



KEY CHARACTERISTICS

Total Strategy AUM:*	\$927 MM
Strategy Inception:*	12/1/2013
Yield:	1.52%
Duration:	3.90 Years
Average Quality:	AA-

PORTFOLIO MANAGERS

• Todd B. Copenhaver, CFA	• Andrew M. Smock, CFA
Industry: 2007	Industry: 1999
Merganser: 2013	Merganser: 2003

STRATEGY OVERVIEW

Investment Objective

- To exceed the returns of the Bloomberg Barclays Intermediate Aggregate Index over a market cycle
- Provide an attractive source of income while acting as a stabilizer during periods of market volatility

Investment Strategy

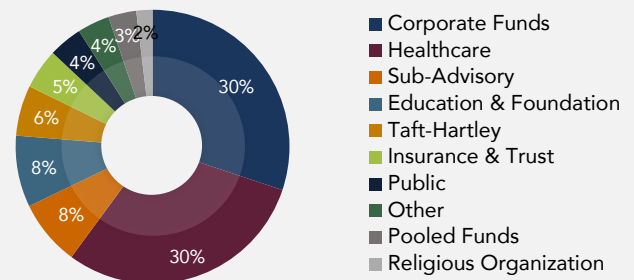
- Leverage our boutique size by investing in underappreciated areas of the market
- Employ extensive fundamental research and relative value analysis, with a goal of achieving attractive risk-adjusted returns while preserving liquidity
- Keep duration neutral to the benchmark; generate alpha through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

Client Type



COMPOSITE CHARACTERISTICS VS. BENCHMARK

SECTORS	INTERMEDIATE AGG COMPOSITE	BB INTERMEDIATE AGG INDEX
Cash Equivalents**	0.5%	0.0%
Treasury	11.6%	37.0%
Agency	0.7%	1.9%
Credit	41.6%	24.5%
RMBS	13.1%	33.4%
CMBS	22.2%	2.7%
ABS	10.5%	0.4%
QUALITY	INTERMEDIATE AGG COMPOSITE	BB INTERMEDIATE AGG INDEX
AAA	41.5%	77.6%
AA	5.8%	2.2%
A	18.4%	9.1%
BBB	29.9%	11.1%
Below BBB	3.1%	0.0%
Other***	1.4%	0.0%
DURATION (YRS)	INTERMEDIATE AGG COMPOSITE	BB INTERMEDIATE AGG INDEX
0-2	28.8%	15.0%
2-4	21.3%	42.3%
4-6	24.6%	21.8%
6-8	18.3%	16.5%
8-10	5.5%	4.3%
10+	1.6%	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 NRSROs.

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.