

## Reams Core Strategy

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### Investment Philosophy

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Reams defines risk as permanent loss of principal or the inability to meet investment objectives. This is distinct from other investors who may define risk as volatility or tracking error versus a benchmark. Another differentiating feature is that Reams focuses on reacting to relative value opportunities and taking advantage of volatility, rather than relying on economic forecasting and predicting market movements. These guiding beliefs lead the team to:

- Focus on long-term value and total return
- Employ both top-down macro and bottom-up strategies to uncover unique opportunities
- React opportunistically to valuation discrepancies and volatility in the bond market
- Create diversified bond portfolios in an attempt to outperform over a full market cycle
- Seek opportunities to add value in niche parts of the market overlooked by larger managers

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### Strategy Overview

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- The standard benchmark is the Bloomberg U.S. Aggregate Index (other benchmarks may be utilized for separate accounts according to client-specific guidelines).
- Invest tactically across all sectors of the fixed income market including investment-grade credit, governments, agencies, mortgage-backed and asset-backed.
- Actively manage overall portfolio duration based on market conditions, normally within a range of 3 to 7 years.
- May use derivative instruments such as futures, options and credit default swaps, if explicitly authorized by client guidelines, in order to gain exposure and manage risk.

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### Investment Process

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#### Step One: Duration and Yield-Curve Decision

Goal: Determine whether the bond market is cheap or expensive

- Emphasize real interest rates and formulate a long-term view
- Take advantage of yield curve opportunities

#### Step Two: Sector Decision and Bond Selection

Goal: Identify bonds with the highest risk-adjusted returns

- Focus on over/underweight sectors based on relative value and select bonds expected to perform well in dynamic interest rate and credit environments
- Focus on senior positions within the capital structure and use stress testing/scenario analysis to evaluate potential outcomes

#### Step Three: Risk Analysis and Control

Goal: Continually measure and control exposure to key risk factors

- Employ external and proprietary analytical tools to manage and control risk at security, sector and portfolio levels
- Avoid backward looking risk measures and "risk budgeting" approaches to portfolio construction

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### Total Strategy Assets

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\$1,431.9 million

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### Portfolio Management Team

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#### Mark Egan, CFA

Lead Portfolio Manager

- Joined Reams Asset Management in 1990
- 36 years of investment experience

#### Stephen Vincent, CFA

Co-Portfolio Manager

- Joined Reams Asset Management in 1994
- 31 years of investment experience

#### Todd Thompson, CFA

Co-Portfolio Manager

- Joined Reams Asset Management in 2001
- 28 years of investment experience

#### Clark Holland, CFA

Co-Portfolio Manager

- Joined Reams Asset Management in 2002
- 28 years of investment experience

#### Jason Hoyer, CFA

Co-Portfolio Manager

- Joined Reams Asset Management in 2015
- 19 years of investment experience

#### Dimitri Silva, CFA

Co-Portfolio Manager

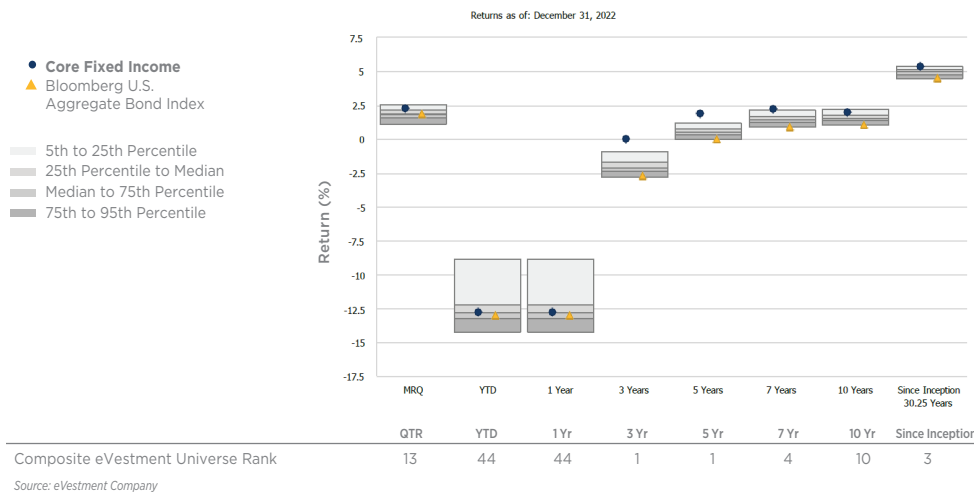
- Joined Reams Asset Management in 2021
- 15 years of investment experience

Performance Summary (USD)

	Core Composite Gross	Core Composite Net	Bloomberg U.S. Aggregate Index	Net Excess Return
Quarter	2.26%	2.18%	1.87%	0.31%
YTD	-12.79%	-13.05%	-13.01%	-0.04%
1 Year	-12.79%	-13.05%	-13.01%	-0.04%
3 Year	-0.01%	-0.31%	-2.71%	2.40%
5 Year	1.87%	1.57%	0.02%	1.55%
7 Year	2.19%	1.89%	0.89%	1.00%
10 Year	1.96%	1.65%	1.06%	0.59%
Since Inception	5.39%	5.08%	4.55%	0.53%

Inception Date: 9/1/1992

Core Fixed Income vs. eVestment U.S. Core Fixed Income Universe†



Performance Attribution†

(Q4-2022)

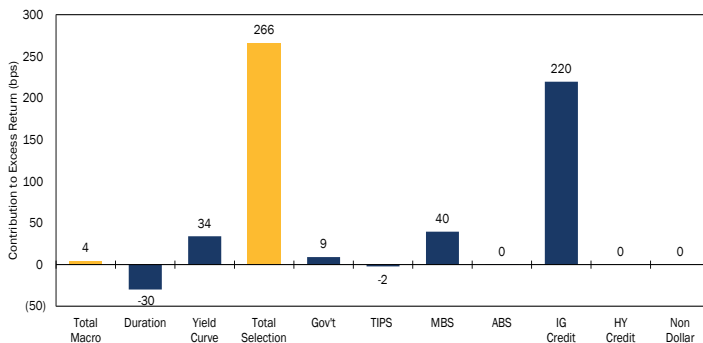
Sector	Impact %
Duration Difference	0.09
Yield Curve Difference	0.08
<b>Total Macro</b>	<b>0.18</b>
Sector Selection	0.43
Security Selection	-0.22
<b>Total Selection</b>	<b>0.21</b>
<b>Fees</b>	<b>-0.08%</b>

Contributors and Detractors

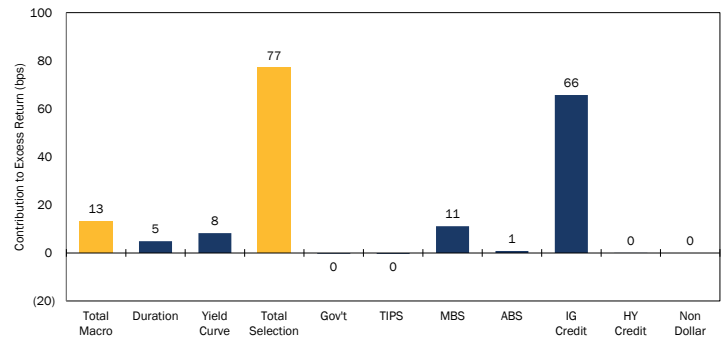
- Macro factors contributed due to tactical duration shifts during the fourth quarter, as Treasury rates, aside from the front end of the curve and the 30-year point, were largely unchanged quarter over quarter.
- Yield curve positioning also contributed due to an underweight to the long end of the curve, where rates increased modestly.
- Sector allocation contributed, primarily due to overweights to the outperforming investment-grade (IG) corporates and mortgage-backed securities (MBS) sectors.
- Non-index exposure to U.S. Treasury Inflation-Protected Securities (TIPS) also contributed due to a modest decline in real rates during the fourth quarter.
- Security selection detracted, driven by underperformance of financials within the IG corporates sector.

Sources of Excess Returns†

3-Year Annualized



10-Year Annualized



Attribution versus Bloomberg U.S. Aggregate Index. Indices do not reflect management fees or transaction costs. It is not possible to invest directly in an unmanaged index.

Performance data quoted represents past performance. Past performance is no guarantee of future results. Performance figures are in U.S. Dollars and assume reinvested income for the entire period. Returns for periods less than one year are not annualized. Performance figures stated gross of fees do not reflect the deduction of management fees. Net performance is calculated after deducting a fee that represents the highest fee charged to any account in the composite. Performance results of clients would be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over 10 years. Assuming an annual management fee of .30%, this increase would be 152%. The firm's management fees are detailed in its Form ADV Part 2A.

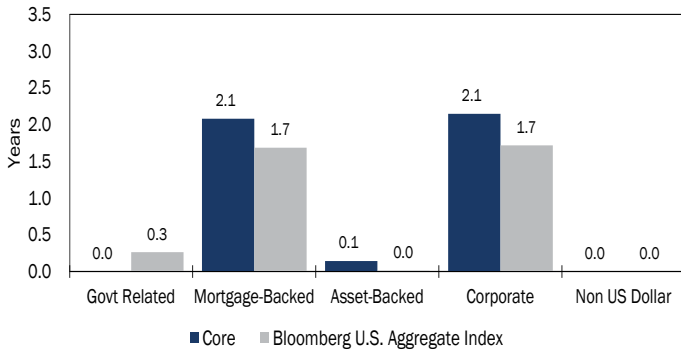
Totals may not equal due to rounding.

†Based on Gross of Fee Performance

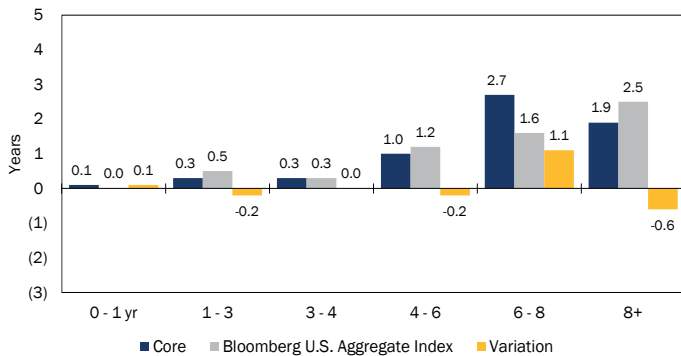
Please see the back page for further information.

## Portfolio Summary

### Spread Duration



### Contribution to Average Duration



### Portfolio Characteristics

	Core	Bloomberg U.S. Aggregate Index
Average Duration	6.4 years	6.2 years
Average Convexity	0.52	0.61
Average Yield to Worst	5.0%	4.7%
Average Maturity	9 years	8.4 years
Average Quality	Aa2	Aa2

### Sector Allocation (%)

	Core	Bloomberg U.S. Aggregate Index
Treasury	24.2	40.9
Gov't Related	0.0	5.1
Mortgage-Backed	34.5	29.4
Asset-Backed	5.4	0.4
Corporate	33.1	24.2
Non US Dollar	0.0	0.0
Cash & Equivalents	2.8	0.0
Total	100.0	100.0

### Quality Allocation (%)\*

	Core	Bloomberg U.S. Aggregate Index
AAA	66.9	73.3
AA	1.0	3.1
A	21.5	11.0
BBB	10.6	12.6
Below Investment Grade	0.0	0.0
Total	100.0	100.0

## Positioning and Rationale

- The weight in IG corporates declined quarter over quarter but remained overweight relative to the index, with exposure biased toward financials and industrials.
- The allocation to agency MBS declined and shifted from neutral to modestly underweight versus the index.
- Exposure to commercial mortgage-backed securities (CMBS) was unchanged and represented an overweight relative to the index.
- The asset-backed securities (ABS) weight was unchanged and remained at a moderate absolute level, with holdings focused on high-quality auto loan collateral.
- The allocation to U.S. Treasuries increased during the fourth quarter.
- Portfolio duration declined quarter over quarter but remained slightly above that of the index, reflecting moderately attractive real rates.
- Yield curve exposure featured overweights to the 10- to 15-year and 15- to 20-year segments combined with underweights to the 1- to 3-year, 3- to 5-year, 5- to 7-year, and 20+ year segments.

\*The bond quality ratings indicated are assigned by credit rating agencies Standard & Poor's, Moody's, and Fitch as an indication of an issuer's creditworthiness. Unless specified by client investment guidelines, the middle of three or highest of two credit quality ratings available from these rating agencies is used. Credit quality is subject to change. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the appropriateness of securities or the appropriateness of securities for investment purposes, and should not be relied on as investment advice.

The information provided is based on the aggregate characteristics of all securities held in a representative portfolio as of the date listed. The data provided in this report is for informational purposes only and should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings discussed were or will prove to be profitable. Holdings may change daily and may vary among accounts. Data is obtained from third party sources and is believed to be accurate and reliable.

Please see the back page for further information.

### Firm Overview

Reams Asset Management, founded in 1981, is a fixed income investment management firm whose mission is to provide high-quality investment expertise and unmatched client service. We apply our consistent investment process across a range of strategies, seeking to take advantage of volatility and react opportunistically to price and valuation dislocation in the bond market. Reams offers clients customized solutions that seek to maximize risk-adjusted total returns over a full market cycle and across a range of fixed income strategies.

Reams Asset Management is a division of Scout Investments, which is a wholly owned subsidiary of Raymond James Investment Management. Raymond James Investment Management, which is itself a wholly owned subsidiary of Raymond James Financial, is a global asset-management company that combines the exceptional insight and agility of individual investment teams with the strength and stability of a full-service firm. Raymond James Investment Management's multi-boutique structure provides scalable business-support solutions to distinct and talented investment teams.

For more information about Reams Asset Management, please contact Matt Waz 415-308-1933.

### Product Overview

#### Investment Vehicles

Separate Accounts  
Commingled Funds  
Mutual Funds

#### Fixed Income Strategies

Core  
Core Plus  
Intermediate  
Long Duration  
Low Duration  
Ultra Low Duration  
Unconstrained

To learn more about Reams' products, visit [reamsasset.com](https://reamsasset.com).

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*The Core Fixed Income Composite invests primarily in investment grade securities, while maintaining an average portfolio duration of generally between three and seven years. The Core Fixed Income Composite may invest in derivatives, including credit default swaps and related instruments, such as credit default swap index products. These derivative securities may be used to enhance returns, increase liquidity and/or gain exposure to certain instruments in the market (such as the corporate bond market) in a more efficient or less expensive way. Derivatives used are strictly constrained by client investment policy. The Bloomberg U.S. Aggregate Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more. The eVestment U.S. Core Fixed Income Universe consists of U.S. fixed income products that invest in high quality debt (as rated by Moody's or Standard & Poor's). Expected benchmarks for this universe would include the Bloomberg Aggregate and Bloomberg Gov't./Credit. Managers in this category will typically indicate a "Fixed Income Style Emphasis" equal to Core and a "Product Duration Emphasis" equal to Core or Intermediate.*

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# Core Fixed Income Composite GIPS Report

Year End	Total Firm Assets (USD millions)	Composite Assets		Annual Performance Results					
		USD (millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Bloomberg U.S. Aggregate Index*	Index 3-Yr Std Dev (%)
2022	21,392	1,432	14	-12.79	-13.05			-13.01	
2021	31,022	1,565	13	-1.55	-1.85	0.1	3.95	-1.54	3.35
2020	28,556	1,748	14	16.44	16.09	1.3	4.04	7.51	3.36
2019	25,163	969	11	8.11	7.79	0.2	2.97	8.72	2.87
2018	25,366	902	11	1.52	1.21	0.1	2.89	0.01	2.84
2017	26,887	939	11	3.53	3.22	0.2	2.54	3.54	2.78
2016	27,268	908	11	2.48	2.17	0.2	2.55	2.65	2.98
2015	27,185	915	11	1.29	0.99	0.2	2.09	0.55	2.88
2014	31,187	878	11	3.63	3.32	0.9	2.05	5.97	2.63
2013	31,171	959	12	-0.68	-0.97	0.4	2.30	-2.02	2.71
2012	23,570	1,587	14	6.99	6.67	0.2	2.09	4.21	2.38

\* Formerly Lehman Brothers Aggregate Bond Index, then Bloomberg U.S. Aggregate Bond Index

**Compliance Statement** - Scout Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Scout Investments has been independently verified by The Spaulding Group for the periods 2000-2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Core Fixed Income Composite has had a performance examination for the periods 2002-2021. The verification and performance examination reports are available upon request. Prior to being acquired by Scout Investments, Reams Asset Management's compliance was verified for the period 1987 through 2009 by Ashland Partners & Company LLP. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Definition of the Firm** - Scout Investments, Inc. is a registered investment advisor that offers investment management services for both managed accounts and mutual funds. Scout Investments is a wholly owned subsidiary of Raymond James Investment Management, which is in turn a wholly owned subsidiary of Raymond James Financial. Reams Asset Management is a division of Scout Investments. The firm was previously defined as UMB Institutional Asset Management, a subsidiary of UMB Bank, which managed both institutional and high net worth, trust, and estate assets. On July 1, 2009 the firm transitioned from UMB Bank and became a subsidiary of UMB Financial Corporation in order to focus on institutional investment management. On November 30, 2010, the firm acquired the advisory business of Reams Asset Management, LLC. On December 28, 2010 the firm changed its name from Scout Investment Advisors to Scout Investments. On November 3, 2017, Scout Investments was acquired by Raymond James Investment Management.

**Composite Description** - Core Fixed Income Composite contains fully discretionary fixed income accounts and for comparison purposes is measured against the Bloomberg U.S. Aggregate Bond Index as a general market indicator. This composite limits security ratings to investment grade at time of purchase, invests in the types of securities represented in its benchmark, and has at least a +/- 20% duration range around the benchmark. Prior to June 1, 2001, the composite was named the Investment Grade Total Return Composite. Prior to January 1, 2013, the composite did not include commingled fund accounts. The minimum account size for this composite is \$20 million. Prior to January 1, 2002, the minimum account size was \$4 million. The Core Fixed Income Composite was created September 1, 1992, and the inception date is September 1, 1992.

**Additional Details** - Reams defines a derivative as an instrument or contract whose value is derived from the performance of an underlying financial asset, index or obligation. Derivatives are employed infrequently, yet opportunistically, when a strategy is unavailable or not cost effective through the cash market. Derivatives used are strictly constrained by client investment policy.

In the Core Fixed Income strategy, Credit Default Swaps (CDS) are used as substitutes for cash bonds and do not introduce leverage into the portfolios. Index products (CDX) are used for efficient, diversified exposure to investment grade markets.

**Performance** - The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using highest management fee for this strategy. The internal composite dispersion presented is an equal-weighted standard deviation calculated for the fully discretionary, fee-paying accounts in the composite the entire year. The three-year annualized ex-post standard deviation, presented as a measure of volatility, measures the variability of the composite and the benchmark returns over the preceding 36-month period. Three-year annualized ex-post standard deviation of the composite and benchmark are not shown for periods where there were less than 36 months available. Gross returns were used to calculate the risk measures presented in this GIPS Composite Report. Returns presented are time-weighted returns and are based on fully discretionary accounts under management. Past performance is not indicative of future results.

#### Fee Schedule -

Vehicle	Management Fee
Separate Account	.30% on first \$50M
	.20% on next \$50M
	Fees negotiable over \$100M

Actual management fees incurred by clients may vary.

**Availability** - Lists of the firm's composite and limited distribution pooled fund descriptions, as well as a list of broad distribution pooled funds, are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.