

FOURTH QUARTER 2023

### The MacKay Advantage

#### MACKEY SHIELDS

- \$139 Billion AUM<sup>1</sup>
- Experienced boutique investment teams
- Specialty fixed income expertise across global fixed income markets including municipal bonds, structured credit, corporate credit and emerging markets debt
- Acquired by New York Life Insurance Company in 1984

### Global Fixed Income Team

#### Leadership

MICHAEL DEPALMA

NEIL MORIARTY

#### Portfolio Managers

MICHAEL DEPALMA

NEIL MORIARTY

THOMAS MUSMANNO, CFA

LESYA PAISLEY, CFA

### Structured Product Total Return

Structured Product Total Return seeks to outperform the benchmark through top-down analysis and bottom-up security selection. The strategy invests in securitized assets, including agency and non-agency mortgage-backed securities (MBS), asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS).

### Asset Allocation Applications

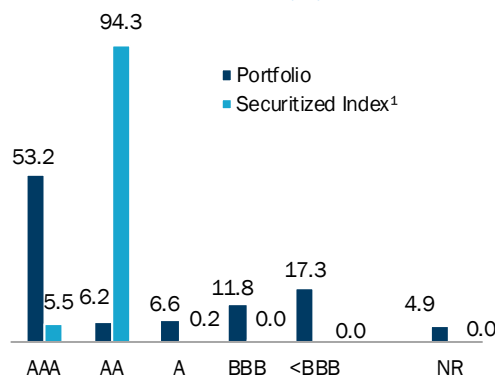
Structured product strategies serve various functions in an asset allocation. The securities in these strategies can offer attractive risk adjusted returns relative to other high quality assets. They can provide an alternative to other fixed income asset classes and allow investors to diversify credit and interest rate risk. Furthermore, structured product strategies can be a more liquid alternative to private asset allocations.

### Portfolio Characteristics | As of December 31, 2023

#### PORTFOLIO STATISTICS

	Securitized Index <sup>1</sup>	Portfolio
YIELD	4.72	6.19
OAS <sup>2</sup>	51	198
EFFECTIVE DURATION	5.21	5.39
CONVEXITY	-0.16	-0.02

#### QUALITY DISTRIBUTION (%)



	Securitized Index <sup>1</sup>	Portfolio
<b>Agency Fixed Rate</b>	<b>92.66</b>	<b>21.73</b>
GNMA 30 Yr	21.21	—
GNMA 15 Yr	0.05	—
Conventional 30 Yr	60.35	21.73
Conventional 20 Yr	2.81	—
Conventional 15 Yr	8.24	—
<b>Agency CMO</b>	<b>—</b>	<b>16.58</b>
<b>Non Agency CMO</b>	<b>—</b>	<b>28.97</b>
<b>ABS</b>	<b>1.66</b>	<b>12.76</b>
Credit Card	0.57	0.28
Auto	0.93	9.93
Other	0.16	2.56
<b>CMBS</b>	<b>5.68</b>	<b>15.20</b>
Non Agency CMBS	2.85	13.05
Agency CMBS	2.83	2.15
Cash	0.00	4.28
US Treasuries	0.00	0.48
	<b>100.00%</b>	<b>100.00%</b> <sup>3</sup>

1. Bloomberg U.S. Securitized Index. See disclosures for index description. 2. OAS = Options Adjusted Spread. 3. The sum total may be greater than 100% due to short term cash equivalents related to forward settling To Be Announced (TBA) trades. The representative account utilized for this analysis was selected because it is the only account in the MacKay Shields Structured Product Total Return Strategy and not for performance reasons. 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. Provided as supplemental information to the GIPS reports included in this document. This document is for informational purposes only. Portfolio holdings are subject to change without notice. Quality breakdown is based on the guidelines of the representative portfolio. It is not possible to invest directly in an index. See disclosures related to comparisons to an index on the last page. Please see Disclosures page for the Bloomberg Credit Rating Disclosure. Source: Bloomberg, MacKay Shields

1. As of December 31, 2023, includes MacKay Shields LLC and its subsidiaries.

# STRUCTURED PRODUCT TOTAL RETURN

DESCRIPTION	A benchmark aware fixed income portfolio investing in primarily structured product bonds across residential MBS, commercial MBS and asset-backed securities
OBJECTIVE	Total Return
INFORMATION RATIO/ SHARPE RATIO	0.7-1.0
BENCHMARK	Bloomberg U.S. Securitized
DURATION TARGET	Index duration; +/- 25%
RATINGS	Mostly investment grade with the ability to invest 20% in below investment grade and non-rated bonds
MATURITY RESTRICTIONS	None
NON U.S.	Yes
NON \$	Limited to 5%
DERIVATIVES	Futures, Swaps, CDX

For illustrative purposes only.

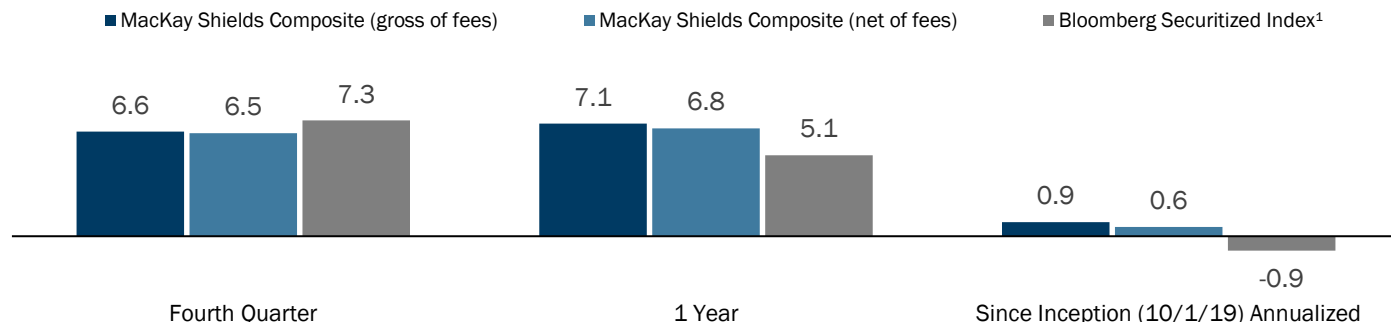
There is no guarantee that investments will be profitable or return targets will be achieved. Individual exposures may vary according to client guidelines and other factors. See disclosures related to comparisons to an index on the last page.

# STRUCTURED PRODUCT TOTAL RETURN

## Performance

### Composite Returns (%)

Period Ending December 31, 2023



### Composite Disclosures

Period	MacKay Shields Composite Gross Returns (%)	MacKay Shields Composite Net Returns (%)	Bloomberg Securitized Index <sup>1</sup> Returns (%)	Composite 3-Yr St Dev (%)	Benchmark <sup>1</sup> 3-Yr St Dev (%)	No. of Accts.	Composite Assets (\$Mil)	Firm Assets (\$Mil)	Internal Dispersion (%)
2023	7.1	6.8	5.1	6.6	7.4	≤5	26	139,162	0.0
2022	-11.2	-11.5	-11.7	5.4	5.5	≤5	24	128,584	0.0
2021	1.4	1.1	-1.0	N/A	N/A	≤5	27	163,646	0.0
2020	7.2	6.9	4.2	N/A	N/A	≤5	27	153,995	0.0
2019 (Since 10/1)	0.4	0.3	0.6	N/A	N/A	≤5	25	131,978	0.0

#### 1. Bloomberg US Securitized Index

The Structured Product Total Return Composite includes all discretionary structured product total return accounts managed with similar objectives for a full month, including those accounts no longer with the firm. This strategy is benchmark aware, investing in primarily structured product bonds across residential MBS, commercial MBS & asset backed securities. Gross-of-fees composite performance reflects reinvestment of income 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. Net-of-fees composite performance is derived by reducing the monthly gross-of-fees composite returns by .025%, our highest monthly fee. 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 10/1/19. 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.**

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## Disclosures

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For rated securities, credit quality for index classification purposes 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 issued.

### THE FOLLOWING BENCHMARK MAY BE REFERRED TO IN THIS PRESENTATION

#### BLOOMBERG U.S. SECURITIZED INDEX

The Bloomberg US Securitized Index is comprised of predominantly MBS Agency securities, but also includes ABS, CMBS and covered securities.