



INVESTMENT OBJECTIVE

PIA's Corporate Strategy seeks to outperform the **Bloomberg Barclays Corporate Index** over a full interest rate cycle on average by 0.50% per year net of PIA management fees, with equal to or lower volatility. There is, of course, no assurance that these goals will be realized. Portfolio values will fluctuate as market conditions change.

INVESTMENT PHILOSOPHY

We know that the various sectors within the bond market are periodically torqued by cyclical, monetary or market pressures, which can lead to mispricings and create opportunities to produce excess return. **We intend** to exploit these periodic opportunities by risk-adjusting the various bond market sectors, utilizing yield curve and sector analysis, and fundamental bottom-up risk measurement. **We seek** to capitalize on these opportunities to earn above-average risk-adjusted yields, while creating the potential for capital gains as these sectors revert toward their fair value.

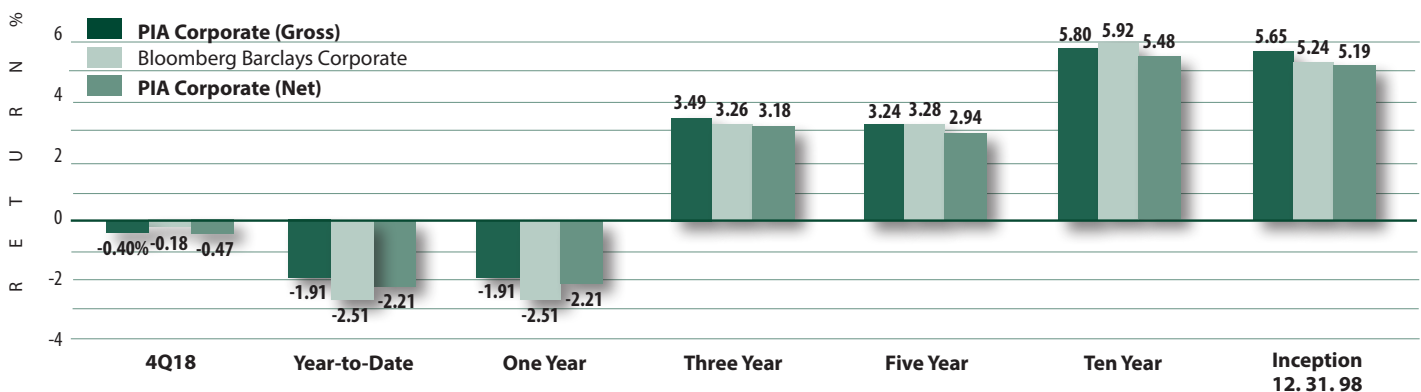
THE FIRM

Ownership	Independent and Employee-owned
Inception	1986
Location	Santa Monica, California
Employees	30
Firm Assets	\$7 billion
Strategy Assets	\$165 million
GIPS Verified	Yes
Firm Verifier	ACA Performance Services, LLC

INVESTMENT PROCESS

- » **Yield Curve and Sector Analysis** PIA deconstructs the bond market into yield curve, quality and industry sectors and utilizes quantitative yield curve and sector analysis to identify sectors that are undervalued on a risk adjusted basis. We further apply qualitative bottom-up fundamental analysis to identify the issues that best reflect our sector views.
- » **Security Research** We combine fundamental top-down industry analysis with bottom-up fundamental security and ratio analysis to select credit securities.
- » **Portfolio Construction** Portfolio Managers construct portfolios to meet the strategic portfolio objectives set forth by the PIA Macro Strategy Group for duration, sector weights and yield curve positioning. The PIA Neural Network, which produces probabilistic insights into factors affecting sector valuations, is a tool utilized by the Macro Strategy Group in tactical decision-making. Securities are selected by our credit analysts. PIA believes that diversification is the optimal method to manage security specific risk. PIA utilizes a proprietary (completion) mutual fund to invest in BBB-rated credits to offer accounts the benefit of greater diversification.
- » **Portfolio Management** Portfolio Managers strive to consistently maintain the risk / return composition goals stated in the client's investment policy statement (IPS). The firms' Portfolio Administrator is responsible for quarterly verification that client portfolios adhered to their IPS.

ANNUALIZED PERFORMANCE¹ as of 12.31.18



¹Periods less than one year are not annualized.

Corporate Composite consists of portfolios benchmarked to the Bloomberg Barclays U.S. Corporate Bond Index and is constructed from all major fixed income sectors. Portfolios managed in this style tend to be conservative in terms of sector weights, quality and duration ranges, compared to that of the index. The composite may invest in sectors that are not included in the Index and may not necessarily be representative of its benchmark. There is no account minimum. Prior to June 30, 2018 the minimum was \$1 million.

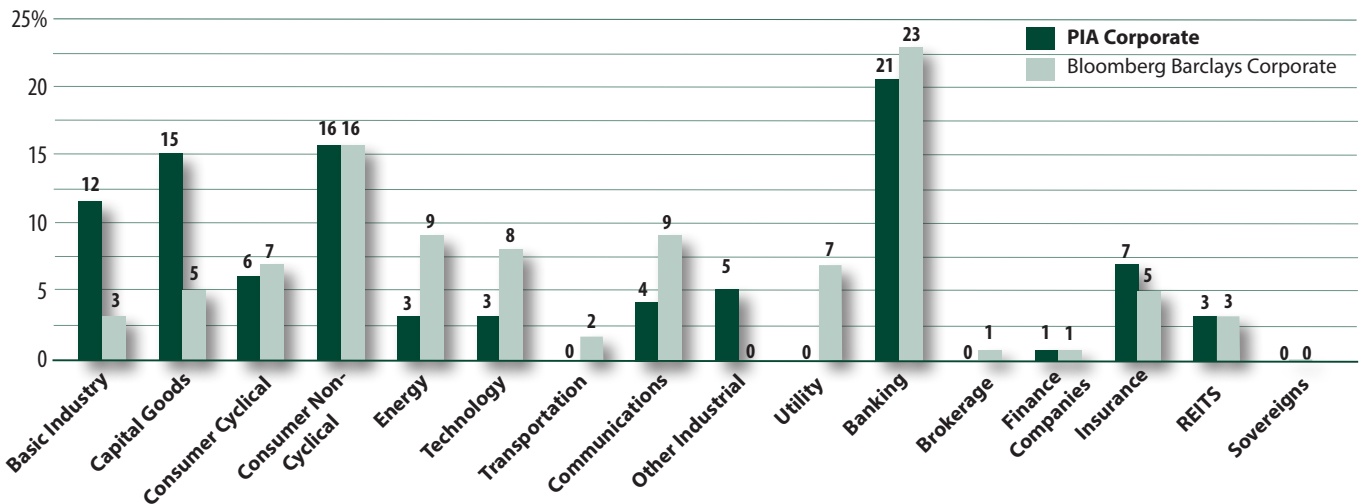
Returns are presented gross and net of fees and include the reinvestment of all income. Gross and net of fee returns are net of all transaction cost. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Corporate Duration Composite was created January 2009. The inception date is January 1, 1999.

Net of fee performance was calculated using the highest annual management fee of 0.30%, applied to the gross results on a monthly basis. Prior to 12/31/09, the highest management fee used was 0.40%. Prior to January 1, 2010 the highest annual management fee was applied to the gross results on a quarterly basis.

The management fee schedule is as follows: 0.40% on the first \$10 million, 0.30% on the next \$40 million, and 0.25% on the balance. Actual investment advisory fees incurred by clients may vary.



INDUSTRY WEIGHTING¹



Percentages shown may not total 100% due to rounding, cash or government allocations.

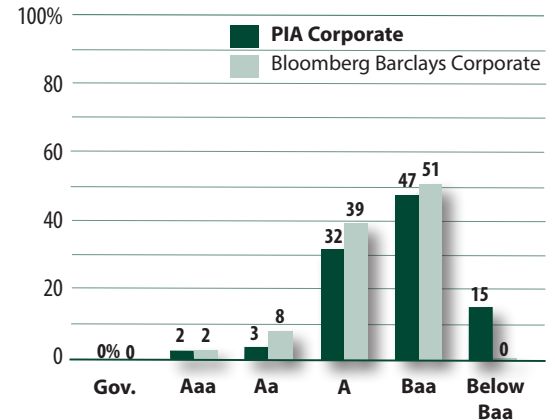
TOP TEN HOLDINGS^{1,2}

PIA High Yield Fund	6.9%	15.4%
Equifax Inc.	3.95%	3.2
Comcast Corp.	3.60%	2.9
Citigroup	4.5%	2.7
Bank of America	3.30%	2.6
CVS Health	3.7%	2.6
M&T Bank Co	3.55%	2.6
Assurant	4.20%	2.6
Packaging Corp.	4.50%	2.6
JPMorgan Chase & Co.	3.875%	2.6

PORTFOLIO CHARACTERISTICS¹

	PIA	Barclays Corp.
Duration	5.1	7.1
Wtd. Avg. Maturity	6.4 yrs	10.7 yrs
Current Yield	4.5%	4.1%
Yield to Maturity	4.9%	4.2%
Yield to Worst	4.9%	4.2%
Avg. Credit Quality	Baa2	A3
# of Securities	34	5,831

QUALITY DISTRIBUTION¹



Pacific Income Advisers, Inc. (PIA) is an autonomous investment management firm registered under the Investment Advisers Act of 1940. PIA manages a variety of fixed income, equity, and balanced assets for primarily United States clients.

PIA claims compliance with the Global Investment Performance Standards (GIPS®)

To receive a complete list and description of PIA's composites and or a presentation that adheres to the GIPS standards, contact Nicholas Parenti, at (310) 255-4427 or by email at nparenti@pacificincome.com.

¹The portfolio characteristics shown above relate to a single account as of the date noted above, deemed by Pacific Income Advisers to be generally representative of its standard account. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Pacific Income Advisers, Inc. (PIA) is an autonomous investment management firm registered under the Investment Advisers Act of 1940. PIA manages a variety of fixed income, equity, and balanced assets for primarily United States clients.

²The securities identified do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. The holdings are in order of market weight not performance.

Data is obtained from Yield Book and Barclays Live systems and is assumed to be reliable.

Bloomberg Barclays U.S. Corporate Bond Index covers USD-denominated, investment-grade, fixed-rate, taxable securities sold by industrial, utility, and financial issuers. It includes publicly issued U.S. corporate debentures and secured notes that meet specific maturity, liquidity, and quality requirements. Securities in the index roll up to the U.S. Credit and U.S. Aggregate indices. The U.S. Corporate Index was launched on January 1, 1973. You can not invest directly in an index.



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