

Corporate (Bank) Loan Strategy

March 2021

OBJECTIVE

The Corporate (Bank) Loan Strategy seeks to outperform the Credit Suisse Leveraged Loan Index.

INVESTMENT STRATEGY

The Strategy invests primarily in first lien bank loans of non-investment grade companies. The investment process is fundamental credit analysis focused on the larger companies. This process emphasizes relative value and liquidity, allowing us to be flexible and express views with conviction.

DIFFERENTIATING FEATURES

We believe our differentiator is a more selective approach with a focus on larger companies. We look for companies having strong fundamental characteristics with a catalyst for outperformance. Our process generally filters out companies with less than \$100m in EBIT-DA and loan facilities/sizes of less than \$300m.

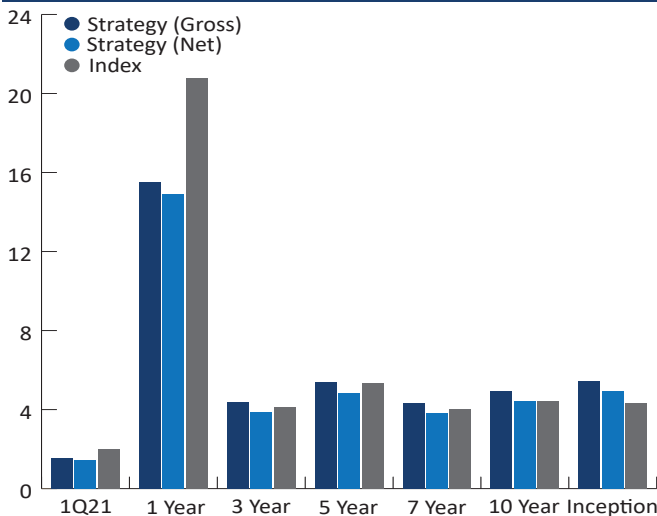
We believe our focus on providing attractive income, total return, and liquidity while minimizing downside risk is a key differentiator in our process.

STRATEGY BENEFITS

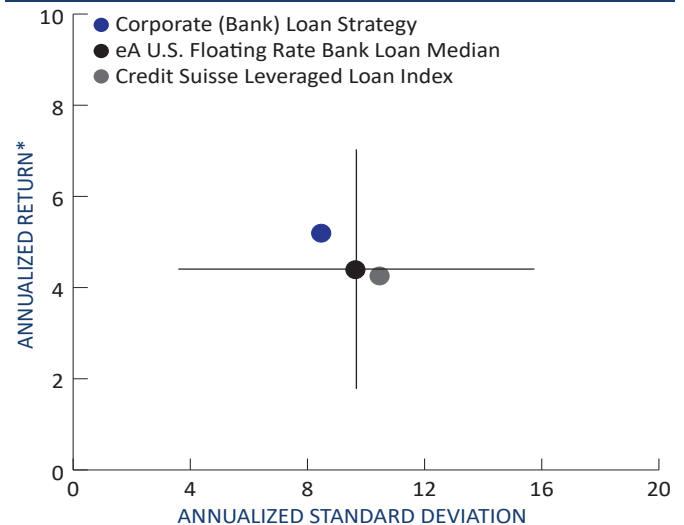
Loans provide attractive levels of income while mitigating two very distinct risks within fixed income; interest rate and credit risk. Floating rate coupons result in little interest rate sensitivity (duration). Regarding credit risk, bank loans are senior in a company's capital structure. This typically results in much higher recovery rates when compared to high yield bonds.

Bank loans can also provide diversification benefits as loan returns have been negatively correlated with the returns of Treasuries and positively correlated with inflation.

HISTORICAL RETURNS



RISK-REWARD ANALYSIS



ANNUALIZED - ENDING 1Q21	1Q21	1 Year	3 Year	5 Year	7 Year	10 Year	INCEPTION
Corporate (Bank) Loan Strategy (Gross)	1.56	15.49	4.38	5.37	4.34	4.94	5.45
Corporate (Bank) Loan Strategy (Net)	1.43	14.92	3.86	4.85	3.82	4.42	4.93
Credit Suisse Leveraged Loan Index	2.01	20.77	4.13	5.33	4.03	4.41	4.32

CALENDAR YEAR RETURNS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Corporate (Bank) Loan Strategy (Gross)	3.00	9.09	1.03	4.91	9.33	1.85	1.26	6.43	10.69	3.29	10.67
Corporate (Bank) Loan Strategy (Net)	2.49	8.55	0.53	4.39	8.79	1.34	0.76	5.91	10.14	2.78	10.12
Credit Suisse Leveraged Loan Index	2.78	8.17	1.14	4.25	9.88	-0.38	2.06	6.15	9.43	1.82	9.97

Inception of the Corporate (Bank) Loan Strategy was January 1, 2007. Past performance is not indicative of future results. Indexes are unmanaged and unavailable for investment. For Institutional Investor use only. 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.

Corporate (Bank) Loan Strategy

March 2021



Inception

January 1, 2007

Benchmark

Credit Suisse Leveraged Loan Index

Strategy Assets

\$ 4,795m

Portfolio Managers (experience)

JP Leasure (24 years)

Michael Marzouk, CFA (23 years)

SINCE INCEPTION

RISK-REWARD STATISTICS

	Strategy	Index
Standard Deviation	8.27	10.47
Beta	0.76	1.00
Sharpe Ratio	0.55	0.33
Information Ratio	0.33	N/A
Upside Capture	97.40	N/A
Downside Capture	73.92	N/A

Source: eVestment, as of 3/31/2021

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 Corporate (Bank) Loan Composite consists of fixed income portfolios comprised primarily of bank loans of non-investment grade companies.

RETURNS - presented gross and net of fees.

BENCHMARK DESCRIPTION - The Credit Suisse Leveraged Loan Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market.

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

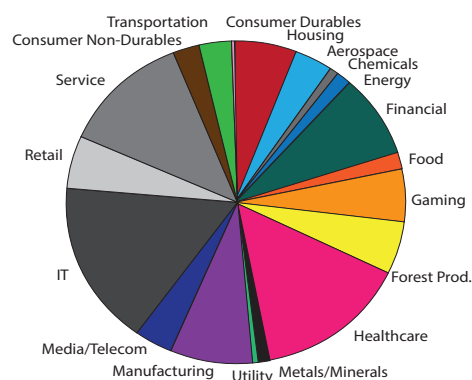
OBTAINING A COMPLIANT PRESENTATION along with a list of the firms composite descriptions can be obtained by emailing compliance@PacificAM.com.

CHARACTERISTICS	Strategy	CS Leveraged Loan Index
Duration	0.28	0.25
Effective yield (%)	4.49	4.54
Average maturity	4.47	4.59
Average price (\$)	99.76	97.46
Average quality	B	B
Average coupon (%)	4.45	4.05
# of issues	178	1,647
# of issuers	133	1,344

CREDIT QUALITY (%)	Strategy	CS Leveraged Loan Index
Cash	2	0
BBB	0	6
BB	13	25
B	73	58
CCC	10	7
CC or below	1	1
Not rated	1	2

ASSET BREAKDOWN (%)	Strategy	CS Leveraged Loan Index
Cash	2	0
Bank Loans		
- First lien	86	97
- Second lien	9	3
- Third lien/Unsecured	0	0
High Yield Bonds		
- Secured	2	0
- Unsecured	0	0

SECTOR BREAKDOWN (%)



IMPORTANT NOTES AND DISCLOSURES

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