

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.

Strategy Highlights

- Specialized short duration fixed income strategy focused on identifying relative value across the spectrum of sectors and structures in the government backed U.S. Agency Mortgage Backed Securities (“MBS”) market
- **Positive absolute returns in 29 out of the 31 calendar years since strategy’s inception**
- **Positive returns in 85% of quarters since inception**

Investment Objective

- Strategy aims to provide yield and total return, while emphasizing superior credit quality and liquidity and maintaining a short duration of approximately 2 years
- Strategy seeks to play a value-added role in asset allocations providing attractive risk-adjusted returns and stability over time, especially during periods of market stress

Investment Process

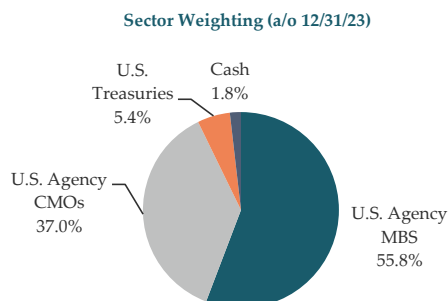
- M.D. Sass combines proprietary quantitative work, advanced structural analysis, and deep fundamental research to evaluate Agency MBS with a focus on analyzing, measuring and controlling prepayment/extension risk
- We utilize proprietary models, research and an internally designed regiment of tests centered on: (a) Scenario testing of an issue’s projected cash flows under a wide range of interest rate environments; (b) Vector testing, where specific scenarios allow for customizing the particular patterns of homeowner prepayments over time; (c) Calculating options-adjusted spreads (“OAS”)
- In addition, we believe we bring three discernable edges to investing in Agency MBS as a result of our decades long experience specializing in the space: 1) Take advantage of relative values across the entire spectrum of Agency collateral; 2) First mover into new Agency sectors as they emerge; and 3) Manufacture alpha through our diverse bond inventory, opportunistic trading, and financial engineering

Performance

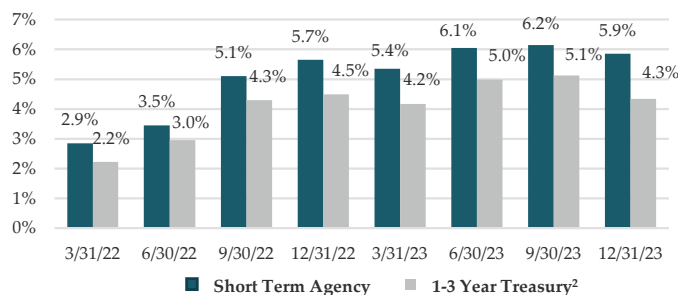
CALENDAR YEAR RETURNS

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	4Q23	2023	Since Inc.
Short Term Gov't (Net) ¹	6.28	0.33	10.58	4.81	7.25	5.98	3.39	7.96	8.28	7.46	2.19	2.05	1.84	4.49	6.13	5.24	5.31	3.48	2.52	1.50	0.54	1.81	0.68	1.03	1.14	1.46	3.91	3.12	-0.66	-5.74	3.68	4.96	3.48
ICE BofA 1-3 Yr Tsy ²	5.41	0.57	11.00	4.98	6.65	6.99	3.06	8.00	8.30	5.75	1.90	0.91	1.67	3.96	7.32	6.61	0.78	2.35	1.55	0.43	0.36	0.62	0.54	0.89	0.42	1.58	3.55	3.05	-0.55	-3.65	2.49	4.26	3.15
Excess Returns (Net)	0.87	-0.24	-0.42	-0.17	0.61	-1.01	0.33	-0.03	-0.03	1.71	0.30	1.15	0.17	0.53	-1.19	-1.37	4.53	1.13	0.97	1.06	0.18	1.19	0.14	0.14	0.72	-0.12	0.36	0.07	-0.10	-2.09	1.19	0.70	0.33

Portfolio Sector Weightings



Yield-To-Maturity*



*Yield-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.

Performance in Crisis Periods

Event	Period	Short Term Gov't Return (Net) ¹	S&P 500
Asian Contagion	Oct '97	0.92%	-3.34%
Russia Default/LTCM	Aug '98-Oct '98	1.50%	-1.56%
9/11	Sept '01	1.50%	-8.07%
DOTCOM Equity Correction	2000-2002	26.87%	-37.59%
Global Financial Crisis	2008	5.65%	-37.00%
U.S. Gov't Downgrade/Default	May '11-Aug '11	1.14%	-9.93%
China Deval/Energy Default	Jan '16-Feb '16	0.82%	-5.09%
4Q18	Oct '18-Dec '18	1.08%	-13.50%
Coronavirus Outbreak	Feb '20-Mar '20	1.19%	-19.57%

Past performance is not indicative of future returns. During crisis periods, investors tend to engage in a "flight to quality" phenomenon, whereby higher risk investments such as equities will be disproportionately sold off and perform materially worse than lower risk investments such as the Short Term Agency strategy. M.D. Sass makes no representation that the Short Term Agency strategy will outperform the S&P 500 index during normal market conditions.

Annualized Returns

Net Performance thru 12/31/23	4Q23	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inc (1/1/93 – 12/31/23)
Short Term Gov't (Net) ¹	3.68%	4.96%	-0.58%	0.57%	1.10%	3.48%
ICE BofA 1-3 Yr Tsy ²	2.49%	4.26%	-0.04%	1.06%	1.30%	3.15%
Excess Returns (Net)	1.19%	0.70%	-0.83%	-0.49%	-0.20%	0.33%

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 Vice President, Sales & Relationship Management/ Fixed Income Product Specialist	26	B.A., Columbia University

¹Represents 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.

²Past 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 Short Term U.S. Government Agency 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. As of 1/1/2010, the investment management fee is based on the actual investment management fee incurred by each portfolio in the composite. Prior to January 1, 2010, the investment management fee was based on the highest investment management fee incurred by portfolios within the composite. 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.

³The 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.

Disclosures: The Short Term U.S. Government Agency Bond Composite has a composite inception date of January 1, 1993 and was created in January 1993. Accounts included are comprised of all actively managed dedicated Short Term U.S. Government Agency Bond accounts as well as the Short Term U.S. Government Agency Bond 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 +/- three months. These accounts seek value by investing strictly in the highest credit quality securities, concentrating on U.S. Treasury, U.S. Agency and U.S. Agency Mortgaged-backed securities ("MBS"), including U.S. Agency-backed Collateralized Mortgaged Obligations ("CMOs") with solid structures and stable cash flow characteristics. The benchmark is the Merrill Lynch 1-3 Year Treasury index. The Merrill Lynch 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 can not be invested in directly. New accounts that fit the composite definition are added at the beginning of the first full month following a 14-day investment period. (For example, a new account with an inception date of June 5 will be included in the composite on July 1, while a new account with an inception date of June 19 will not be included in the composite until August 1 because on July 1 it will not have completed a 14-day investment period.) Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. 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 Short Term U.S. Government Agency Bond fee schedule for separately managed accounts 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. Cash flows are treated as though they occurred at the end of the day. Net-of-fees returns are calculated net of management fees and transaction costs and gross of custodian fees. Mutual fund gross-of-fee returns are calculated gross of investment management and administrative fees and net of transaction costs. Mutual fund net-of-fees returns are calculated net of management fees, administrative fees and transaction costs. As of January 1, 2010 the investment management fee is based on the actual investment management fee incurred by each portfolio in the composite. Prior to January 1, 2010, the investment management fee is based on the highest investment management fee incurred by portfolios within the composite. As of October 1, 2006 all carve-out segments are managed as separate accounts with their own cash balances. During the period January 1, 2006 to September 30, 2006 cash is allocated daily to carve-out segment returns on a pro-rata basis using beginning of period market values. For the period January 1, 1999 to December 31, 2005 cash was allocated to carve-out segment returns as follows: carve-out segments with account inception dates between October 1, 2005 and December 31, 2005 or inception dates prior to March 1, 2003 cash was allocated monthly to carve-out segment returns on a pro-rata basis using beginning of period market values; and lastly carve-out segments with account inception dates between January 1, 2004 and September 30, 2005 were managed as separate accounts with their own cash balances. 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. Net-of-fees returns were used to calculate the three-year annualized ex post standard deviation. The standard deviation is not presented for 1999 through 2010 as it is not required for periods prior to 2011.