

Established in 1972, M.D. Sass is a boutique, privately-owned SEC-registered investment management firm that manages over \$4B* across fixed income, equities and alternatives for state and local governments, corporations, endowments and foundations, Taft Hartley funds and high net worth individuals.

Why Now?

- Agency Plus offers investors a premium yield through a differentiated exposure that emphasizes quality, maintains a short duration, and avoids corporate credit risk.

Strategy Overview

- A natural extension of M.D. Sass's 30+ year history of investing in Agency securities, Agency Plus is a specialized fixed income strategy focusing on higher-yielding Agency securities and higher quality Non-Agency securities backed by Agency eligible and/or related collateral.
- Aims to provide yield and total returns, while emphasizing credit quality and maintaining a short duration of approximately 2-3 years.
- Seeks to play a value-added role in asset allocations providing attractive risk-adjusted returns.

Investment Process

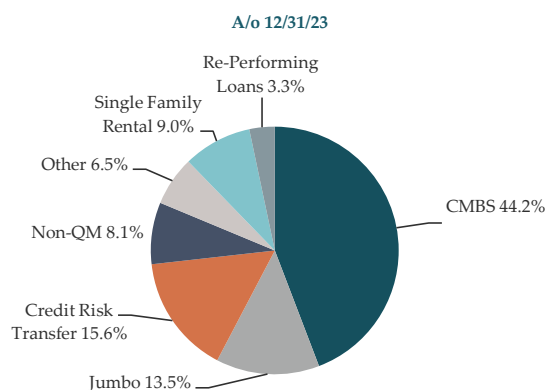
- Focus on Agency sectors with less coverage (e.g., GNMA Project Loans, Home Equity Conversion Mortgages – the U.S. Government's reverse mortgage program, etc.) and newer/emerging Non-Agency sub sectors that the investment team has been involved since inception over the last 3-7 years (e.g., Agency Small Balance CMBS, Single Family Rental, etc.). Today, the strategy allocates across over 15 Agency-related sub-sectors.
- Agency Plus combines our proprietary quantitative work, advanced structural analysis, and deep fundamental research to identify attractively priced securities with stable cash flow profiles and evaluate potential collateral risks.
- We believe we have three discernable edges: 1) Taking advantage of relative values across the entire spectrum of Agency collateral, securitized as Agency or Non-Agency MBS; 2) Being a first mover into new sectors as they emerge; and 3) Manufacturing alpha through opportunistic trading and financial engineering.

Performance

Annualized Returns thru 12/31/23

	Agency Plus (Net) ¹	ICE BofA 1-3 Yr Tsy ²	Bloom 1-3 Yr Credit ³	US Agg Bond Index ⁴	Excess (Net) vs. 1-3 Tsy	Excess (Net) vs. 1-3Yr Credit	Excess (Net) vs. US Agg
4Q23	3.14%	2.49%	3.03%	6.82%	0.65%	0.11%	-3.68%
1 Yr	7.25%	4.26%	5.61%	5.53%	2.99%	1.64%	1.72%
3 Yrs	0.76%	-0.04%	0.28%	-3.31%	0.80%	0.48%	4.07%
Since Inc (5/1/19)	1.74%	1.13%	1.74%	0.55%	0.61%	0.00%	1.19%

Sector Weightings



Portfolio Characteristics

Portfolio Characteristics (as of 12/31/23)

	Yield to Maturity (%) ⁵	Effective Duration (Yrs) ⁶	Average Credit Quality
Agency Plus ¹	8.06	1.80	A-
ICE BofA 1-3 Yr Tsy Index ²	4.34	1.83	AA1
Bloomberg 1-3 Yr Credit Index ³	4.97	1.75	A2/A3
Bloomberg US Agg Bond index ⁴	4.53	6.24	AA2/AA3

Performance Rankings

eVestment Securitized Fixed Income – Mortgage category	Agency Plus (Gross) ¹	Median Category Return	Percentile Rank
1 Year	7.44%	5.49%	14
3 Years	0.98%	-2.54%	14
Since Inception (5/1/19)	1.98%	0.22%	12

Source: eVestment

Calendar Year Returns

	Agency Plus (Net) ¹	ICE BofA 1-3 Yr Tsy ²	Bloom 1-3 Yr Credit ³	US Agg Bond index ⁴	Excess (Net) vs. 1-3 Tsy	Excess (Net) vs. 1-3 Yr Credit	Excess (Net) vs. US Agg
May – Dec 2019	2.87%	2.33%	3.18%	5.58%	0.54%	-0.31%	-2.71%
2020	3.01%	3.10%	4.16%	7.51%	-0.09%	-1.15%	-4.50%
2021	0.60%	-0.55%	-0.47%	-1.54%	1.15%	1.07%	2.14%
2022	-5.19%	-3.65%	-4.05%	-13.01%	-1.54%	-1.14%	7.82%
2023	7.25%	4.26%	5.61%	5.53%	2.99%	1.64%	1.72%
Since Inception	1.74%	1.13%	1.74%	0.55%	0.61%	0.00%	1.19%

Fixed Income Team

Name	Title	Years of Experience	Education
Lip-Kee Lu, CFA	Director of Fixed Income Investments	25	M.B.A., University of Chicago, B.A., M.S., University of Wisconsin - Madison
Steve Clancy, CFA	Managing Director	19	B.A., Cornell University
Nancy Persoons	Senior Vice President	39	B.A., State University of New York, Plattsburgh
Lung Tsui	Vice President	11	B.S., B.A., Brooklyn College
John Chang	Director of Fixed Income Technology	38	M.S., Fairleigh Dickinson University
Cris Posada, CFA	Senior Managing Director, Sales & Relationship Management/Fixed Income Product Specialist	26	B.A., Columbia University

*Represents assets under management of M.D. Sass, Inc. and M.D. Sass-Macquarie Financial Strategies Management Co., LLC and their respective affiliates, as of 12/31/23.

¹Past performance is not indicative of future returns. M.D. Sass (the "Manager") does not guarantee any minimum level of investment performance or the success of the M. D. Sass Plus Bond strategy, and investors may incur losses. The Manager does not provide tax or legal advice, or determine an investor's investment objectives, risk tolerance, or suitability. Net-of-fees returns are calculated net of investment management fees, transaction costs and gross of custodian fees and reclaimable withholding tax. Net-of-fee returns also reflect the reinvestment of any dividends and other earned income. An individual investor's performance would have likely differed from the performance results set forth herein due to a number of factors, including date of investment and redemption and differing levels of management fees. Accordingly, the net performance results contained herein may be materially different than the net performance results of an investor that bears just a 0.40% annual management fee.

²The ICE BofA 1-3 Year Treasury Index is a market capitalization-weighted index including all U.S. Treasury notes and bonds with maturities greater than or equal to one year and less than three years. The Index is unmanaged and may not be invested in directly.

³The Bloomberg Barclays US 1-3 Credit Year Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities. The Index is unmanaged and may not be invested in directly.

⁴The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and nonagency).

⁵Yield-to-Maturity is the percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate. The yield to maturity for mortgage-backed securities is calculated using dealer prepayment models.

⁶Effective duration is a duration calculation for bonds that have embedded options. This measure of duration takes into account the fact that expected cash flows will fluctuate as interest rates change.

Disclosures: Accounts included the M.D. Sass Agency Plus Bond Strategy composite are comprised of all actively managed dedicated Agency Plus Bond Strategy accounts and the Agency Plus Bond Strategy segment of balanced accounts with assets above USD 1 million that generally have an approximate target weighted average duration of the Merrill Lynch 1-3 Year Treasury index +/- one year. These accounts seek value by investing in U.S. Treasury securities; U.S. Agency securities; U.S. Agency Mortgaged-backed Securities ("MBS"), including U.S. Agency-backed Collateralized Mortgage Obligations ("CMO's"); U.S. Agency Non-Guaranteed securities including, but not limited to, Government Sponsored Enterprises (GSEs) issued Credit Risk Transfer securities (CRT), Agency Commercial Mortgage-Backed Securities, and other similar subcategories, and Non-Agency Residential Mortgage-Backed securities (RMBS) including, but not limited to, Prime Residential A Mortgage-backed securities, Rated Reperforming Loan Mortgage-backed securities, Single Family Rental (SFR) and other similar subcategories. The composite benchmark is the Merrill Lynch 1-3 Year Treasury Index. Composite inception date is May 1, 2019. Composite creation date is May 2019. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. The Agency Plus Bond Strategy fee schedule is as follows: 0.40% on the first \$25 million, 0.35% on the next \$25 million, 0.25% on the next \$25 million, and negotiable thereafter. Fees may be subject to negotiation where special circumstances warrant. Valuations and returns are computed in US dollars. Trade-date accounting and accrual accounting are used. All components of income, including realized and unrealized gains and/or losses and accrued income are included in the returns. For the period of January 1, 2019 to present, gross performance for separate accounts are computed on a daily basis using the daily valuation rate-of-return methodology. Cash flows are treated as though they occurred at the end of the day. Cumulative returns are calculated by linking monthly returns through compounded multiplication. Gross-of-fees returns are calculated gross of investment management, custodial fees and reclaimable withholding tax and net of transaction costs. Net-of-fees returns are net of management fees, which include performance fees, and transaction costs, but are gross of custodian fees and reclaimable withholding tax. The investment management fee is based on the actual investment management fee incurred by each portfolio in the composite. The dispersion measure is the equal-weighted standard deviation of the gross-of-fees return for accounts in the composite for the entire year. Dispersion will not be presented when there are 5 or fewer accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. 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.