



**The Strategy**

Type	Separate account, private funds
As of	50 million USD
Currency	USD
Benchmark	Credit Suisse Leveraged Loan Index
Portf. Manager	Pacific Asset Management

**The Strategy**

Information	<a href="http://candoris.nl/senior-loans/">candoris.nl/senior-loans/</a>
AUM in strategy	5 b USD
Bloomberg	PLFRX

The PAM US Senior Loan strategy is a selective relatively concentrated strategy investing in larger and more broadly syndicated loans. The strategy outperforms during corrections and aims to outperform the benchmark with 1.5% annualized while taking less risk.

**Why US Senior loans?**

- Large (> 1000 Billion USD) asset class with differentiating risk/return characteristics versus other fixed income asset classes
- Negative correlation with US Treasuries and low correlation with US Investment grade
- Floating rates, means yield adjusts in times of rising interest rates, almost no interest rate risk, credit risk only
- More senior in capital structure, lower defaults and higher recovery rates than US HY

**Why Pacific Asset Management for US Senior loans?**

- The investment process has led to strong historical performance and downside risk protection relative to peers, as measured by downside market capture, default rates, standard deviation, and performance during 2008, 2015 and 2020
- Once Pacific Life sold PIMCO in 2007 they started a new asset management firm solely focused on US Loans, US HY and US IG Credit: Pacific Asset Management
- A sizable stable investment team with investment professionals managing loan investments for multiple decades
- PAM has a selective approach focused on the larger issuers.
- Focus on companies they understand with margins of safety towards downside risk.

**Who Pacific Asset Management?**

Pacific Asset management was founded in 2007 as a subsidiary of Pacific life, with a boutique structure. They are located in Newport Beach, California and are solely focused on corporate credit. The team consists of seasoned and proven investment professionals with on

**Principal Investment philosophy**

Pacific Asset Management builds on three core principles, Fundamental Analysis, a Focus on Larger Issuers and Capital preservation. The cornerstone of the investment philosophy is fundamental analysis. This is combined with a top-down assessment to complement the bottom-up analysis, a focus on capital preservation and thus mitigating downside risk, a team approach where all members of the investment team review, challenge and share investment ideas and selective

Table 1: Characteristics Strategy versus Credit Suisse Leveraged Loan Index

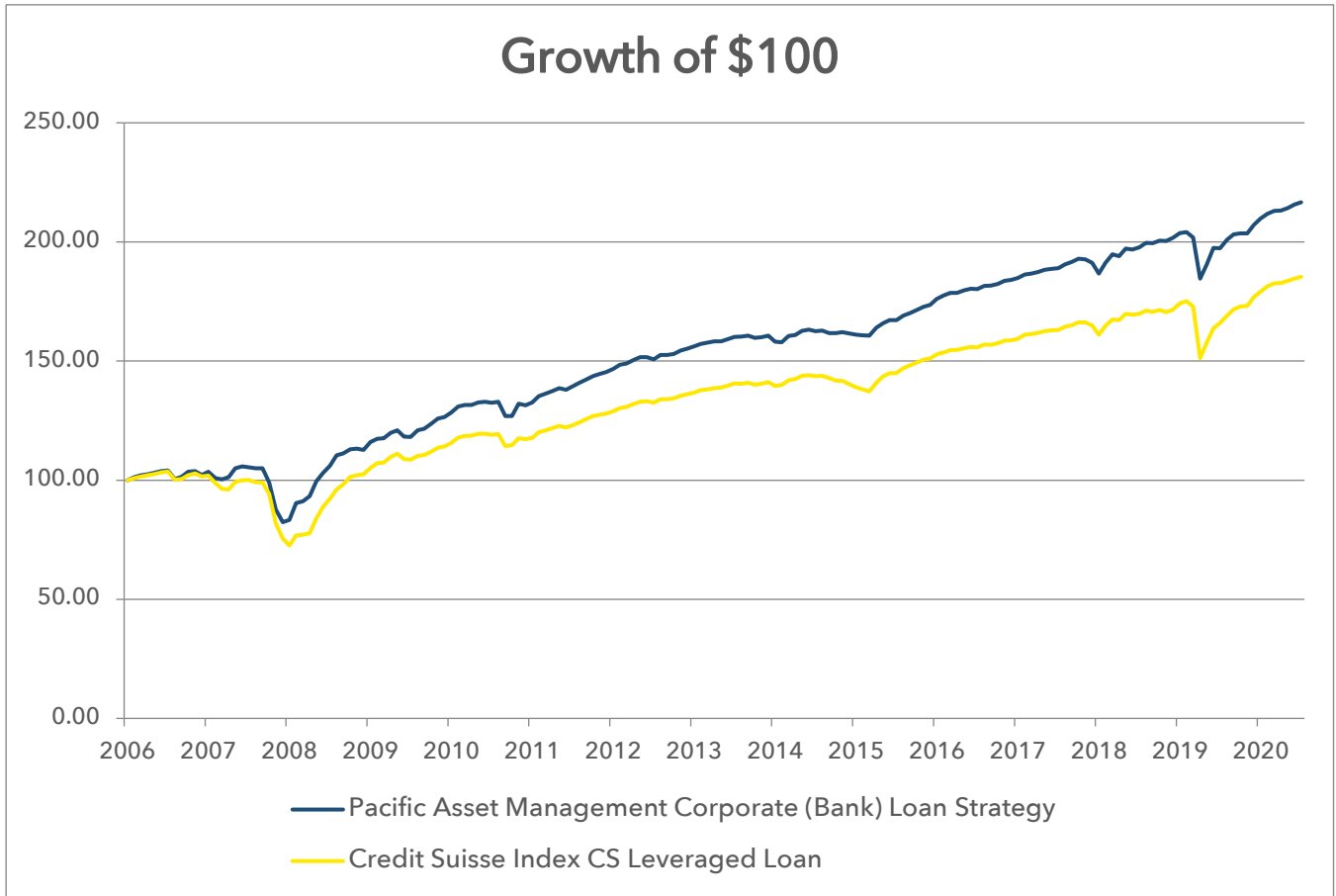
Characteristics	Strategy	Index
Duration	0.27	0.25
Average Credit Quality	B	B
Effective Yield - 4yr Life (%)	4.37	4.46
Average Maturity (years)	4.91	4.73
Number of Issuers	124	1370
Weighted Average Price	100.01	97.96
Weighted Average Coupon (%)	4.47	4.1

Result displayed in USD  
Results as of 30/06/2021

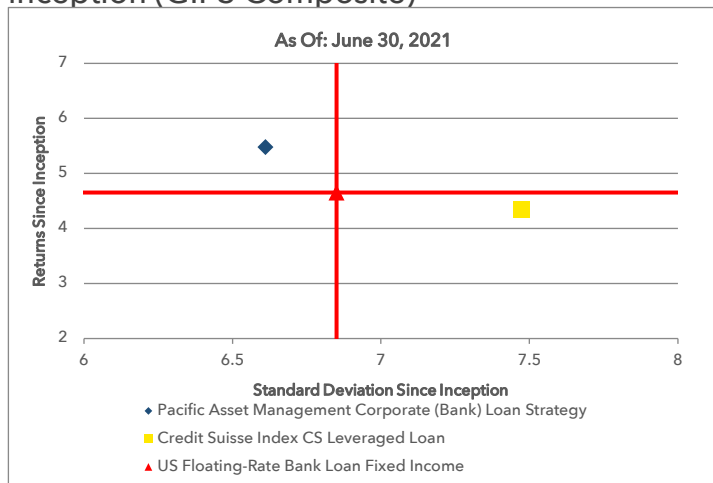




Performance data Pacific Asset Management US Senior Loans (GIPS Compliant)



Risk return scatter versus peers since inception (GIPS Composite)



Composite data since inception:

Alpha	1.78
Beta	0.84
Std Dev	6.61
UMC	97.23
DMC	77.11
Information Ratio	0.45
Tracking Error	2.50
Sharpe Ratio	0.69

Source: eVestment, data as of 30/06/2021, gross of fees

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