



MERGANSER
CAPITAL MANAGEMENT

MODERATE DURATION STRATEGY

AS OF DECEMBER 31, 2017

KEY CHARACTERISTICS

TOTAL STRATEGY AUM:*	\$752 MM
STRATEGY INCEPTION:*	1/1/1991
YIELD TO MATURITY:	2.31%
DURATION:	2.47 YEARS
AVERAGE QUALITY:	AA+

Investment Overview

INVESTMENT OBJECTIVE

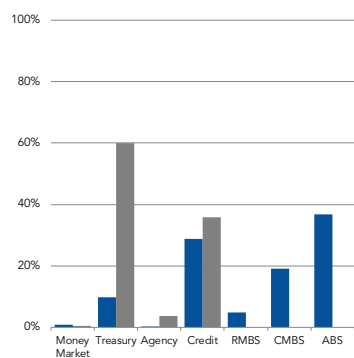
To exceed the returns of the Merrill Lynch 1-5 Year Government/Corporate Index over a market cycle.

INVESTMENT STRATEGY

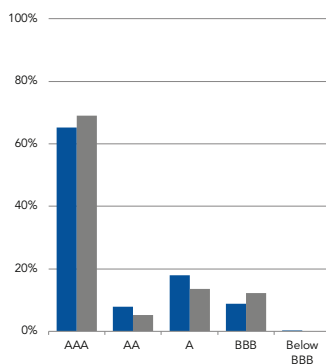
We employ a team managed approach to a disciplined, value-oriented process for investing in investment grade spread sectors. We construct portfolios from the bottom-up and manage risk from the top-down, with a goal of achieving high risk-adjusted returns.

Portfolio Position vs. Benchmark

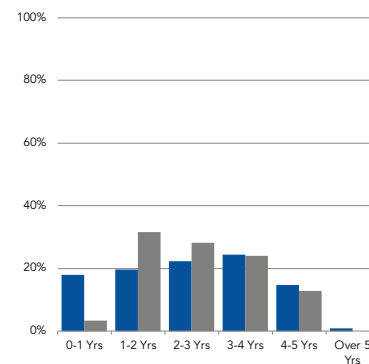
SECTOR DISTRIBUTION



QUALITY DISTRIBUTION



DURATION DISTRIBUTION



■ Merganser Moderate Duration Composite ■ Merrill Lynch 1-5 Year Government/Corporate Index

CONTACT INFORMATION

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Firm Overview

Formed in 1985, Merganser Capital Management is an SEC registered investment advisor focused on the fixed income needs of institutional clients.

We believe that in an inefficient over-the-counter market, our active fixed income management process can provide consistent excess returns. As fundamental investors, we aim to understand the intricacies of fixed income vehicles in order to identify the securities and sectors that provide the most attractive risk/reward characteristics. Succeeding in this endeavor has allowed us to meet the needs and objectives of our clients and gain their trust.

We embrace a client service approach that is high touch, team oriented and encourages frequent dialogue and direct communication.

*Characteristic includes accounts that are not in the Composite. All other characteristics are derived only from accounts that are in the Composite.

Past performance is no guarantee of future results; investments can and may lose money. Investing in the bond market is subject to certain risks which impact performance including Interest-rate Risk, Market Risk, Inflation Risk, Reinvestment Risk, Business Risk, Liquidity Risk, Credit Risk, Extension & Prepayment Risk, Counterparty Risk and Regulatory Risk. Composite benchmarks are selected based on comparable duration and credit quality of US Dollar fixed income securities. Portfolios in the composites will invest in out of index securities which may result in positive or negative performance compared to the benchmark. All client accounts that met the composite criteria during the reporting period are included in the composite performance calculations. A description of composite eligibility is available upon request. Securities and characteristics can and will vary based on market conditions including liquidity, yield curve and ratings changes.