



SiM U.S. High Yield Opportunities



Agenda

1. About Strategic Income Management (SiM)
2. Strategy Overview
3. US HY Market
4. Performance & Characteristics
5. Important Information
6. Appendix – Beta of SiM Explained



Section One:

About Strategic Income Management



Candoris

Access to the world's best investment strategies.

FOR INVESTMENT PROFESSIONAL USE ONLY

Strategic Income Management (SiM)

Value Driven, Income Focused

SiM History:

Utilizing the Same High Yield Team and Philosophy Since 1998 to Achieve Top Decile Performance

- Strategic Income Management was incorporated August 2010 in Seattle, WA.
- Same strategy for 24 years managing dedicated high yield portfolios
- Institutionalized Philosophy & Strategy by fostering talent and leadership from within
 - Co-Lead Portfolio Manager Ryan Larson (15 years under SiM strategy)
 - Portfolio Manager Kevin Power (9 years under SiM strategy)
- Total firm AUM: \$2.8 billion as of 11/30/24
 - Clients include: Public Pension Funds, Insurance Companies, sub-advisor for US '40 Act registered Mutual Fund and UCITS Fund.
- Partnership between Candoris and SiM dates back to 2014



Strategic Income Management (SiM)

Value Driven, Income Focused



Performance

20+ years of Top Decile Performance

13-Years American Beacon, 10-Years Principal/WM

	5/31/1999 - 4/30/2009			
	<i>Peer Group Ranking</i>			
	1yr	3yr	5yr	10yr
Principal High Yield Inst (PHYTX)	27	5	2	3
	11/30/2014 - 11/30/2024			
	<i>Peer Group Ranking</i>			
	1yr	3yr	5yr	10yr
American Beacon SiM High Yld Opps Y (SHOYX)	6	4	3	4



SiM's Unique Investment Philosophy

"The wind at your back"



SiM's Principles of Investing:

- Capture long-term trends that put "the wind at the back" of the investments
- Invest in the "right" industries – avoid those inappropriate for High Yield
- Analyze companies as if CFO/sole owner

These principles lead to a core portfolio of companies that has historically been less cyclical and provided better downside protection and repeatable alpha over the long run.

SiM then applies these same principles to supplement the core with:

- Industries out-of-favor due to intermediate dislocations
- Non-traditional HY out-of-favor with their natural buyers
- Small cap issuers that offer attractive risk premia



SiM's Unique Investment Philosophy

"The wind at your back"



Philosophy

- SiM believes that active management based on a long investment horizon is able to outperform the markets over time.
- The investment philosophy is based on the premise that a core portfolio, built around long-term trends, and within the appropriate industries will outperform over a cycle and provide stability and downside protection.
- Additional alpha is added by investing in small cap bond issuers, out-of-favor industries, and non-traditional high-yield instruments.

Investment Style

- SiM's strategy places emphasis on maximizing current income while allowing for capital appreciation to enhance risk adjusted returns.
- The portfolio may be totally absent in sectors SiM feels are inappropriate to high yield.
- The portfolio is well-diversified, but concentrated in 70 to 100 names, with a focus on credit and long-term trends.
- Managers seek to be relatively neutral to the duration and the quality of the benchmark while being fully invested.



What makes SiM US High Yield Opportunities unique?

A distinctive approach to High Yield investing



High Conviction, Capacity Constrained and Benchmark Agnostic.

Typical US High Yield Manager:

- Closet indexers + or minus 1-2% of an industry
- 250+ Issuers/Names
- Diluted by Large Teams
- Match index performance as a goal

The SiM US High Yield Opportunities Approach:

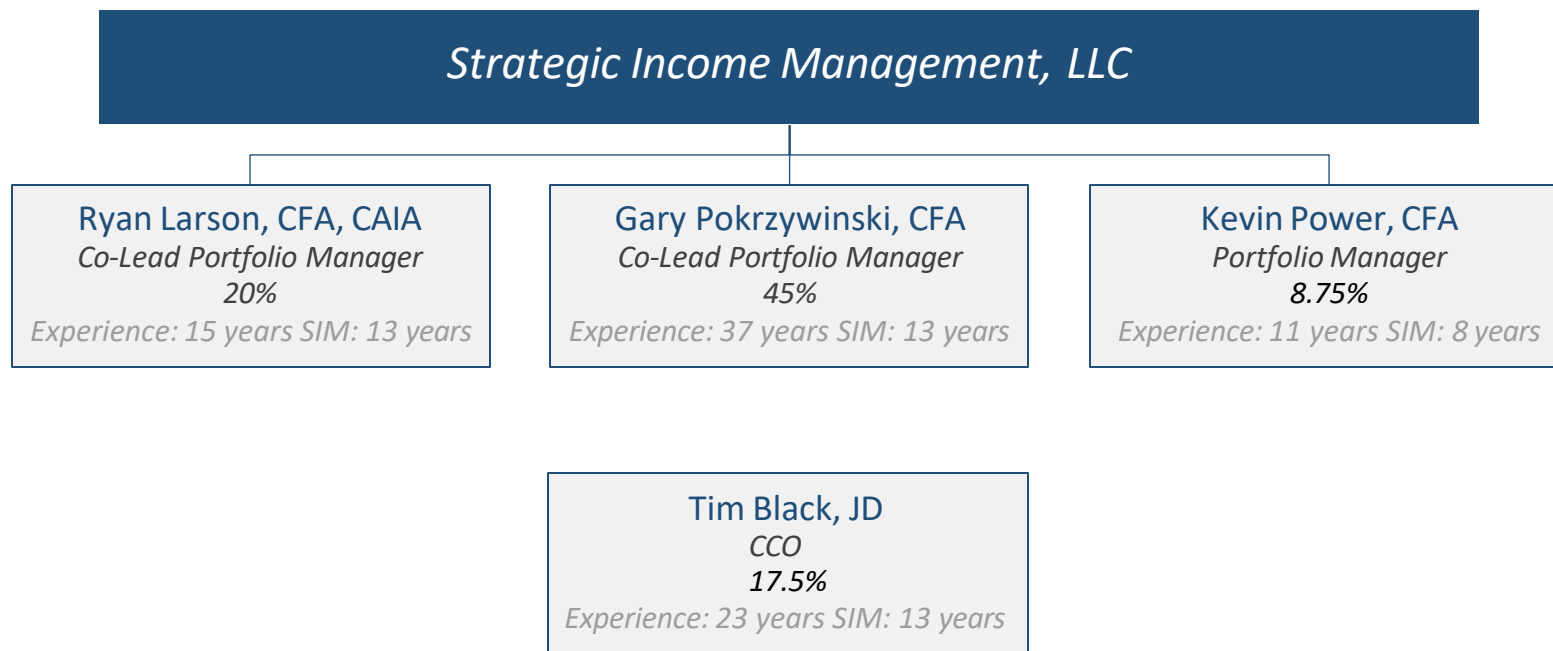
- Differentiated
- Unique Strategy
 - Core – Appropriate Companies for HY
 - Out-of-Favor – Exploit Greed and Fear
 - Small Cap – Extra 100 bps Coupon
- Index Agnostic
- High Conviction ~80 Issuers/Names
- Portfolio Managers are Analysts first
- Differentiation has allowed SiM to consistently outperform



Organization

An experienced team with a long history

Ownership Structure



- 100% employee owned (8.75% owned by retired employees)
- Ownership sold to key employees





Section Two:

Strategy Overview



Candoris

Access to the world's best investment strategies.

FOR INVESTMENT PROFESSIONAL USE ONLY

3 X 3

Core

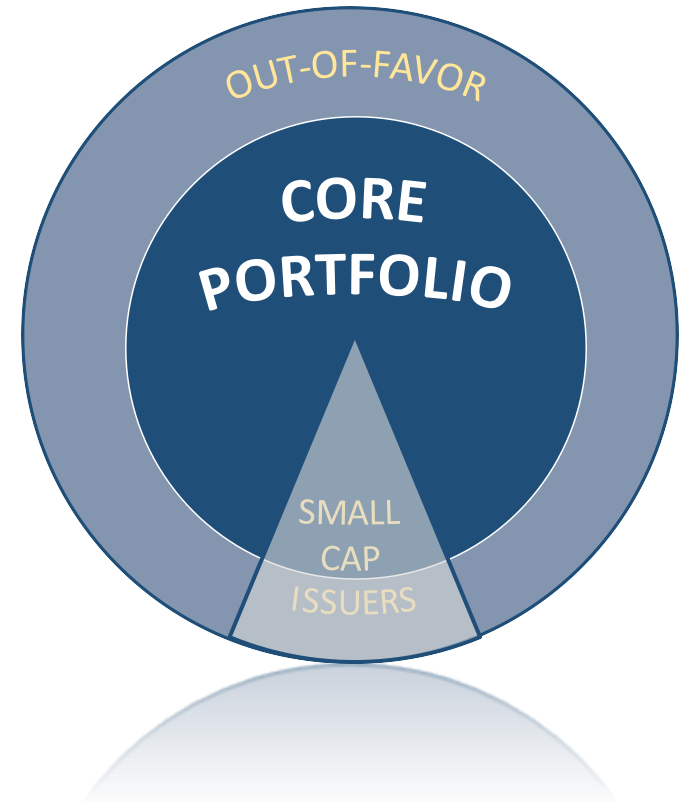
- Long-term secular trends
- Suitable Industries
- Good Businesses

Out of Favor

- Viable Industry
- Catalyst for Change
- Long Runway

Small Cap

- Yield Advantage
- Neglected by larger peers
- Rating Agency



SiM's Unique Investment Approach

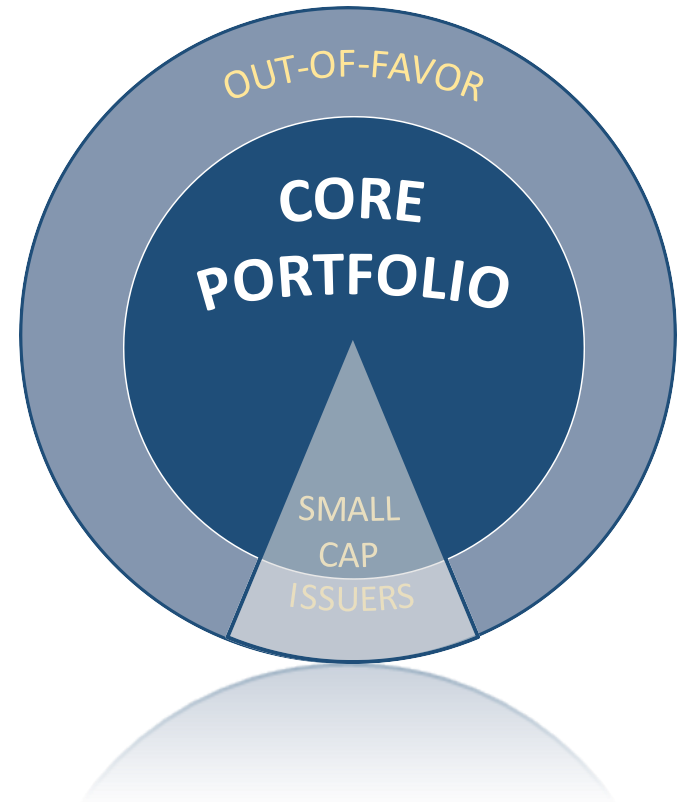
A distinctive approach to High Yield investing

Principle One:
Identify long term trends
and themes

Principle Two:
Focus on the right industries

Principle Three:
Analyze as a CFO/owner

The Portfolio



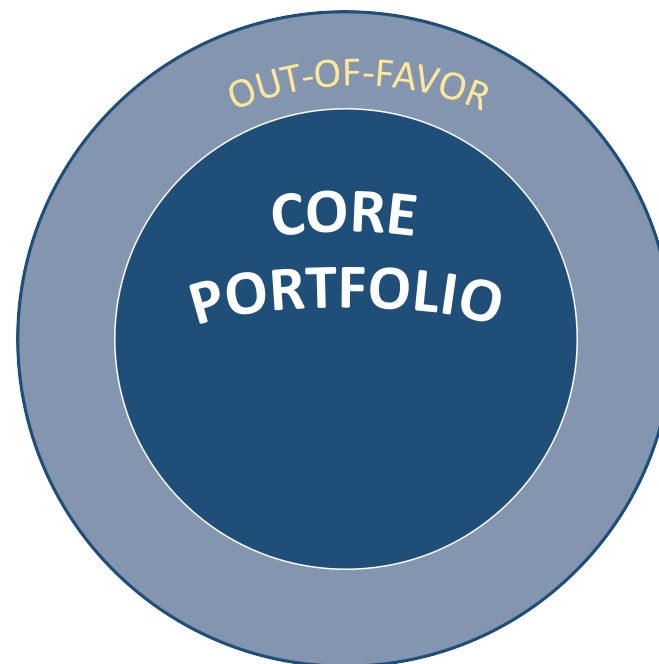
The Core Portfolio

Building SiM's High Yield Opportunities Portfolio

SiM's three principles - Identifying long-term trends, focusing on the "right industry," and performing a "CFO-level analysis" – are applied to create the *core* of the portfolio.

The core results in a portfolio that:

- Tends to be less cyclical
- Provides better downside protection
- Provides more alpha over the long run



Out-of-Favor Sectors

Building SiM's High Yield Opportunities Portfolio

Same Principles applied to Core are applied in Out-of-Favor Sectors:

- Invest in sectors supported by long term trends.
Invests in out-of-favor sectors that have long-term viability and only suffer from temporary dislocations.
- Invest in the right industries.
There should be a clear pathway to a rebalancing of the industry, usually through a removal of excess supply.
- Analyze as a CFO to ascertain that the company can endure.
Rebalancing of industry can take years. Company should have the cashflow, balance sheet, product and management to endure.



Out-of-Favor Sectors

Supplementing the core of the portfolio



Market continually offers Out-of-Favor opportunities

Throughout cycles over the past 18 years, the SiM team has consistently exploited out-of-favor opportunities.

1998	Asian Crisis
2000	Tech Bubble
2002	Telecom Bubble
2004	Healthcare
2008	Auto
2008	Financial Crisis
2011	European Financial Crisis
2012	Airlines
2013	Farm Economy
2015	Oil collapse
2018	Shipping
2020	Leisure
2023	Real Estate & Retail

SiM often has little or no exposure to some of the more cyclical sectors, but when they fall deeply out-of-favor SiM may take an overweight position.

Once a sector recovers, SiM may exit and not return for years. (One argument against a pool of specialized analysts.)



Investing in Small Cap Issuers

Rounding out the portfolio

Advantages of Investing in Small Cap Issuers

(w/ total bonds outstanding <\$500m)

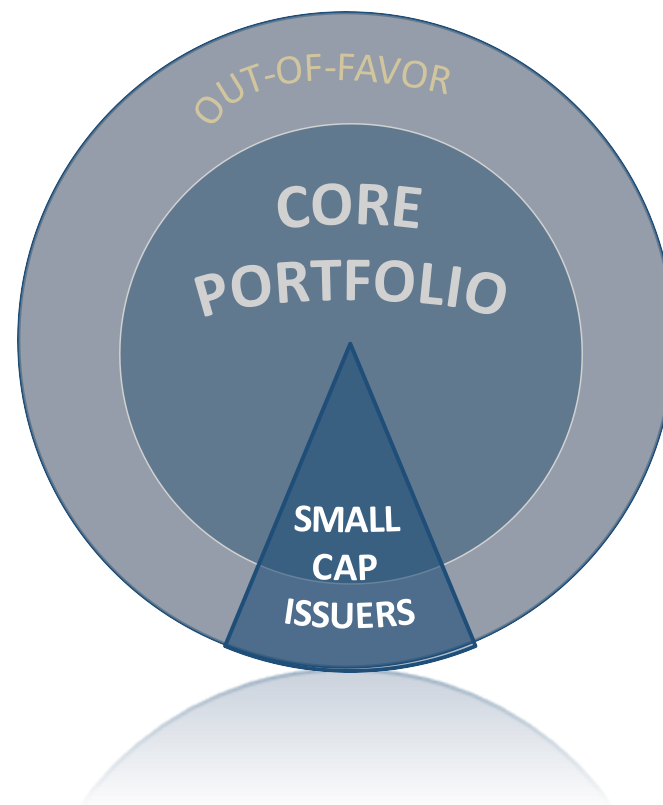
- Small Cap single-B issuers in the index offer higher OAS than Large Caps with same rating.

Nature of Small Cap

- Comprise more than third of issuers in the Index.
- Large AUM investors ignore—cannot take position large enough to make a significant contribution.
- Rating agencies penalize companies just for being small.

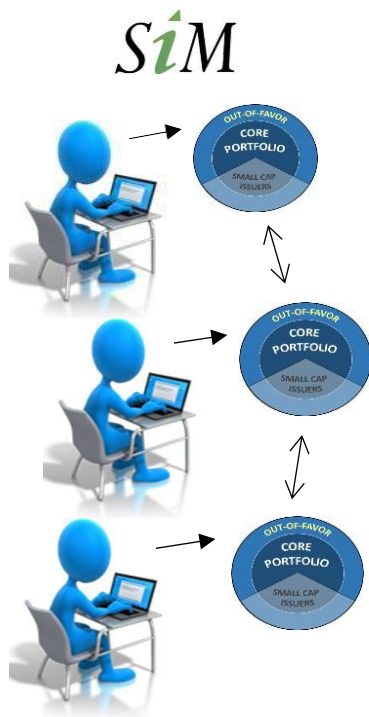
Liquidity

- 96% of SiM Small Cap classified as moderate to highly liquid by a third party. Liquidate position in <7 days.
- 70% of SiM Small Cap has publicly traded equity.
- Team has managed liquidity with small cap for 18 years.
- More focused portfolio of 80+ issuers enables SiM trader to be more in touch with buyers/sellers than large funds juggling hundreds of names.

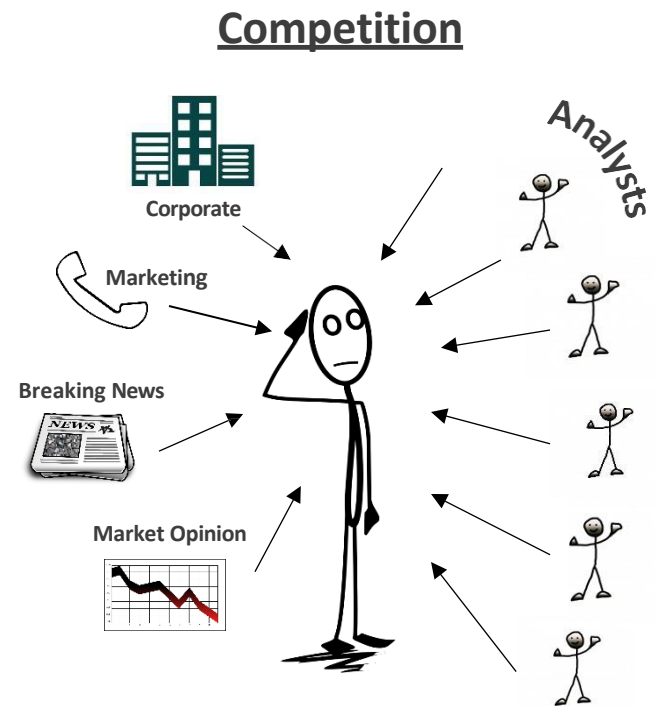


The Resulting Portfolio

SiM's distinctive approach to High Yield investing



VS.



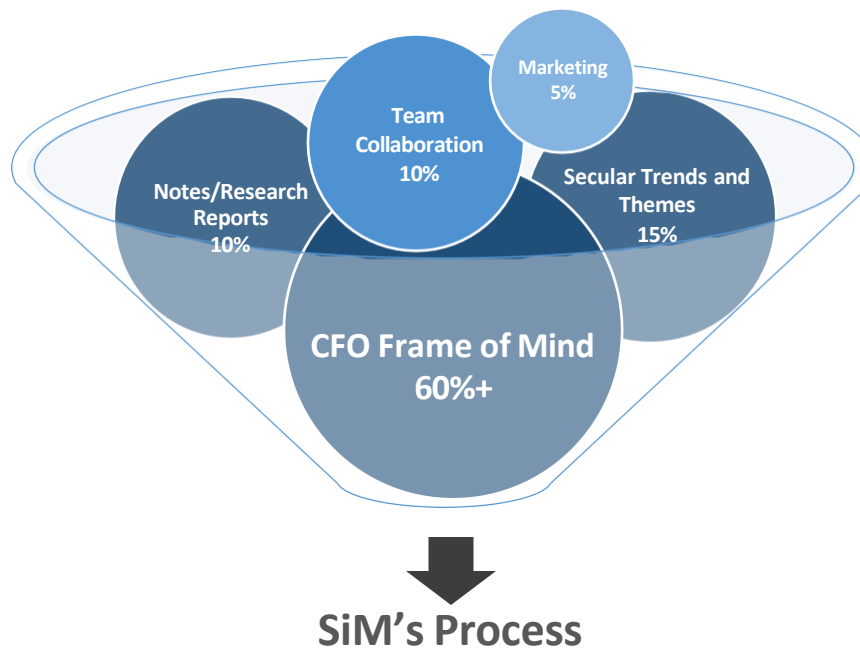
➤ All Day Analysis and Portfolio Management

➤ What does my calendar look like today?

	Resulting Portfolios	
<ul style="list-style-type: none">• Defined Strategy• High Conviction• 80 Holdings		<ul style="list-style-type: none">• Index Following• Broad Market Calls• 250+ Holdings

- Process is a product of SiM strategy
 - ✓ Secular themes
 - ✓ Industry first
 - ✓ CFO Frame of Mind
- Small team allows for
 - ✓ Effective communication
 - ✓ No jockeying
- Corporate partnerships allow the SiM team to focus on Research not Marketing

How SiM team spends their time



SiM's Unique Process

A distinctive approach to High Yield Investing



High Yield Universe

2000+ issuers
100+ Unique Industries



Identify long term trends and themes



Focus on Core Industries ideally suited for HY Bonds



Evaluate Out of Favor Industries and Asset Classes



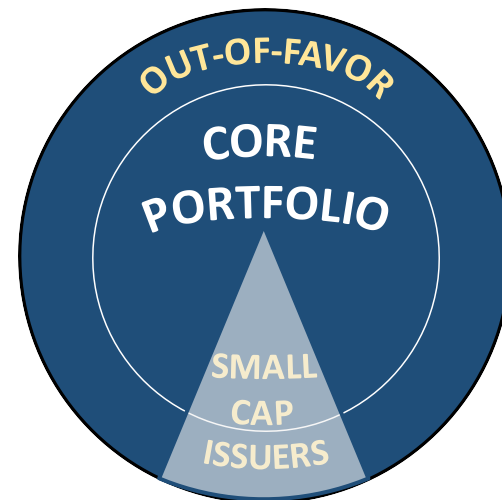
500 issuers
30-40 Unique Industries



SiM Portfolio

80-100 issuers
30-40 Unique Industries

The Portfolio





Position Sizing

- Initial positions will vary in size between 0.5% and 2.25% based on risk return profile and liquidity of issue
- Positions are typically trimmed if they grow to >2.75%
- No more than 10% in any given issuer
- Rarely more than 20% exposure to any industry (especially Out of Favor)
- We target cash to be 0.5%-1% of the portfolio. We maintain a cash position strictly for liquidity purposes
- Country allocation is predominately US and Canada with any FX exposure hedge back to the USD





Sell Discipline

- **5 circumstances that will cause us to sell a position**
 - Position gets too large (>2.75% of portfolio). *STNG*
 - Selling a core position to fund the purchase of an out of favor position. *BWXT*
 - Selling a position when it becomes too rich. *HCA*
 - Selling a position when results differ materially from management guidance and our expectations (~2 quarters). *SN/TECHNIPLAS*
 - Our rationale is challenged by changing Industry dynamic. *CNK/DSPORT*
- **Historical Portfolio Turnover 30%-50% (Currently ~50%)**





Risk Management Philosophy/Process

- **Qualitative**
 - Non-cyclical/counter-cyclical Core
 - Low CAPEX/Predictable cashflow
 - SiM doesn't reach (best of breed businesses)
 - PM's are Analysts first
- **Quantitative**
 - Core vs. Out of Favor
 - Ex-Post & Ex-Anti Beta
 - Standard Deviation, Tracking Error, Correlation
 - Scenario Analysis (Bloomberg Port)
 - Stress test Individual Issuers (Out of Favor)





Liquidity

- ~96% of SiM holdings are classified as moderate to highly liquid by a third party. Liquidate position in <7 days
- ~90% of SiM holdings are Public Companies vs. ~80% for Index
- No more than ~10% of any given issue to reduce liquidity risk
- Team has managed liquidity for 21 years through multiple cycles and various large redemptions without a problem
- More focused portfolio of ~80 issuers enables SiM trader to be more in touch with buyers/sellers than large funds juggling hundreds of names



ESG Investing

Environmental, Social, and Governance (ESG) Criteria for investing



Strategic Income Management, LLC is UN PRI Signatory since 2018



The SIM U.S. High Yield Opportunities Fund is invested in accordance with the Environmental, Social and Governance (ESG) Criteria set forth by Norges Bank.

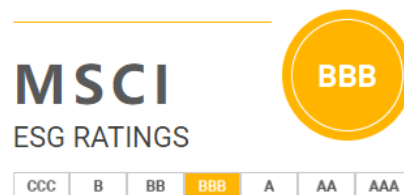
- **Product based exclusions lead to no investments in companies (including entities under control) that:**
 - Produce weapons that violate fundamental humanitarian principles through their normal use
 - Produce Tobacco
 - Sell weapons or military material to states subject to investment restrictions on Gov't Bonds
 - Observation or exclusion may be decided for mining companies and power producers (including controlling entities) that derive 30% or more of their income (or operation) from thermal coal.
- **Conduct based exclusions lead to the fact that companies may be put under observation or be excluded if there is unacceptable risk that the company contributes to or is responsible for:**
 - Serious or systematic human rights violations, forced labor and the worst forms of child labor
 - Serious violations of the rights of individuals in situations of war or conflict
 - Severe environmental damage
 - Acts or omissions that on aggregate company level lead to unacceptable greenhouse emissions
 - Gross corruption
 - Other particularly serious violations of fundamental ethical norms

ESG Investing

Environmental, Social, and Governance (ESG) Criteria for investing

The fund ranks in the 51st percentile within the Bond Global High Yield USD peer group according to MSCI, the higher the better!

The fund is classified as an article 8 fund under SFDR.

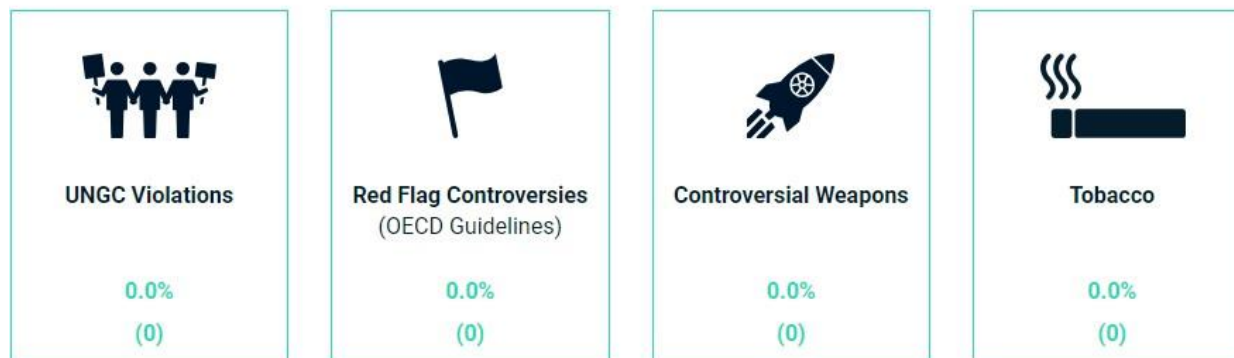


ESG Rating distribution of fund holdings

17% of the fund's holdings receive an MSCI ESG Rating of AAA or AA (ESG Leaders) and 10% receive an MSCI ESG Rating of B or CCC (ESG Laggards).

Social safeguards screens

The fund's exposure to companies flagged for certain frequently used social safeguards screens.



Portfolio Management

- Portfolio management team in the industry for 30 years, in charge of dedicated High Yield since 1998 and managed risk through multiple business cycles while achieving top decile performance
- Dedicated trader and systems to monitor daily trading, price movement, and company news
- Monitoring of credit and liquidity is possible by the smaller number of names (70 - 110) in the portfolio
- Attribution analysis run monthly and if needed to analyze portfolio risk and beta

Operations Compliance

- CCO/COO oversees compliance and adherence to code of ethics
- Portfolio monitored and reconciled daily
- Pre- and post-trade compliance systems to ensure investments within client guidelines
- American Beacon provides additional layer of oversight
- SEC completed an examination of SiM in August 2016



Section Three:

US High Yield Market



Candoris

Access to the world's best investment strategies.

FOR INVESTMENT PROFESSIONAL USE ONLY

Strategic Income Management (SiM)

Value Driven, Income Focused



Rising Stars

~20% of HY Market

Examples:



Long-term HY

~60% of HY Market

Examples:



Fallen Angels

~20% of HY Market

Examples:





Why Structural Position in High Yield?

- Ideal Diversifier with low correlations to other asset classes
- High Sharpe Ratio with high absolute returns comparable to equity
- Historically short periods to recovery from drawdowns
- Down years historically been both rare and shallow

Within High Yield the US should structurally be the majority of exposure

- US is the deepest, most mature market with the broadest diversity in industry exposure and geographic exposure.





High-Yield has Fewer Drawdowns Vs. Equity

Drawdowns over past 43 years

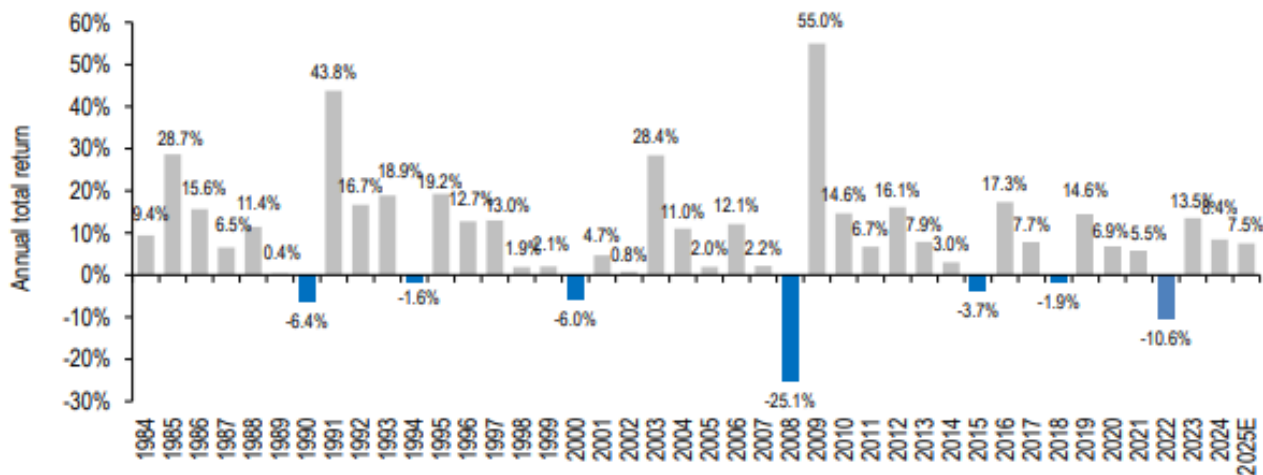
S&P 500

- 9 down years
- 4 years 10% or greater loss
- Tech Bubble ~6yrs to recover
- GFC ~4.5yrs to recover

High Yield Bonds

- 7 down years
- 1 year 10% or greater loss
- Tech Bubble ~2yrs to recover
- GFC ~2yrs to recover

Figure 63: We are forecasting a 2025 total return for high-yield bonds of 7.5%



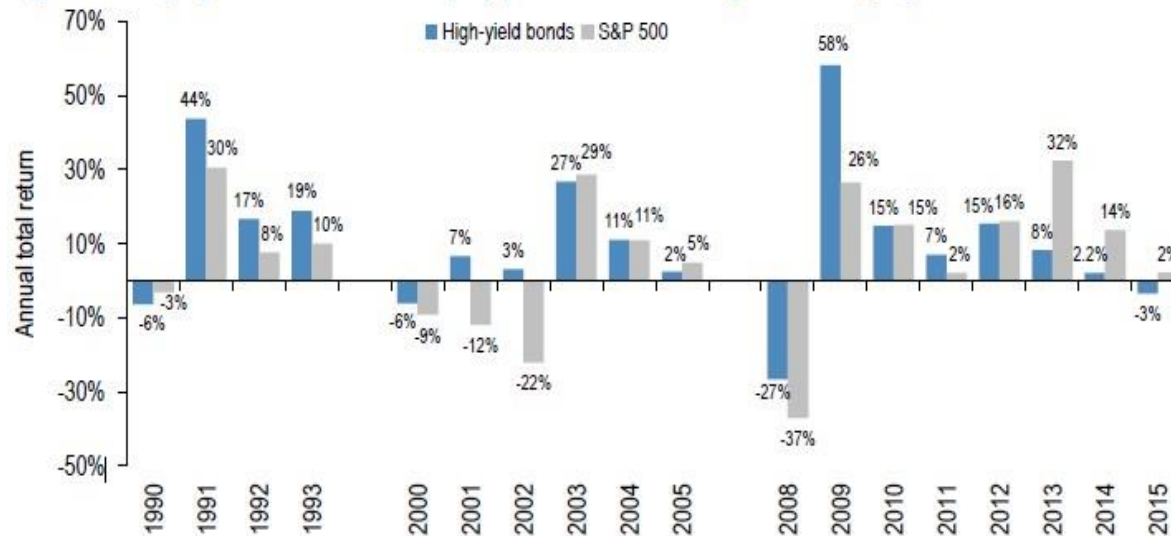
Source: J.P. Morgan.





High-Yield has Recovered Quicker vs. Equities

Figure 11: High-yield bond versus equity performance during and emerging from recessions



Source: J.P. Morgan.

- High-Yield bonds have outperformed equities during down years, while exhibiting equal or greater performance in the years leading out of a recession.





High-Yield is an Ideal Diversifier

25-yrs ended November 30, 2023	5-yr Trsy	10-yr Trsy	JPM JULI	JPM HY Bd Idx	S&P 500	Russell 2000	JPM EMBI
10-yr Trsy	0.93						
Investment-grade bonds	0.59	0.65					
JPM HY Bond Index	-0.10	-0.07	0.57				
S&P 500	-0.21	-0.18	0.33	0.68			
Russell 2000	-0.26	-0.24	0.27	0.68	0.84		
JPM EMBI- Global Composite	-	-	-	-	-	-	-
Leveraged loans	-0.32	-0.31	0.33	0.79	0.52	0.54	-

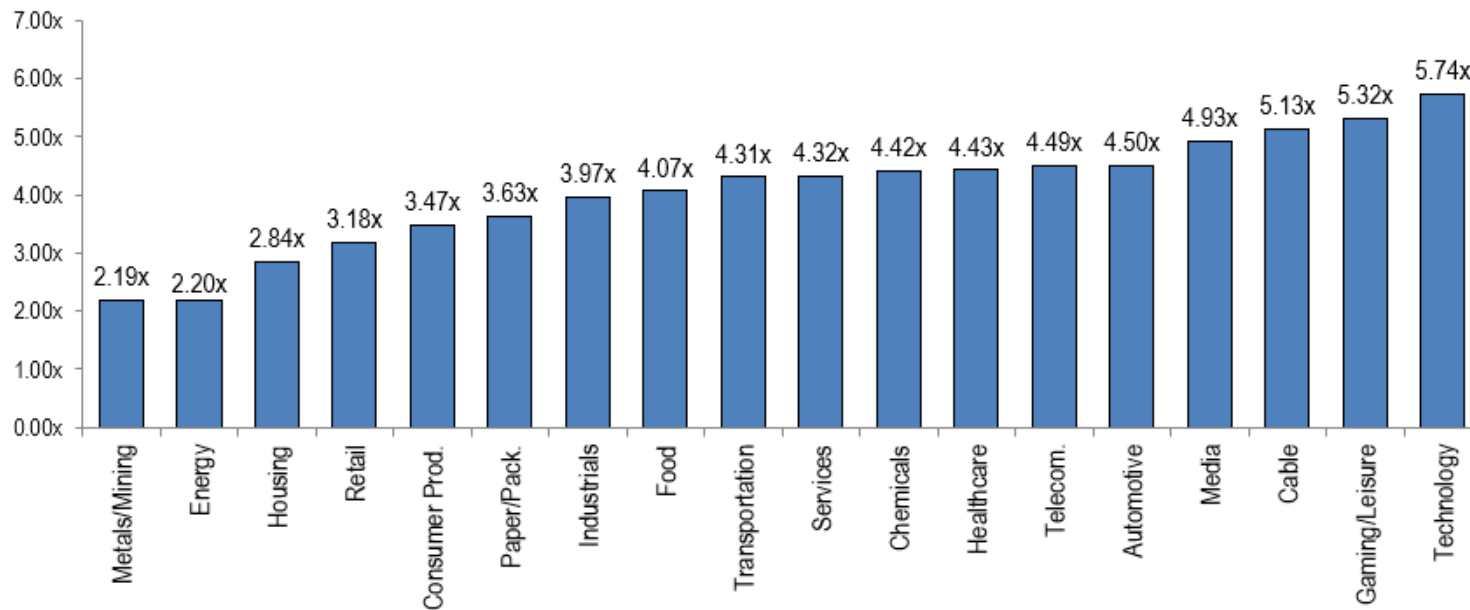
Source: J.P. Morgan; S&P/ IHS Markit; Bloomberg Finance L.P.

➤ Historically lower correlations during market downturns





High-Yield Bond Leverage by Industry

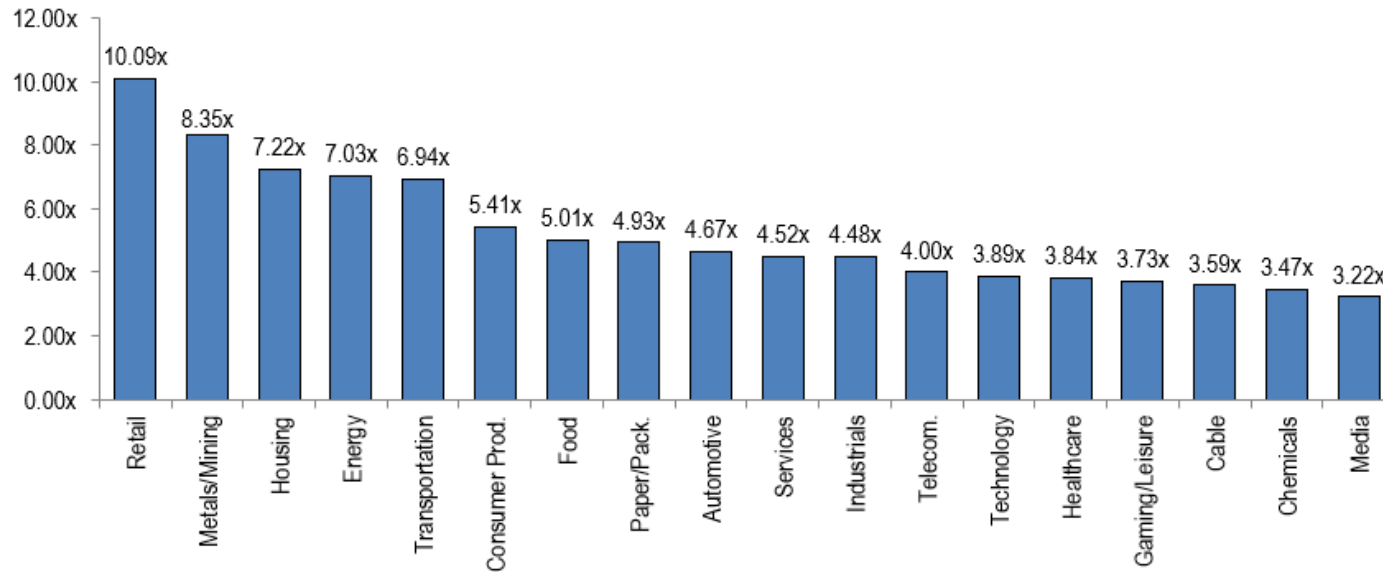


Strategic Income Management (SiM)

Value Driven, Income Focused

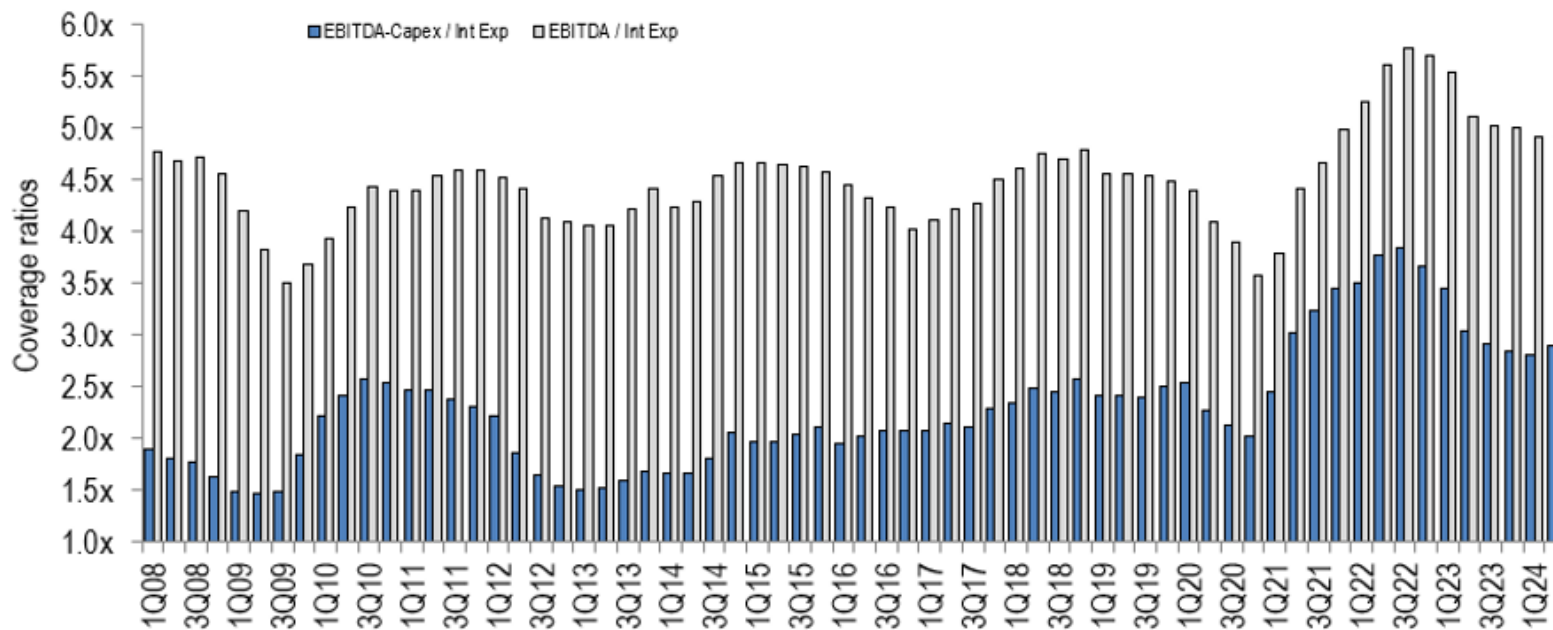


High-Yield Bonds are very strong structural





High-Yield Bonds are very strong structural

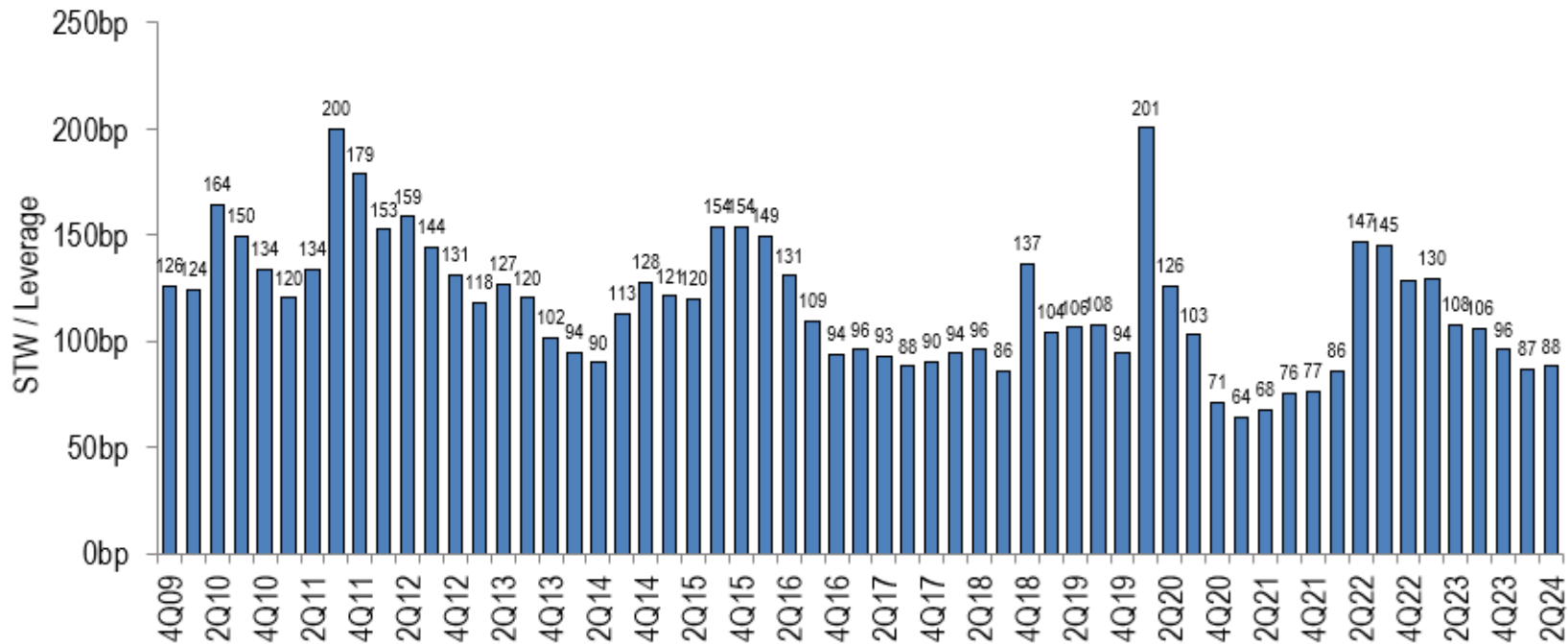


Source: J.P. Morgan.

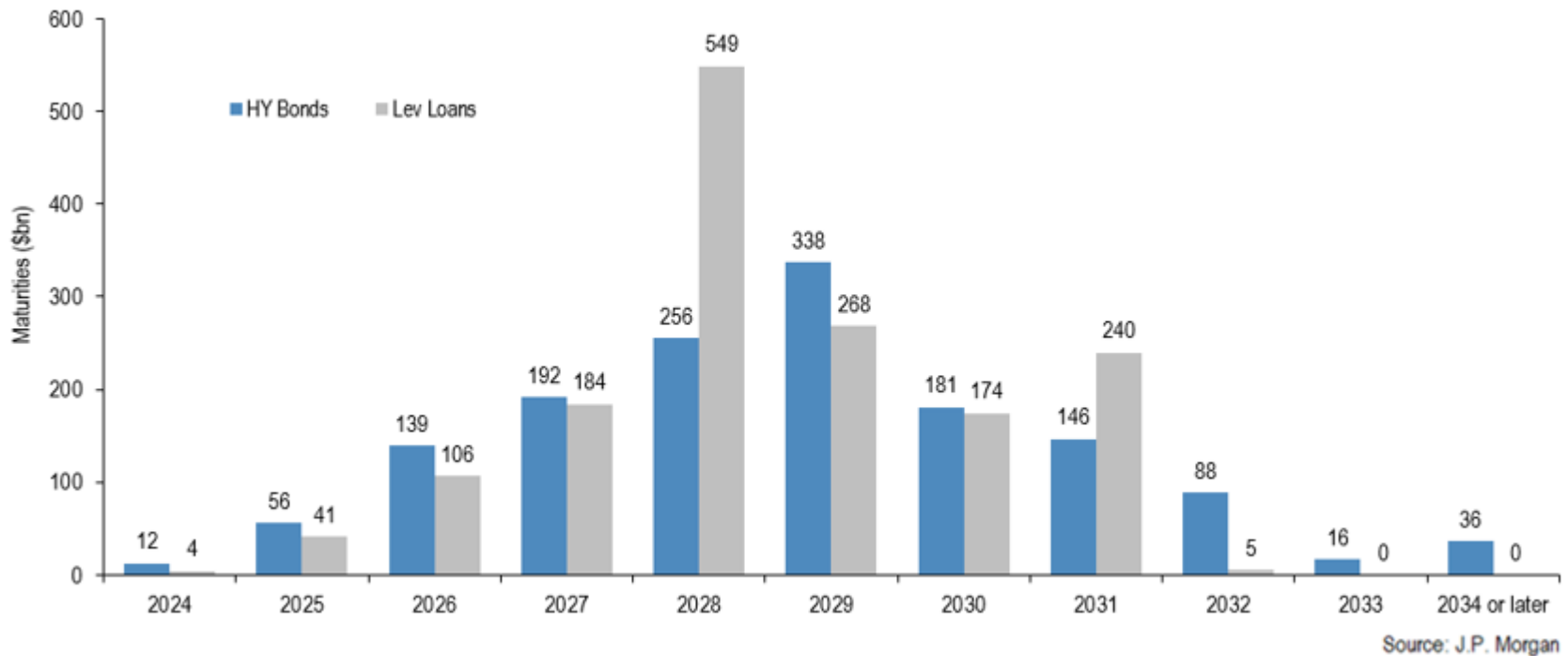




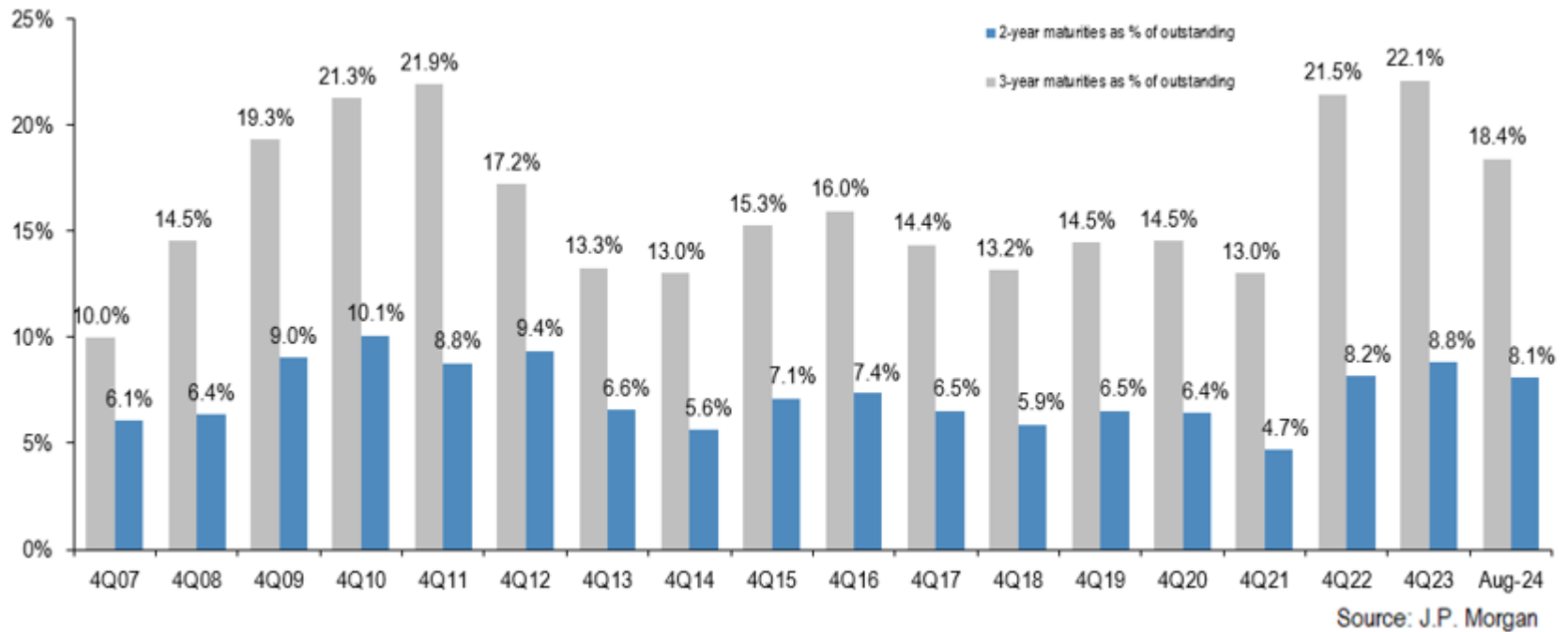
High-Yield spreads per turn of leverage



High-Yield Bonds Maturity Schedule



High-Yield Bonds Maturity Schedule





Global High-Yield Vs. US High Yield Returns





Global High-Yield Vs. US High Yield Returns



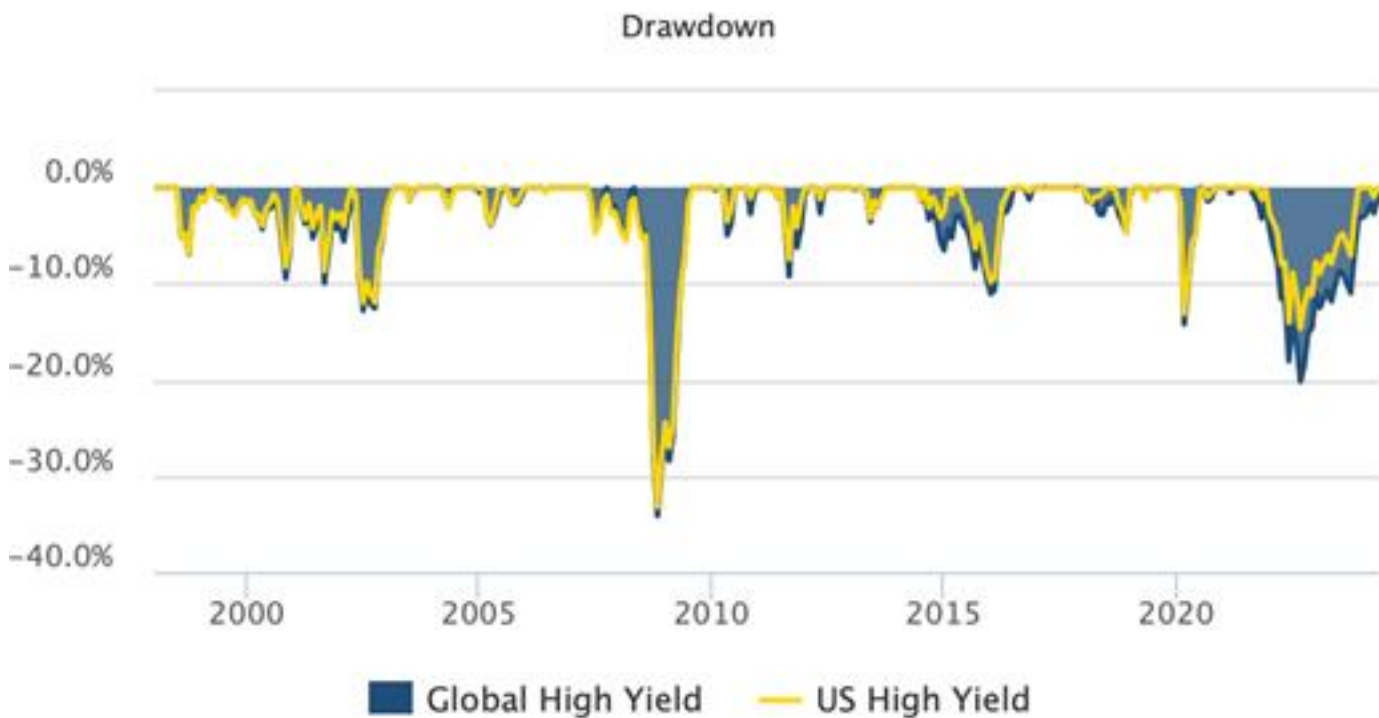


Global High-Yield Vs. US High Yield Standard Deviation



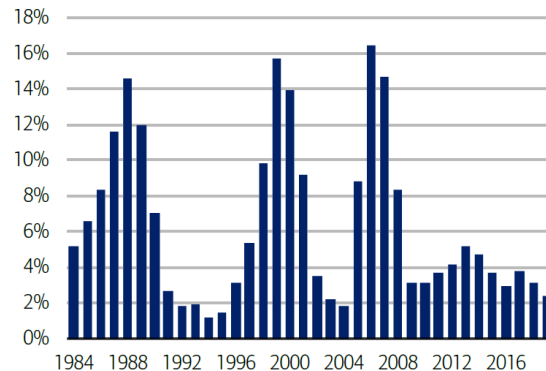


Global High-Yield Vs. US High Yield Drawdowns



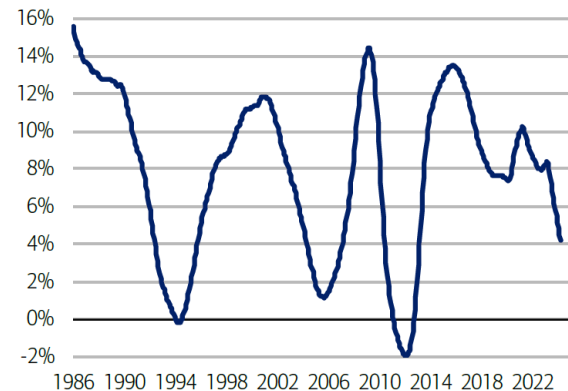
US Credit Cycle & Defaults

Figure 1: Cumulative next-3yr corporate default rate
Aggregate across IG, HY, loans



Source: BofA Global Research, Moody's

Figure 2: Cumulative last-3yr corporate debt growth
Aggregate across IG, HY, loans, private debt



In previous US corporate credit cycles the cumulative 3-year default rate in IG, HY & Loans peaked at ~15%.

It's predicted that US corporate credit defaults will be lower in the next recession, roughly 8%, due to

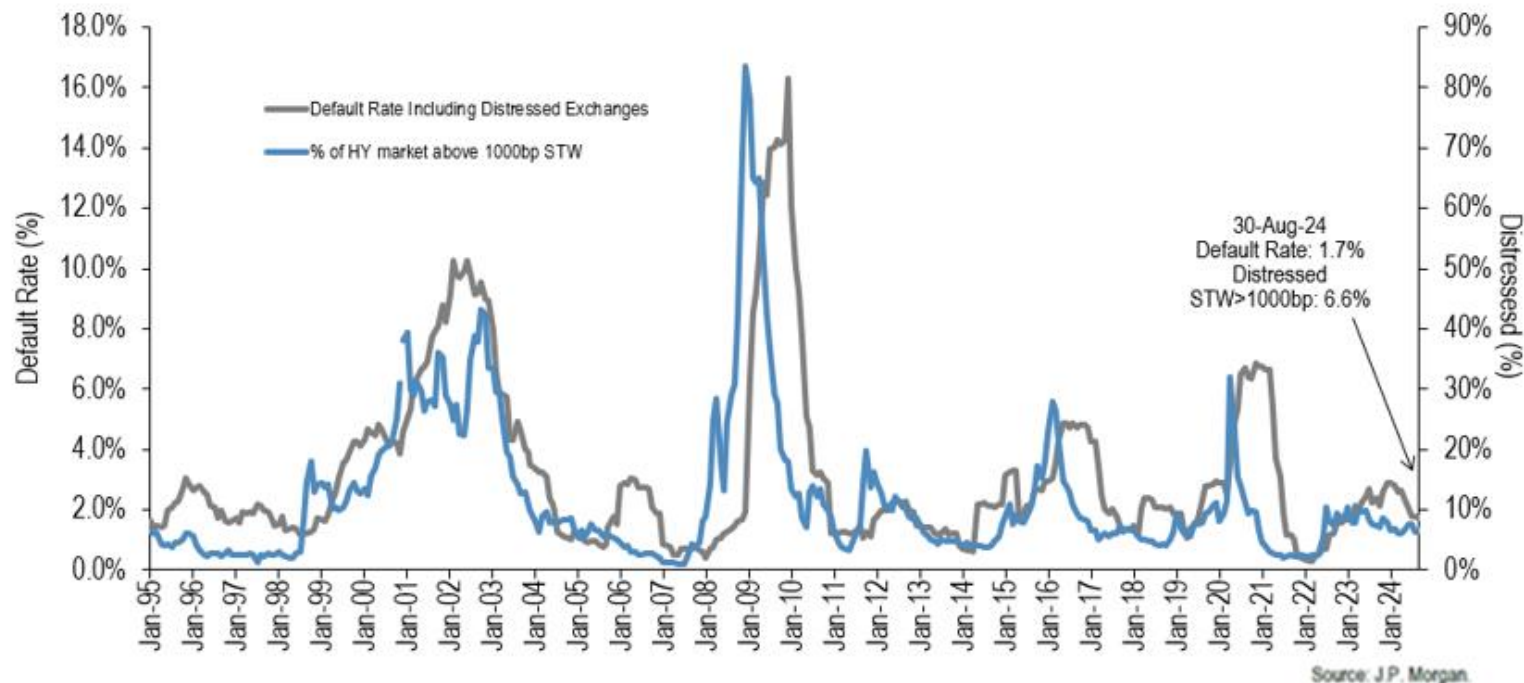
- 1) 5% excess defaults experienced since the GFC with peaks in 2015-16 & 2019-20.
- 2) lower debt growth in US corporate credit.

An 8% cumulative 3-year default rate in US corporate credit implies a 12% default rate in HY. If 12% of the most distressed HY bonds restructure (currently trading a ~\$70 price) over a 3-year period and have a 40% recovery (25-year average recovery rate), the HY market would have an annual default rate of 4% with a ~1.7% loss from defaults/restructures during the next recession.





High-Yield Bonds Historical Defaults & Recoveries



Default Rates have averaged ~3.2% annually over the last 25 years

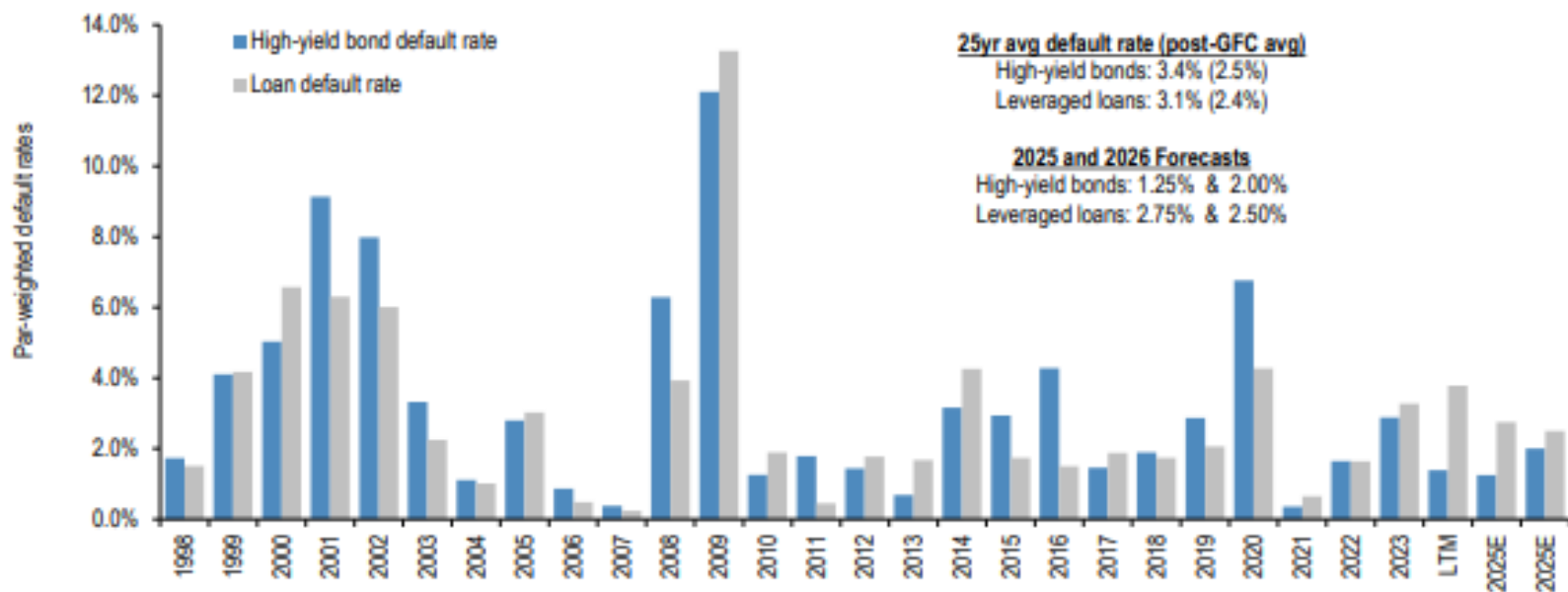
Recovery for HY bonds has averaged ~40% over the last 25 years





High-Yield Bonds & Leveraged Loans Projected Defaults

Figure 6: We forecast 2025 high-yield bond and leveraged loan default rates of 1.25% (HY) and 2.75% (LL), respectively, which we preliminarily expect to rise and fall to 2.00% and 2.50% in 2026



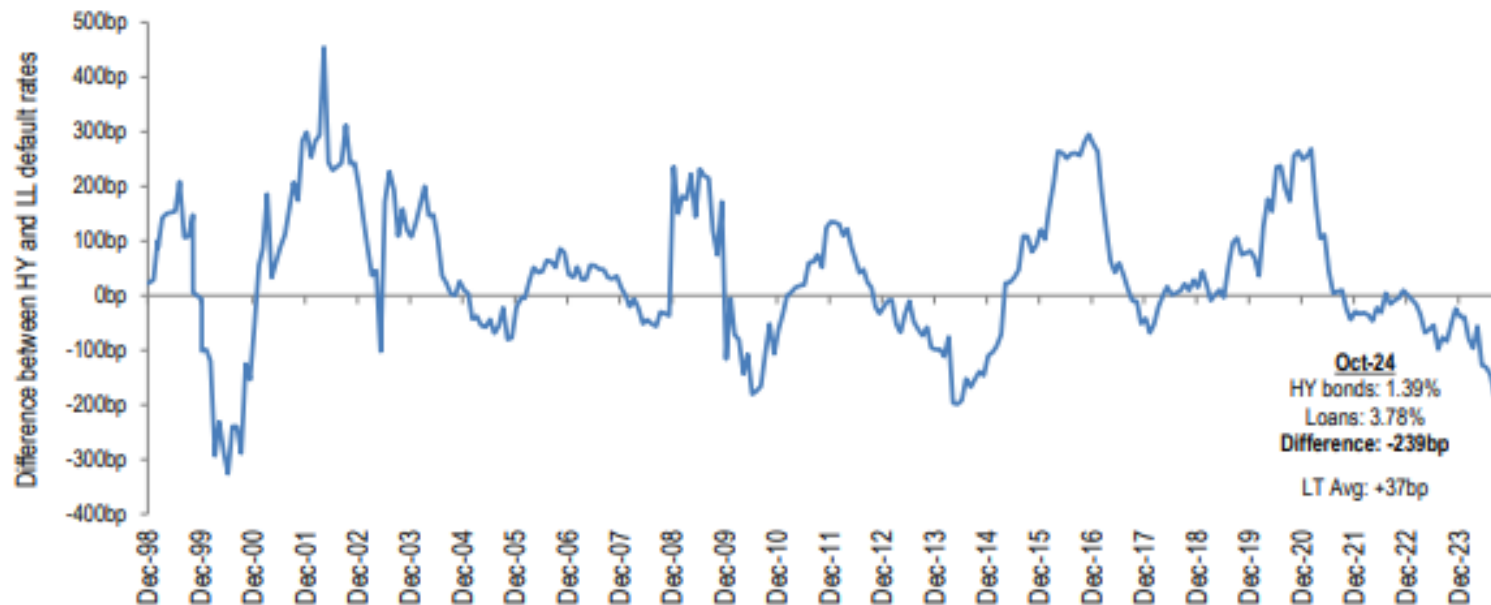
Source: J.P. Morgan.





High-Yield Bonds vs. Leveraged Loans Default Spread

Figure 7: The gap between leveraged loan and high-yield par-weighted default rates has risen to 239bp, a high since October 2000



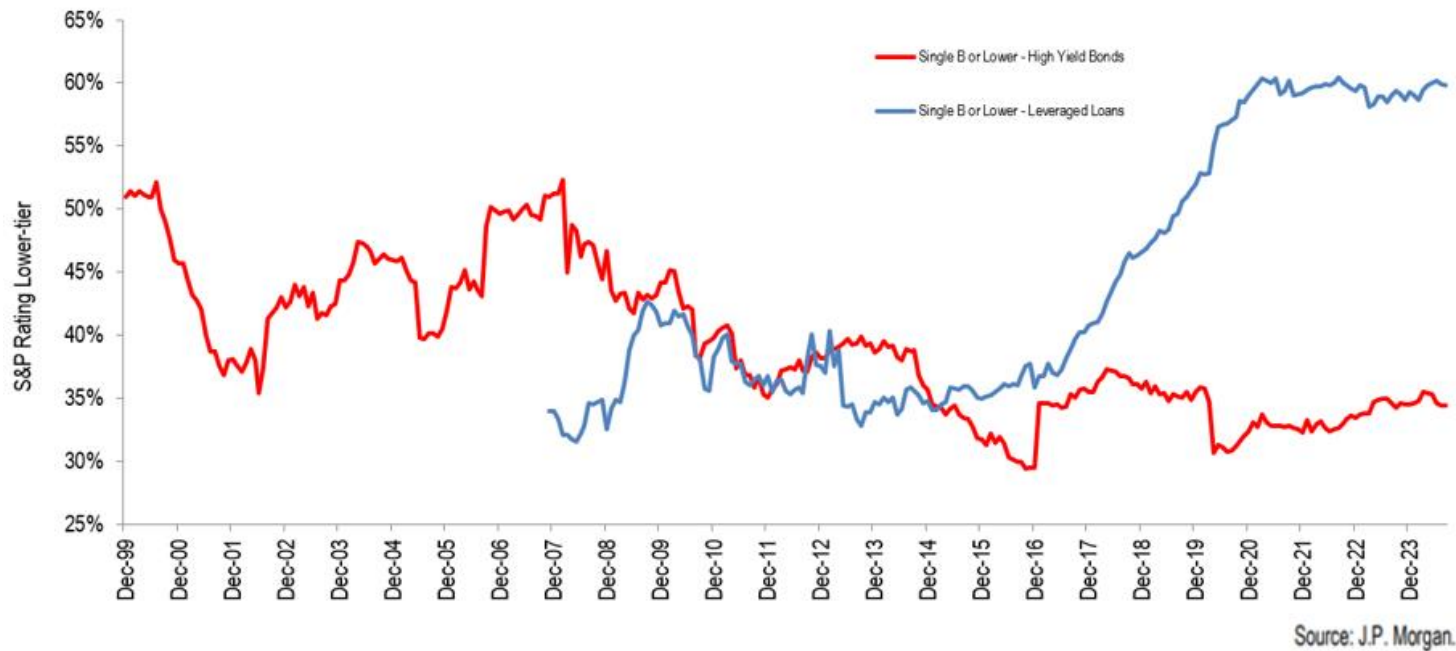
Source: J.P. Morgan; PitchBook Data, Inc; Bloomberg Finance L.P.; S&P/IHS Markit



Strategic Income Management(SiM)

HY Cleansed – Less Risk

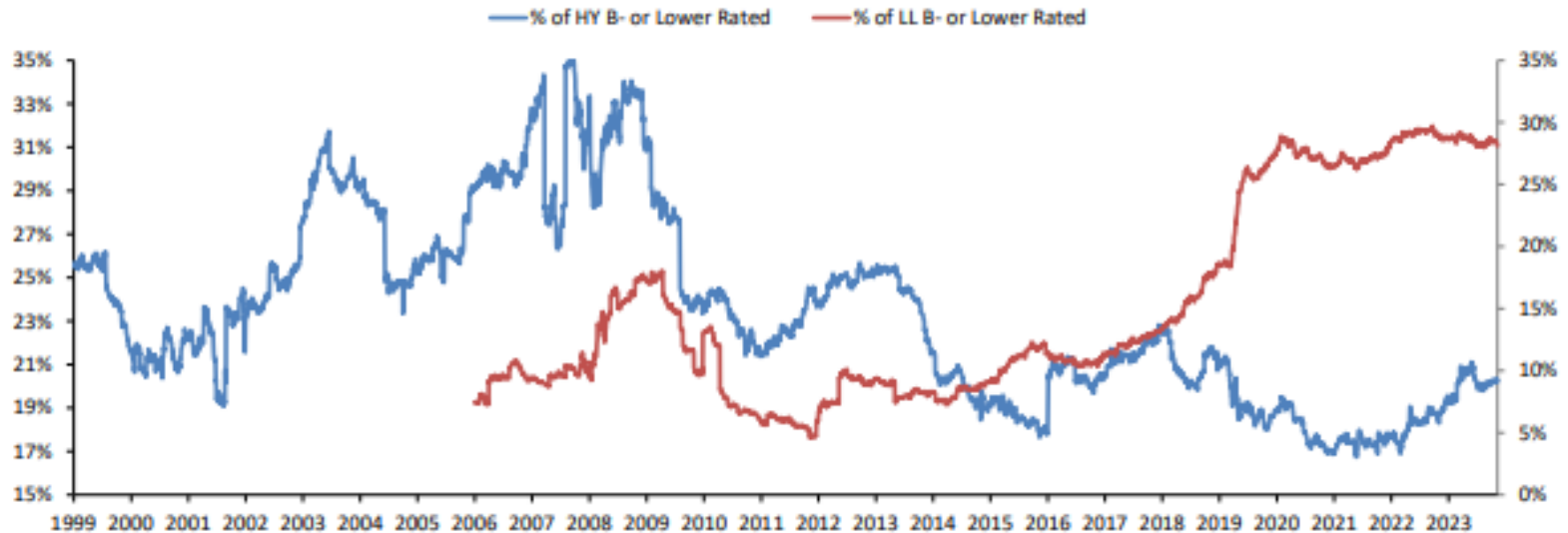
High-Yield Bonds have Structurally Improved vs. Loans





High-Yield Bonds have Structurally Improved vs. Loans

Figure 27: The credit quality of the loan index is considerably weaker versus HY bonds



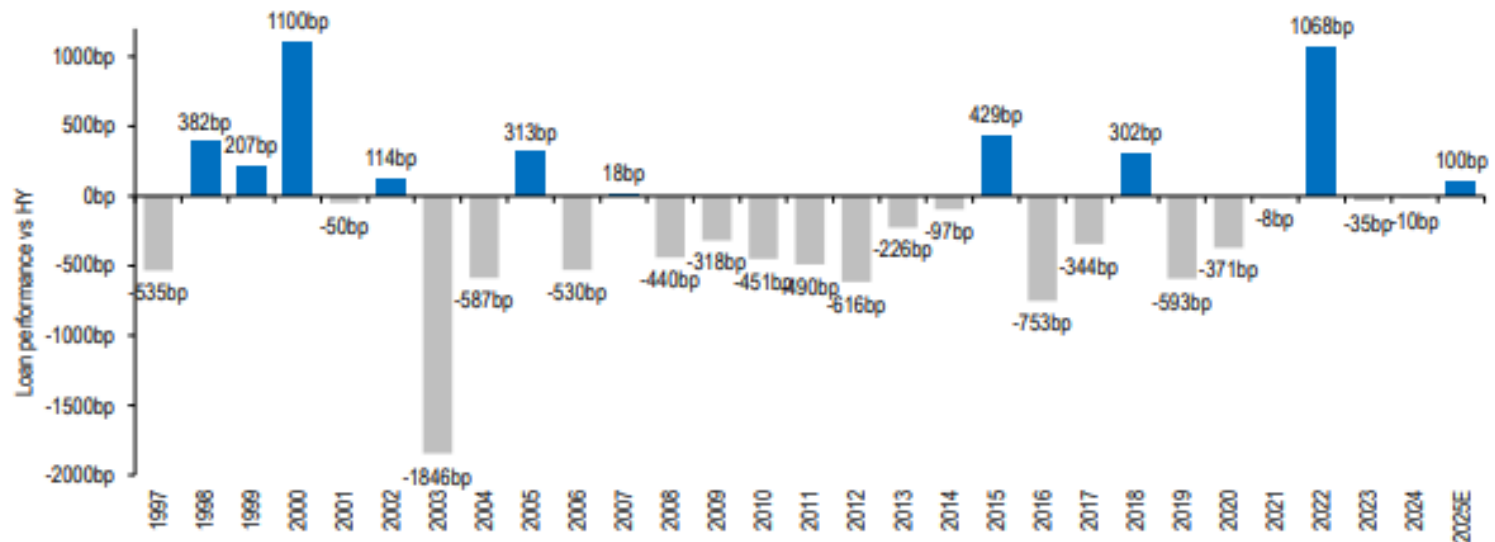
Source: J.P. Morgan; S&P/IHS Markit





High-Yield Bonds have Historically performed well Vs. Leveraged Loans

Figure 65: Aside from the past few years, loans have only outperformed bonds two other times over the prior 15 years



Source: J.P. Morgan; S&P/IHS Markit

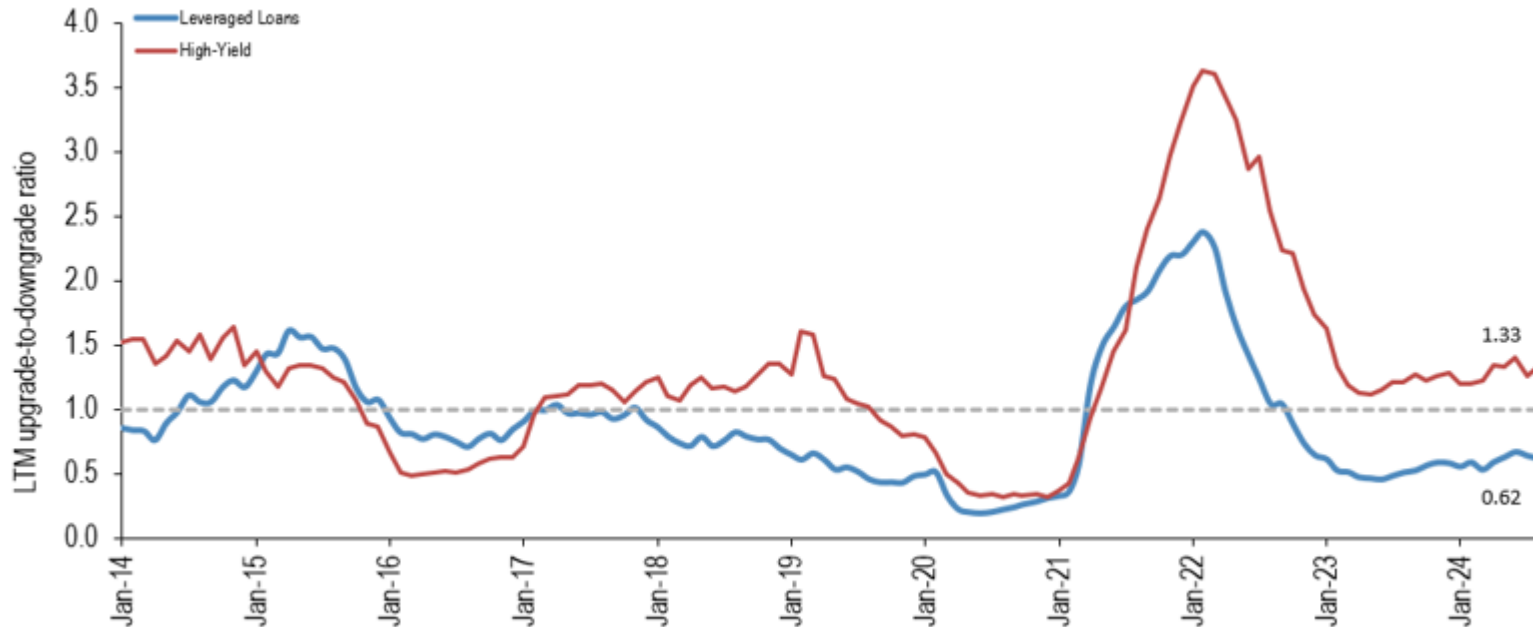


Strategic Income Management(SiM)

HY Cleansed – Less Risk



High-Yield Bonds have Structurally Improved LTM Upgrade-to-downgrade ratio



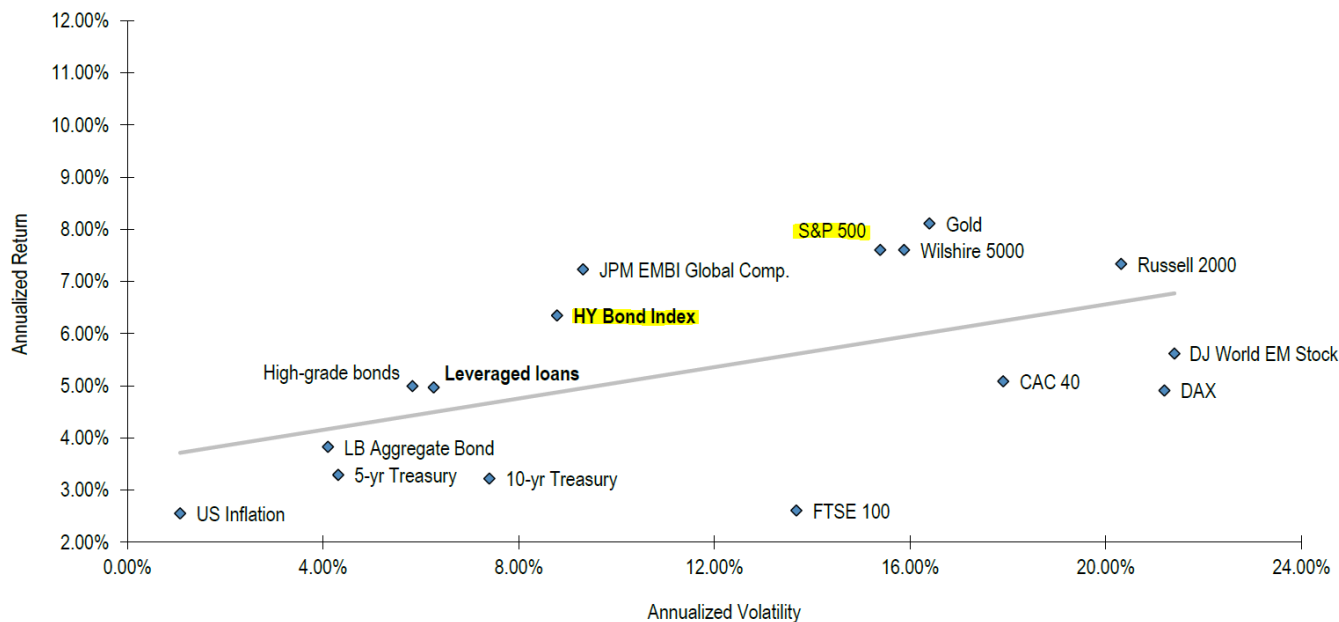
Source: J.P. Morgan.



High-Yield remains excellent substitute for equity

(Statistics over past 25 years as of November 2023)

Twenty-five-years ended November 30, 2023

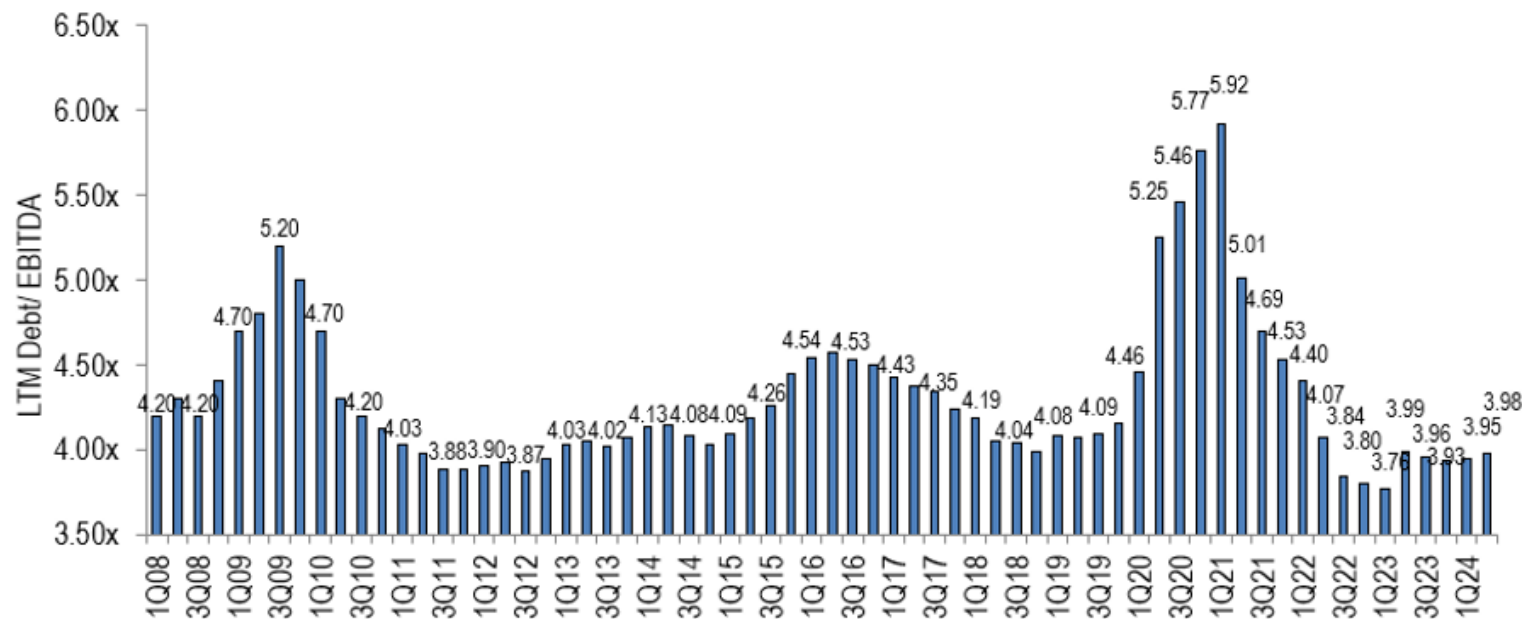


Source: J.P. Morgan; S&P/IHS Markit; Bloomberg Finance L.P.





High-Yield Bonds are very strong structural



Source: J.P. Morgan.

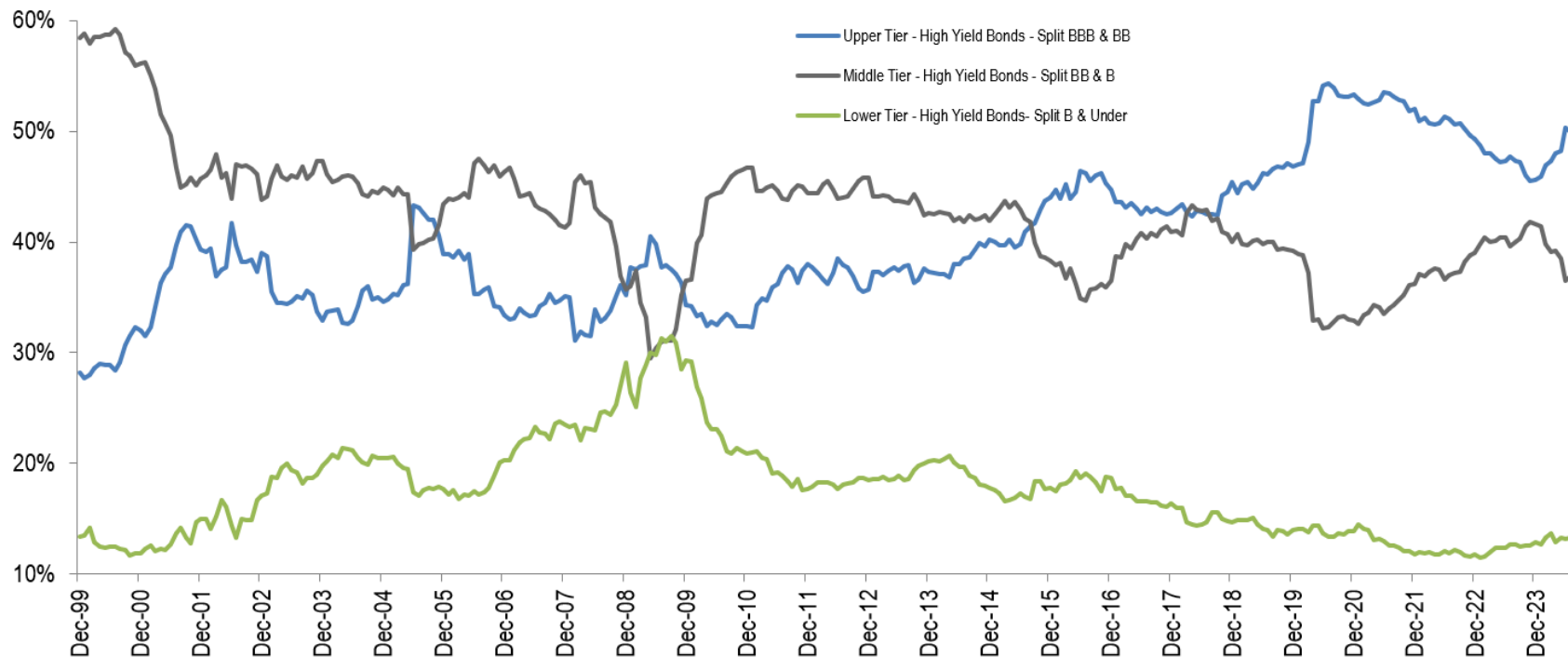


Strategic Income Management (SiM)

Value Driven, Income Focused



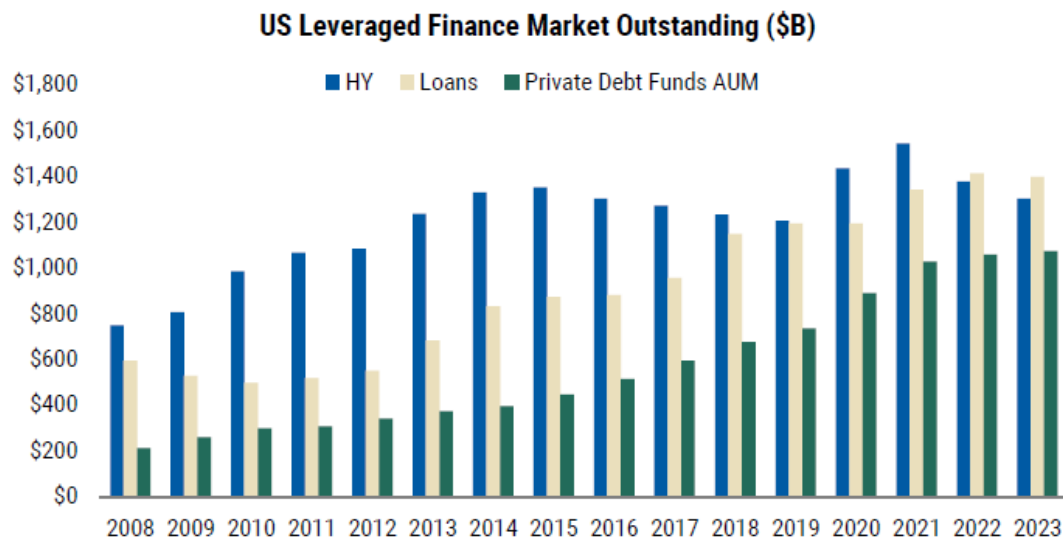
High-Yield Bonds are very strong structural



Source: J.P. Morgan.



Leveraged Credit Market



Source: ICE, Pitchbook, Morgan Stanley Research estimates; Note: Private debt data as of 3/31/2023

- Since 2008, Private Credit and Leveraged Loans AUM have grown substantially more than High Yield





High-Yield Bonds are structurally stronger than Leveraged Loans and Private Credit

High Yield credit metric highlights

LTM	2Q24
Leverage (Debt/EBITDA)	3.98x
Net Leverage ((Debt-Cash)/EBITDA)	3.50x
EBITDA Margin	15.3%
Coverage (EBITDA/Net Int Exp)	4.89x
EBITDA-Capex/Net Int Exp	2.89x

Source: J.P. Morgan; S&P Capital IQ

Leveraged Loan credit metric highlights

LTM	2Q24
Leverage (Debt/EBITDA)	5.00x
Net Leverage ((Debt-Cash)/EBITDA)	4.55x
EBITDA Margin	15.9%
Coverage (EBITDA/Net Int Exp)	2.90x
EBITDA-Capex/Net Int Exp	2.00x

Source: J.P. Morgan; Capital IQ; Bixby Research and Analytics Inc.

	High Yield	Leverage Loans	Ares Capital (largest publicly traded BDC)
Net Leverage ((Debt-Cash)/EBITDA)	3.5x	4.6x	5.7x
Coverage (EBITDA/Net Int Exp)	4.9x	2.9x	1.6x

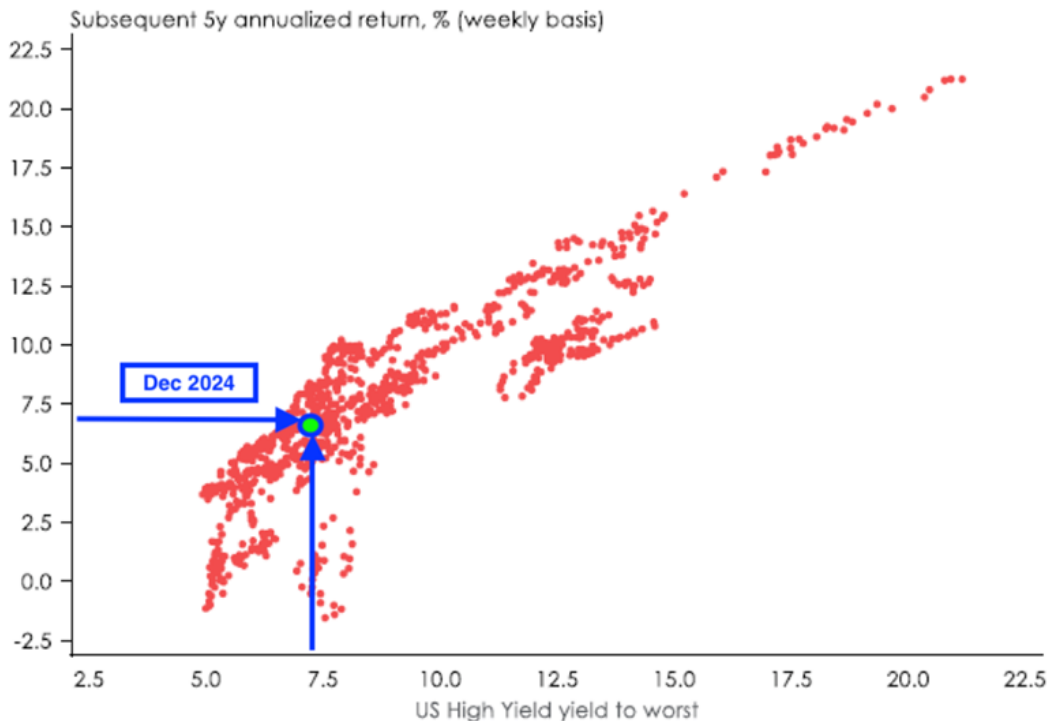
Source: Ares Capital ARCC Q2-24 Earnings Presentation





Historical Yield to Worst vs. HY subsequent annualized returns

Global HY yield-to-worst annualized return subsequent 5 years

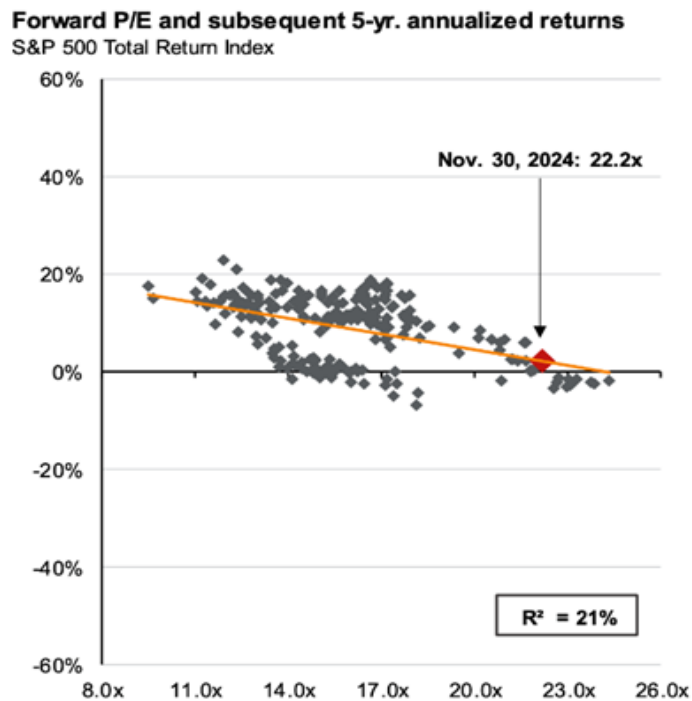


Sources: Clarksons Securities AS, Macrobond, Bloomberg





S&P 500 Forward P/E vs. Subsequent Annualized Returns

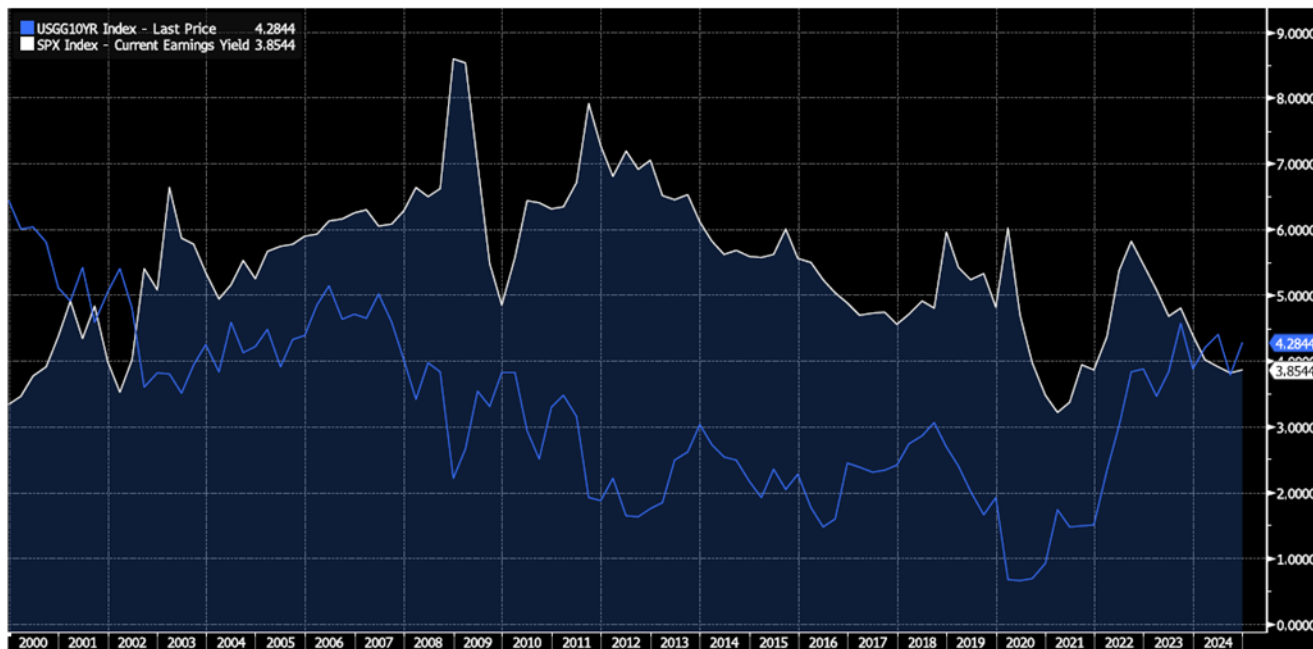


Source: JP Morgan Institutional Research





High-Yield remains excellent substitute for equity



- The S&P 500 is currently not offering any equity risk premium, as defined as the S&P 500 earnings yield minus the 10-year treasury yield






High-Yield remains excellent substitute for equity

(Statistics over past 25 years as of November 2023)

	Average annual returns					Average annual volatility				
	1 year	5 year	10 year	15 year	25 year	1 year	5 year	10 year	15 year	25 year
Fixed Income										
5-year Treasury	0.73%	0.52%	0.63%	1.69%	3.29%	5.42%	4.63%	3.87%	3.89%	4.31%
10-year Treasury	-2.12%	-0.21%	0.73%	1.74%	3.22%	8.91%	8.19%	6.94%	7.33%	7.40%
JPMorgan MBS Index	0.57%	-0.10%	1.00%	2.04%	na	8.02%	5.76%	4.35%	3.82%	na
LB Aggregate Bond Index	1.18%	0.71%	1.37%	2.87%	3.83%	7.69%	5.97%	4.62%	4.34%	4.10%
JPMorgan JULI High-Grade Index	4.07%	2.11%	2.68%	5.25%	4.99%	9.01%	8.36%	6.36%	6.24%	5.83%
Leveraged loans	12.02%	5.18%	4.63%	7.59%	4.97%	2.97%	7.18%	5.30%	6.14%	6.26%
JPMorgan HY Bond Index	8.90%	4.35%	4.58%	9.64%	6.34%	6.77%	9.54%	7.55%	8.30%	8.78%
Equity										
S&P 500	13.81%	12.50%	11.79%	13.69%	7.60%	16.35%	19.04%	15.16%	15.35%	15.39%
Russell 2000	-4.11%	3.41%	5.43%	10.37%	7.33%	22.37%	24.36%	19.92%	20.32%	20.32%

- 25-year returns that are similar to equity but roughly half the volatility.





Section Four:

Performance & Characteristics



Candoris

Access to the world's best investment strategies.

FOR INVESTMENT PROFESSIONAL USE ONLY

SiM Portfolio Characteristics

11/30/2024

Characteristics Summary

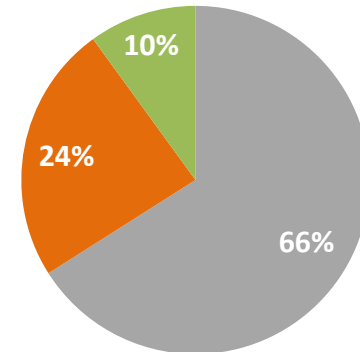
	SiM	HY Index*
Price	97.0	97.4
Yield To Worst	7.1%	7.2%
Option Adjusted Spread	277	264
Coupon	6.3%	6.4%
Rating	B+	B+
Current Yield	6.4%	6.6%
Yield To Maturity	7.2%	7.4%
Effective Duration	3.1	3.0

Excluding Distressed Issues

	SiM	HY Index*
Yield To Worst	6.9%	6.7%
Option Adjusted Spread	257	227

Distressed defined as OAS > 1000 or Yield To Worst > 14%

SiM Strategy Allocation



■ Core ■ Out of Favor ■ Deep Out of Favor

*ICE BofA ML US High Yield Master II

Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

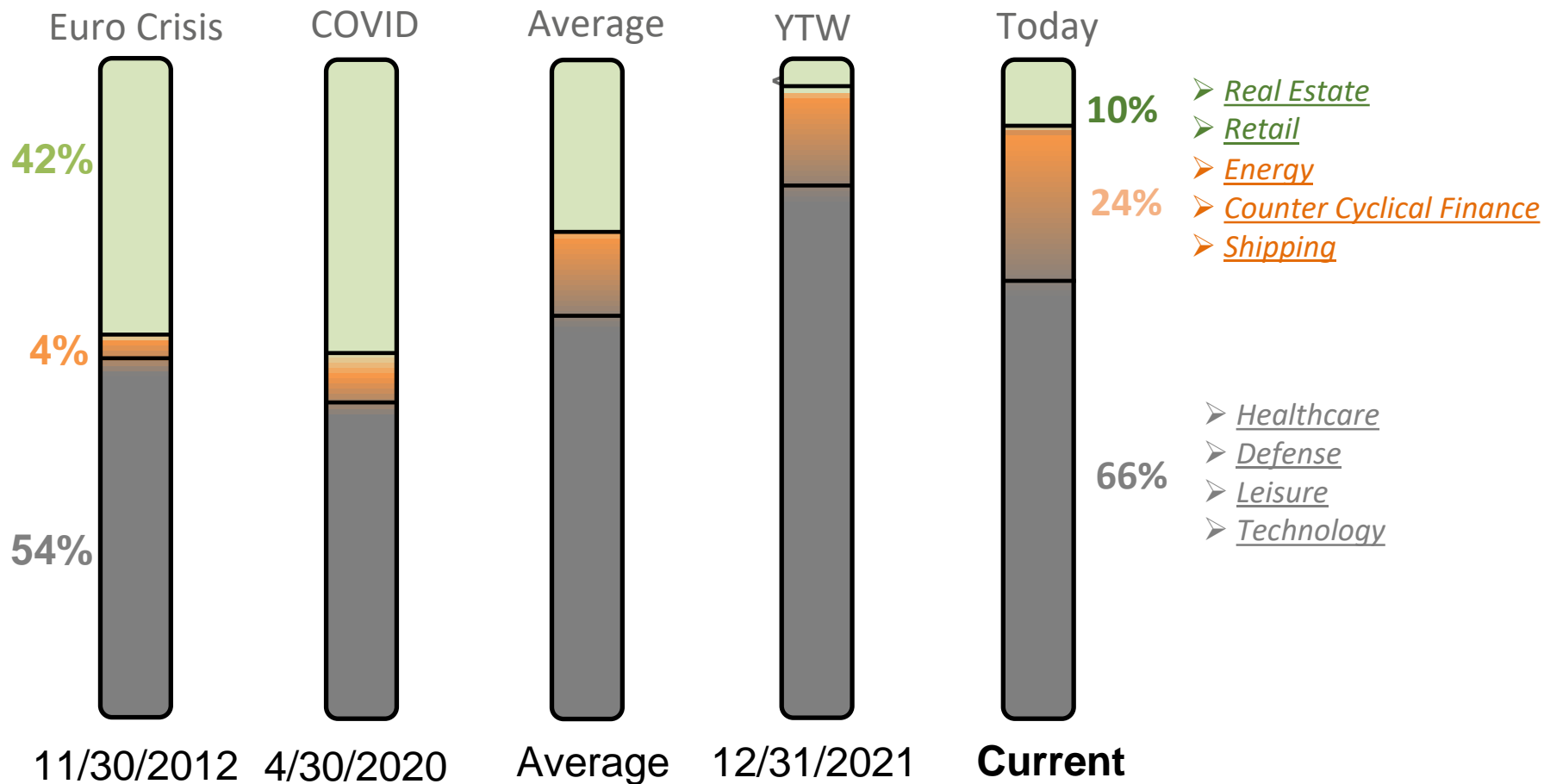


Strategic Income Management (SiM)

Value Driven, Income Focused



Deep Out of Favor, Out of Favor, Core Range





2024 Additions and Exits thru Q3

Out of Favor

<i>Additions</i>	<i>Exits</i>
ARCHER NORGE AS CRUISE YACHT UPP FLOATEL INTL PARATUS ENERGY TRANSOCEAN INC TALOS PRODUCTION ALTERA SHTL TNKR TORM PLC	Navios Maritime

Core

<i>Additions</i>	<i>Exits</i>
AAR ESCROW CES ENERGY SOL CONCENTRA ESCROW CPI CG INC FLUTTER TREASURY NEOGEN FOOD PHARMING NV SECURE ENERGY SE TRIUMPH GROUP	



SiM Strategy Default Rate (9/30/2024)

Year	SiM Default (%)	US HY Default (%)**	SiM Recovery Rate (%)	US HY Recovery Rate (%)**
2024 thru Q3	0.00%	1.73%	39.00%	39.00%
2023	2.87%	2.84%	25.20%	32.80%
2022	0.00%	1.65%	NA	55.30%
2021	0.00%	0.29%	NA	47.00%
2020	5.19%	6.76%	14.04%	20.90%
2019	0.00%	2.50%	NA	23.20%
2018	0.00%	2.00%	NA	39.80%
2017	0.00%	1.30%	NA	52.55%
2016	0.00%	3.57%	NA	31.10%
2015	1.04%	1.80%	80.00%	25.19%
2014	0.00%	2.90%	NA	48.05%
Avg*	0.71%	1.92%	30.02%	40.00%

*Since Inception 2/28/2011 **JP Morgan Statistics

*ICE BofA ML US High Yield Master II
 Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher.
 Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Strategic Income Management (SiM)

Value Driven, Income Focused



Changes during COVID-19

Additions

- Leisure/Consumer Discretionary +6.75%
 - Theme Parks (1%)
 - Restaurants (0.5%)
 - Auto Retail (1.25%)
 - Online Retail (1%)
 - Theaters (1.5%)
 - Vacation Time Share (1%)
 - Airline Supplier (0.5%)
- Busted Convertibles +5.5%
 - Technology (1.75%)
 - Consumer Discretionary (3%)
 - Other (0.75%)
- Energy +6.5%
 - High Quality BB-Rated E&P (6.5%)

Sample Companies

Winnebago
Marriot Vacations
Square
Six Flags
Boyd Gaming
Chefs' Warehouse
Twitter
Etsy
Cinemark
Brinker (Chili's)
QVC
Penske Auto Group



Performance SiM vs. Global High Yield Index

Portfolio Characteristics



SiM Annualized Returns Vs. ICE BofA Global HY Index (3/31/2011-6/30/2024)

Statistic	SiM: SiM High Yield	ICE BofAML Global Hig...
YTD	6.96%	4.74%
1 Year Return	13.86%	11.03%
2 Year Return	9.34%	8.85%
3 Year Return	4.80%	0.66%
5 Year Return	6.61%	3.17%
7 Year Return	6.46%	3.42%
10 Year Return	6.36%	3.71%
Returns	7.34%	4.93%

*ICE BofA ML US High Yield Master II

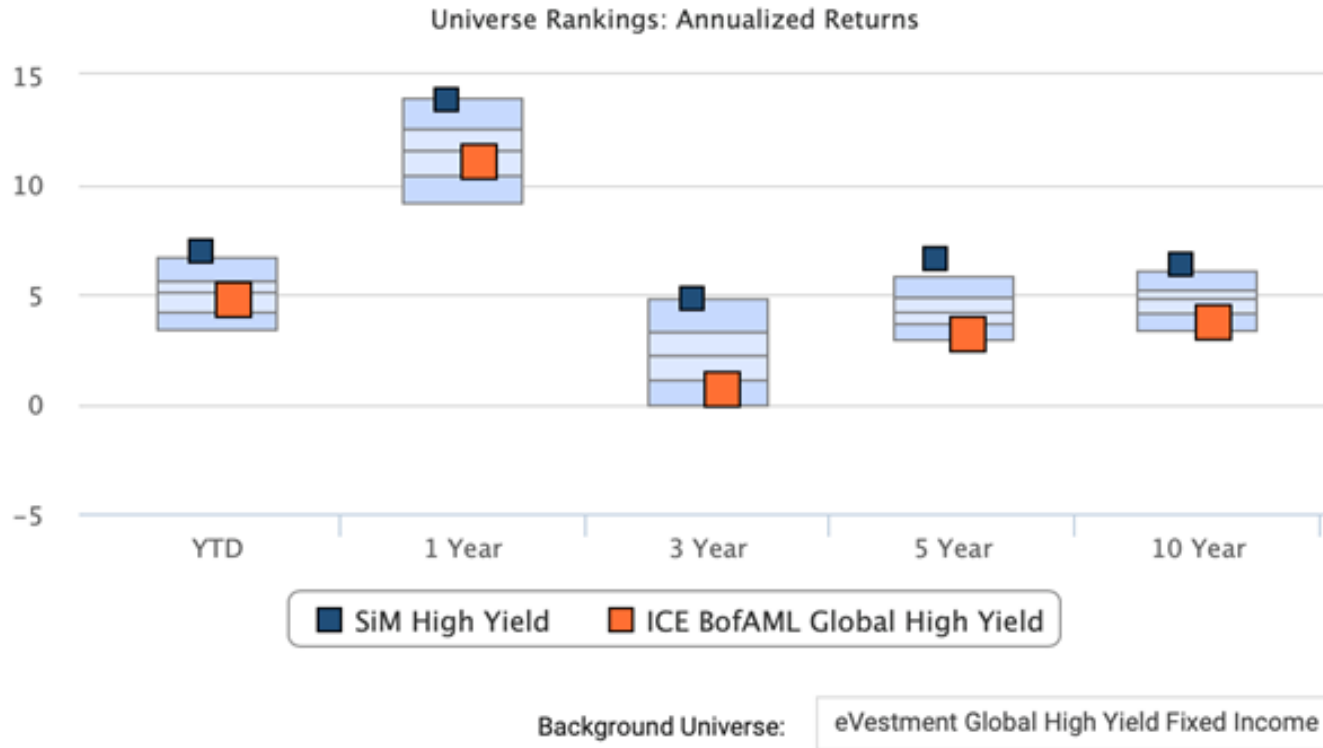
Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Performance SiM vs. US High Yield Index

Portfolio Characteristics

SiM Returns Ranking Vs. ICE BofA Global HY Index (3/31/2011-6/30/2024)



*ICE BofA ML US High Yield Master II
Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher.
Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

Performance SiM vs. US High Yield Index

Portfolio Characteristics

SiM Annualized Returns Vs. ICE BofA Global HY Index (3/31/2011-6/30/2024)

Statistic	SiM: SiM High Yield	ICE BofAML US High Yi...
YTD	6.96%	4.63%
1 Year Return	13.86%	11.03%
2 Year Return	9.34%	7.53%
3 Year Return	4.80%	2.19%
5 Year Return	6.61%	4.03%
7 Year Return	6.46%	4.22%
10 Year Return	6.36%	4.55%
Returns	7.34%	5.45%

*ICE BofA ML US High Yield Master II

Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

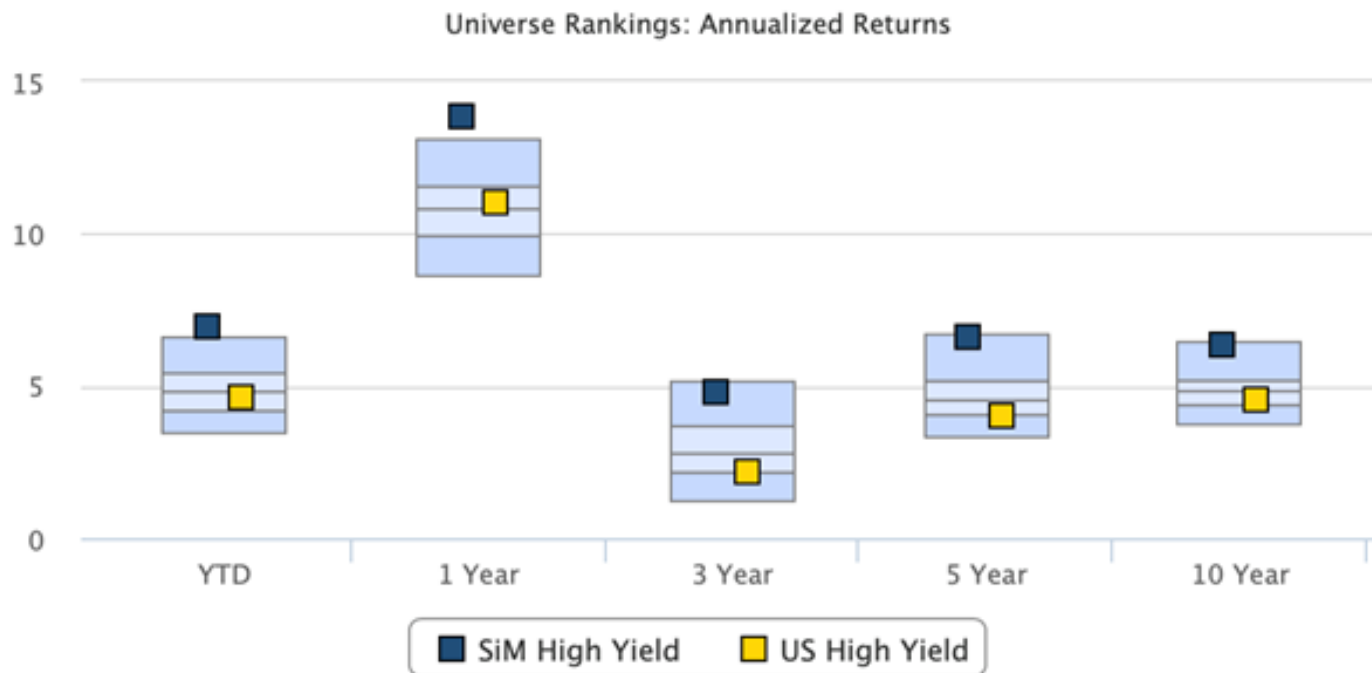


Performance SiM vs. Global High Yield Index

Portfolio Characteristics



SiM Returns Ranking Vs. ICE BofA Global HY Index (3/31/2011-6/30/2024)

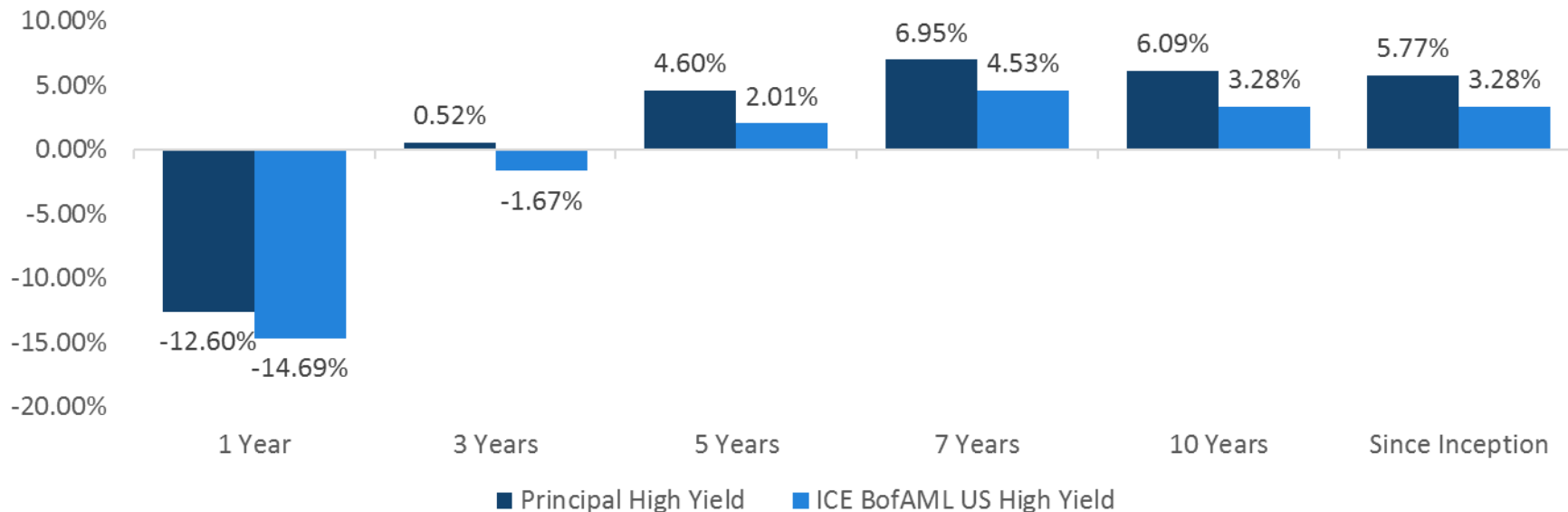


*ICE BofA ML US High Yield Master II
Source: SiM; Data as of 30/09/2022. Data quoted is past performance gross of fee and current performance may be lower or higher.
Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

Performance SiM team at previous employer

Portfolio Performance

**Principal Global Investors High Yield – Gross Annualized Returns
May 1998 – April 2009**



	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Principal High Yield	-12.60%	0.52%	4.60%	6.95%	6.09%	5.77%
ICE BofAML US High Yield	-14.69%	-1.67%	2.01%	4.53%	3.28%	3.28%
Active Return	2.09%	2.19%	2.59%	2.42%	2.81%	2.49%

*The track record shown is based on the Principal Global Advisors US High Yield composite portfolio managed by the Strategic Income Management investment team while at Principle Global Advisors from 8 April 1998 to 4 May 2009. Inception date for the Strategy is 8 April 1998. Annual Returns for the Strategy and benchmark in 1998 were for a period of 8 months from May through December and in 2009 were for a period of 4 months January through April. Performance is computed on a gross of fees basis, US Dollar based. Returns for periods in excess of 1 year are annualised. Past performance is not indicative of future performance. Any comparison between an actively managed portfolio and a benchmark may have material inherent limitations and therefore should not be relied upon.

Performance returns do not reflect the deduction of investment advisory fees. Stated returns would be reduced by investment advisory fees and any other expenses.

Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

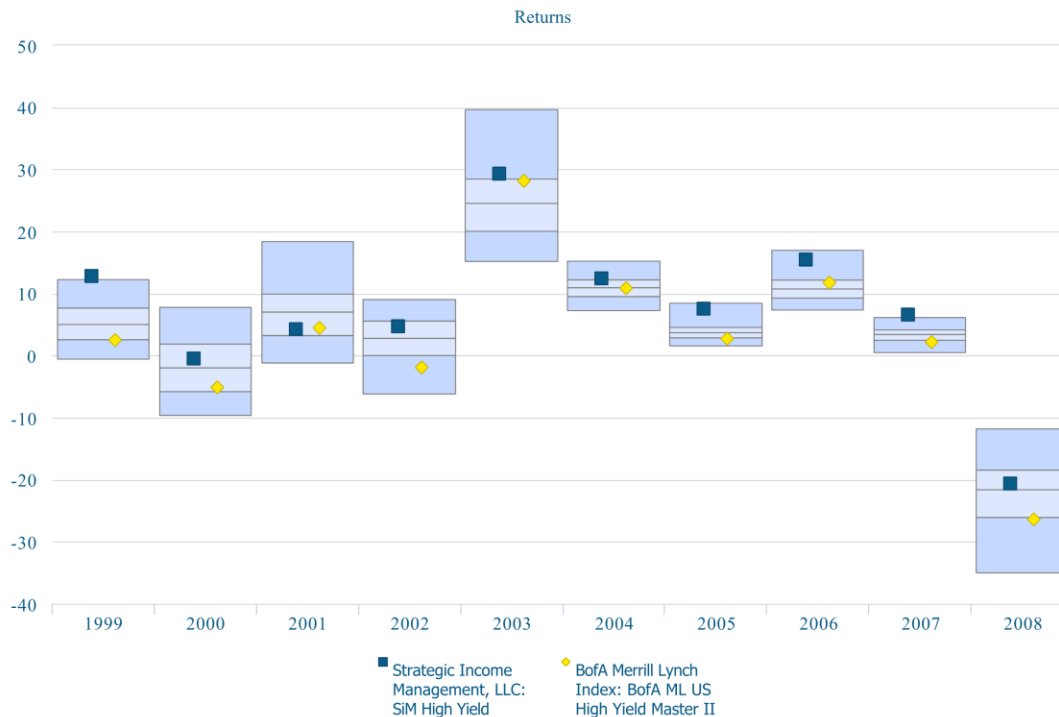


Performance SiM team at previous employer

SiM US High Yield v. Benchmark

Full Calendar year returns

The years 1998 and 2009 were no full performance years and are therefore not included in the graph below



Universe: eVestment US High Yield Fixed Income

Results displayed in USD.

Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

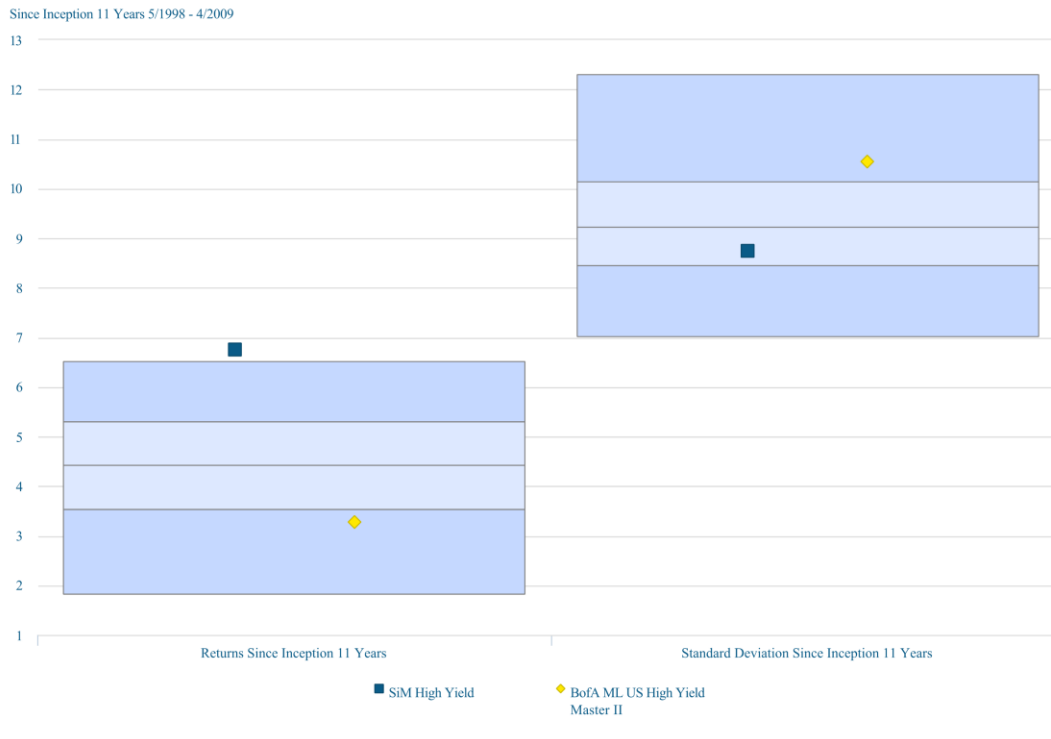


Performance SiM team at previous employer

SiM US High Yield v. Benchmark

Returns and Standard Deviation

SiM provided superior returns with a much lower risk.



Universe: eVestment US High Yield Fixed Income

Results displayed in USD.

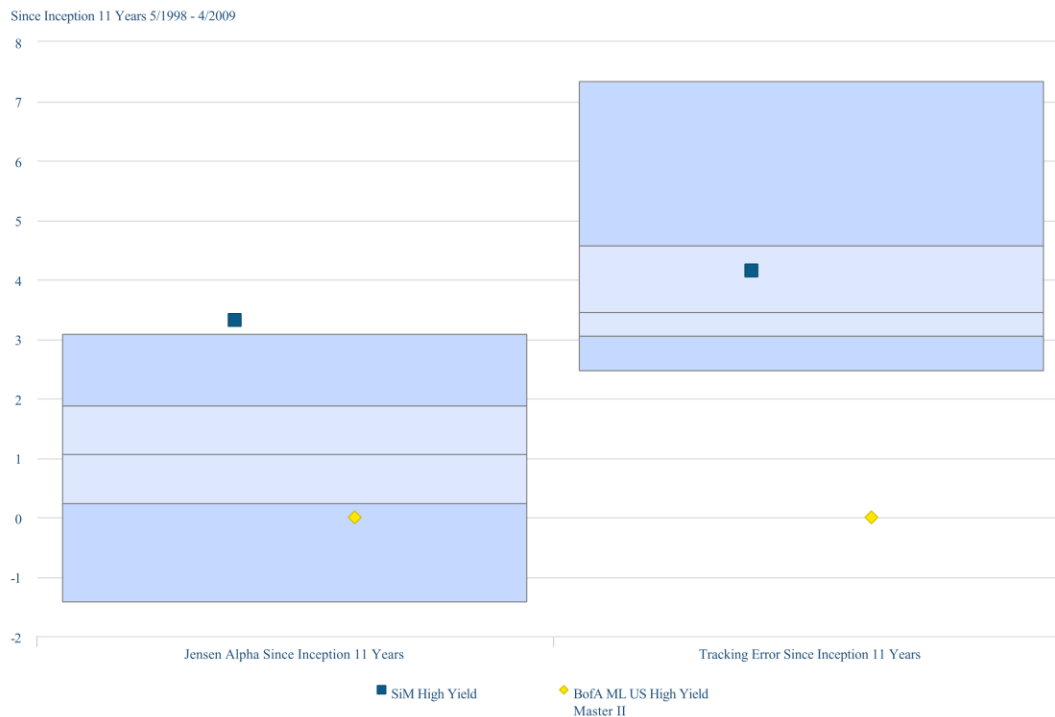
Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Performance SiM team at previous employer

SiM US High Yield v. Benchmark

Superior Alpha and higher Tracking Error



Universe: eVestment US High Yield Fixed Income

Results displayed in USD.

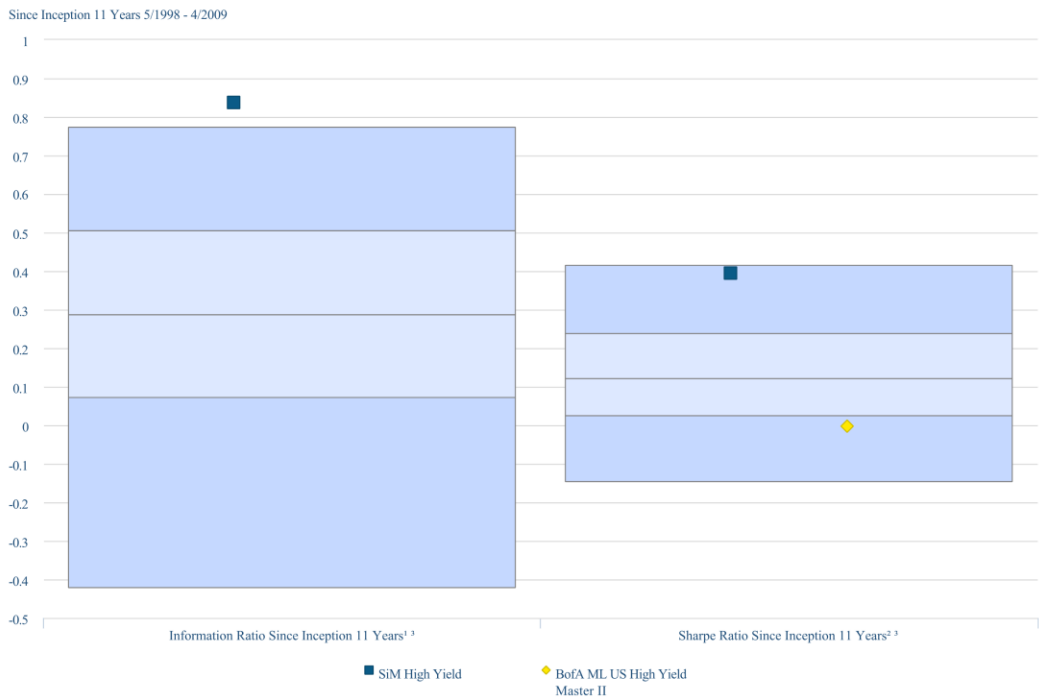
Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Performance SiM team at previous employer

SiM US High Yield v. Benchmark

Higher Information Ratio and Sharpe Ratio have led to superior performance



Universe: eVestment US High Yield Fixed Income

Results displayed in USD.

¹BofA ML US High Yield Master II; ²Citigroup 3-Month T-Bill; ³05/1998 - 04/2009

Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Performance SiM team at previous employer

SiM US High Yield v. Benchmark



Prior Firm Performance

Prior to founding Strategic Income Management in October of 2010, Gary Pokrzywinski and Brian Placzek were, respectively, the Portfolio Manager and Head of Fixed Income/Research for the Principal High Yield Fund (the "Prior High Yield Fund") from April 8, 1998 until May 4, 2009. Performance results for the Prior High Yield Fund during their management of that fund are set forth below. Peer group was comprised of between 270 members in 1998 to 476 members in 2009.

Prior High Yield Fund Performance (Class A)

Year	Fund at NAV	Lipper Peer Group Median	Lipper Peer Group % Rank
2009 ¹	14.6%	14.8%	53%
2008	-21.9%	-25.0%	24%
2007	5.7%	1.9%	2%
2006	14.5%	9.9%	3%
2005	6.5%	2.4%	3%
2004	11.4%	9.8%	17%
2003	28.1%	24.0%	23%
2002	3.7%	-1.1%	10%
2001	3.1%	2.9%	48%
2000	-1.5%	-7.6%	14%
1999	12.0%	4.2%	7%
1998 ²	-3.3%	-4.1%	41%

¹Results for 2009 are through 5/4/2009

²Results for 1998 are from 4/8/1998

Prior High Yield Fund Performance (Class A)

Time Period ¹	Fund at NAV	Lipper Peer Group Median	Annualized Difference	Cumulative Difference	Lipper Peer Group % Rank
1 Year	-11.1%	-14.6%	3.5%	3.5%	21%
3 Year	1.2%	-2.2%	3.4%	10.5%	3%
5 Year	5.1%	1.4%	3.7%	19.9%	1%
10 Year	6.2%	2.5%	3.7%	43.8%	3%

¹Results are as of 5/4/2009

Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



Performance SiM team at previous employer

SiM US High Yield v. Benchmark



Principal High Yield Fund 10 Years of Remarkable Performance

The Principal High Yield Fund has outperformed the Morningstar High Yield Bond Category every calendar year since its inception in 1998. In the overall category, as well as the 5- and 10-year periods, the Fund has achieved five-star ratings from Morningstar.

Morningstar Ratings for Class A Shares

Morningstar Category: High Yield Bond Funds (as of 3/31/09)

Principal High Yield Fund	Overall	3-year	5-year	10-year
Class A (load-waived)	★★★★★	★★★★★	★★★★★	★★★★★
Class A	★★★★★	★★★★	★★★★★	★★★★★
# Funds	-	473	405	259

The Principal High Yield Fund scored just as strongly in the Lipper rankings, placing the Fund within the top 1-6% for the 3-, 5- and 10-year periods.

Lipper Rankings for Class A Shares

Lipper Classification: High Current Yield Fund (as of 3/31/09)

Principal High Yield Fund	Overall	3-year	5-year	10-year
	Top 36%	Top 6%	Top 3%	Top 4%
Lipper Rankings	#165 of 461	#20 of 390	#9 of 335	#7 of 207

The Fund has performed with remarkable consistency within its Lipper High Current Yield category, earning high rankings for each period.

Morningstar Star Rating - For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating(TM) based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics.

Data quoted is past performance gross of fee and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.



SiM US High Yield Opportunities

Portfolio Characteristics & Construction



Portfolio Construction*

Targeted Universe:	Full High Yield universe, Senior Loans and other non-traditional investments such as REITs, preferreds, convertible bonds
High Yield Bonds:	Minimum of 80%
Exposure outside US	Maximum 35% (Benchmark has 18.5% as a maximum)
Maximum capacity	~5 billion
Minimum average rating	B-
Swing Pricing	To protect existing investors (<i>As of 30/06/2021</i>)
Number of holdings	Between 70-100
Liquidity:	Maximum 10% of an issue
Sector Allocation:	Minimum 15 industries; maximum 25% in one industry
Diversification:	Maximum 5% per issuer
Duration:	+/- 15% of the Index duration
Foreign Currency Exposure:	Unhedged exposure to non-USD limited to 5%
Cash:	Minimize cash to levels sufficient for liquidity. No tactical allocation to cash.
Leverage	None
Derivatives	Only for currency hedging purposes
ESG	ESG criteria of Norges Bank are implemented
UNPRI	SIM is UNPRI Signatory



SiM US High Yield Opportunities Fund

Fund information

Fund Launch:

September 2017

Structure:

UCITS

Investment Policy

The SiM US High Yield Opportunities invests in fixed income securities and is actively managed. The fund is not managed in reference to a benchmark index, but a benchmark is solely used for performance comparison purposes.

AUM:

\$125.8 million as of 31/10/2022

Exchange:

Ireland

Benchmark:

BofA ML US High Yield Master II

Liquidity:

Daily Liquidity & Valuation

Management Fee:

Institutional	60bps
Retail	100bps

Other Fees:

Institutional	Fixed at 15bps
Retail	Fixed at 25bps

Euro Hedging Costs (Execution only)	Fixed at 8bps
-------------------------------------	---------------

Active Share Classes	ISIN
----------------------	------

Euro Hedged Institutional (Cap):	IE00BF1XKR94
----------------------------------	--------------

Euro Hedged Institutional (Dis):	IE00BF1XKQ87
----------------------------------	--------------

Euro Hedged Retail (Cap):	IE00BF1XKS02
---------------------------	--------------

USD Institutional (Cap):	IE00BF1XKP70
--------------------------	--------------

GBP Hedged Institutional (Cap):	IE00BMT7P228
---------------------------------	--------------

Custodian:

Royal Bank of Canada

Central Admin:

Royal Bank of Canada

Transfer Agent:

Royal Bank of Canada

Auditor:

Deloitte

Composite data since inception: High Yield Institutional*

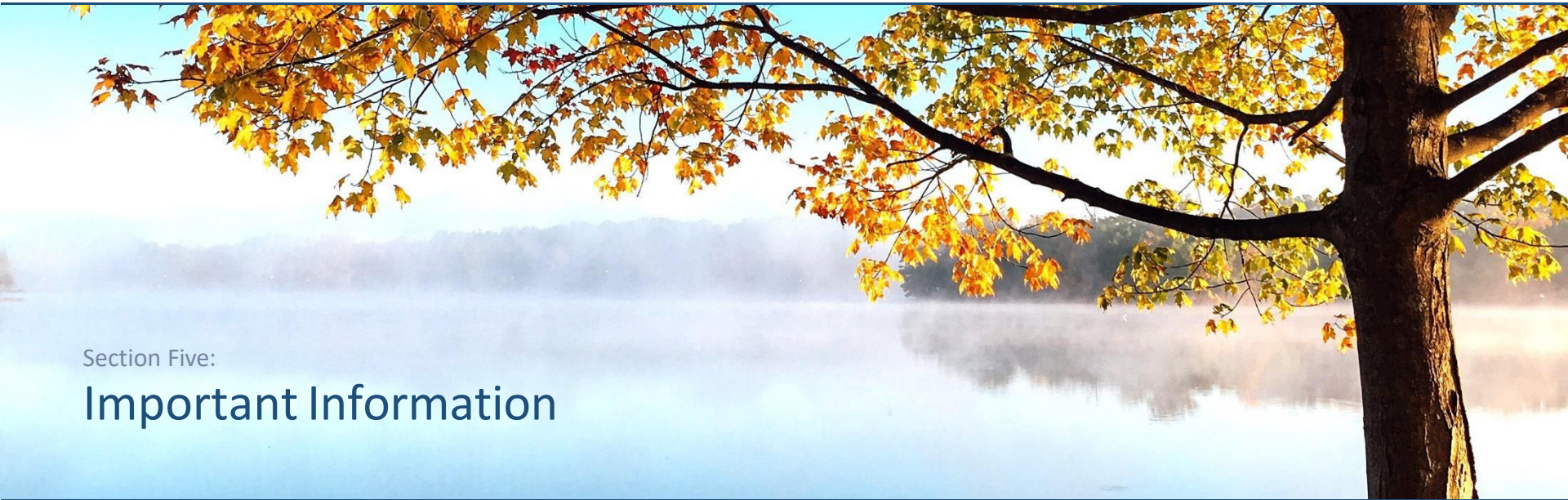
Alpha	1.70
Beta	1.05
Std Dev	8.36
UMC	111.91
DMC	92.21
Information Ratio	0.72
Tracking Error	2.70
Sharpe Ratio	0.69

Copies of the Prospectus, Supplement and KIIDs are available free of charge from: www.candoris.nl

Source: eVestment SiM US High Yield Opportunities as of 30/09/2022 since inception
Data quoted is past gross of fee performance and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate.

FOR INVESTMENT PROFESSIONAL USE ONLY





Section Five:


Important Information



Candoris

Access to the world's best investment strategies.

FOR INVESTMENT PROFESSIONAL USE ONLY



This is a marketing communication. This is not a contractually binding document. Please refer to the prospectus of the UCITS and to the KIID and do not base any final investment on this communication alone. A copy of the prospectus and the KIID can be found on <https://candoris.nl/> requested via candoris@candoris.nl. These investments are investments in a fund and not in a given underlying asset.

This information is proprietary and cannot be reproduced or distributed. Certain information may be received from sources Candoris B.V. considers reliable; Candoris B.V. does not represent that such information is accurate or complete. Certain statements contained herein may constitute “projections,” “forecasts” and other “forward-looking statements” which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial data. Actual results, performance or events may differ materially from those in such statements. Any opinions, projections, forecasts and forward-looking statements presented herein are valid only as of the date of this document and are subject to change. Nothing contained herein should be construed as (i) an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Candoris B.V. assumes no obligation to update any forward-looking information.


Past performance is no guarantee of future results.

Swiss disclaimer

In Switzerland, the Fund is considered foreign investment schemes pursuant to Art. 119 of the Swiss Federal Collective Investment Schemes Act (CISA). No application has been submitted to the Federal Financial Market Supervisory Authority (FINMA) to obtain approval within the meaning of Art. 120 CISA to offer or distribute the investment in or from Switzerland to “Non-Qualified Investors”, and no other steps have been taken in this direction. Consequently, investors do not benefit from the specific investor protection and/or FINMA supervision pursuant to the CISA and its implementing ordinances.

Any offer or sale must therefore be in strict compliance with Swiss law, and in particular with the provisions of the Collective Investment Schemes Act and its implementing ordinances, and FINMA circular 2013/9 on distribution of collective investment schemes. No person or entity is authorized to offer or sell the Shares or distribute any Fund Documentation, including the Prospectus, the Articles of Incorporation and annual reports issued by the Fund from time to time or promotional material pertaining to the Fund in or from Switzerland other than to “Qualified Investors”, as defined in Article 10 of the CISA and Articles 6 and 6a of the CISO and any circulars issued by FINMA.

The Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77. The Fund’s paying agent is Helvetische Bank AG. Any Fund Documentation may be obtained free of charge from the Swiss Representative in Lausanne. In respect of the Shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss Representative.



Section Six:

Appendix – Beta of SiM Explained

Beta Explained – Monthly vs Daily

SiM US High Yield

The Beta, Standard Deviation and Max Drawdown of the SiM Track Record show a different and more accurate picture when looking at Daily Data instead of Monthly Data

The overall Beta, Standard deviation and max drawdown of the SiMtrack record since inception is significantly negatively impacted by the one month of March 2020 (Covid-19). The core holdings in Leisure were supposed to protect, but ended up detracting as restaurants, hotels, cinema's etchad to close down, making March 2020 look like a very bad month for SiM.

However; the monthly data in databases looks much worse than the actual daily data indicates for the following reason:

As you might remember the FED intervened in the HY market and announced large purchases of JNK & HYG (US HY ETF's) in March of 2020 around the 20th day of the month. As a result, the high conviction, index agnostic and partly smaller cap SiM portfolio lagged peers by roughly a couple of weeks. ETF names bounced back first and SiM holdings that were partially not in the ETF's followed later. Right at month end the performance difference was about the largest. This caused a large increase in standard deviation and max drawdown at month end (see next slide).

However daily return series show a very different outcome. The max drawdown gap vs the index and peers is much smaller and the standard deviation actually remains in line or below that of benchmark and peers. Once the FED stepped in and ETF holdings bounced back first, the SiM portfolio holding small caps and being index agnostic followed a few weeks later. This is why we think our volatility is more accurately reflected in a daily rather than a monthly data set (see the March 2020 impact on the next slides).

Beta Explained – Monthly vs Daily

SiM US High Yield



Max Drawdown in March 2020

Drawdown March (MONTHLY)

Time Period: 3/1/2020 to 3/31/2020 Calculation Benchmark: ICE BofA US High Yield TR USD

	Max Drawdown	Max Drawdown # of Periods	Max Drawdown Peak Date	Max Drawdown Valley Date	Omega
American Beacon SiM High Yld Opps Y	-17.21	1.00	3/1/2020	3/31/2020	—
iShares iBoxx \$ High Yield Corp Bd ETF	-10.06	1.00	3/1/2020	3/31/2020	—
ICE BofA US High Yield TR USD	-11.76	1.00	3/1/2020	3/31/2020	—

Drawdown March (DAILY)

Time Period: 3/1/2020 to 3/31/2020 Calculation Benchmark: ICE BofA US High Yield TR USD

	Max Drawdown	Max Drawdown # of Periods	Max Drawdown Peak Date	Max Drawdown Valley Date	Omega
American Beacon SiM High Yld Opps Y	-22.31	19.00	3/5/2020	3/23/2020	0.70
iShares iBoxx \$ High Yield Corp Bd ETF	-20.59	19.00	3/5/2020	3/23/2020	0.75
ICE BofA US High Yield TR USD	-20.57	19.00	3/5/2020	3/23/2020	0.72

Source: Morningstar Direct

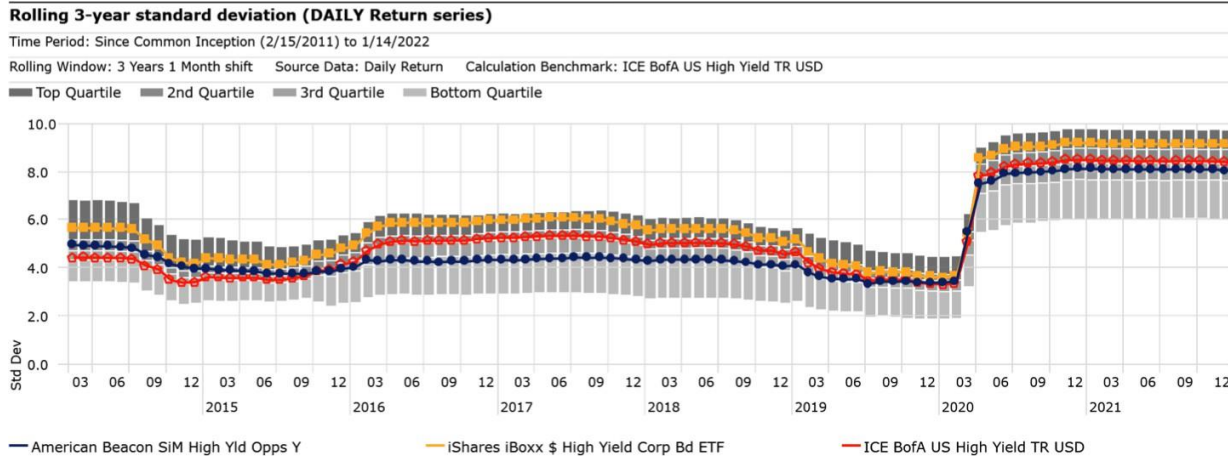
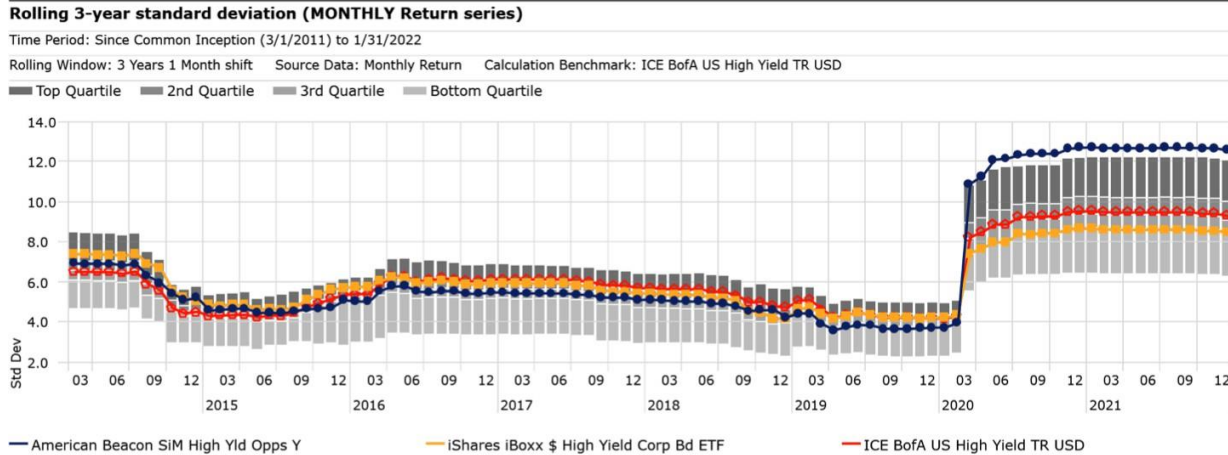


Beta Explained – Monthly vs Daily

SiM US High Yield



Standard Deviation

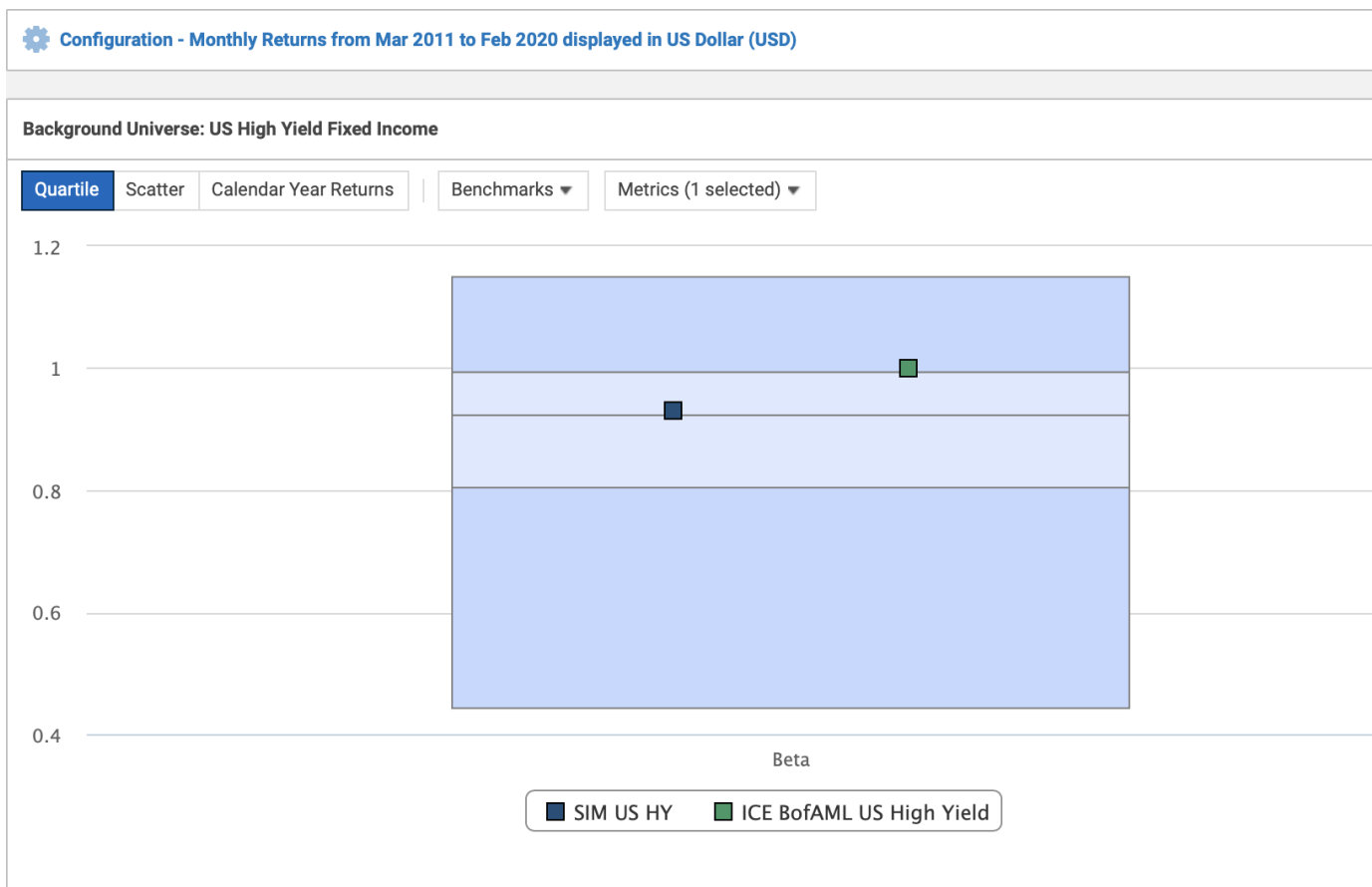


Source: Morningstar Direct

Beta Explained – Monthly vs Daily

SiM US High Yield

Beta of SiM prior to Covid 19 (March 2011- Feb 2020) was 0.93 over an 8-year period, after the Covid period (June 2020- March 2022) it was 0.9.



Beta Explained – Monthly vs Daily

SiM US High Yield

Beta of SiM prior to Covid 19 (March 2011- Feb 2020) was 0.93 over an 8-year period, after the Covid period (June 2020- March 2022) it was 0.9.

