

## STRATEGIC ISSUE HIGH YIELD STRATEGY

SEEKING TO CAPTURE INCOME WITH DISCIPLINED RISK CONTROL

### Objective

The Chartwell Strategic Issue High Yield Strategy aims to generate returns in excess of the broad high yield market with lower volatility over a full economic cycle.

The Chartwell Strategic Issue High Yield strategy seeks to maintain a yield advantage versus the U.S. high yield market, with comparable or better average credit quality, and with limited exposure to CCC-rated issues. The portfolio is built with securities that the team believes offer attractive income and total return potential from the universe of high yield issues that are \$500 million in size or smaller.

### Performance

| Total Return %<br>As of 09.30.2021 | Qtr | YTD | 1 Yr | 3 Yr | *Since Inception |
|------------------------------------|-----|-----|------|------|------------------|
|                                    |     |     |      |      |                  |
|                                    |     |     |      |      |                  |
|                                    |     |     |      |      |                  |
|                                    |     |     |      |      |                  |
|                                    |     |     |      |      |                  |
| ■ CIP SIHY (Gross)                 | 1.0 | 4.8 | 10.2 | 7.4  | 7.6              |
| ■ CIP SIHY (Net)                   | 0.9 | 4.3 | 9.6  | 6.8  | 7.0              |
| ■ ICE BofAML HY CP                 | 0.9 | 4.6 | 11.3 | 6.6  | 6.7              |

Returns 1 year + annualized.  
\*The Chartwell Strategic Issue High Yield strategy's inception was August 1, 2018.  
Source: Chartwell

| Calendar Year<br>Total Return %<br>As of 12.31.2020 | Gross Return | Net Return | ICE BofA<br>HY CP |
|---|--------------|------------|-------------------|
| 2020  | 6.3          | 5.7        | 6.2               |
| 2019  | 15.9         | 15.3       | 14.4              |

Source: Chartwell

### Portfolio Managers

Andrew S. Toburen, CFA  
John M. Hopkins, CFA

### Inception Date

August 1, 2018

### Strategy Statistics

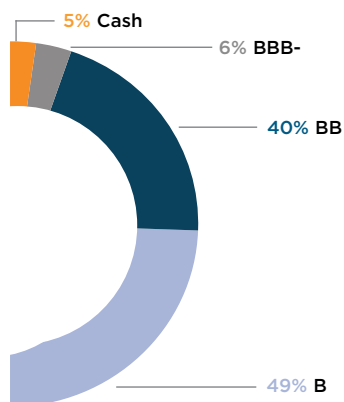
As of 09.30.2021

|                             |                            |
|-----------------------------|----------------------------|
| Benchmark                   | ICE BofA HY Cash Pay Index |
| Range of Holdings (Issuers) | 70-100                     |
| Annualized Turnover         | 33.9%                      |
| Firm Assets                 | \$11.5B                    |
| Product Assets              | \$71M                      |

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 and Return Metrics\*

Since Inception as of 09.30.2021

|                    |      |                             |
|--------------------|------|-----------------------------|
| Performance        | 7.42 | 25 <sup>th</sup> Percentile |
| Alpha              | 0.80 | 45 <sup>th</sup> Percentile |
| Beta               | 1.00 | 34 <sup>th</sup> Percentile |
| Sharpe Ratio       | 0.52 | 44 <sup>th</sup> Percentile |
| Standard Deviation | 9.41 | 72 <sup>nd</sup> Percentile |

\*Universe: eVestment US High Yield Fixed Income  
Peer ranking is calculated using 162 peer observations.  
Source: eVestment

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## Holdings-Based Statistics

As of 09.30.2021

|                   | Chartwell<br>SIHY | ICE<br>HY CP |
|-------------------|-------------------|--------------|
| Average Coupon    | 5.97%             | 5.68%        |
| Current Yield     | 5.71%             | 5.42%        |
| Yield to Maturity | 4.89%             | 4.61%        |
| Average Maturity  | 5.05 yrs.         | 6.72 yrs.    |
| Average Duration  | 4.17 yrs.         | 5.24 yrs.    |
| Average Quality   | Ba3               | Ba3          |

Source: Chartwell

## Top 10 Holdings

As of 09.30.2021

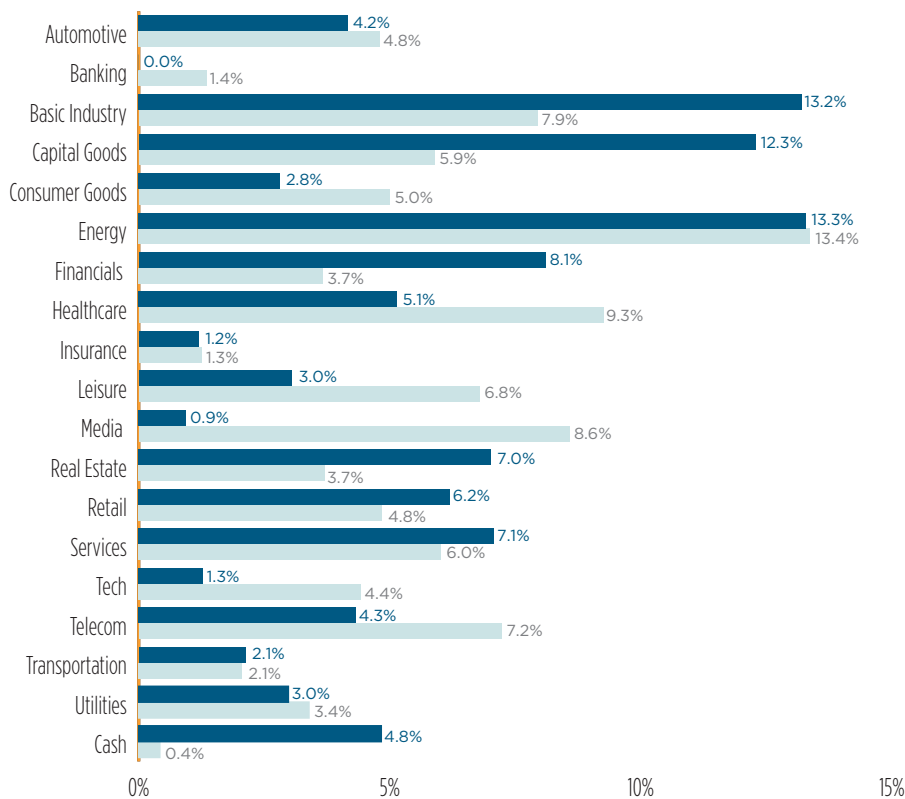
|                         | Maturity   | Weight        |
|-------------------------|------------|---------------|
| Dell Computer Corp.     | 04.15.2028 | 1.26%         |
| Compass Minerals        | 07.15.2024 | 1.19%         |
| Howmet Aerospace Inc.   | 01.15.2028 | 1.19%         |
| NMI Holdings, Inc.      | 06.01.2025 | 1.18%         |
| Safeway Inc.            | 09.15.2027 | 1.15%         |
| Ford Motor Co.          | 02.01.2029 | 1.14%         |
| DCP Midstream           | 07.15.2027 | 1.11%         |
| Fortress Trans & Infra. | 08.01.2027 | 1.11%         |
| Liberty Media Corp.     | 07.15.2029 | 1.11%         |
| OneMain Financial Corp. | 10.01.2023 | 1.09%         |
| <b>Total Top 10</b>     |            | <b>11.53%</b> |

Source: Chartwell

## Sector Diversification

As of 09.30.2021

■ Chartwell Strategic Issue High Yield ■ ICE High Yield Cash Pay Index



Source: Chartwell

| Period   | Comp. AUM (\$M) | % of Total AUM | # of Accounts | Gross Return | Net Return | ICE BoA HY Cash Pay | Comp. 3 Yr. Std. Dev. (%)* | ICE BoA HYCP 3 Yr. Std. Dev. (%) | Comp. Dispersion | Total Firm AUM (\$M) |
|----------|-----------------|----------------|---------------|--------------|------------|---------------------|----------------------------|----------------------------------|------------------|----------------------|
| YTD 2021 | \$71M           | 0.6            | 5             | 4.77         | 4.32       | 4.55                | 9.67                       | 9.44                             | N/A              | \$11,454M            |
| 2020     | \$25M           | <0.1           | 3             | 6.31         | 5.71       | 6.20                | N/A                        | N/A                              | N/A              | \$10,263M            |
| 2019     | \$23M           | <0.1           | 3             | 15.91        | 15.31      | 14.40               | N/A                        | N/A                              | N/A              | \$9,701M             |
| Q3-Q4'18 | \$20M           | <0.1           | 3             | -2.19        | -2.44      | -3.40               | N/A                        | N/A                              | N/A              | \$9,189M             |

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 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 all assets. Fees for

WRAP/SMA portfolios are different and will vary per platform.

The ICE BoA High Yield 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 Strategic Issue 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 Cash Pay Index, was initially created in August 2018 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. 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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