

Strategic Credit Strategy

December 2019

OBJECTIVE

The Strategy seeks to outperform the Bloomberg Barclays Aggregate Index through a multi-sector credit approach.

INVESTMENT STRATEGY

The Strategy focuses on high yield bonds though has the ability to allocate across the entire credit spectrum. The investment team determines allocations based on a process that actively seeks the best opportunities across high yield, bank loan, and corporate securities.

DIFFERENTIATING FEATURES

The Strategy seeks to capitalize on the investment team's experience and research structure of evaluating the entire capital structure.

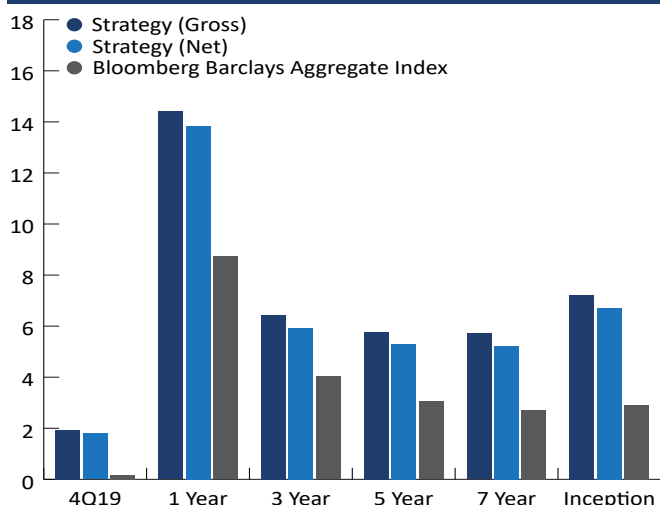
The Strategy is an understandable approach to multi-sector credit focused primarily on high yield, bank loan, and corporate bonds.

STRATEGY BENEFITS

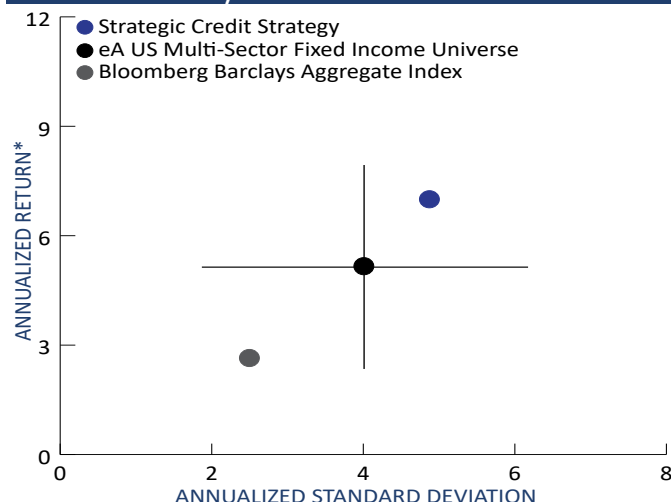
The Strategy provides investors a multi sector credit approach that will actively and nimbly focus on the best relative value across the credit spectrum.

This flexible approach provides access to our investment team's expertise 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
Strategic Credit Strategy (Gross)	14.41	5.84	6.43	7.82	5.77	5.26	5.71	7.21
Strategic Credit Strategy (Net)	13.85	5.34	5.93	7.33	5.29	4.78	5.23	6.72
Bloomberg Barclays Aggregate Index	8.72	4.27	4.03	3.68	3.05	3.53	2.72	2.90

CALENDAR YEAR RETURNS	4Q19	2019	2018	2017	2016	2015	2014	2013	2012
Strategic Credit Strategy (Gross)	1.92	14.41	-2.09	7.61	12.11	-2.05	2.77	8.43	18.28
Strategic Credit Strategy (Net)	1.79	13.85	-2.53	7.13	11.62	-2.49	2.31	7.94	17.76
Bloomberg Barclays Aggregate Index	0.18	8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.22

Inception of the 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.*

Strategic Credit Strategy

December 2019



Inception

January 2012

Benchmark

Bloomberg Barclays U.S. Aggregate Index

Strategy Assets

\$ 805m

Portfolio Managers (experience)

Brian Robertson, CFA (16 years)

David Weismiller, CFA (22 years)

Michael Marzouk, CFA (22 years)

SINCE INCEPTION RISK-REWARD STATISTICS

	Strategy	Index
Standard Deviation	4.97	2.98
Beta	0.64	1.00
Sharpe Ratio	1.31	0.75
Information Ratio	0.91	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 Strategic Credit Strategy consists of fixed income portfolios comprised primarily of credit securities.

RETURNS - presented gross and net of fees.

BENCHMARK DESCRIPTION - The Bloomberg Barclays Aggregate Index covers the U.S. investment grade fixed income bond market.

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	3.74	5.87
Yield to maturity (%)	4.54	2.32
Yield to worst (%)	4.35	2.31
Average maturity	7.15	8.06
Average price	103.63	105.61
Average quality	BB+	AA+/AA
Average coupon (%)	4.88	3.17
# of issues	310	10,982
# of issuers	179	997

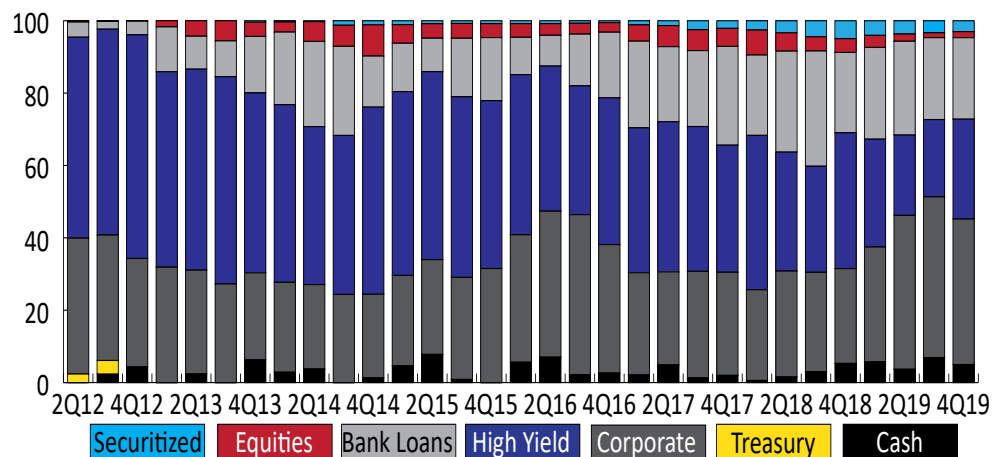
CREDIT QUALITY (%)

Cash	5	0
AAA	0	72
AA	3	3
A	12	11
BBB	28	14
BB	19	0
B	26	0
CCC or below	7	0

ASSET ALLOCATION (%)

Government	0	45
Corporate	40	25
High Yield	28	0
Bank Loans	22	0
Agency MBS	0	27
Equities	2	0
ABS/CMBS	3	3
Cash	5	0

HISTORICAL ASSET ALLOCATION (%)



IMPORTANT NOTES AND DISCLOSURES

For U.S. Institutional Investor use only. The opinions expressed are not intended as an offer or solicitation with respect to the purchase or sale of any security. The information presented in this material has been developed internally and/or obtained from sources believed to be reliable; however Pacific Asset Management does not guarantee the accuracy, adequacy, or the completeness of such information. This material has been distributed for informational purposes only without regard to any particular user's investment objectives, financial situation, or means, and Pacific Asset Management is not soliciting any action based upon such information, and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Statements concerning financial market trends are based on current market conditions, which will fluctuate. There is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate their ability to invest for the long-term. The information provided herein should not be construed as providing any assurance or guarantee as to returns that may be realized in the future from investments in any asset or asset class described herein. This material contains forward-looking statements that speak only as of the date they are made, Pacific Asset Management assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.