

Corporate Credit Composite

As of September 30, 2020



OBJECTIVE

High current income, preservation of capital and total return over a five-year time horizon.

INVESTMENT STRATEGY

- Our primary focus is on evaluating the underlying business fundamentals and credit risk of corporate securities.
- Securities are purchased when we believe the yield and total return potential are attractive relative to asset and interest coverage and relative to other securities with comparable risk.
- We are prepared to hold securities to maturity or until they are called. However, securities may be sold when price reaches our estimate of value, to raise proceeds for a more attractive opportunity or if the underlying fundamentals deteriorate.

TEAM

Bill Zox, CFA
Portfolio Manager

John McClain, CFA
Portfolio Manager

Suken Patel, CFA
Asst. Portfolio Manager

Douglas Gimple
Senior Portfolio Specialist

PORTFOLIO GUIDELINES

The portfolio generally invests at least 80% of its assets in investment grade and below-investment grade (high yield) corporate bonds, and will typically maintain an effective duration of less than five.

TOP TEN ISSUES AS OF 7/31/2020

Cimpress N.V.	7.00%	06/15/26	2.6%
Twitter, Inc.	3.88%	12/15/27	2.2
Apergy Corp.	6.38%	05/01/26	2.1
Firstcash, Inc.	5.38%	06/01/24	2.1
Welltec A/S	9.50%	12/01/22	2.0
BankUnited, Inc.	5.13%	06/11/30	1.9
Alliance Data Systems Corp.	4.75%	12/15/24	1.8
Energen Corp.	7.13%	02/15/28	1.8
Radian Group, Inc.	4.88%	03/15/27	1.7
First Tennessee Bank	5.75%	05/01/30	1.7
Total as % of Net Assets			20.0%

This is presented as supplemental information.

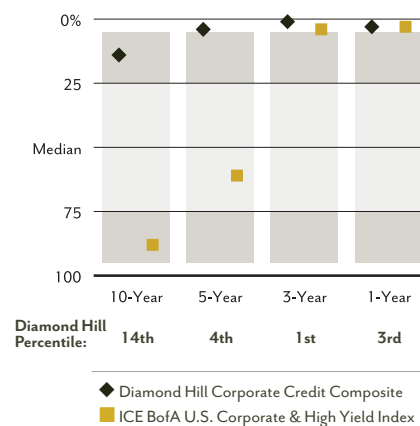
SECTOR ALLOCATION

	CORPORATE CREDIT COMPOSITE	ICE BOFA U.S. CORPORATE & HIGH YIELD INDEX
Corporate Bonds	96.9%	100.0%
Retail	12.1	4.0
Energy	10.1	10.2
Financial Services	9.2	6.6
Leisure	8.4	1.1
Healthcare	6.2	9.6
Banking	6.1	14.1
Services	5.9	1.7
Basic Industry	5.5	5.0
Consumer Goods	5.5	6.0
Insurance	4.9	3.8
Real Estate	4.4	3.3
Media	4.1	4.7
Automotive	3.6	2.6
Telecom	3.4	4.4
Transportation	2.8	2.4
Technology & Electronics	2.6	7.2
Capital Goods	2.1	5.5
Utility	0.0	7.9
Cash & Other¹	3.1	0.0

This is presented as supplemental information.

¹ Cash & Other may include cash, treasuries, money market funds, collateralized debt/loan obligations, and short duration fixed income funds.

PEER GROUP QUARTILE RANKINGS²



² This is presented as supplemental information. Source: eVestment. Ranking within eVestment U.S. High Yield Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 10/18/20 (as of 9/30/20) and is subject to change as additional firms within the category submit data.

PERIOD AND ANNUALIZED TOTAL RETURNS (%)

Inception Date: September 30, 2002

	SINCE INCEPTION	10-YR	5-YR	3-YR	1-YR	YTD	3Q20
CORPORATE CREDIT COMPOSITE							
Gross of Fees	7.67	7.04	8.09	6.89	7.21	4.54	5.38
Net of Fees	7.17	6.54	7.61	6.41	6.73	4.19	5.26
BENCHMARKS							
ICE BofA U.S. Corporate & High Yield Index	6.25	5.41	6.15	6.04	7.07	5.64	2.12
ICE BofA U.S. High Yield Index	8.36	6.28	6.61	3.83	2.30	-0.30	4.71

Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

CREDIT QUALITY³

QUALITY RATING	% OF PORTFOLIO
Investment Grade ⁴	16.9%
BB	46.4
B	30.9
CCC & Lower	3.5
Not Rated ⁴	2.3

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³ Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR."

⁴ Investment Grade is a Bond Quality Rating of AAA, AA, A or BBB. Investment Grade grouping includes cash position. Not Rated grouping includes short duration fixed income funds.

RISK STATISTICS

	SINCE INCEPTION	5-YR
Standard Deviation (%)	6.55	7.13
Beta (%) ⁵	0.90	1.05
Sharpe Ratio	0.88	0.88

This is presented as supplemental information.

⁵ Relative to the ICE BofA U.S. Corporate & High Yield Index.

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Credit separate accounts is as follows: First \$50,000,000 = 0.55%; Over \$50,000,000 = 0.45%. The dispersion measure is the asset weighted standard deviation of the annual portfolio returns. Only portfolios represented in the Composite for the entire year are included in the calculation. The calculation is not performed if the Composite contains 5 or fewer accounts for the full year. No alteration of composites as presented here has occurred because of changes in personnel at any time. **Past performance is not a guarantee of future results.** GIPS is a trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement.

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AS OF YEAR-END	DHCM	CORPORATE CREDIT COMPOSITE				3-YR ANNUALIZED STANDARD DEVIATION (GROSS OF FEES)		
		Assets Under Management	Number of Accounts	Assets Under Management	Dispersion (Gross of Fees)	Corporate Credit Composite	ICE BofA U.S. Corporate & High Yield Index	ICE BofA U.S. High Yield Index
2019	\$23.4B	5 or fewer	\$1.1B	NA ⁶	2.69%	3.22%	4.13%	
2018	19.1B	5 or fewer	743.4M	NA ⁶	3.35	3.43	4.64	
2017	22.3B	5 or fewer	652.4M	NA ⁶	3.78	3.63	5.60	
2016	19.4B	5 or fewer	533.5M	NA ⁶	3.96	3.93	6.03	
2015	16.8B	5 or fewer	333.5M	NA ⁶	2.91	3.81	5.27	
2014	15.7B	5 or fewer	220.0M	NA ⁶	2.37	3.77	4.44	
2013	12.2B	5 or fewer	186.7M	NA ⁶	3.31	4.33	6.42	
2012	9.4B	5 or fewer	178.4M	NA ⁶	3.80	4.00	7.03	
2011	8.7B	5 or fewer	146.0M	NA ⁶	7.10	5.71	11.00	
2010	8.6B	5 or fewer	145.8M	NA ⁶	NA ⁷	NA ⁷	NA ⁷	

⁶ NA = Not Applicable

⁷ Statistics are not presented because 36 monthly returns are not available. This composite was created in April 2015.

Side Two. Not Valid Without Side One.

PORTFOLIO CHARACTERISTICS

Number of Issues	153
Number of Issuers	112
Option-Adjusted Spread	495
Effective Duration	4.03
Spread Duration	3.90
Weighted Average Maturity (bonds only)	6.35
Yield to Maturity (%)	5.51
Current Yield (%)	4.93

This is presented as supplemental information.

CALENDAR YEAR RETURNS (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CORPORATE CREDIT COMPOSITE										
Gross of Fees	14.52	6.30	10.65	6.12	3.15	2.19	12.90	8.56	1.26	13.91
Net of Fees	13.96	5.78	10.11	5.60	2.64	1.72	12.40	8.07	0.81	13.41
BENCHMARKS										
ICE BofA U.S. Corporate & High Yield Index	10.76	6.80	11.37	0.34	6.43	-1.37	7.97	6.66	-2.21	14.28
ICE BofA U.S. High Yield Index	15.19	4.38	15.58	7.42	2.50	-4.64	17.49	7.48	-2.26	14.41

DURATION BREAKDOWN

	% OF BONDS HELD
Less than one	5.7%
1-3	20.2
3-5	42.2
5-7	22.3
7-10	6.2
10-20	3.6

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