



# Strategic Income Fact Sheet

March 31, 2024

## OBJECTIVE

Strategic Income is a dynamic relative-value strategy that seeks income and total return opportunities across an array of global income markets, while exhibiting reduced interest rate sensitivity and correlation to traditional equity and fixed income asset classes. The strategy seeks to outperform its peers as well as the Bloomberg U.S. Aggregate Index.

## INVESTMENT PHILOSOPHY

We invest in a wide range of income producing asset classes, while focusing on high quality, low leverage, and transparency to help limit volatility and downside risk. A lower overall correlation to equity and fixed income enhances return per unit of risk.

## INVESTMENT PROCESS OVERVIEW

“Strategic Income seeks current income, across global markets, in any capital structure where we find relative value. The strategy provides reduced correlations to both stocks and bonds in a high quality portfolio.” – John Cassidy

## INVESTMENT APPROACH

A global, flexible approach allows tactical changes among a variety of income producing asset classes. Employing a top-down macro perspective with bottom-up security selection, we place emphasis on high quality, relative value and high current income.

## RISK MANAGEMENT

Along with broad diversification across asset classes and a high quality credit focus, the Strategy has strict issuer limits of less than 4% and defined sector ranges for bonds, preferreds, convertibles, REITs, high dividend equities, high yield debt, and emerging market exposure.

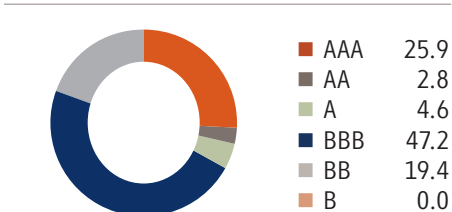


## ASSET ALLOCATION

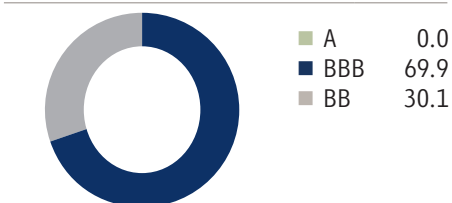
	(%)
<b>Bonds</b>	<b>28.33</b>
ABS	3.11
CMBS	11.50
Corporate	0.00
Mortgage	12.83
Treasury and Agency	0.89
Non-Dollar	0.00
<b>Preferreds</b>	<b>49.54</b>
Institutional Preferreds	23.99
Corporate Hybrids	7.86
AT1	17.31
\$25	0.38
<b>REITs</b>	<b>3.24</b>
<b>Equity</b>	<b>11.42</b>
<b>Cash</b>	<b>7.10</b>
<b>Options</b>	<b>0.38</b>

Source: Bloomberg.

## PORTFOLIO RATING\*



## PREFERRED QUALITY RATING\*



Source: Bloomberg.

## ASSETS

	Strategy Assets (\$M)
Composite	162.36

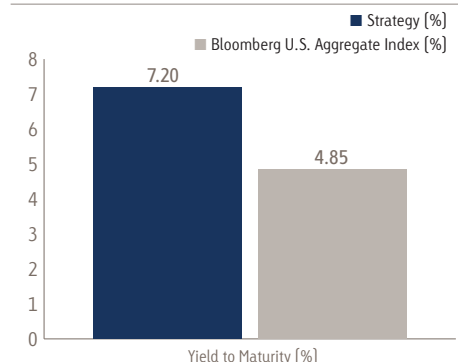
## KEY FACTS

	Bloomberg U.S. Aggregate Index
Benchmark	Bloomberg U.S. Aggregate Index
Business Minimum	\$20 M
Number of Holdings	136
Vehicles	Separate Account, Mutual Fund, SRI Private Fund

## CHARACTERISTICS

	Strategy	Index
Effective Duration [Years]	3.47	6.15
Average Credit Quality	A/A-	AA+/AA

## YIELD\*\*

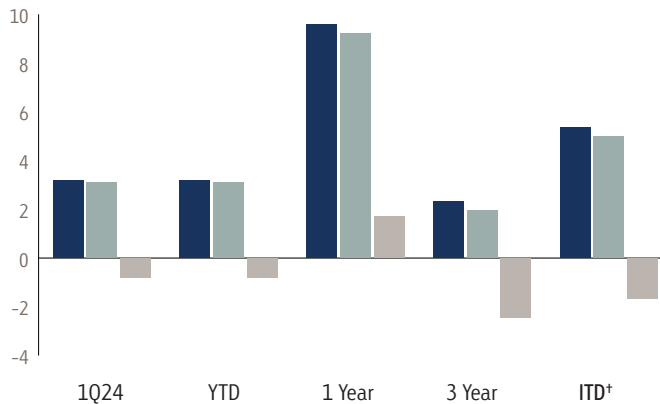


The characteristics shown are based on a representative account and are for illustrative purposes only. Individual client accounts may differ based on a variety of client-specific factors, including account fees, account size, cash flows, client specific investment opportunities and restrictions. Strategy performance results shown may reflect the reinvestment of income. Past performance is no guarantee of future results. Index performance used throughout this piece is intended to illustrate historical market trends and is provided solely as representative of the general market performance for the same period of time. Indices are unmanaged, may not include reinvestment of income, and do not incur investment management fees. An investor is unable to invest in an index. The holdings and sectors listed should not be considered to be a recommendation to buy or sell a particular security. Actual holdings are subject to change daily. The mention of specific securities illustrates the application of our investment approach only and is not to be considered a recommendation by RCIM.

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## PERFORMANCE



	1Q24	YTD	1 Year	3 Year	ITD*
Composite Gross [%]	3.17	3.17	9.59	2.31	5.36
Composite Net [%]	3.08	3.08	9.21	1.95	5.00
Bloomberg U.S. Aggregate Bond Index [%]	-0.78	-0.78	1.70	-2.45	-1.67
<b>Outperformance [%]</b>	<b>3.86</b>	<b>3.86</b>	<b>7.51</b>	<b>4.41</b>	<b>6.67</b>

ANNUAL PERFORMANCE [%]	2023	2022	2021	2020
■ Composite Gross	6.04	-7.58	6.22	14.75
■ Composite Net	5.67	-7.90	5.86	14.46
■ Bloomberg U.S. Aggregate Bond Index	5.53	-13.01	-1.54	4.23

+Performance calculated from inception date 4/1/2020  
 Periods greater than 12 months are annualized  
 Source: Bloomberg, Clearwater Analytics

## DISCLOSURES

\*Quality ratings are based on Moody's, S&P, or Fitch, as applicable. Securities rated by all three services are assigned the median rating; if a bond is rated by only two agencies, it is assigned the lower rating; if it is only rated by one agency, that rating is assigned.

\*\*Yield to maturity calculated using the compound convention of the bond.

This is current as of the date of this material and is subject to change at any time based upon market or other conditions. Charts, diagrams, and graphs, by themselves cannot be used to make investment decisions.

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The securities discussed do not represent the Composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information presented in this material is general in nature and not designed to address your investment objectives, financial

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All information and performance are reported in U.S. dollars.

The "Net" returns presented are net of fees. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results. The "Gross" returns presented are gross of fees. The results do not reflect the deduction of investment management fees. The client's return will be reduced by the management fees and any other expenses incurred in the management of the account. For example, a U.S. \$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net of fee return of 9.5%. Management fees are described in Part 2A of RCIM's Form ADV Part 2A. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

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## PORTFOLIO MANAGEMENT TEAM



**John L. Cassidy III, CFA**

Co-Chief Investment Officer  
 Industry start date: 1987  
 Joined Red Cedar: 2018



**Brandon F. Bajema, CFA, CPA**

Co-Chief Investment Officer  
 Industry start date: 2003  
 Joined Red Cedar: 2021



**Julia Batchenko, CFA**

Senior Portfolio Manager  
 Industry start date: 2011  
 Joined Red Cedar: 2019



**Jason M. Schwartz, CFA**

Director of Portfolio Management  
 Industry start date: 2004  
 Joined Red Cedar: 2018



**David L. Withrow, CFA**

Senior Market Strategist  
 Industry start date: 1988  
 Joined Red Cedar: 2018

The Strategic Income Composite (Composite) includes a broad distribution pooled fund (North Square Strategic Income Fund) that invests in Treasury and agency bonds, investment grade and non-investment grade corporate bonds, municipal bonds, asset-backed securities, agency, and non-agency mortgage-backed securities, collateralized mortgage obligations, preferred securities, equity REITs and equity securities. The strategy may use derivatives, including forward contracts, futures contracts, swap contracts and options in implementing its strategy. The use of derivative instruments allows the strategy to achieve its investment objectives, reduce risks, or manage the strategy more efficiently. The strategy also invests in international securities, foreign exchange, and non-U.S. dollar denominated securities. The Strategic Income Composite was created on April 1, 2020. The inception date of the Composite was April 1, 2020.

The benchmark is the Bloomberg U.S. Aggregate Bond Index. The index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

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