

Preferred and Income Securities Fact Sheet



March 31, 2024

OBJECTIVE

The Preferred and Income Securities strategy seeks total return through current income and capital appreciation. Additionally, the strategy seeks to outperform its peers and RCIM's custom blended benchmark.*

INVESTMENT APPROACH

- RCIM seeks to identify hybrid and preferred securities it believes are undervalued, focusing on convexity and credit quality.
- The strategy seeks to identify securities that offer higher total return potential than its benchmark without sacrificing credit quality. Investing in these complex markets entails having a deep understanding of the structure of the individual securities and the creditworthiness of the issuers.
- The strategy primarily invests in deeply subordinated debt instruments of investment grade rated banks, utilities, and insurance companies including preferred securities, corporate hybrids and additional tier 1 securities [AT1s].

INVESTMENT PHILOSOPHY

- We believe that the credit, hybrid, and preferred security markets are highly inefficient. As such, they are prime markets for active management that aims to deliver material alpha.
- When analyzing hybrid and preferred securities, we believe that structural security analysis is every bit as important as issuer credit analysis.
- We believe that investors should be compensated for taking additional credit and interest rate risk and this should be reflected in upward-sloping credit and rates curves.

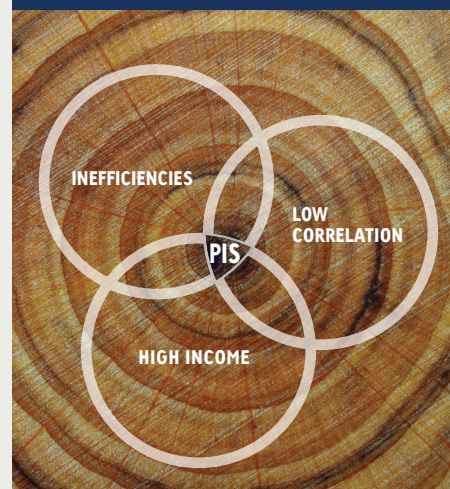
RISK MANAGEMENT

- The strategy is diversified across individual issuers, sectors, countries, currencies, structures, and ratings with the objective of having higher returns and lower return volatility than the benchmark.
- Strict limits to Individual company, high yield, and non-USD-denominated instrument exposures.
- The strategy is long-only and no leverage is deployed.

INVESTMENT PHILOSOPHY

"RCIM identifies undervalued preferred and hybrid securities by focusing on both structural and credit analysis."

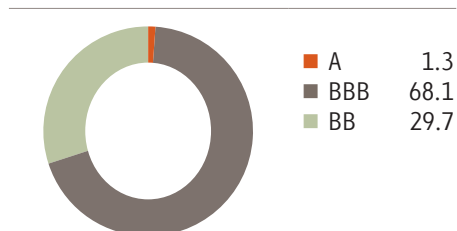
- Brandon Bajema



ASSET ALLOCATION

	(%)
Preferreds	99.16
AT1s	35.80
Institutional Prefs	43.64
Corporate Hybrids	18.59
Retail Preferreds	1.13
Traditional Corporates	0.00
Cash	0.84

PORTFOLIO RATING*



Source: Bloomberg.**

ASSETS

	Strategy Assets (\$M)
Composite	114.91

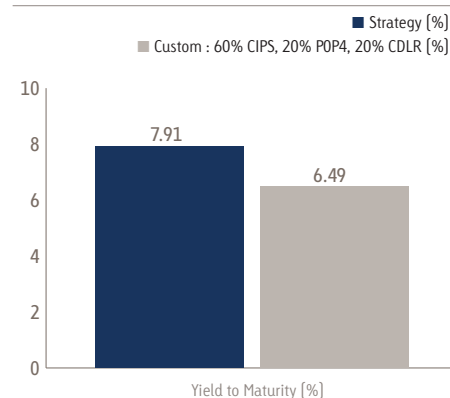
KEY FACTS

Benchmark	Custom : 60% CIPS, 20% POP4, 20% CDLR
Number of Holdings	47
Vehicles	Separate Account Mutual Fund

CHARACTERISTICS

	Strategy	Index
Effective Duration [Years]	2.8	5.0
Average Credit Quality	BBB/BBB-	BBB/BBB-

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.

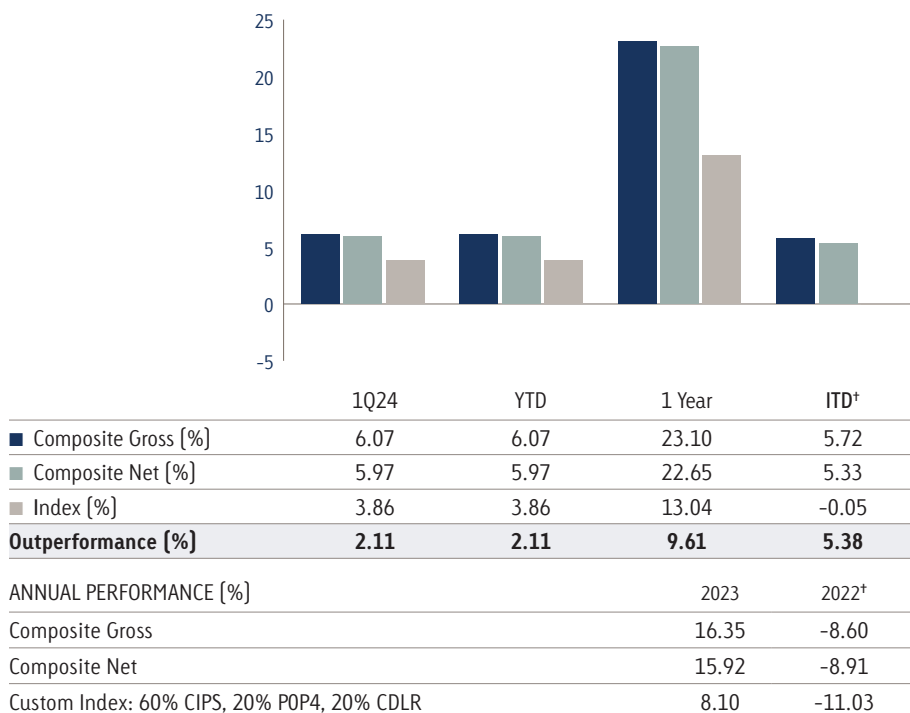
* 60% CIPS: ICE BofA US Investment Grade Institutional Capital Securities, 20% POP4: ICE BofA Core Plus Fixed Rate Preferred Securities, 20% CDLR: ICE USD Contingent Capital

**The highest of the three ratings agencies is used.

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PERFORMANCE



*Performance calculated from inception date 2/1/2022

Periods greater than 12 months are annualized. Outperformance = Composite Net – Index

Source: Bloomberg, Clearwater Analytics

DISCLOSURES

Red Cedar Investment Management, LLC (RCIM) is an investment adviser registered with the U.S. Securities and Exchange Commission and was founded in 2013. Registration as an investment advisor does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. For more information please visit: www.adviserinfo.sec.gov and search for our firm name. Neither the information nor any opinion expressed herein should be construed as personalized investment, tax, or legal advice, or a recommendation of any particular security or strategy.

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 situation, or particular needs. Prior to making any investment decision, you should assess or seek advice from a professional regarding whether any particular transaction is relevant or appropriate to your individual circumstances. The mention of specific securities and sectors illustrates the application of our investment approach only and is not considered a recommendation by RCIM. There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. The opinions expressed herein are those of RCIM and may not actually come to pass.

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.

The information herein was obtained from various sources. RCIM does not guarantee the accuracy or completeness of information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. RCIM assumes no obligation to update this information, or to advise on further developments relating to it.

The Preferred and Income Securities Composite (Composite) includes a broad distribution pooled fund (North Square Preferred and Income Securities Fund) that invests in preferred securities, Treasury and agency bonds, investment grade and non-investment grade corporate bonds, asset-backed securities, agency and non-agency mortgage-backed securities, collateralized mortgage obligations, and REITS. 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. Under normal market conditions, the portfolio invests at least 80% of its net assets (plus any borrowings for investment purposes) in a portfolio of preferred and debt securities issued by U.S. and non-U.S. companies. The Preferred and Income Securities Composite was created 2/1/2022. The inception date of the Composite was 2/1/2022.

Benchmark Definition: The benchmark is a Custom Benchmark. The Custom Benchmark is a combination of 60% ICE BofA U.S. Investment Grade Institutional Capital Securities Index (CIPS), 20% ICE BofA Core Plus Fixed-Rate Preferred Securities Index (POP4), 20% ICE USD Contingent Capital Index (CDLR), calculated by weighting the respective index returns monthly. The CIPS index tracks the performance of the U.S. dollar-denominated investment-grade

PORTFOLIO MANAGEMENT TEAM



Brandon F. Bajema, CFA, CPA

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



John L. Cassady III, CFA

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



David L. Withrow, CFA

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

hybrid capital corporate and preferred securities issued in the U.S. domestic market. The POP4 index tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. The index includes preference shares (perpetual preferred securities), both DRD-eligible and non-DRD eligible preferred stock and senior and subordinated debt issued in \$25, \$50 or \$100 par/liquidation increments. The CDLR index tracks the performance of investment grade and below investment grade contingent capital debt publicly issued in the major domestic and eurobond market denominated in US dollars. The Custom Benchmark returns are calculated by using the monthly returns of the indices listed above during each period. At the beginning of each month the indices are rebalanced to a 60/20/20 ratio to account for divergence from that ratio that occurred during each month. The monthly returns are then compounded for each period, giving the performance for the Custom Benchmark. Prior to January 1, 2023, the Custom Benchmark was a combination of 60% ICE BofA U.S. Investment Grade Institutional Capital Securities Index (CIPS), 20% ICE BofA Core Plus Fixed-Rate Preferred Securities Index (POP4), 20% ICE BofA Contingent Capital Index (COCO).

POP4: ICE Preferred Securities Index for \$25 retail prefs including investment grade and high yield securities. CIPS: ICE Investment Grade Institutional Capital Securities Index that tracks U.S. dollar-denominated investment grade hybrid capital corporate and preferred securities. CDLR: ICE Contingent Capital Index is a subset of the COCO Index that includes only U.S. dollar-denominated securities. COCO: ICE Contingent Capital Index that tracks investment grade and high yield contingent capital issued in major domestic and Eurobond markets.

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