



MERGANSER
CAPITAL MANAGEMENT

STRATEGY OVERVIEW

CASH ENHANCEMENT

As of December 31, 2019

KEY CHARACTERISTICS

Total Strategy AUM:*	\$3,579 MM
Strategy Inception:*	4/1/1986
Yield to Maturity:	1.93%
Duration:	0.77 Years
Average Quality:	AA

INVESTMENT OVERVIEW

Investment Objective

To exceed the returns of the ICE BAML 1 Year T-Bill Index over a market cycle.

Investment Strategy

We employ a team managed approach to a disciplined, value-oriented process for investing in investment grade spread sectors. We construct portfolios from the bottom-up and manage risk from the top-down, with a goal of achieving high risk-adjusted returns.

About Merganser

Formed in 1985, Merganser Capital Management is an SEC registered investment advisor focused on the fixed income needs of institutional clients.

We believe that in an inefficient over-the-counter market, our active fixed income management process can provide consistent excess returns. As fundamental investors, we aim to understand the intricacies of fixed income vehicles in order to identify the securities and sectors that provide the most attractive risk/reward characteristics. Succeeding in this endeavor has allowed us to meet the needs and objectives of our clients and gain their trust.

We embrace a client service approach that is high touch, team oriented and encourages frequent dialogue and direct communication.

COMPOSITE CHARACTERISTICS VS. BENCHMARK

SECTORS	COMPOSITE	INDEX
Money Market	0.5%	0.0%
Treasury	13.9%	100.0%
Agency	0.9%	0.0%
Credit	44.5%	0.0%
RMBS	0.1%	0.0%
CMBS	3.6%	0.0%
ABS	36.5%	0.0%

QUALITY	COMPOSITE	INDEX
AAA	56.3%	100.0%
AA	10.7%	0.0%
A	28.4%	0.0%
BBB	4.4%	0.0%
BB	0.1%	0.0%
Below BB	0.0%	0.0%

DURATION (YRS)	COMPOSITE	INDEX
0-6 mos	39.4%	0.0%
6-12 mos	33.7%	100.0%
12-18 mos	14.2%	0.0%
18-24 mos	7.5%	0.0%
24-30 mos	2.8%	0.0%
30+ mos	2.4%	0.0%

CONTACT INFORMATION

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Tables may not foot due to rounding.

*Characteristic includes accounts that are not in the Composite. All other characteristics are derived only from accounts that are in the Composite. Past performance is no guarantee of future results; investments can and may lose money. Investing in the bond market is subject to certain risks which impact performance including Interest-rate Risk, Market Risk, Inflation Risk, Reinvestment Risk, Business Risk, Liquidity Risk, Credit Risk, Extension & Prepayment Risk, Counterparty Risk and Regulatory Risk. Composite benchmarks are selected based on comparable duration and credit quality of US Dollar fixed income securities. Portfolios in the composites will invest in out of index securities which may result in positive or negative performance compared to the benchmark. All client accounts that met the composite criteria during the reporting period are included in the composite performance calculations. A description of composite eligibility is available upon request. Securities and characteristics can and will vary based on market conditions including liquidity, yield curve and ratings changes.