

# HIGH YIELD STRATEGY

SEEKING TO CAPTURE INCOME WITH DISCIPLINED RISK CONTROL

## Objective

The Chartwell High Yield Strategy seeks income and long-term capital appreciation by investing primarily in the higher quality tiers of the high yield bond market.

## Seeking to deliver stable income and capital preservation

The Chartwell High Yield strategy stresses preservation of capital and compounding of income with bonds that we believe trade at attractive relative values.

## Performance

Total Return % As of 09.30.2021	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	*Since Inception
■ CIP HY (Gross)	1.0	4.5	9.7	7.0	6.2	7.2	7.3
■ CIP HY (Net)	0.9	4.0	9.1	6.4	5.6	6.6	6.7
■ ICE BofA HY CP BB-B	0.9	3.9	9.8	7.0	6.2	7.1	7.2
■ ICE BofA HY CP	0.9	4.6	11.3	6.6	6.3	7.3	7.5

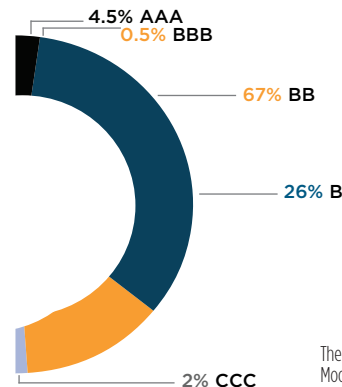
Returns 1 year + annualized.  
\*The Chartwell High Yield strategy's inception was July 1, 2001.  
Source: Chartwell

Calendar Year Total Return % As of 12.31.2020	Gross Return	Net Return	ICE BofA HY CP BB-B	ICE BofA HY CP
2020	5.7	5.1	6.5	6.2
2019	14.3	13.7	15.1	14.4
2018	-0.4	-1.0	-2.0	-2.3
2017	6.5	5.9	7.0	7.5
2016	11.1	10.5	14.8	17.3
2015	-1.4	-2.0	-2.9	-4.6
2014	3.2	2.6	3.5	2.5
2013	9.9	9.3	6.3	7.4
2012	14.9	14.3	14.7	15.4
2011	5.6	5.0	5.5	4.5
2010	13.0	12.4	14.5	15.2

Source: Chartwell

## Credit Quality

As of 09.30.2021



The credit quality represents the higher rating of Moody's or S&P.  
Source: Chartwell

## Risk & Return Metrics\*

10 years as of 09.30.2021

Alpha	0.39	44 <sup>th</sup> Percentile
Beta	0.96	71 <sup>st</sup> Percentile
Sharpe	0.96	40 <sup>th</sup> Percentile
Std. Dev.	6.13	29 <sup>th</sup> Percentile

\*Universe: eVestment US High Yield Fixed Income  
Peer ranking is calculated using 112 peer observations.  
Source: eVestment

## Portfolio Managers

Andrew S. Toburen, CFA  
John M. Hopkins, CFA  
Christine F. Williams

## Inception Date

July 1, 2001

## Strategy Statistics

As of 09.30.2021

Benchmark	ICE BofA HY Cash Pay BB-B Index
Range of Holdings (Issuers)	70-100
Annualized Turnover	48.4%
Firm Assets	\$11.5B
Product Assets	\$23M

Source: Chartwell

# HIGH YIELD STRATEGY

## Holdings-Based Statistics

As of 09.30.2021

	Chartwell HY	ICE HY CP BB-B
Average Coupon	5.17%	5.46%
Current Yield	4.86%	5.20%
Yield to Maturity	3.70%	4.25%
Average Maturity	5.56 yrs.	6.88 yrs.
Average Duration	4.68 yrs.	5.36 yrs.
Average Quality	Ba2	Ba3

Source: Chartwell

## Top 10 Holdings

As of 09.30.2021

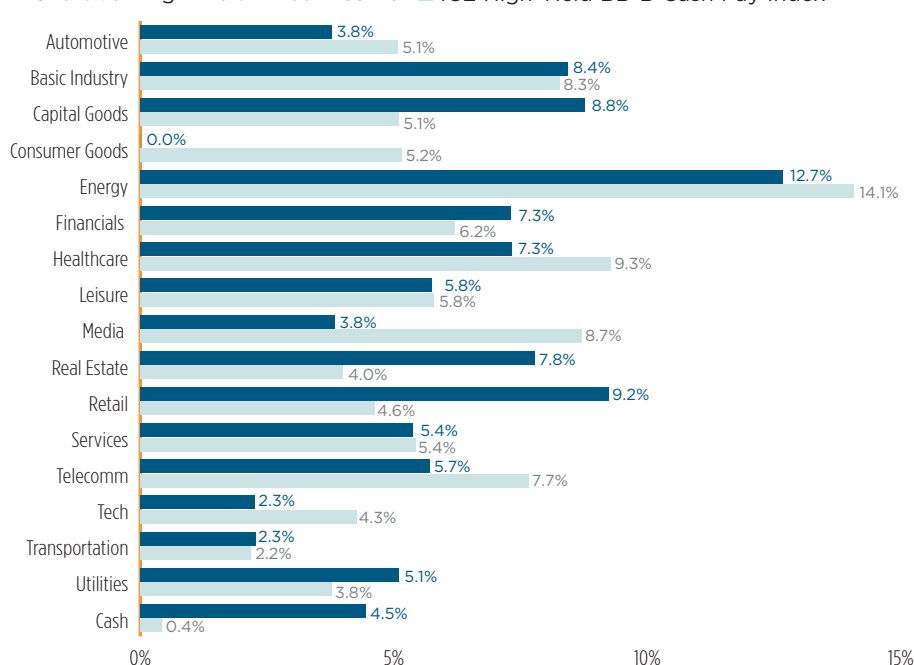
	Maturity	Weight
Dell Inc.	04.15.2028	2.22%
Safeway Inc.	09.15.2027	2.02%
Ford Motor Co.	02.01.2029	2.00%
GLP Capital	04.15.2026	1.96%
Lumen Tech. Inc.	01.15.2028	1.95%
Liberty Media Corp.	07.15.2029	1.95%
Amerigas Partners LP	08.20.2026	1.94%
DCP Midstream	05.15.2029	1.94%
Sabra Health Care	08.15.2026	1.93%
CIT Group Inc.	03.07.2025	1.92%
<b>Total Top 10</b>		<b>19.83%</b>

Source: Chartwell

## Sector Diversification

As of 09.30.2021

■ Chartwell High Yield Fixed Income ■ ICE High Yield BB-B Cash Pay Index



Source: Chartwell

Period	Comp. AUM (\$M)	% of Total AUM	# of Accounts	Gross Return	Net Return	ICE BoA HY Cash Pay	ICE BoA HY Cash Pay BB-B	Comp. 3 Yr. Std. Dev. (%)	ICE BoA HYCP BB-B 3 Yr. Std. Dev. (%)	Comp. Dispersion	Total Firm AUM (\$M)
YTD 2021	\$18M	0.2	3	4.45	4.00	4.55	3.85	9.19	8.81	N/A	\$11,454M
2020	\$51M	<0.1	4	5.67	5.07	6.49	6.20	9.21	8.86	0.290	\$10,263M
2019	\$46M	<0.1	4	14.32	13.72	14.40	15.08	3.33	3.89	0.300	\$9,701M
2018	\$42M	<0.1	4	(0.39)	(0.99)	(2.26)	(2.02)	3.33	4.06	0.270	\$9,189M
2017	\$88M	1.1	5	6.52	5.92	7.48	6.97	4.40	5.06	0.243	\$8,292M
2016	\$85M	1.1	5	11.06	10.46	17.34	14.79	4.71	5.54	0.097	\$8,052M
2015	\$75M	0.9	4	(1.44)	(2.04)	(4.55)	(2.89)	4.54	5.16	0.101	\$7,999M
2014	\$79M	1.0	3	3.18	2.58	2.45	3.46	3.73	4.32	0.990	\$7,737M
2013	\$103M	1.4	3	9.86	9.26	7.38	6.29	5.38	5.87	1.184	\$7,457M
2012	\$97M	1.9	3	14.85	14.25	15.44	14.71	5.80	6.30	0.229	\$5,238M
2011	\$337M	7.1	3	5.64	5.04	4.50	5.47	7.21	9.30	0.030	\$4,765M
2010	\$362M	7.2	4	12.96	12.36	15.24	14.50	N/A	N/A	0.217	\$5,016M
2009	\$326M	6.8	4	35.81	35.21	56.28	46.12	N/A	N/A	3.601	\$4,781M
2008	\$281M	7.5	4	(18.69)	(19.29)	(26.21)	(23.60)	N/A	N/A	1.336	\$3,738M
2007	\$316M	5.2	4	3.52	2.92	2.17	2.69	N/A	N/A	0.304	\$6,091M
2006	\$299M	5.5	3	9.09	8.49	11.64	10.66	N/A	N/A	0.399	\$5,433M
2005	\$240M	4.7	4	2.33	1.73	2.83	3.38	N/A	N/A	0.608	\$5,101M
2004	\$262M	4.3	6	10.24	9.64	10.76	9.91	N/A	N/A	0.512	\$6,100M
2003	\$279M	4.1	9	25.77	25.17	27.22	22.84	N/A	N/A	0.950	\$6,800M
2002	\$100M	2.2	5	1.08	0.48	(0.59)	(0.78)	N/A	N/A	0.144	\$4,500M
03-Q4'01	\$97M	1.8	1	1.88	1.58	1.28	1.80	N/A	N/A	N/A	\$5,400M

This information is for illustrative purposes only, is subject to change at any time, and should not be considered investment advice or a recommendation to buy or sell any particular security.

Chartwell Investment Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Chartwell Investment Partners has been independently verified for the period ended June 30, 2020. Chartwell Investment Partners, LLC (Chartwell), founded in 1997, is an investment management firm registered under the Investment Advisors Act of 1940. Chartwell manages a variety of equity, fixed income and balanced assets for Institutional, Sub-Advisory, as well as WRAP/Retail clients. Chartwell's firm assets of \$11.5 billion include \$1.1 billion in Model assets as of 09.30.2021.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with the GIPS standards. The High Yield Fixed Income Institutional composite has been examined for the period January 1, 2007 to June 30, 2019. The verification and performance examination reports are available upon request.

The performance data quoted represents past performance; past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The gross returns were calculated on a time weighted basis, including all dividends and interest, accrual income, realized and unrealized gains or losses and are net of all brokerage commissions, execution costs and do not give effect to investment advisory fees, which would reduce such returns. The net returns presented above were calculated by applying the highest institutional investment advisory fee paid by a client of Chartwell. The investment advisory fee schedule for institutional portfolios is: 0.60% on first \$20 million,

0.50% on all additional assets. Fees for WRAP/SMA portfolios are different and will vary per platform.

The ICE BoA High Yield BB-B Cash Pay Index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any trading costs, management fees, or other costs. Index returns have been taken from published sources.

The High Yield Fixed Income Institutional composite, composed of portfolios invested in U.S. fixed income issues that offer returns exceeding the ICE BoA High Yield BB-B Cash Pay Index, was initially created in October 1998 and includes all fee paying and non-fee paying (i.e. incubators), discretionary accounts with comparable investment objectives and a market value in excess of \$1,000,000. Trade date accounting is utilized and cash equivalents are included in performance returns. Returns are calculated by geometrically linking the monthly and quarterly returns respectively. Valuations are computed and performance reported in U.S. Dollars. Composite dispersion is calculated using the asset-weighted standard deviation method, which determines the dollar-weighted mean return using the beginning-of-year market values. The three-year annualized deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2002 through 2010 as it is not required for periods prior to 2011. There is no use of leverage or derivatives. The results of individual accounts and for different periods may vary. Other performance calculation methods might produce different results. Investors should not rely on prior performance data as a reliable indication of future performance.

To receive a complete list and description of Chartwell Investment Partners' composites and/or a presentation that adheres to the GIPS® standards, please contact Chartwell at (610) 296-1400 or info@chartwellip.com.



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Chartwell Investment Partners LLC, is an investment management firm dedicated solely to the investment advisory business. Chartwell's philosophy is to rely on proprietary, bottom-up research to find high quality investments across its various product offerings.

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