

# Investment Grade Bond Strategy

June 2021

## OBJECTIVE

The Investment Grade Bond Strategy seeks to outperform the Bloomberg Barclays U.S. Credit Index.

## INVESTMENT STRATEGY

The Strategy seeks the objective by investing primarily in investment grade corporate securities.

The Strategy allows a degree of flexibility within the investment process to allocate up to 20% to non-investment grade securities, primarily high yield and bank loans.

## 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.

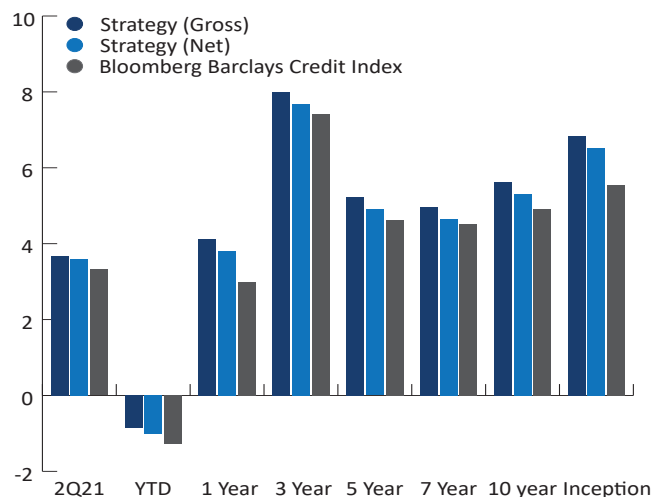
Investment team consists of 22 professionals who, on average, have 17 years investment experience and have worked together for over 9 years.

## STRATEGY BENEFITS

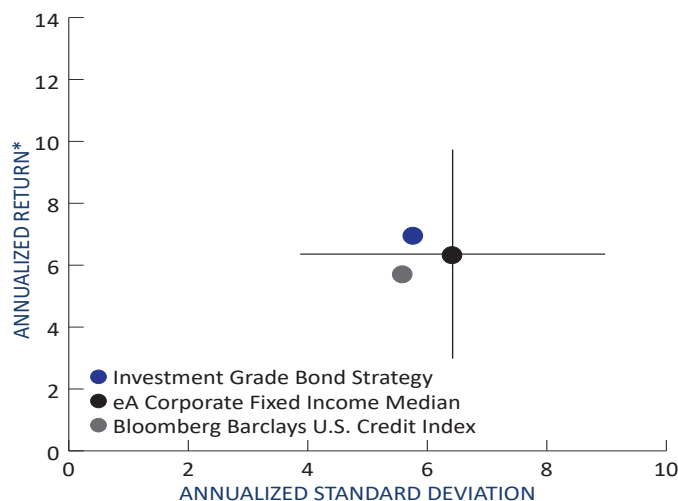
Corporate bonds have historically provided an attractive risk-reward profile over Government fixed income securities through higher yield, income levels and less sensitivity to interest rates.

The Strategy provides investors exposure to Corporate Bonds with a flexibility to invest across the capital structure, providing access to our investment team's expertise throughout the credit spectrum.

## HISTORICAL RETURNS



## RISK-REWARD ANALYSIS



ANNUALIZED - ENDING 2Q21	2Q21	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	INCEPTION
Investment Grade Bond Strategy (Gross)	3.68	-0.86	4.12	7.99	5.22	4.97	5.63	6.84
Investment Grade Bond Strategy (Net)	3.60	-1.01	3.81	7.67	4.90	4.66	5.31	6.52
Bloomberg Barclays U.S. Credit Index	3.32	-1.28	2.99	7.42	4.63	4.51	4.92	5.54

CALENDAR YEAR RETURNS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Investment Grade Bond Strategy (Gross)	10.54	14.18	-2.54	6.93	6.41	0.06	7.73	-0.60	11.69	8.12	11.44
Investment Grade Bond Strategy (Net)	10.21	13.84	-2.83	6.61	6.10	-0.24	7.41	-0.90	11.36	7.80	11.11
Bloomberg Barclays U.S. Credit Index	9.35	13.80	-2.11	6.18	5.63	-0.77	7.53	-2.01	9.37	8.35	8.47

Inception of the Investment Grade Bond Strategy was July 1, 2007. \* Source: Evestment Alliance Corporate Fixed Income Category. 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.

# Investment Grade Bond Strategy

## June 2021



### Inception

July 1, 2007

### Benchmark

Bloomberg Barclays U.S. Credit Index

### Strategy Assets

\$ 121m

### Portfolio Managers (experience)

David Weismiller, CFA (24 years)

Ying Qiu, CFA (22 years)

## SINCE INCEPTION RISK-REWARD STATISTICS

	Strategy	Index
Standard Deviation	5.88	5.72
Beta	1.01	1.00
Sharpe Ratio	1.04	0.84
Information Ratio	1.13	N/A
Upside Capture	112.48	N/A
Downside Capture	86.43	N/A

Source: eVestment, as of 6/30/2021

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 Composite consists of fixed income portfolios comprised primarily of Investment Grade securities.

**RETURNS** - presented gross and net of fees.

**BENCHMARK DESCRIPTION** - The Bloomberg Barclays Credit Index is comprised of U.S. Investment Grade Securities.

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

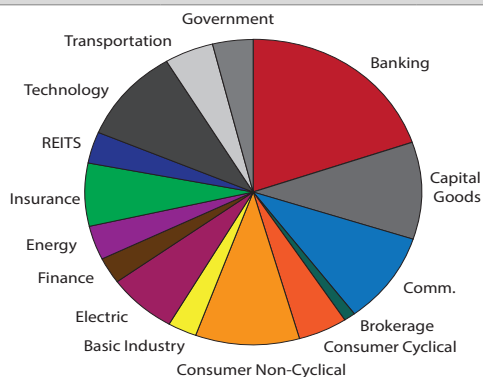
**OBTAINING A COMPLIANT PRESENTATION** along with a list of the firms composite descriptions can be obtained by emailing [compliance@PacificAM.com](mailto:compliance@PacificAM.com).

CHARACTERISTICS	Strategy	Index
Duration	8.03	8.46
Yield to maturity (%)	2.34	2.01
Average maturity	12.04	11.96
Average price	105.85	111.42
Average quality	BBB+	A/A-
Average coupon (%)	3.12	3.53
# of issues	229	7,625
# of issuers	168	978

CREDIT QUALITY (%)	Strategy	Index
Cash	1	0
AAA	3	7
AA	3	10
A	26	36
BBB	62	47
BB	5	0
B	0	0
CCC or below	0	0

ASSET BREAKDOWN (%)	Strategy	Index
Government	2	15
Corporate	92	85
High Yield	5	0
Bank Loans	0	0
ABS	0	0
Cash	1	0

### SECTOR BREAKDOWN



### IMPORTANT NOTES AND DISCLOSURES

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