

# Reams Asset Management Unconstrained Fixed Income

## Investment Philosophy

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

## Strategy Overview

- Not managed against a traditional fixed income index. Seeks to outperform the ICE® BofA US 3-Month Treasury Index over a full market cycle, while also seeking to minimize the probability of a negative absolute return in any calendar year.
- Seeks to maximize risk-adjusted total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market including investment-grade and high yield credit, governments, agencies, mortgage-backed, asset-backed and non-dollar.
- Actively manage overall portfolio duration based on market conditions, normally within a range of -3 to 8 years.
- May use derivative instruments such as futures, options and credit default swaps in order to gain exposure and manage risk.

## Investment Process

### 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

## Total Strategy Assets

\$8,037.4 million

## Portfolio Management Team

### Mark Egan, CFA

Lead Portfolio Manager

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

### Todd Thompson, CFA

Co-Portfolio Manager

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

### Clark Holland, CFA

Co-Portfolio Manager

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

### Jason Hoyer, CFA

Co-Portfolio Manager

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

### Dimitri Silva, CFA

Co-Portfolio Manager

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

### Neil Aggarwal

Co-Portfolio Manager

- Joined Reams Asset Management in 2022
- 22 years of investment experience

## Performance Summary

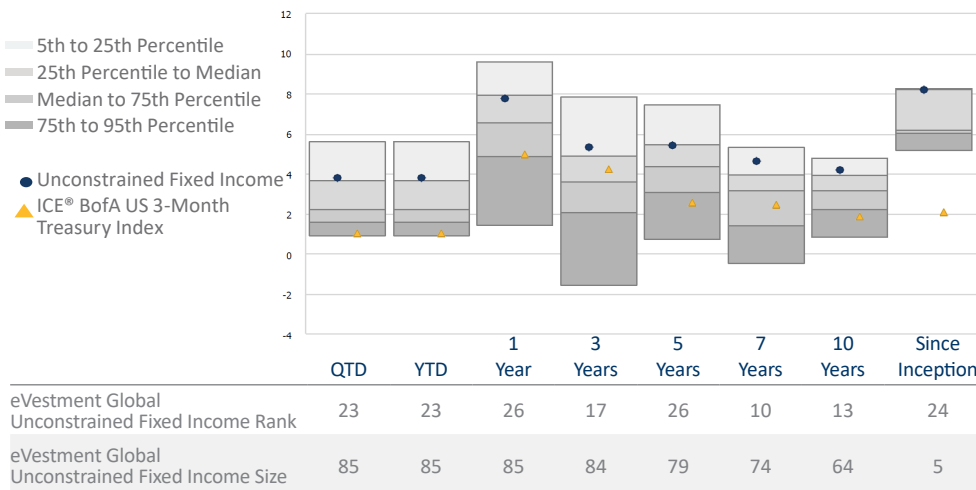
### Trailing Period Performance (annualized for periods greater than 1 year)

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Unconstrained Fixed Income (gross)	3.78%	3.78%	7.76%	5.31%	5.43%	4.63%	4.19%	8.25%
Unconstrained Fixed Income (net)	3.68%	3.68%	7.33%	4.89%	5.01%	4.22%	3.78%	7.82%
ICE® BofA US 3-Month Treasury Index	1.02%	1.02%	4.97%	4.23%	2.56%	2.45%	1.87%	2.09%
Excess Return (net)	2.66%	2.66%	2.36%	0.66%	2.45%	1.77%	1.91%	5.73%

Inception Date: August 1, 1998

### Unconstrained Fixed Income vs. eVestment Global Unconstrained Fixed Income Universe<sup>†</sup>

#### Trailing Period Returns (as of March 31, 2025)



Source: Nasdaq eVestment

Ranking within eVestment Global Unconstrained Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on April 24, 2025 (as of March 31, 2025) and is subject to change as additional firms within the category submit data. Reams Asset Management pays an annual fee to eVestment to access their platform and to use their data, including peer group rankings, in marketing materials. Reams Asset Management does not pay for the ranking.

### Performance Attribution<sup>†</sup>

Q1 2025 (gross of fees)

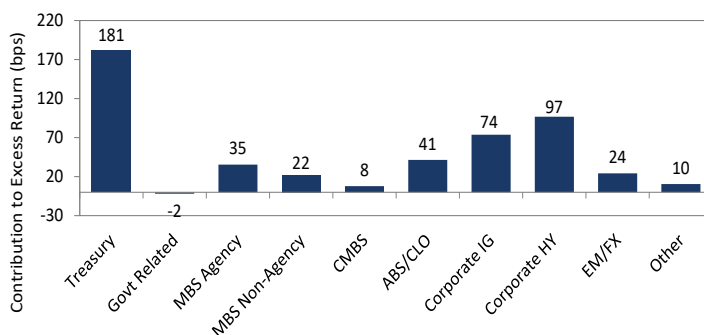
Source	Impact %
ABS	0.10
CMBS	0.03
High Yield (HY)	-0.08
Investment Grade (IG)	0.29
Government Related	0.00
MBS	0.56
MBS Non-Agency	0.25
Non-U.S. Dollar	0.78
U.S. Tips	0.41
U.S. Treasury	1.45
<b>Total Selection</b>	<b>3.78</b>
Fees	-0.10%

### Contributors / Detractors

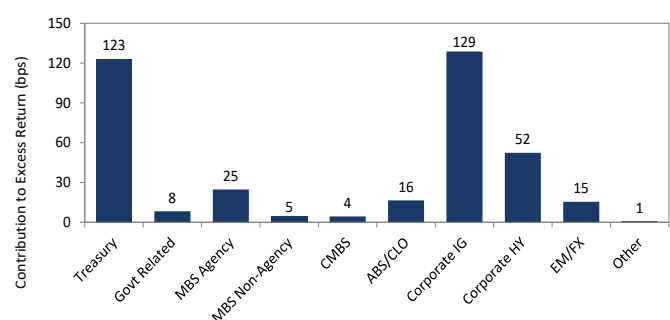
- The strategy's longer duration positively impacted performance, and curve positioning was a minor detractor.
- Non-U.S. dollar exposure was tailwind during the quarter; the dollar struggled as investors moved out of dollar-denominated assets.
- Mortgage-backed securities made a marginal contribution, holding up better than their credit counterparts and benefitting from declining interest rates.
- The limited allocation to investment-grade (IG) corporates detracted as spreads came off recent tight.
- The defensive focus in corporates contributed to performance.
- Limited exposure to asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) offset each other.
- High-quality CMBS outperformed during the quarter.
- Within ABS, securities with attractive embedded options continued to yield positive results.
- A small allocation to high yield was the sole total detractor during the quarter, with spreads widening notably at the end of the quarter.

### Contribution to Excess Returns (Basis Points)

#### Trailing 3-Year Period (net of fees, annualized)



#### Trailing 10-Year Period (net of fees, annualized)



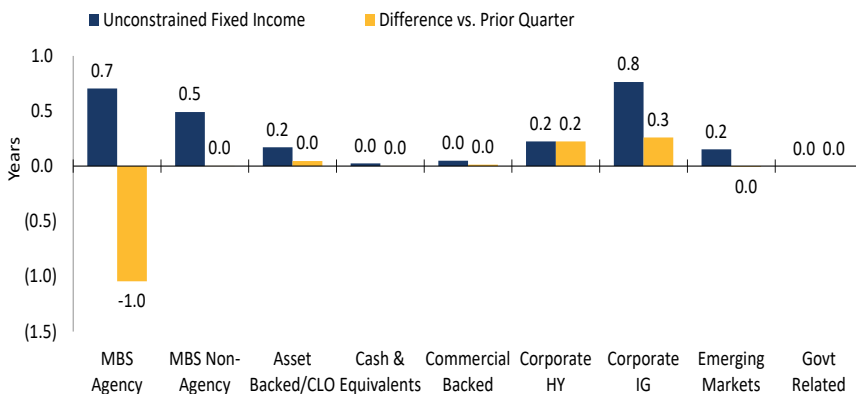
Performance data quoted represents past performance. Past performance is no guarantee of future results. Performance figures are stated as gross and net, which is calculated using the highest management fee of 0.40% for this strategy. The firm's management fees are detailed in its Form ADV Part 2A. Please see the Disclosures for further information. Totals may not equal due to rounding. Please see the back page for further information

<sup>†</sup>Based on Gross of Fee Performance

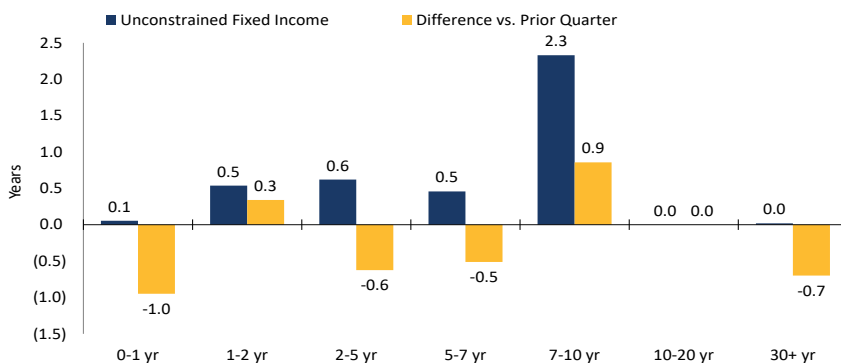
Please see the back page for further information.

## Portfolio Summary

### Contribution to Spread Duration (Years)



### Contribution to Interest Rate Duration (Years)



### Portfolio Characteristics

	Unconstrained Fixed Income	Difference vs. Prior Quarter
Wtd. Avg. Duration	4.0 years	1.6 years
Wtd. Avg. Convexity	-0.17	0.07
Wtd. Avg. Yield to Worst	5.5%	-0.6%
Wtd. Avg. Maturity	5.3 years	1.7 years
Wtd. Avg. Quality	Aa3	Aa2

### Sector Allocation (%)<sup>(1)</sup>

	Unconstrained Fixed Income	Difference vs. Prior Quarter
Treasury	33.9	13.8
Govt Related	0.2	0.1
MBS Agency	21.4	-19.8
MBS Non-Agency	9.5	-0.3
Commercial Backed	1.6	0.4
Asset Backed/CLO	7.0	1.9
Corporate IG	18.0	4.6
Corporate HY	5.2	5.2
Emerging Markets	4.1	-2.4
Cash & Equivalents	4.7	1.1
Total	105.5	4.7

### Quality Allocation (%)<sup>(1)(2)</sup>

	Unconstrained Fixed Income	Difference vs. Prior Quarter
AAA	18.2	2.1
AA	57.1	-5.3
A	10.9	3.3
BBB	5.1	0.6
Below Investment Grade	9.3	2.8
Cash & Equivalents	4.8	1.2
Total	105.5	4.7

## Positioning and Rationale

- The allocation to agency residential mortgage-backed securities (RMBS) declined, and exposure to non-agency RMBS fell by a modest amount. Mortgage sector valuations were attractive at the start of the quarter, and those investments continue to represent a meaningful exposure.
- The allocation to IG corporates increased with additions to financials and industrials.
- ABS exposure also increased during the quarter.
- The weight in CMBS increased slightly, but it remains at a low absolute exposure.
- The exposure to non-U.S. dollar bonds decreased, and the allocation to non-U.S. dollar currencies declined.
- The weight in U.S. Treasuries, including Treasury Inflation-Protected Securities (TIPS), increased during the quarter.
- Portfolio duration fell during the quarter as the yield curve flattened and rates moved lower. Duration ended within the neutral range, reflecting real rates that are attractive on a long-term basis.
- Yield curve exposure was concentrated in the 2- to 5-year and 7- to 10-year duration segments, with modest exposure to the 5- to 7-year segment. Exposure to the 2- to 5-year and 20- to 30-year segments saw notable reductions relative to the prior quarter.

(1) Sector and Quality Exposure may not sum to 100% in some cases. To the extent derivative instruments are held and shown at full notional, collateral will be assigned to its defined Sector or Quality Exposure. Cash & Equivalents may include securities with an effective duration less than one year and rated investment grade.

(2) 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 Contribution to Duration chart displays the Strategy's overall duration and the contribution to overall duration by each security type within the portfolio for the past three years.

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 please visit [www.reamsasset.com](http://www.reamsasset.com).

Product Overview

Investment Strategies

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

Investment Vehicles

Separate Accounts  
Commingled Funds  
Mutual Funds

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## Disclosure

The ICE BofA US 3-Month Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. The Bloomberg U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index. The Bloomberg U.S. Corporate Investment Grade Index is publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. The Bloomberg U.S. Aggregate Index measures the performance of the investment grade, fixed-rate taxable bond market. The Standard & Poor 500® Index (S&P 500®) is an unmanaged capitalization-weighted index (weighted by the market value of the companies) of 500 stocks listed on various exchanges. The Dow Jones/Credit Suisse Hedge Fund Index is an asset-weighted benchmark that measures hedge fund performance and seeks to provide the most accurate representation of the hedge fund universe.

The Unconstrained Fixed Income Composite invests in all sectors of the fixed income markets, including investment grade securities, high yield securities and foreign securities. The composite can maintain a portfolio duration of any length. The Unconstrained 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.

The strategy employs an unconstrained investment approach which creates considerable exposure to certain types of securities that present significant volatility in the performance, particularly over short periods of time.

Historically, bonds have provided less volatility and less risk of loss of capital than has equity investing. However, there are many factors which may affect the risk and return profile of a fixed income portfolio. The two most prominent factors are interest-rate movements and the creditworthiness of the bond issuer. Investors should pay careful attention to the types of fixed-income securities which comprise their portfolio, and remember that, as with all investments, there is the risk of the loss of capital.

Bonds issued by the U.S. Government have significantly less risk of default than those issued by corporations and municipalities. However, the overall return on Government bonds tends to be less than these other types of fixed-income securities.

Mortgage- and Asset-Backed Securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. Foreign investments present additional risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors.

Derivatives such as credit default swap agreements and futures contracts may involve greater risks. Derivatives are subject to risks such as market risk, liquidity risk, interest rate risk, credit risk and management risk. Derivative investments could lose more than the principal amount invested. The use of leverage and derivatives investments could accelerate losses. These losses could exceed the amount originally invested.

High-yield securities involve greater risk than investment grade securities and tend to be more sensitive to economic conditions and credit risk.

Short-sale risk includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss.

The composite may also invest in interest rate derivatives to manage duration and yield curve exposure and in currency forwards to hedge currency exposure when Reams chooses to establish positions in non-U.S Dollar bonds. Derivatives used are strictly constrained by client investment policy.

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The eVestment Global Unconstrained Fixed Income universe consists of Global Fixed Income strategies that seek to generate uncorrelated positive returns by investing opportunistically across the entire debt market. Unconstrained products are not beholden to an index and often look to generate returns above a cash benchmark. These strategies differ from traditional core, core plus, and multi-sector offerings as they do not have relative return performance objectives and may allocate to a broader range of credit instruments – such as high yield bonds, bank/leveraged loans, convertibles, Emerging Markets Debt (EMD), and asset-backed securities (ABS). Unlike narrower Multi-Asset Credit fixed income strategies, Unconstrained products may invest outside of credit sectors.

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.

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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 for the periods 2000-2023.

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 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.

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 Carillon Tower Advisers. On October 1, 2022, Carillon Tower Advisers began doing business as Raymond James Investment Management.

### Fee Schedule -

Vehicle	Management Fee	Expense Ratio
Separate Account	.40% on first \$150M .30% on next \$50M Fees negotiable over \$300M	.N/A
Limited Distribution Pooled Fund: Columbus Unconstrained Bond Fund	.40% on first \$150M .30% on next \$150M Fees negotiable over \$300M	All expenses of the fund, other than management fees, are borne by the manager. The annual expense ratio is 0.21% and is equal to the sum of quarterly management fees divided by prior quarter-end AUM.
Limited Distribution Pooled Fund: Raymond James Funds Reams Unconstrained Bond	The management fees for the fund vary by share class and are outlined in the prospectus.	The total expense ratios vary by share class and are outlined in the prospectus.

Actual management fees incurred by clients may vary.

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M-722860 Exp. 08/15/2025