

Short Duration Bond Strategy

December 2019

OBJECTIVE

The Short Duration Bond Strategy seeks to outperform the Bloomberg Barclays 1-3yr Gov/Credit Index through a credit focused approach. The Strategy focuses on BBB rated corporate bonds.

INVESTMENT STRATEGY

The Strategy invests primarily in short maturity investment grade corporate bonds. The Strategy may invest up to 30% in BB/B rated bank loans and high yield bonds. The Strategy expects to maintain a duration range of +/- 1 year to that of the Index.

DIFFERENTIATING FEATURES

We focus on fundamental corporate credit research across the credit spectrum. Our single integrated research and portfolio management team's coverage through the capital structure provides the perspective to identify opportunities and relative value through all areas of the credit markets.

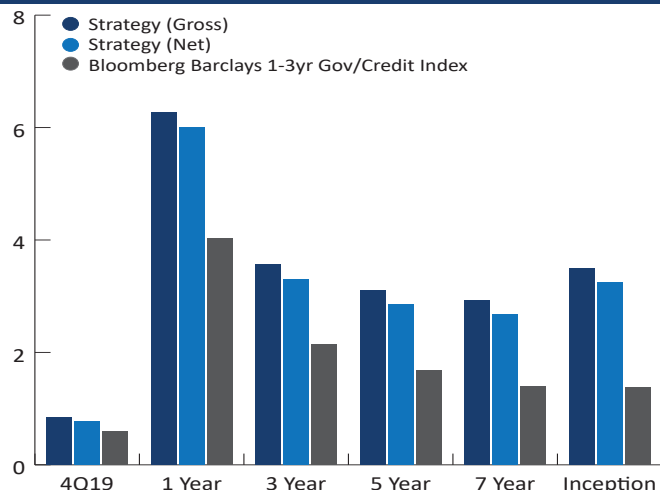
Investment team consists of 22 professionals who, on average, have 17 years investment experience and have worked together for over 11 years.

STRATEGY BENEFITS

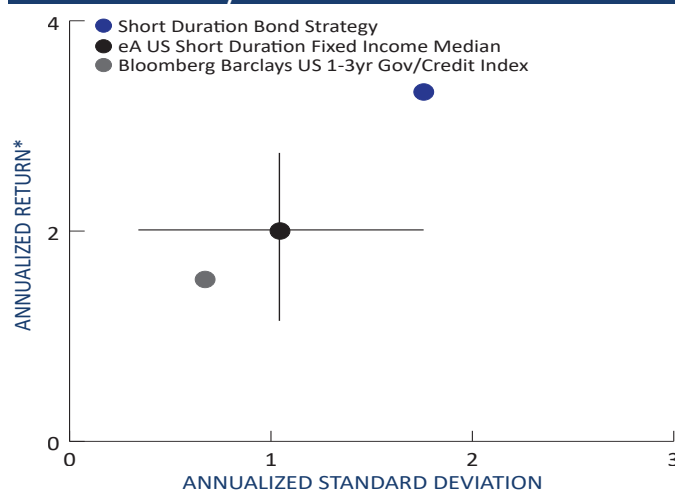
The Strategy provides investors a short maturity corporate bond portfolio with the ability to invest through the entire capital structure.

This flexible approach provides access to our investment team's experience throughout the credit spectrum in managing Investment Grade, High Yield, and Bank Loan securities.

HISTORICAL RETURNS



RISK/REWARD ANALYSIS



| ANNUALIZED - ENDING 4Q19 | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 6 Year | 7 Year | INCEPTION |
|---|--------|--------|--------|--------|--------|--------|--------|-----------|
| Short Duration Bond Strategy (Gross) | 6.27 | 3.78 | 3.56 | 3.52 | 3.11 | 2.86 | 2.93 | 3.50 |
| Short Duration Bond Strategy (Net) | 6.01 | 3.52 | 3.30 | 3.26 | 2.86 | 2.60 | 2.67 | 3.24 |
| Bloomberg Barclays 1-3yr Gov/Credit Index | 4.03 | 2.81 | 2.15 | 1.93 | 1.67 | 1.52 | 1.40 | 1.38 |

| CALENDAR YEAR RETURNS | 4Q19 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|------|------|------|------|------|------|------|------|------|
| Short Duration Bond Strategy (Gross) | 0.84 | 6.27 | 1.35 | 3.13 | 3.39 | 1.51 | 1.59 | 3.33 | 7.60 |
| Short Duration Bond Strategy (Net) | 0.78 | 6.01 | 1.09 | 2.87 | 3.13 | 1.26 | 1.34 | 3.07 | 7.33 |
| Bloomberg Barclays 1-3yr Gov/Credit Index | 0.59 | 4.03 | 1.60 | 0.84 | 1.28 | 0.65 | 0.77 | 0.65 | 1.26 |

Inception of the Short Duration Bond Strategy was January, 2012. Past performance is not indicative of future results. Indexes are unmanaged and unavailable for investment. Gross-of-fee returns are presented before management fees but after all trading expenses. Net-of-fee returns are presented after management fees and trading expenses. * Risk/Reward Analysis chart provides annualized inception return and annualized inception standard deviation. Risk/Reward Analysis performance represents gross-of-fee returns.

Short Duration Bond Strategy

December 2019



Inception

January 2012

Benchmark

Bloomberg Barclays 1-3yr Gov/Credit Index

Strategy Assets

\$ 1,076m

Portfolio Managers (experience)

David Weismiller, CFA (22 years)

Michael Marzouk, CFA (22 years)

Ying Qiu, CFA (20 years)

SINCE INCEPTION RISK-REWARD STATISTICS

| | Strategy | Index |
|--------------------|----------|-------|
| Standard Deviation | 1.80 | 0.86 |
| Beta | 1.10 | 1.00 |
| Sharpe Ratio | 1.58 | 0.82 |
| Information Ratio | 1.39 | N/A |

Source: eVestment, as of 12/31/2019

Pacific Asset Management claims compliance with the Global Investment Performance Standards (GIPS®).

FIRM DEFINITION - Pacific Asset Management LLC, specializes in institutional fixed income management with a focus on corporate credit. The Firm definition changed on December 31, 2019. Prior to that date, the firm definition referred to Pacific Asset Management, a business division of Pacific Life Fund Advisors LLC ("PLFA"). As part of an internal restructuring initiative, the business division of PLFA, known as Pacific Asset Management, was reorganized into Pacific Asset Management LLC, an SEC registered investment adviser and an indirect wholly-owned subsidiary of Pacific Life Insurance Company (Pacific Life).

COMPOSITE DESCRIPTION - The Short Duration Bond Strategy consists of fixed income portfolios comprised primarily of short maturity corporate bonds.

RETURNS - presented gross and net of fees.

BENCHMARK DESCRIPTION - The Bloomberg Barclays 1-3 Year Gov/Credit Index covers Government and Credit Securities of 1-3 year maturities.

CURRENCY - Valuations are computed and performance is reported in U.S. dollars.

OBTAINING A COMPLIANT PRESENTATION along with a list of the firms composite descriptions can be obtained by emailing compliance@PacificAM.com.

CHARACTERISTICS

| | Strategy | Index |
|-----------------------|----------|--------|
| Duration | 1.75 | 1.87 |
| Yield to maturity (%) | 2.49 | 1.72 |
| Average maturity | 4.50 | 1.96 |
| Average price | 101.39 | 101.08 |
| Average quality | A | AA+/AA |
| Average coupon (%) | 3.00 | 2.32 |
| # of issues | 345 | 1,617 |
| # of issuers | 233 | 505 |

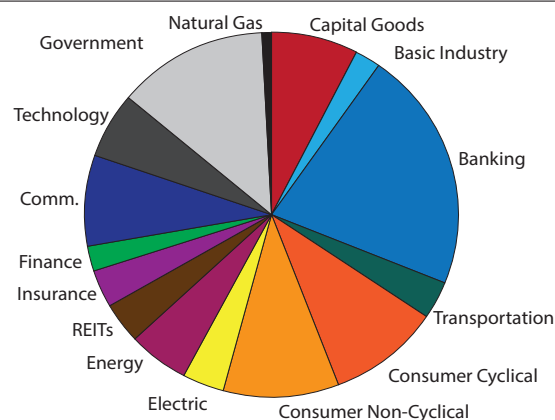
CREDIT QUALITY (%)

| | | |
|--------------|----|----|
| Cash | 3 | 0 |
| AAA | 27 | 74 |
| AA | 7 | 5 |
| A | 23 | 11 |
| BBB | 29 | 10 |
| BB | 7 | 0 |
| B | 4 | 0 |
| CCC or below | 0 | 0 |

ASSET BREAKDOWN (%)

| | | |
|------------------|----|----|
| Government | 10 | 77 |
| Corporate Bonds | 55 | 23 |
| High Yield Bonds | 2 | 0 |
| Bank Loans | 10 | 0 |
| ABS | 20 | 0 |
| CMBS | 0 | 0 |
| Cash | 3 | 0 |

SECTOR BREAKDOWN



IMPORTANT NOTES AND DISCLOSURES

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