

## The MacKay Advantage

### MACKAY SHIELDS

- \$152 Billion AUM<sup>1</sup>
- Experienced boutique investment teams
- Specialize in taxable and municipal fixed income credit and less efficient segments of global equity markets
- Acquired by New York Life Insurance Company in 1984

## Global Fixed Income Team

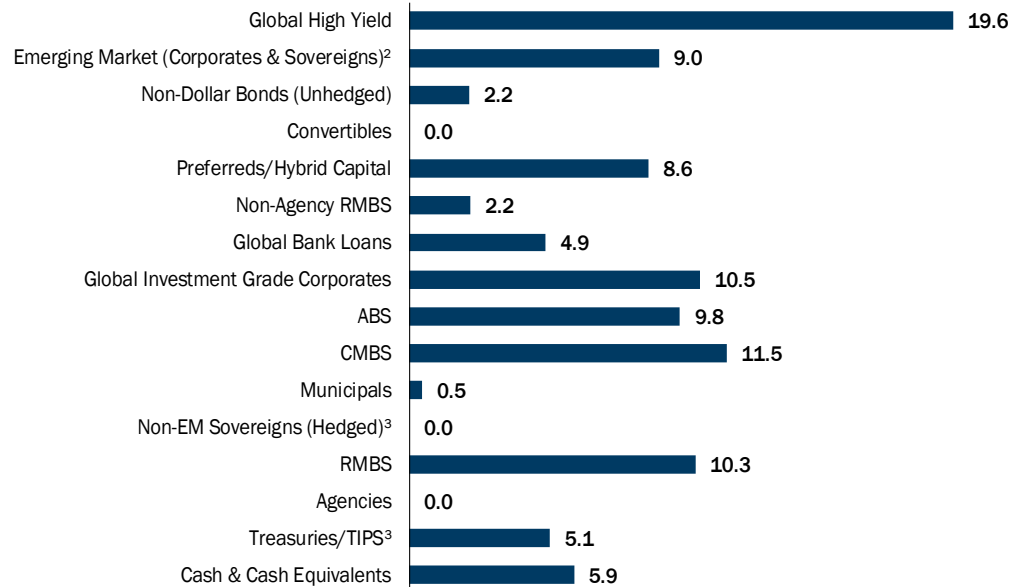
### Leadership

STEPHEN CIANCI, CFA  
NEIL MORIARTY

### Portfolio Managers for Strategic Bond

STEPHEN CIANCI, CFA  
NEIL MORIARTY  
LESYA PAISLEY, CFA

## Sector Allocation (Market Value)<sup>1</sup> | March 31, 2022



**RMBS:** Residential Mortgage-Backed Securities    **ABS:** Asset-Backed Securities  
**CMBS:** Commercial Mortgage-Backed Securities    **EM:** Emerging Market

## Key Statistics | March 31, 2022

Yield to Worst	4.1%
Notional Value of Futures	-26%
Effective Duration with Treasury Futures	2.5 Years
Spread Duration	4.6 Years
Average Credit Quality <sup>4</sup>	BB/BB-
Number of Holdings	284

## Quality Ratings<sup>4</sup> | Market Value March 31, 2022

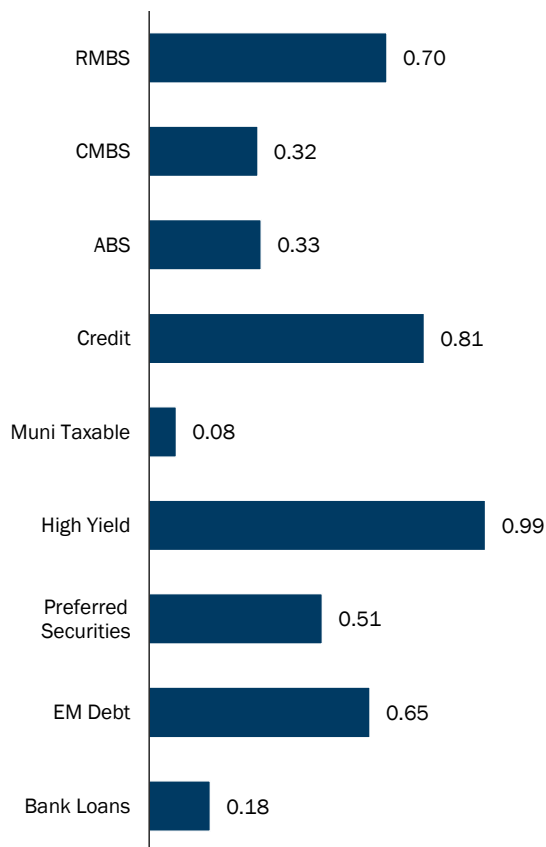
AAA (including cash)	24.7
AA	3.3
A	7.2
BBB	24.4
BB	25.3
B	9.5
CCC and Lower	1.6
Not Rated	4.0

1. Sector exposures include cash bonds, funds and derivatives.  
2. Based on country of risk.  
3. Excludes the impact of Treasury and other developed market sovereign futures used for duration management.  
4. For rated securities, credit quality is assigned as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. Excludes impact from Treasury futures. Portfolio holdings are subject to change without notice. Due to rounding, the sum of the items shown may not equal 100 or any expressed totals, as applicable.  
The representative portfolio is actively managed and therefore the characteristics shown above are reflective only as of the above referenced date. Each client account is individually managed, actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. It may not precisely represent every portfolio in the composite. The representative portfolio is subject to change without notice. For purposes of presenting the representative portfolio's characteristics above, investment by the representative portfolio in any commingled vehicles are presented on a "look-through" basis such that the holdings of such commingled vehicle (and not the commingled vehicle itself) were included in the analysis. Due to leverage and rounding, the sum of the items shown may not equal 100% or any expressed totals, as applicable.  
Provided as supplemental information to the GIPS reports at the end of the presentation.  
It is not possible to invest directly into an index. See last page for additional disclosures, including disclosures related to comparisons to an index. This document is for informational purposes only.

1. As of March 31, 2022, includes MacKay Shields LLC and its subsidiaries.

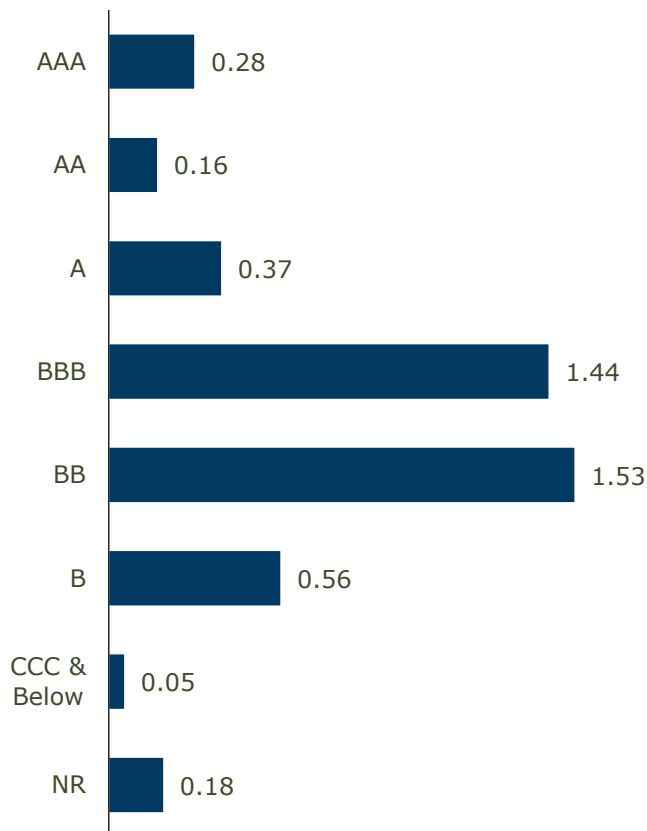
## Relative Sector Exposure (%)<sup>1</sup>

Contribution to Spread Duration | March 31, 2022



## Relative Quality Exposure (%)<sup>2</sup>

Contribution to Spread Duration | March 31, 2022



1. Sector exposures include cash bonds, funds and derivatives.

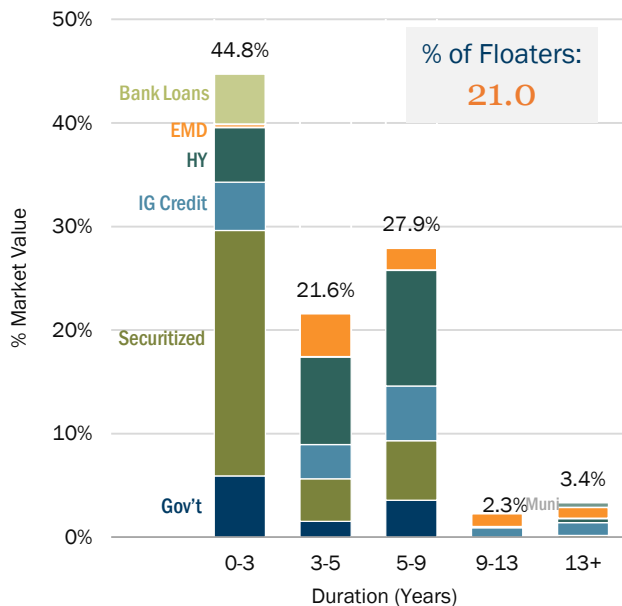
2. For rated securities, credit quality is assigned as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. Excludes impact from Treasury futures.

RMBS = Residential Mortgage-Backed Securities; CMBS = Commercial Mortgage-Backed Securities; ABS = Asset-Backed Securities; EM = Emerging Market. The representative portfolio is actively managed and therefore the characteristics shown above are reflective only as of the above referenced date. Each client account is individually managed, actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. It may not precisely represent every portfolio in the composite. The representative portfolio is subject to change without notice. For purposes of presenting the representative portfolio's characteristics above, investment by the representative portfolio in any commingled vehicles are presented on a "look-through" basis such that the holdings of such commingled vehicle (and not the commingled vehicle itself) were included in the analysis. Due to leverage and rounding, the sum of the items shown may not equal 100% or any expressed totals, as applicable.

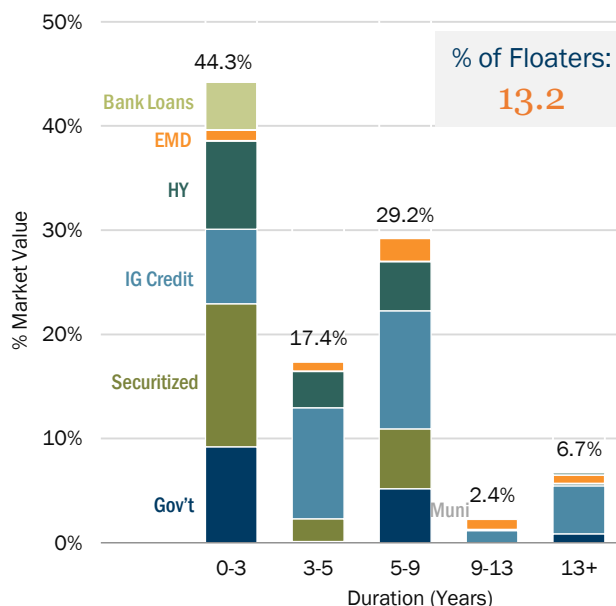
Provided as supplemental information to the GIPS reports at the end of the presentation.

It is not possible to invest directly into an index. See last page for additional disclosures, including disclosures related to comparisons to an index. This document is for informational purposes only.

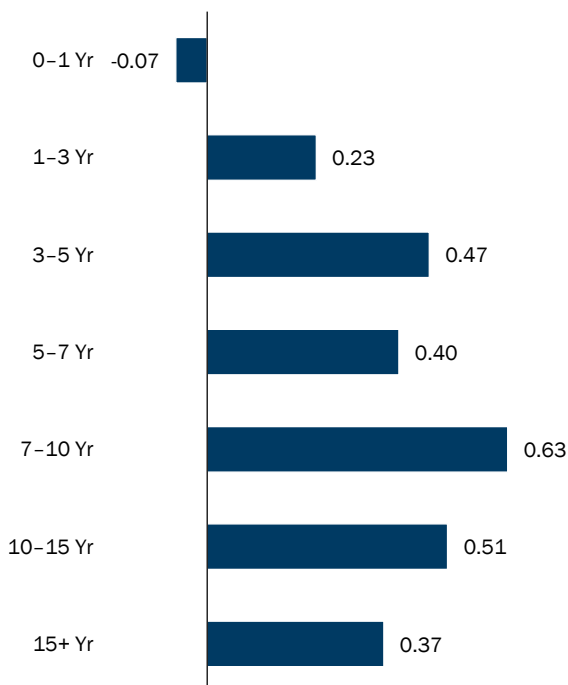
## Duration | March 31, 2022



## Duration | March 31, 2021



## Duration Distribution | In Years | March 31, 2022



## Regions | % Market Value

	March 31,	
	2022	2021
<b>DEVELOPED MARKETS</b>		
CANADA	0.8	1.0
EUROPE	4.2	0.6
UNITED KINGDOM	2.1	1.4
UNITED STATES	83.2	90.7
OTHER	0.6	0.3
<b>EMERGING MARKETS</b>	<b>9.0</b>	<b>6.0</b>
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1. Portfolio data excludes the use of futures

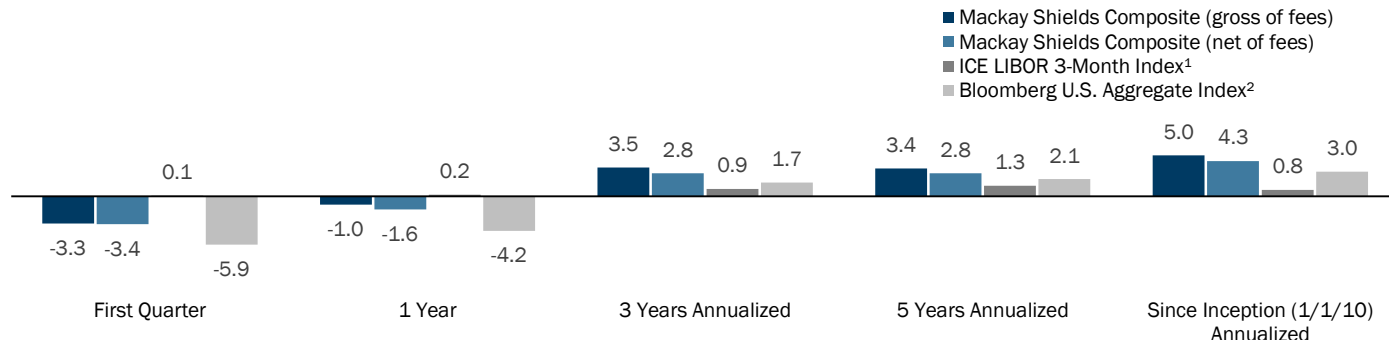
The representative portfolio is actively managed and therefore the characteristics shown above are reflective only as of the above referenced date. Each client account is individually managed, actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. It may not precisely represent every portfolio in the composite. The representative portfolio is subject to change without notice. For purposes of presenting the representative portfolio's characteristics above, investment by the representative portfolio in any commingled vehicles are presented on a "look-through" basis such that the holdings of such commingled vehicle (and not the commingled vehicle itself) were included in the analysis. Due to leverage and rounding, the sum of the items shown may not equal 100% or any expressed totals, as applicable.

Provided as supplemental information to the GIPS reports at the end of the presentation.

It is not possible to invest directly into an index. See last page for additional disclosures, including disclosures related to comparisons to an index. This document is for informational purposes only.

### Composite Returns (%)

Period Ending March 31, 2022



### Composite Disclosures

Period	Mackay Shields Composite Gross Returns (%)	Mackay Shields Composite Net Returns (%)	ICE LIBOR 3-Month Index <sup>1</sup> Returns (%)	Bloomberg U.S. Aggregate Index <sup>2</sup> Returns (%)	Composite 3-Yr St Dev (%)	ICE LIBOR 3-Month Index <sup>1</sup> 3-Yr St Dev (%)	Bloomberg U.S. Aggregate Index <sup>2</sup> 3-Yr St Dev (%)	No. of Accts.	Composite Assets (\$Mil)	Firm Assets (\$Mil)	Internal Dispersion (%)
2022 (Thru 3/31)	-3.3	-3.4	0.1	-5.9	5.4	0.3	4.0	6	2,129	151,937	N/A
2021	2.7	2.0	0.2	-1.5	5.3	0.3	3.4	6	2,283	163,646	0.4
2020	6.8	6.2	0.7	7.5	5.4	0.2	3.4	7	2,319	153,995	0.8
2019	7.8	7.2	2.4	8.7	1.7	0.2	2.9	8	2,899	131,978	0.3
2018	-0.6	-1.2	2.3	0.0	2.8	0.2	2.8	10	3,184	107,467	0.3
2017	5.6	4.9	1.2	3.5	3.6	0.1	2.8	10	3,624	98,098	0.4
2016	8.3	7.6	0.7	2.6	3.9	0.1	3.0	9	2,417	94,540	0.9
2015	-2.3	-2.9	0.3	0.5	3.7	0.0	2.9	10	3,889	89,196	0.6
2014	2.3	1.7	0.2	6.0	3.8	0.0	2.6	8	3,883	91,626	0.7
2013	4.8	4.1	0.3	-2.0	5.3	0.0	2.7	6	1,680	80,331	0.0
2012	15.2	14.5	0.4	4.2	5.9	0.0	2.4	≤5	697	78,371	0.4

1. ICE LIBOR 3-Month Index

2. Bloomberg Aggregate Index

The Strategic Bond Composite includes all discretionary strategic bond accounts managed with similar objectives for a full month, including those accounts no longer with the firm. Strategic Bond is a total return strategy that seeks to exploit opportunities in the global bond markets through a process of multi-sector asset allocation. The strategy invests primarily in debt securities and debt-related derivative instruments offering relatively attractive current market yields based on current and projected economic and market conditions. This investment strategy will not borrow to purchase securities but may engage in short selling or enter into transactions with implied leverage. The strategy may also include derivatives, such as futures, to try to manage interest rate risk or reduce the risk of loss of (that is, hedge) certain of its holdings. The Strategic Bond Composite used to be named the Unconstrained Bond Composite and, before that, the Flexible Bond Fund Composite. As of 1/1/2016, the definition of the Strategic Bond Composite was changed, going forward, to exclude accounts whose investment objectives establish targets verse market benchmarks as their primary benchmark. Composite performance reflects reinvestment of income and dividends and is a market-weighted average of the time-weighted return, before advisory fees and related expenses, of each account for the period since inception. Policies for valuing investments, calculating performance, and preparing GIPS 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. Performance is expressed in US Dollars. The composite creation and inception date is 1/1/10. Advisory fees, which are described in the firm's ADV, Part 2A, and related expenses will reduce returns. For example, in flat markets a .60% annual investment advisory fee, our highest fee, applied quarterly, would have the effect of reducing the annual compound return by .60% in the first year and by a cumulative 3.04% in the fifth year. All portfolios in the composite are fee-paying portfolios. There can be no assurance that the rate of return for any account within a composite will be the same as that of the composite presented. **Past performance is not indicative of future results.**

Mackay Shields LLC, an SEC-registered investment adviser, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm has been independently verified from January 1, 1988 through December 31, 2021. The verification report is available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report. A list including composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request. The strategy is intended to achieve the highest absolute and risk adjusted return without adhering to a particular benchmark. The Bloomberg Aggregate Index and ICE LIBOR 3-Month Index are shown as additional information. Indices do not incur management fees, transaction costs or other operating expenses. Investments cannot be made directly into an index. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite gross returns and the index returns over the preceding 36-month period. The standard deviation is not presented for periods prior to 2012 because the composite did not have a three-year track record.

---

## Disclosures

---

Availability of this document and products and services provided by MacKay Shields LLC and/or MacKay Shields Europe Investment Management Limited (collectively, “MacKay Shields”) may be limited by applicable laws and regulations in certain jurisdictions and this document is provided only for persons to whom this document and the products and services of MacKay Shields may otherwise lawfully be issued or made available. None of the products and services provided by MacKay Shields are offered to any person in any jurisdiction where such offering would be contrary to local law or regulation. This document is provided for information purposes only. It does not constitute investment advice and should not be construed as an offer to buy securities. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction.

### Comparisons to an Index

Comparisons to a financial index are provided for illustrative purposes only. Comparisons to an index are subject to limitations because portfolio holdings, volatility and other portfolio characteristics may differ materially from the index. Unlike an index, portfolios within the composite are actively managed and may also include derivatives. There is no guarantee that any of the securities in an index are contained in any managed portfolio. The performance of an index may assume reinvestment of dividends and income, or follow other index-specific methodologies and criteria, but does not reflect the impact of fees, applicable taxes or trading costs which, unlike an index, may reduce the returns of a managed portfolio. Investors cannot invest in an index. Because of these differences, the performance of an index should not be relied upon as an accurate measure of comparison.

### Index Descriptions

#### BLOOMBERG U.S. AGGREGATE INDEX

A broad-based index that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities, with maturities of at least one year. Index results assume the reinvestment of all capital gain and dividend distributions.

“Bloomberg®”, “Bloomberg Indices®”, Bloomberg Fixed Income Indices, Bloomberg Equity Indices and all other Bloomberg indices referenced herein are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the indices (collectively, “Bloomberg”) and have been licensed for use for certain purposes by MacKay Shields LLC (“MacKay Shields”). Bloomberg is not affiliated with MacKay Shields, and Bloomberg does not approve, endorse, review, or recommend MacKay Shields or any products, funds or services described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to MacKay Shields or any products, funds or services described herein.

Note to European Investors: This document is intended for the use of professional and qualifying investors (as defined in the Alternative Investment Fund Manager’s Directive) only. Where applicable, this document has been issued by MacKay Shields Europe Investment Management Limited, Hamilton House, 28 Fitzwilliam Place, Dublin 2 Ireland, which is authorized and regulated by the Central Bank of Ireland.

This material contains the opinions of the Global Fixed Income team but not necessarily those of MacKay Shields. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and opinions contained herein should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Any forward-looking statements speak only as of the date they are made and MacKay Shields assumes no duty and does not undertake to update forward-looking statements. No part of this document may be reproduced in any form, or referred to in any other publication, without express written permission of MacKay Shields LLC. ©2022, MacKay Shields LLC. All Rights Reserved.