicable. Net returns prior to January 1, 2011, have not been examined. Some clients may utilize a performance-based fee, therefore actual fees paid may be higher or lower than the maximum fixed fee. Management fees, and any other expenses incurred in the management of the account, will reduce your return. The actual fee schedule may vary. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds are available upon request. **The performance quoted represents past performance and does not predict future returns.**

Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all the portfolios that were included in the composite for the entire year. Internal dispersion is only shown if the composite has at least six accounts that were managed for the full calendar year.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark over the preceding 36-month period. This measure is not required to be presented for annual periods ended prior to 2011 or when 36 monthly composite returns are not yet available.

The benchmark for the composite is the Bloomberg US Aggregate Index. The Bloomberg US Aggregate Index is a broad composite that tracks the investment grade US bond market. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. Indices are unmanaged, and one cannot invest directly in an index. Benchmark returns are not covered by the report of independent verifiers. Benchmark information contained herein has been obtained from third-party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks cited are the property of their respective owners.

Bonds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.

Portfolios in the composite may also be subject to prepayment risk, the risk that the principal of a bond that is held by a portfolio will be prepaid prior to maturity, at the time when interest rates are lower than what the bond was paying. A portfolio may then have to reinvest that money at a lower interest rate.

Securities in the lowest of the rating categories considered to be investment grade (that is, Baa or BBB) have some speculative characteristics.

Portfolios may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations. US Treasury futures are used to manage portfolio duration on a fully covered basis (no leverage is utilized). Total-rate-of-return swaps are utilized as an overlay strategy. Credit default swaps can be used to gain credit exposure, reduce credit exposure, or express a view of convergence between two credits. Currency forwards can be used to tactically increase or reduce the portfolio's currency risk in a liquid, timely manner during volatile market periods. Interest rate swaps can be used to limit, or manage, the portfolio's exposure to fluctuations in interest rates. Derivatives used are strictly constrained by client investment policy.

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# Macquarie Asset Management

## US Core Fixed Income strategy

Factsheet • March 31, 2021 • This is a marketing communication

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# Macquarie Asset Management

## US Core Fixed Income strategy

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# Short Term Fixed Income Composite

## INVESTMENT STRATEGY

Short Term Fixed Income strategy investment process emphasizes duration neutrality, sector rotation, yield curve management and individual security selection. This approach is designed to capture the bulk of the excess returns available in the investment-grade market while minimizing the variability of those returns. Key to the process is the responsiveness, focus, and unbiased analysis provided by our dedicated in-house sector specialists, credit analysts and trading professionals.

## PERFORMANCE<sup>1</sup>

Fixed Income + Cash	Short Term Composite (net) %	Short Term Composite (gross) %	Bloomberg 1-3 Yr Gov't/Credit Index %
4th Quarter 2021	-0.62	-0.56	-0.56
YTD 2021	-0.72	-0.50	-0.47
1 year	-0.72	-0.50	-0.47
3 year	2.54	2.77	2.28
5 year	2.03	2.26	1.85
7 year	1.76	1.98	1.60
10 year	1.55	1.77	1.39
15 year	2.69	2.89	2.25
Since inception [Inception: 3.31.2005]	2.79	3.00	2.39
5-year standard deviation	1.33	1.32	0.91

Note: 1-, 3-, 5-, 7-, 10-, 15-year and since inception periods are annualized.

## CHARACTERISTICS

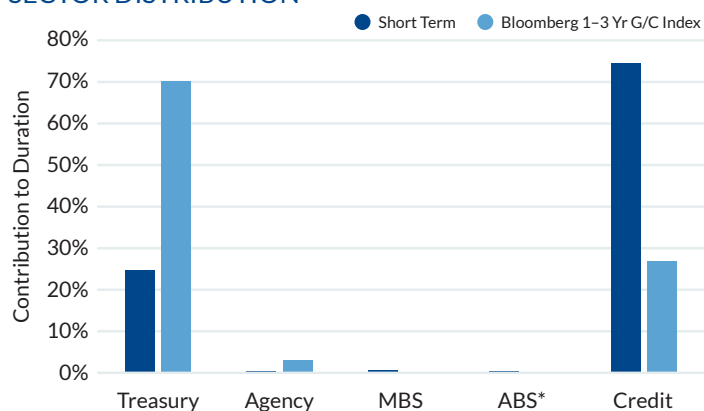
	Short Term Composite	Bloomberg 1-3 Yr Gov't/Credit Index
Duration (%)	2.16	1.91
Yield to maturity (%)	1.05	0.82
Average maturity (years)	2.39	1.98
Quality	A+	AA+

Please see the reverse side for additional disclosures regarding the deduction of advisory fees.

## KEY ADVANTAGES

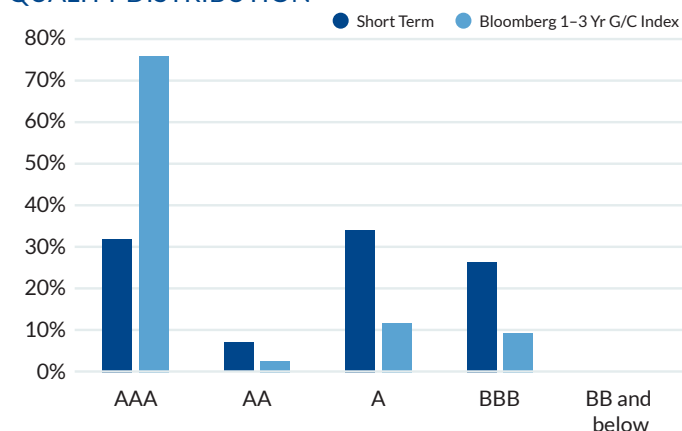
- Proven, experienced leadership through many market cycles.
- Time-tested investment process that focuses on the most consistent sources of excess return.
- Size that allows us to efficiently exploit relative value opportunities, apply a unique client service model and create customized investment strategies for our clients.

## SECTOR DISTRIBUTION



\*ABS includes CMBS

## QUALITY DISTRIBUTION



1. The performance information provided above is supplemental. Past performance is not necessarily indicative of future results. Please refer to the GIPS Report on the reverse side for complete information, including fees, composite and benchmark descriptions.

## PERFORMANCE SCHEDULE

Year	Net of fee performance annual returns (%)	Gross of fee performance annual returns (%)	Bloomberg 1-3 Yr Gov't/Credit Index <sup>3</sup> (YTD%)	Number of portfolios	Composite year end assets (\$MM)	Total Firm Assets (\$MM)	Composite dispersion – standard deviation <sup>1</sup> (%)	Composite annualized standard deviation of returns – 3 years <sup>2</sup> (%)	Benchmark annualized standard deviation of returns – 3 years <sup>2</sup> (%)
2005	1.98 <sup>4</sup>	2.09 <sup>4</sup>	2.06 <sup>4</sup>	1	48.9	1,911.3	—	—	—
2006	4.51	4.68	4.26	1	76.3	2,258.2	—	—	—
2007	6.14	6.31	6.83	1	80.8	2,684.9	—	—	—
2008	3.16	3.33	4.98	1	83.3	2,971.8	—	—	—
2009	10.38	10.56	3.82	1	91.9	3,251.0	—	—	—
2010	4.14	4.32	2.80	1	9.3	3,241.3	—	—	—
2011	1.40	1.60	1.58	1	9.3	3,516.1	—	1.86	1.00
2012	1.77	2.00	1.26	2	44.4	4,106.4	—	1.04	0.73
2013	0.65	0.87	0.63	4	154.3	4,871.5	—	0.72	0.54
2014	0.74	0.98	0.76	5	191.1	4,972.1	—	0.63	0.49
2015	0.57	0.77	0.66	5	224.5	4,532.9	—	0.58	0.58
2016	1.59	1.80	1.28	4	197.1	4,410.8	—	0.69	0.75
2017	1.09	1.30	0.84	3	127.7	4,772.0	—	0.68	0.73
2018	1.47	1.68	1.60	3	135.6	4,161.9	—	0.75	0.82
2019	4.46	4.69	4.03	1	50.2	3,895.1	—	0.91	0.93
2020	3.96	4.21	3.33	2	85.4	6,706.9	—	1.56	0.99
<b>Current Performance Results</b>									
2021	-0.72	-0.50	-0.47	2	99.7	6,168.5	—	1.62	1.00

Past performance is not necessarily indicative of future results.

Mesirow Financial Investment Management Institutional – Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mesirow Financial Investment Management Institutional – Fixed Income has been independently verified for the periods from inception through December 31, 2020. A firm that claims compliance with the GIPS Standard must establish policies and procedures for complying with all the applicable requirements of the GIPS Standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with GIPS standards and have been implemented on a firm-wide basis. The Short Term composite has had a performance examination for the periods from January 1, 2006 through December 31, 2020. The verification and performance examination reports are available upon request.

\*Mesirow Financial Investment Management, Inc. ("MFIM") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The "Entity" as shown represents Mesirow Financial Investment Management Equities and Fixed Income, which is comprised of the GIPS-compliant units of MFIM which specialize in managing portfolios for institutional clients adhering to an investment process geared towards institutional investors. The historical performance presented prior to the creation of the division was managed by MFIM or its predecessor firms prior to January 1, 2005. For purposes of claiming GIPS compliance, as of January 1, 2010, the "Firm" is further defined as the Fixed Income business unit, which manages portfolios primarily for institutional investors adhering to an investment process, incorporating fundamental analysis of security valuation factors and drivers. The composites within this business unit vary primarily by duration and the type of originator of the security. Please note that the 2018 percentage of firm assets have been restated to properly include the addition of assets obtained through the acquisition of the High Yield Team from a former and unaffiliated registered Investment Advisor, effective 10.23.2017. On May 29, 2020, MFIM Fixed Income completed the lift out of the Analytic Fixed Income Team from a former and unaffiliated registered Investment Advisor, Chicago Equity Partners (CEP) which its team, became an integral part of MFIM Fixed Institutional Fixed Income. On May 29, 2020, MFIM acquired the asset management rights for a portion of the managed portfolios from an independent investment advisory firm and retained all of the principals and employees related to such portfolios.

The above composite was created on April 1, 2005 and these performance results are as of December 31, 2021.

The composite name was changed from Short to Short Term effective March 1, 2012. Short Term Fixed Income Composite is defined as U.S. dollar dominated fixed income investment grade securities primarily rated BBB- or better and with a maturity range of one to five years at the time of purchase. The Short Term composite consists of fixed income fee-paying discretionary portfolios with a minimum of \$7,500,000 under management. The benchmark is the Bloomberg 1-3 Year Government/Credit Index. For the period, portfolios below \$7,500,000 are considered nondiscretionary, as MFIM-Fixed Income may be unable to fully and efficiently implement the intended investment strategy of the composite. Effective January 1, 2019, accounts will be temporarily removed from the composite due to significant

cash flows of 15% or more of market value. Prior to January 1, 2019, accounts had been temporarily removed from the composite due to significant cash flows of 10% or more of market value. Additional information regarding the significant cash flow policy is available upon request.

#### Calculation of Risk Measures: Annual / 3 Years Dispersion

1. Composite dispersion presented is the equal-weighted standard deviation of the gross annual returns of portfolios in the composite for the entire year. Because it is not statistically meaningful, MFIM Fixed Income does not calculate the dispersion of annual returns for the years the composite held five or fewer accounts.

2. The three-year annualized ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of composite performance is not yet available.

#### Performance / Net of Fee Disclosure

MFIM-Fixed Income's investment management fees vary based upon account size, with breakpoint deductions for larger accounts and a minimum annual fee of \$20,000. The standard fee schedule for Short Term Portfolios is listed below:

0.300% on the first \$10 million  
 0.200% on the next \$40 million  
 0.150% on the next \$100 million  
 0.100% on the next \$150 million  
 0.075% on the next \$200 million  
 0.050% over \$500 million

Performance information that is provided gross of fees does not reflect the deduction of advisory fees. Client returns will be reduced by such fees and other expenses that may be incurred in the management of the account. Advisory fees are described in Form ADV Part 2 of Mesirow Financial Investment Management, Inc. Net of fee performance is presented utilizing actual client net of fee performance for all accounts included in the composite. We do, however, have clients that pay lower fees than the maximum. Any stated results include the reinvestment of dividend and other earnings. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Benchmark returns are not covered by the report of independent verifiers.

#### Benchmark Definitions

3. The Bloomberg 1-3 Year Government/Credit Index includes securities in the U.S. Government/Credit Index with a maturity from 1 up to (but not including) 3 years. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.



4. Represents the composite year to date performance returns and the Bloomberg 1-3 Year Government/Credit Index return from March 31, 2005 to December 31, 2005.

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# Intermediate Government/Credit Fixed Income Composite

## INVESTMENT STRATEGY

Intermediate Government/Credit Fixed Income strategy investment process emphasizes duration neutrality, sector rotation, yield curve management and individual security selection. This approach captures the bulk of the excess returns available in the investment-grade market while minimizing the variability of those returns. Key to the process is the responsiveness, focus, and unbiased analysis provided by our dedicated in-house sector specialists, credit analysts and trading professionals.

## PERFORMANCE<sup>1</sup>

Fixed Income + Cash	Int Gov't/Credit Composite (net) %	Int Gov't/Credit Composite (gross) %	Bloomberg Int Gov't/Credit Index %
4th Quarter 2021	-0.56	-0.50	-0.57
YTD 2021	-1.49	-1.24	-1.44
1 year	-1.49	-1.24	-1.44
3 year	4.09	4.34	3.86
5 year	2.99	3.24	2.91
7 year	2.53	2.78	2.53
10 year	2.64	2.89	2.38
15 year	4.02	4.25	3.53
20 year	4.23	4.44	3.78
Since inception [Inception: 12.31.1994]	5.34	5.55	4.81
5-year standard deviation	2.23	2.23	2.13

Note: 1-, 3-, 5-, 7-, 10-, 15-, 20-year and since inception periods are annualized.

## CHARACTERISTICS

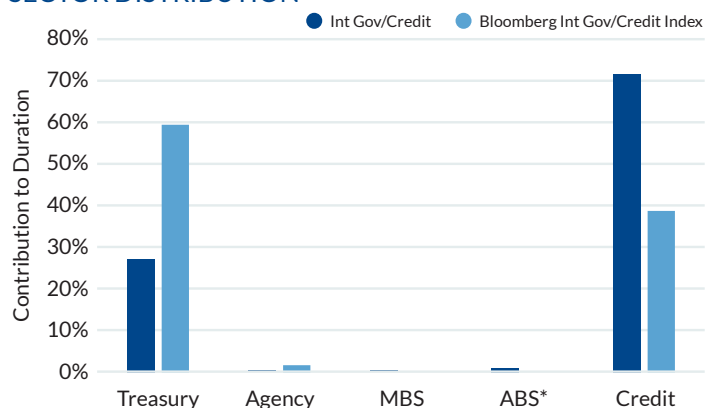
	Int Gov't/Credit Composite	Bloomberg Int Gov't/Credit Index
Duration (%)	4.08	4.13
Yield to maturity (%)	1.44	1.31
Average maturity (years)	4.57	4.42
Quality	A+	AA

Please see the reverse side for additional disclosures regarding the deduction of advisory fees.

## KEY ADVANTAGES

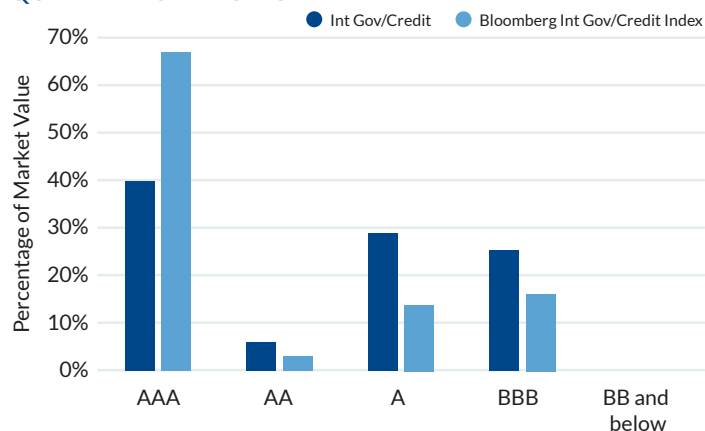
- Proven, experienced leadership through many market cycles.
- Time-tested investment process that focuses on the most consistent sources of excess return.
- Size that allows us to efficiently exploit relative value opportunities, apply a unique client service model and create customized investment strategies for our clients.

## SECTOR DISTRIBUTION



\*ABS includes CMBS

## QUALITY DISTRIBUTION



1. The composite numbers listed are linked with performance numbers generated by Mesirow Financial Investment Management's Fixed Income team while they were employed at a prior firm. The investment team joined Mesirow Financial on 03/15/05 and is employing the same strategy used at their prior firm. The performance information provided above is supplemental. Past performance is not necessarily indicative of future results. Please refer to the GIPS Report on the reverse side for complete information, including fees, composite and benchmark descriptions.

## PERFORMANCE SCHEDULE

Year	Net of fee performance annual returns (%)	Gross of fee performance annual returns (%)	Bloomberg Int Gov't/ Credit Index <sup>3</sup> (YTD%)	Number of portfolios	Composite year end assets (\$MM)	Total Firm Assets (\$MM)	Composite dispersion – standard deviation <sup>1</sup> (%)	Composite annualized standard deviation of returns – 3 years <sup>2</sup> (%)	Benchmark annualized standard deviation of returns – 3 years <sup>2</sup> (%)
1995	17.84	18.04	15.33	1	16.7	N/A	–	–	–
1996	3.74	3.92	4.06	1	20.3	N/A	–	–	–
1997	10.15	10.34	7.87	1	22.2	N/A	–	–	–
1998	8.89	9.08	8.41	1	25.4	N/A	–	–	–
1999	0.32	0.49	0.33	1	10.3	N/A	–	–	–
2000	11.16	11.35	10.10	1	13.4	N/A	–	–	–
2001	8.94	9.13	8.98	1	11.7	N/A	–	–	–
2002	10.86	11.05	9.82	1	12.1	N/A	–	–	–
2003	4.21	4.43	4.30	2	19.9	N/A	–	–	–
2004	3.70	3.90	3.04	3	186.3	N/A	–	–	–
2005	1.39	1.49	1.57	3	152.9	1,911.3	–	–	–
2006	4.33	4.46	4.06	3	152.5	2,258.2	–	–	–
2007	6.24	6.43	7.40	3	158.5	2,684.9	–	–	–
2008	1.39	1.58	5.08	3	139.4	2,971.8	–	–	–
2009	14.47	14.68	5.24	3	141.5	3,251.0	–	–	–
2010	7.20	7.40	5.89	7	223.4	3,241.3	–	–	–
2011	5.28	5.48	5.80	5	206.4	3,516.1	–	–	–
2012	6.18	6.40	3.89	6	213.7	4,106.4	0.43	2.14	2.16
2013	-0.87	-0.66	-0.86	7	200.5	4,871.5	0.03	2.28	2.11
2014	3.54	3.80	3.12	7	210.7	4,972.1	0.08	2.10	1.94
2015	0.74	0.98	1.07	6	194.1	4,532.9	0.11	2.13	2.10
2016	2.05	2.30	2.08	6	195.3	4,410.8	0.09	2.13	2.22
2017	2.02	2.26	2.14	6	205.1	4,772.0	0.10	2.01	2.11
2018	0.72	0.95	0.88	7	189.2	4,161.9	0.13	1.95	2.09
2019	6.93	7.19	6.80	6	190.6	3,895.1	0.12	1.93	2.07
2020	7.05	7.32	6.43	8	228.7	6,706.9	0.28	2.48	2.34
<b>Current Performance Results</b>									
2021	-1.49	-1.24	-1.44	8	212.9	6,168.5	0.17	2.57	2.37

Past performance is not necessarily indicative of future results.

Mesirow Financial Investment Management Institutional – Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mesirow Financial Investment Management Institutional – Fixed Income has been independently verified for the periods from inception through December 31, 2020. A firm that claims compliance with the GIPS Standard must establish policies and procedures for complying with all the applicable requirements of the GIPS Standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with GIPS standards and have been implemented on a firm-wide basis. The Intermediate Government/ Credit composite has had a performance examination for the periods from January 1, 2006 through December 31, 2020. The verification and performance examination reports are available upon request.

\*Mesirow Financial Investment Management, Inc. ("MFIM") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The "Entity" as shown represents Mesirow Financial Investment Management Equities and Fixed Income, which is comprised of the GIPS-compliant units of MFIM which specialize in managing portfolios for institutional clients adhering to an investment process geared towards institutional investors. The historical performance presented prior to the creation of the division was managed by MFIM or its predecessor firms prior to January 1, 2005. For purposes of claiming GIPS compliance, as of January 1, 2010, the "Firm" is further defined as the Fixed Income business unit, which manages portfolios primarily for institutional investors adhering to an investment process, incorporating fundamental analysis of security valuation factors and drivers. The composites within this business unit vary primarily by duration and the type of originator of the security. Please note that the 2018 percentage of firm assets have been restated to properly include the addition of assets obtained through the acquisition of the High Yield Team from a former and unaffiliated registered Investment Advisor, effective 10.23.2017. On May 29, 2020, MFIM Fixed Income completed the lift out of the Analytic Fixed Income Team from a former and unaffiliated registered Investment Advisor, Chicago Equity Partners (CEP) which its team, became an integral part of MFIM Fixed Institutional Fixed Income. On May 29, 2020, MFIM acquired the asset management rights for a portion of the managed portfolios from an independent investment advisory firm and retained all of the principals and employees related to such portfolios.

The above composite was created on January 1, 1995 and these performance results are as of December 31, 2021.

Intermediate Government/Credit Fixed Income Composite is defined as U.S. dollar dominated fixed income investment grade securities primarily rated BBB- or better and with a maturity range of one to ten years at the time of purchase. The Intermediate Government/Credit composite consists of fixed income fee-paying discretionary portfolios with a minimum of \$7,500,000 under management. The benchmark is the Bloomberg Intermediate Government/Credit Index. In March of 2005, the fixed income portfolio management team of an independent investment advisor joined the MFIM-Fixed Income portfolio management team. The performance results shown prior to March 15, 2005 reflect the team's performance prior to joining MFIM-Fixed Income. Such returns have been incorporated into the MFIM Intermediate Government/Credit Fixed Income composite. Upon receipt of client consent, MFIM-Fixed Income obtained the required custody and holdings information from the independent custody firms, or other similar sources, for all clients that have been managed on a continuous basis and that information has been incorporated into the MFIM Intermediate Government/Credit Fixed Income composite. A complete list of composites can be made available upon request. Information is provided in terms of U.S. dollar denominations. For the period, portfolios below \$7,500,000 are considered nondiscretionary, as MFIM-Fixed Income may be unable to fully and efficiently implement the intended investment strategy of the composite. Effective January 1, 2019, accounts will be temporarily removed from the composite due to significant cash flows of 15% or more of market value. Prior to January 1, 2019, accounts had been temporarily removed from the composite due to significant cash flows of 10% or more of market value. Additional information regarding the significant cash flow policy is available upon request.

**Calculation of Risk Measures: Annual / 3 Years Dispersion**

1. Composite dispersion presented is the equal-weighted standard deviation of the gross annual returns of portfolios in the composite for the entire year. Because it is not statistically meaningful, MFIM Fixed Income does not calculate the dispersion of annual returns for the years the composite held five or fewer accounts.

2. The three-year annualized ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of composite performance is not yet available.

## Performance / Net of Fee Disclosure

MFIM-Fixed Income's investment management fees vary based upon account size, with breakpoint deductions for larger accounts and a minimum annual fee of \$20,000. The standard fee schedule for Intermediate Government/Credit Portfolios is listed below:

0.350% on the first \$10 million  
0.250% on the next \$40 million  
0.200% on the next \$100 million  
0.150% on the next \$150 million  
0.125% on the next \$200 million  
0.100% over \$500 million

Performance information that is provided gross of fees does not reflect the deduction of advisory fees. Client returns will be reduced by such fees and other expenses that may be incurred in the management of the account. Advisory fees are described in Form ADV Part 2 of Mesirow Financial Investment Management, Inc. Net of fee performance is presented utilizing actual client net of fee performance for all accounts included in the composite. We do, however, have clients that pay lower fees than the maximum. Any stated results include the reinvestment of dividend and other earnings. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Benchmark returns are not covered by the report of independent verifiers.

## Benchmark Definitions

3. The Bloomberg Intermediate Government/Credit Index is the intermediate component of the U.S. Government/Credit index. The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

Mesirow Financial Investment Management, Inc. and its affiliated companies and/or individuals may, from time to time, own, have long or short positions in, or options on, or act as a market maker in, any securities discussed herein and may also perform financial advisory or investment banking services for those companies.

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## About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Global Investment Management, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit [mesirow.com](https://mesirow.com) and follow us on LinkedIn.

If you have questions or would like to receive additional materials, please contact **Charlene Linke** at 312.595.6742.

# Core Total Return Fixed Income Composite

## INVESTMENT STRATEGY

Core Total Return Fixed Income strategy emphasizes duration neutrality, sector rotation, yield curve management and individual security selection. This approach is designed to capture the bulk of the excess returns available in the investment-grade market while minimizing the variability of those returns. Key to the process is the responsiveness, focus and unbiased analysis provided by our dedicated in-house sector specialists, credit analysts and trading professionals.

## PERFORMANCE<sup>1</sup>

Fixed Income + Cash	Core Total Return Composite (net) %	Core Total Return Composite (gross) %	Bloomberg Aggregate Index %
4th Quarter 2021	-0.20	-0.16	0.01
YTD 2021	-1.84	-1.65	-1.54
1 year	-1.84	-1.65	-1.54
3 year	5.12	5.33	4.79
5 year	3.67	3.87	3.57
7 year	3.02	3.23	3.00
10 year	3.09	3.30	2.90
15 year	4.40	4.59	4.09
20 year	4.61	4.79	4.33
Since inception [Inception: 12.31.1999]	5.13	5.30	4.83
5-year standard deviation	3.23	3.22	3.04

Note: 1-, 3-, 5-, 7-, 10-, 15-, 20-year and since inception periods are annualized.

## CHARACTERISTICS

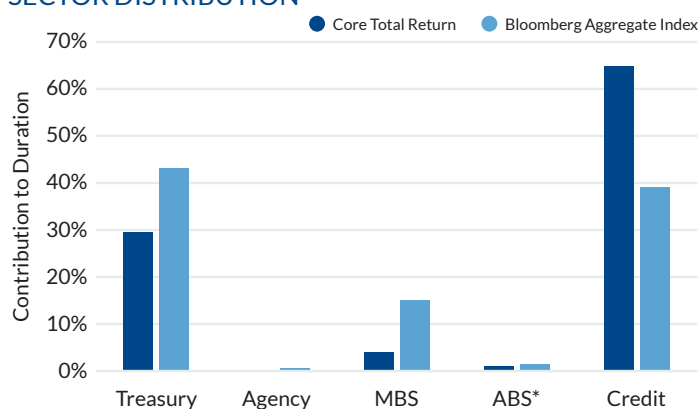
	Core Total Return Composite	Bloomberg Aggregate Index
Duration (%)	6.12	6.41
Yield to maturity (%)	1.78	1.72
Average maturity (years)	7.65	8.57
Quality	A+	AA

Please see the reverse side for additional disclosures regarding the deduction of advisory fees.

## KEY ADVANTAGES

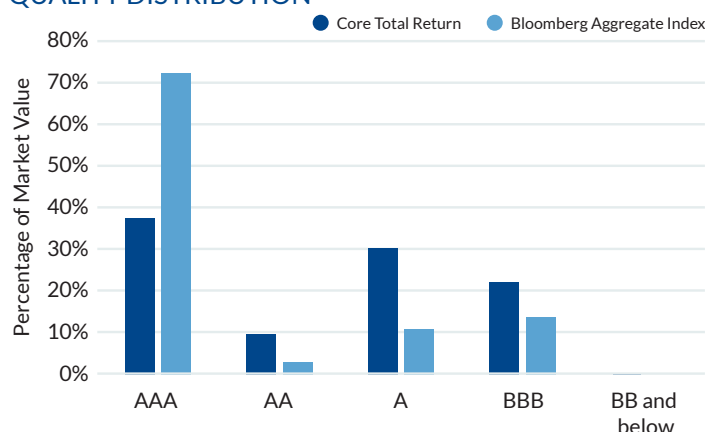
- Proven, experienced leadership through many market cycles.
- Time-tested investment process that focuses on the most consistent sources of excess return.
- Size that allows us to efficiently exploit relative value opportunities, apply a unique client service model and create customized investment strategies for our clients.

## SECTOR DISTRIBUTION



\*ABS includes CMBS

## QUALITY DISTRIBUTION



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## PERFORMANCE SCHEDULE

Year	Net of fee performance annual returns (%)	Gross of fee performance annual returns (%)	Bloomberg Aggregate Index <sup>3</sup> (YTD%)	Number of portfolios	Composite year end assets (\$MM)	Total Firm Assets (\$MM)	Composite dispersion – standard deviation <sup>1</sup> (%)	Composite annualized standard deviation of returns – 3 years <sup>2</sup> (%)	Benchmark annualized standard deviation of returns – 3 years <sup>2</sup> (%)
2000	12.37	12.51	11.63	2	290.3	N/A	–	–	–
2001	8.46	8.59	8.44	3	562.1	N/A	–	–	–
2002	10.55	10.69	10.25	3	575.2	N/A	–	–	–
2003	4.36	4.49	4.10	3	643.9	N/A	–	–	–
2004	4.70	4.83	4.34	5	830.0	N/A	–	–	–
2005	2.43	2.53	2.43	4	665.8	1,911.3	–	–	–
2006	4.47	4.64	4.33	9	997.5	2,258.2	0.15	–	–
2007	6.05	6.20	6.96	9	1,198.2	2,684.9	0.14	–	–
2008	3.25	3.39	5.24	10	1,313.3	2,971.8	0.41	–	–
2009	11.81	11.97	5.93	12	1,378.7	3,251.0	0.93	–	–
2010	7.19	7.34	6.54	16	1,386.5	3,241.3	0.28	–	–
2011	7.21	7.37	7.84	14	1,387.6	3,516.1	0.40	–	–
2012	5.78	6.00	4.22	12	658.2	4,106.4	0.33	2.32	2.38
2013	-2.10	-1.90	-2.02	14	805.0	4,871.5	0.09	2.73	2.71
2014	6.24	6.47	5.97	15	987.3	4,972.1	0.18	2.70	2.63
2015	-0.17	0.04	0.55	14	858.6	4,532.9	0.17	2.93	2.88
2016	3.05	3.27	2.65	14	863.4	4,410.8	0.26	2.97	2.98
2017	3.32	3.53	3.54	14	941.7	4,772.0	0.12	2.74	2.78
2018	-0.21	-0.04	0.01	13	719.4	4,161.9	0.15	2.72	2.84
2019	8.94	9.16	8.72	9	612.9	3,895.1	0.14	2.84	2.91
2020	8.62	8.84	7.51	10	789.7	6,706.9	0.16	3.62	3.40
<b>Current Performance Results</b>									
2021	-1.84	-1.65	-1.54	11	1,099.9	6,168.5	0.10	3.72	3.40

Past performance is not necessarily indicative of future results.

Mesirow Financial Investment Management Institutional – Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mesirow Financial Investment Management Institutional – Fixed Income has been independently verified for the periods from inception through December 31, 2020. A firm that claims compliance with the GIPS Standard must establish policies and procedures for complying with all the applicable requirements of the GIPS Standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with GIPS standards and have been implemented on a firm-wide basis. The Core Total Return composite has had a performance examination for the periods from January 1, 2006 through December 31, 2020. The verification and performance examination reports are available upon request.

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The above composite was created on January 1, 2000 and these performance results are as of December 31, 2021.

Core Total Return Fixed Income Composite is defined as U.S. dollar dominated fixed income investment grade securities primarily rated BBB- or better and with a maturity range of one to thirty years at the time of purchase. The Core Total Return composite consists of fixed income fee-paying discretionary

portfolios with a minimum of \$7,500,000 under management. The benchmark is the Bloomberg Aggregate Index. In March of 2005, the Core Total Return fixed income portfolio management team of an independent investment advisor joined the MFIM Fixed Income portfolio management team. The performance results shown prior to March 15, 2005 reflect the team's performance prior to joining MFIM-Fixed Income. Such returns have been incorporated into the MFIM Core Total Return Fixed Income composite. Upon receipt of client consent, MFIM-Fixed Income obtained the required custody and holdings information from the independent custody firms, or other similar sources, for all clients that have been managed on a continuous basis and that information has been incorporated into the MFIM Core Total Return Fixed Income composite. A complete list of composites can be made available upon request. Information is provided in terms of U.S. dollar denominations. For the period, portfolios below \$7,500,000 are considered nondiscretionary, as MFIM-Fixed Income may be unable to fully and efficiently implement the intended investment strategy of the composite. Effective January 1, 2019, accounts will be temporarily removed from the composite due to significant cash flows of 15% or more of market value. Prior to January 1, 2019, accounts had been temporarily removed from the composite due to significant cash flows of 10% or more of market value. Additional information regarding the significant cash flow policy is available upon request.

#### Calculation of Risk Measures: Annual / 3 Years Dispersion

1. Composite dispersion presented is the equal-weighted standard deviation of the gross annual returns of portfolios in the composite for the entire year. Because it is not statistically meaningful, MFIM Fixed Income does not calculate the dispersion of annual returns for the years the composite held five or fewer accounts.

2. The three-year annualized ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of composite performance is not yet available.

#### Performance / Net of Fee Disclosure

MFIM-Fixed Income's investment management fees vary based upon account size, with breakpoint deductions for larger accounts and a minimum annual fee of \$20,000. The standard fee schedule for Core Total Return Portfolios is listed below:

0.350% on the first \$10 million  
0.250% on the next \$40 million  
0.200% on the next \$100 million  
0.150% on the next \$150 million  
0.125% on the next \$200 million  
0.100% over \$500 million



Performance information that is provided gross of fees does not reflect the deduction of advisory fees. Client returns will be reduced by such fees and other expenses that may be incurred in the management of the account. Advisory fees are described in Form ADV Part 2 of Mesirow Financial Investment Management, Inc. Net of fee performance is presented utilizing actual client net of fee performance for all accounts included in the composite. We do, however, have clients that pay lower fees than the maximum. Any stated results include the reinvestment of dividend and other earnings. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Benchmark returns are not covered by the report of independent verifiers.

#### **Benchmark Definitions**

3. The Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indexes that are calculated and reported on a regular basis.

Mesirow Financial Investment Management, Inc. and its affiliated companies and/or individuals may, from time to time, own, have long or short positions in, or options on, or act as a market maker in, any securities discussed herein and may also perform financial advisory or investment banking services for those companies.

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## **About Mesirow**

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Global Investment Management, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit [mesirov.com](https://mesirov.com) and follow us on LinkedIn.

If you have questions or would like to receive additional materials, please contact **Charlene Linke** at 312.595.6742.

### STRATEGY OVERVIEW

The Sage Short Term Fixed Income strategy seeks strong risk-adjusted returns while focusing on safety of principal and liquidity over a short-term investment horizon. The strategy will invest in a broad range of investment-grade fixed-income securities. The portfolio typically maintains an average maturity between 1-3 years.

### INVESTMENT APPROACH

We believe that fixed income outcomes are driven by income, price, and volatility.

Income is the dominant driver of return over the long-term, and the primary alpha drivers are sector allocation and security selection.

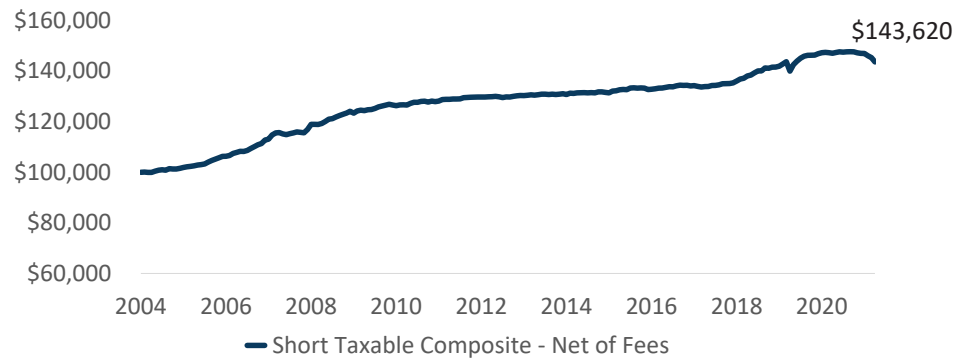
Price periodically exceeds income returns, and the primary alpha drivers are active duration management and yield curve positioning.

Volatility in the market creates short-term dislocations in security valuation, and the primary alpha driver is identifying tactical trading opportunities.

### INSTRUMENTS

- U.S. Treasury debt
- U.S. Agency debt
- Investment grade corporate debt
- Mortgage and other asset-backed debt
- Foreign debt

### INVESTMENT GROWTH OF \$100,000



### COMPOSITE PERFORMANCE SUMMARY

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/04
Short Term Strategy (Gross)	-2.24%	-2.15%	1.55%	1.78%	1.40%	2.43%
Short Term Strategy (Net)	-2.28%	-2.32%	1.32%	1.50%	1.09%	2.12%
Bloomberg 1-3 Yr. Treasury Index	-2.51%	-3.05%	0.84%	1.04%	0.84%	1.87%

Returns for periods less than one year are not annualized.

### COMPOSITE PORTFOLIO CHARACTERISTICS AS OF 3/31/22\*\*

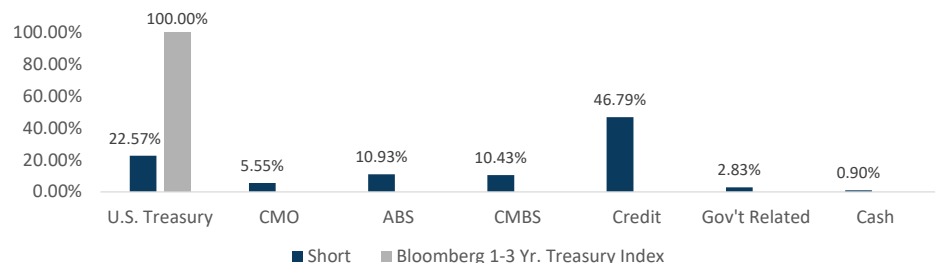
	Strategy	Benchmark*
Current Yield (%)	2.43	1.32
Coupon (%)	2.47	1.29
Mty. (Yrs.)	1.99	1.97
Dur. (Yrs.)	1.70	1.93
YTW (%)	2.66	2.28
Quality	A	AAA

### COMPOSITE RISK/REWARD STATISTICAL ANALYSIS SINCE 12/31/04\*\*

Standard Deviation	1.72
R Squared	0.40
Alpha	0.82
Beta	0.58
Sharpe Ratio	0.69
Sortino Ratio	1.83

All above data based on quarterly observations.

### SECTOR ALLOCATION\*\*



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Austin, Texas 78735

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\* Bloomberg 1-3 Yr. Treasury Index

\*\* This information is supplemental to the GIPS presentation attached and is based on a representative institutional account within the Short Term Fixed Income Composite. Sage represents that the holdings, characteristics and risk profile are representative of the strategy/style of the Short Term Fixed Income Composite.

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Year Composite Deviation (%)	3 Year Benchmark Deviation (%)	Internal Dispersion (%)	Total Composite Assets (\$ millions)	Total Firm Assets (AUM) (\$ millions)	Total Firm Assets (AUA)* (\$ millions)
2012	1.55	1.20	0.43	28	0.78	0.75	0.12	725	9,069	10,913
2013	0.76	0.41	0.36	25	0.62	0.51	0.12	855	8,596	10,103
2014	0.67	0.35	0.63	39	0.48	0.44	0.04	1,018	9,238	10,606
2015	0.85	0.50	0.56	39	0.48	0.57	0.03	937	9,413	11,825
2016	1.43	1.08	0.86	26	0.64	0.77	0.09	660	10,183	11,994
2017	1.42	1.07	0.42	26	0.65	0.76	0.07	791	10,808	12,713
2018	1.74	1.38	1.56	28	0.70	0.87	0.02	779	11,065	12,726
2019	4.64	4.28	3.59	32	0.85	0.97	0.10	788	12,798	14,621
2020	3.98	3.78	3.16	28	2.14	1.20	0.15	734	13,731	15,691
2021	-0.02	-0.20	-0.60	32	2.17	1.18	0.13	755	15,052	17,543

\* Includes Assets under Advisement (AUA) where Sage provides its advisory services in similar strategies and does not have discretionary trading authority. Total firm advisory only assets (\$ millions) are \$1,960 as of 12/31/2020 and \$2,491 as of 12/31/2021.

## SHORT TERM FIXED INCOME MANAGEMENT DISCLOSURES:

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- Firm Information:** Sage is a registered investment advisor based in Austin, Texas. Sage specializes in Fixed Income, Balanced and Exchange Traded Fund ("ETF") investment management for insurance companies and other financial institutions, Taft-Hartley organizations, endowments, foundations, non-profit institutions, corporations, defined benefit plans, healthcare institutions, family offices and high net worth individuals. Sage does not utilize leverage, futures, or options in any portfolios included in the composites. **A complete list and description of all firm composites is available upon request.**
- Composite Characteristics:** The Short Term Taxable Composite (the "Composite") consists of all fully discretionary, fee-paying accounts over \$1,000,000 that are managed for a full quarter according to this style. The Composite contains accounts investing primarily in fixed income securities. The Composite creation and inception date is April 30, 1997. Not every client's account in the Composite will have the identical characteristics. The actual characteristics with respect to any particular client account may vary based on a number of factors, including but not limited to: (i) the size of the account; (ii) the investment restrictions applicable to the account, if any; and (iii) the market conditions at the time of investment. Effective 3/1/2020, the Significant Cashflow Policy is defined as a cashflow equal or greater than 10% percent of the total account value on the day the cash flow is initiated. The account will be removed from the composite at the beginning of the month in which the significant cash flow occurs and added back to the composite on the first day of the month following the date that the account is fully invested. From 1/1/2014 through 2/29/2020 the Significant Cashflow Policy was defined as a cashflow equal or greater than 25%.
- Composite Fee:** The gross investment results for the Composite presented herein represent historical gross performance with no deduction for investment management fees but net of all trading expenses. Net returns are net of all trading expenses and are calculated by deducting 1/12th of the model management fee on a monthly basis from the monthly gross composite return. The model fee for 2022 and 2021 is 0.18%; the model fee for 2020 was 0.20%. Prior to 1/1/2020 net returns were calculated using the highest management fee. The fee schedule for the Composite is as follows: 0.35% for the first \$10 million; 0.25% for the next \$15 million; and 0.20% for the balance over \$25 million. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. **Please see Sage's Form ADV Part 2A for a full disclosure of Sage's fee schedules.**
- Composite Benchmark:** Sage has reviewed the relevant universe of indices and has determined that the Bloomberg 1-3 Year U.S. Treasury Bond Market Index most closely resembles the Composite managed by Sage. The Bloomberg 1-3 Year U.S. Treasury Bond Market Index represents securities that are U.S. Treasury notes with maturities ranging from one year up to, but not including, three years.
- Calculation Methodology:** All valuations, gross, and net returns are based in U.S. Dollars and are computed using a time-weighted total rate of return. Periodic returns have been geometrically linked and annualized for all time periods longer than one year. Portfolio performance results include, and reflect, as applicable, the reinvestment of all interest, accrued income, cash, cash equivalents, realized and unrealized gains and losses. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Internal dispersion is the asset-weighted standard deviation of annual gross returns of those accounts included in the Composite for the entire year. If there are years whereby there are 5 or fewer accounts, the dispersion is N/A. The 3-year ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.
- Risk Disclosures:** Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. **Past performance is not indicative of future returns.** As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.
- Statistical Definitions:** Standard Deviation: a gauge of risk that measures the degree of dispersion of a portfolio's returns relative to its mean; R-Squared: the correlation coefficient of a regression analysis. This measurement represents the degree of correlation between the portfolio and its respective index. An R-Squared of 1 represents a direct correlation, and an R-Squared of -1 represents a negative correlation; Alpha: measures nonsystematic return, i.e. value added by manager due to security selection; Beta: measures the volatility of the portfolio in comparison with the market index as a whole; a beta of 1 indicates the portfolio moves with the market index; Sharpe Ratio: a gauge of excess return of a portfolio above the risk free rate (90-day T Bills) divided by the portfolio's standard deviation; Sortino Ratio: return above 90-day Treasury Bills divided by risk averse standard deviation; Up Market (Down Market) Capture: measure of the manager's performance in up or down markets relative to the market index itself. Information contained in this document (other than Sage's performance information) has been obtained from sources believed to be reliable but not guaranteed.

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### STRATEGY OVERVIEW

The Sage Intermediate Term Fixed Income strategy seeks strong risk-adjusted returns while focusing on safety of principal and liquidity over an intermediate investment horizon. The strategy will invest in a broad range of investment-grade fixed-income securities. The portfolio typically maintains an average maturity between 3-7 years.

### INVESTMENT APPROACH

We believe that fixed income outcomes are driven by income, price, and volatility.

Income is the dominant driver of return over the long-term, and the primary alpha drivers are sector allocation and security selection.

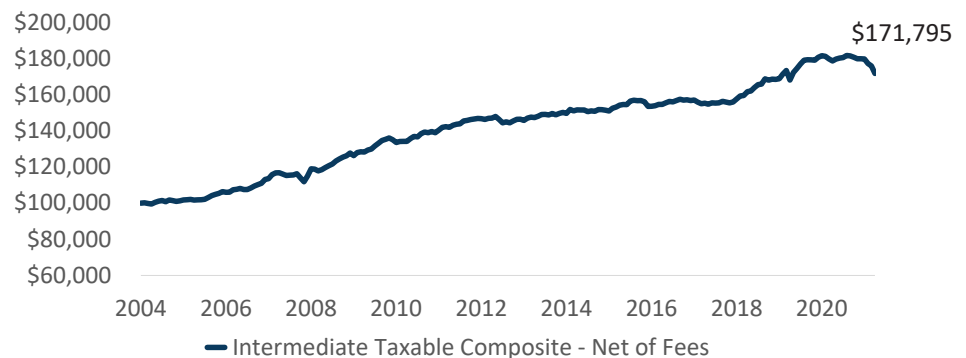
Price periodically exceeds income returns, and the primary alpha drivers are active duration management and yield curve positioning.

Volatility in the market creates short-term dislocations in security valuation, and the primary alpha driver is identifying tactical trading opportunities.

### INSTRUMENTS

- U.S. Treasury debt
- U.S. Agency debt
- Investment grade corporate debt
- Mortgage and other asset-backed debt
- Foreign debt

### INVESTMENT GROWTH OF \$100,000



### COMPOSITE PERFORMANCE SUMMARY

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/04
Intermediate Term Strategy (Gross)	-4.40%	-3.65%	2.31%	2.43%	2.25%	3.51%
Intermediate Term Strategy (Net)	-4.45%	-3.86%	2.04%	2.13%	1.93%	3.19%
Bloomberg Int. Gov't/Credit Index	-4.51%	-4.10%	1.50%	1.81%	1.85%	3.12%

Returns for periods less than one year are not annualized.

### COMPOSITE PORTFOLIO CHARACTERISTICS AS OF 3/31/22\*\*

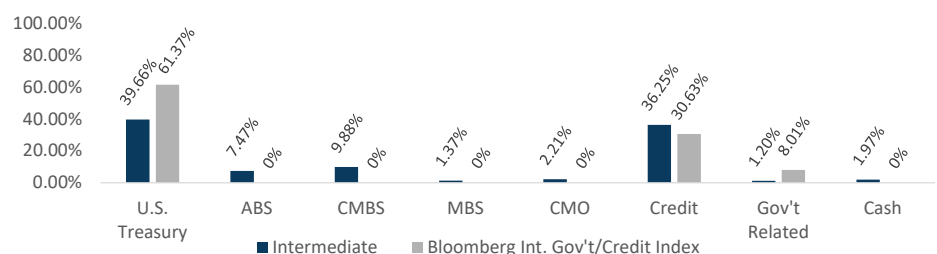
	Strategy	Benchmark*
Current Yield (%)	2.27	2.01
Coupon (%)	2.31	1.94
Mty. (Yrs.)	4.39	4.43
Dur. (Yrs.)	3.75	4.06
YTW (%)	2.89	2.68
Quality	Aa	AA

### COMPOSITE RISK/REWARD STATISTICAL ANALYSIS SINCE 12/31/04\*\*

Standard Deviation	3.08
R Squared	0.88
Alpha	0.48
Beta	0.95
Sharpe Ratio	0.74
Sortino Ratio	1.60

All above data based on quarterly observations.

### SECTOR ALLOCATION\*\*



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🌐 [sageadvisory.com](http://sageadvisory.com)

\* Bloomberg Intermediate Gov't/Credit Index

\*\* This information is supplemental to the GIPS presentation attached and is based on a representative institutional account within the Intermediate Term Fixed Income Composite. Sage represents that the holdings, characteristics and risk profile are representative of the strategy/style of the Intermediate Term Fixed Income Composite.

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Year Composite Deviation (%)	3 Year Benchmark Deviation (%)	Internal Dispersion (%)	Total Composite Assets (\$ millions)	Total Firm Assets (AUM) (\$ millions)	Total Firm Assets (AUA)* (\$ millions)
2012	4.89	4.54	3.89	90	2.08	2.16	0.66	1,758	9,069	10,913
2013	-0.31	-0.66	-0.86	90	2.04	2.11	0.29	1,656	8,596	10,103
2014	2.99	2.67	3.13	88	1.85	1.94	0.15	1,628	9,238	10,606
2015	1.23	0.88	1.07	106	1.91	2.10	0.10	1,914	9,413	11,825
2016	2.09	1.74	2.08	101	1.98	2.23	0.17	1,789	10,183	11,994
2017	2.59	2.24	2.14	89	1.89	2.11	0.17	2,013	10,808	12,713
2018	0.75	0.40	0.88	82	1.85	2.09	0.11	1,800	11,065	12,726
2019	7.45	7.07	6.80	78	1.88	2.04	0.27	1,734	12,798	14,621
2020	7.83	7.56	6.43	78	3.20	2.31	0.33	1,820	13,731	15,691
2021	-0.79	-1.00	-1.44	72	3.23	2.34	0.12	1,934	15,052	17,543

\*Includes Assets under Advisement (AUA) where Sage provides its advisory services in similar strategies and does not have discretionary trading authority. Total firm advisory only assets (\$ millions) are \$1,960 as of 12/31/2020 and \$2,491 as of 12/31/2021.

### INTERMEDIATE TERM FIXED INCOME MANAGEMENT DISCLOSURES:

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- Calculation Methodology:** All valuations, gross, and net returns are based in U.S. Dollars and are computed using a time-weighted total rate of return. Periodic returns have been geometrically linked and annualized for all time periods longer than one year. Portfolio performance results include, and reflect, as applicable, the reinvestment of all interest, accrued income, cash, cash equivalents, realized and unrealized gains and losses. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Internal dispersion is the asset-weighted standard deviation of annual gross returns of those accounts included in the Composite for the entire year. If there are years whereby there are 5 or fewer accounts, the dispersion is N/A. The 3-year ex-post standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.
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### STRATEGY OVERVIEW

The Sage Core Aggregate Fixed Income strategy seeks strong risk-adjusted returns while focusing on safety of principal and liquidity over a long investment horizon. The strategy will invest in a broad range of investment-grade fixed-income securities. The portfolio typically maintains an average maturity between 5-10 years.

### INVESTMENT APPROACH

We believe that fixed income outcomes are driven by income, price, and volatility.

Income is the dominant driver of return over the long-term, and the primary alpha drivers are sector allocation and security selection.

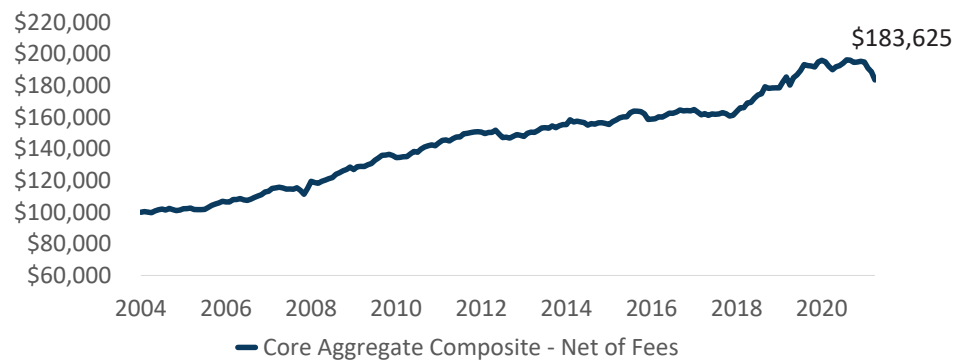
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### INSTRUMENTS

- U.S. Treasury debt
- U.S. Agency debt
- Investment grade corporate debt
- Mortgage and other asset-backed debt
- Foreign debt

### INVESTMENT GROWTH OF \$100,000



### COMPOSITE PERFORMANCE SUMMARY

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/04
Core Agg Strategy (Gross)	-5.77%	-3.21%	3.06%	3.11%	2.74%	3.95%
Core Agg Strategy (Net)	-5.82%	-3.40%	2.78%	2.78%	2.39%	3.59%
Bloomberg Agg. Bond Index	-5.93%	-4.15%	1.69%	2.14%	2.24%	3.58%

Returns for periods less than one year are not annualized.

### COMPOSITE PORTFOLIO CHARACTERISTICS AS OF 3/31/22\*\*

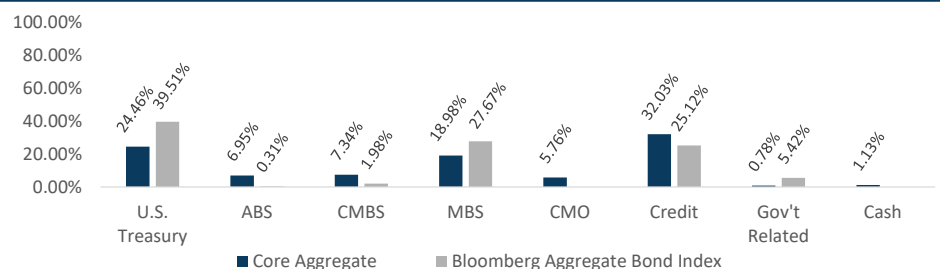
	Strategy	Benchmark*
Current Yield (%)	2.64	2.49
Coupon (%)	2.65	2.44
Mty. (Yrs.)	9.13	8.93
Dur. (Yrs.)	6.54	6.80
YTW (%)	3.11	2.91
Quality	Aa	AA

### COMPOSITE RISK/REWARD STATISTICAL ANALYSIS SINCE 12/31/04\*\*

Standard Deviation	3.60
R Squared	0.93
Alpha	0.48
Beta	0.95
Sharpe Ratio	0.75
Sortino Ratio	1.43

All above data based on quarterly observations.

### SECTOR ALLOCATION\*\*



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\* Bloomberg Aggregate Bond Index

\*\* This information is supplemental to the GIPS presentation attached and is based on a representative institutional account within the Core Aggregate Fixed Income Composite. Sage represents that the holdings, characteristics and risk profile are representative of the strategy/style of the Core Aggregate Fixed Income Composite.



Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	3 Year Composite Deviation (%)	3 Year Benchmark Deviation (%)	Internal Dispersion (%)	Total Composite Assets (\$ millions)	Total Firm Assets (AUM) (\$ millions)	Total Firm Assets (AUA)* (\$ millions)
2012	5.15	4.75	4.21	21	2.23	2.39	0.39	470	9,069	10,913
2013	-1.48	-1.85	-2.02	15	2.50	2.71	0.10	248	8,596	10,103
2014	5.45	5.07	5.97	14	2.43	2.63	0.13	232	9,238	10,606
2015	0.44	0.04	0.55	12	2.65	2.88	0.14	193	9,413	11,825
2016	2.60	2.19	2.65	19	2.76	2.98	0.10	621	10,183	11,994
2017	4.24	3.83	3.54	21	2.59	2.78	0.10	678	10,808	12,713
2018	-0.31	-0.71	0.01	19	2.60	2.84	0.12	620	11,065	12,726
2019	9.54	9.10	8.72	27	2.70	2.87	0.26	1,145	12,798	14,621
2020	10.00	9.72	7.51	35	3.91	3.36	0.31	1,222	13,731	15,691
2021	-0.35	-0.55	-1.54	36	3.93	3.35	0.27	1,145	15,052	17,543

\*Includes Assets under Advisement (AUA) where Sage provides its advisory services in similar strategies and does not have discretionary trading authority. Total firm advisory only assets (\$ millions) are \$1,960 as of 12/31/2020 and \$2,491 as of 12/31/2021.

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