



**MERGANSER**  
CAPITAL MANAGEMENT

# CASH ENHANCEMENT COMPOSITE OVERVIEW

As of September 30, 2020

## KEY CHARACTERISTICS

<b>Total Strategy AUM:*</b>	\$3,933 MM
<b>Strategy Inception:*</b>	4/1/1986
<b>Yield to Maturity:</b>	0.46%
<b>Duration:</b>	0.85 Years
<b>Average Quality:</b>	AA+

## PORTFOLIO MANAGERS

• <b>Peter S. Kaplan, CFA</b>	• <b>Adam M. Ware, CFA</b>
Industry: 1986	Industry: 1996
Merganser: 1986	Merganser: 2007

## STRATEGY OVERVIEW

### Investment Objective

- To exceed the returns of the ICE BAML 1 Year T-Bill Index over a market cycle
- Emphasize low volatility, high quality and portfolio liquidity

### Investment Strategy

- Leverage our boutique size by investing in underappreciated areas of the market
- Employ extensive fundamental research and relative value analysis, with a goal of achieving attractive risk-adjusted returns while preserving liquidity
- Keep duration neutral to the benchmark; generate alpha through sector rotation and security selection decisions

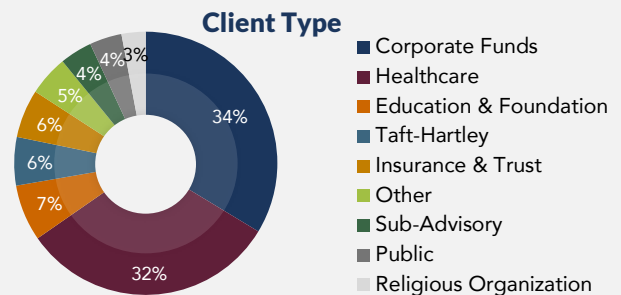
## FIRM OVERVIEW

### About Merganser

- Formed in 1985, Merganser has been managing institutional fixed income portfolios for over 30 years
- Our strategies are long only, US dollar-denominated and do not utilize complex derivatives
- The investment team is highly collaborative and portfolios are managed on a team basis
- As a boutique manager, we embrace portfolio customization and solving unique issues for our clients

## COMPOSITE CHARACTERISTICS VS. BENCHMARK

SECTORS	CASH ENHANCEMENT COMPOSITE	ICE BAML 1-YEAR T-BILL INDEX
Cash Equivalents**	0.5%	0.0%
Treasury	20.5%	100.0%
Agency	0.5%	0.0%
Credit	42.4%	0.0%
RMBS	0.0%	0.0%
CMBS	2.7%	0.0%
ABS	33.4%	0.0%
QUALITY	CASH ENHANCEMENT COMPOSITE	ICE BAML 1-YEAR T-BILL INDEX
AAA	59.5%	100.0%
AA	10.0%	0.0%
A	26.0%	0.0%
BBB	4.4%	0.0%
Below BBB	0.2%	0.0%
Other***	0.0%	0.0%
DURATION (YRS)	CASH ENHANCEMENT COMPOSITE	ICE BAML 1-YEAR T-BILL INDEX
0-6 mos	37.8%	0.0%
6-12 mos	30.4%	100.0%
12-18 mos	12.6%	0.0%
18-24 mos	11.7%	0.0%
24-30 mos	5.2%	0.0%
30+ mos	2.4%	0.0%



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.

\*\*Includes cash, receivables and payables.

\*\*\*Reflects securities not rated by Moody's, S&P, or Fitch but are rated by other NRSRO's.

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.