

### Holding-Based Statistics

	Short Term Fixed Income Plus	Bloomberg 1-5 yr G/C Index
Yield to Maturity	4.49%	3.72%
Effective Duration	2.7 years	2.6 years
Average Credit Quality	A3	AA2

### Strategy Statistics

Trailing 12 Month Turnover	42%
Firm Assets (\$MM)	457.6
Product Assets (\$MM)	57.9

### Investment Philosophy

The Short Term Fixed Income Plus strategy is managed to provide a high degree of current income with an equal emphasis on price appreciation with limited interest rate risk. The strategy tactically allocates across a broad spectrum of investment grade corporate bonds, high yield corporate bonds, and U.S. Government securities based on relative value. The separate account strategy is actively managed with regards to security selection and yield curve exposure with an objective to generate a total return in excess of the index over a full market cycle.

### Portfolio Management Team

David Killian  
John DeLaney, CFA

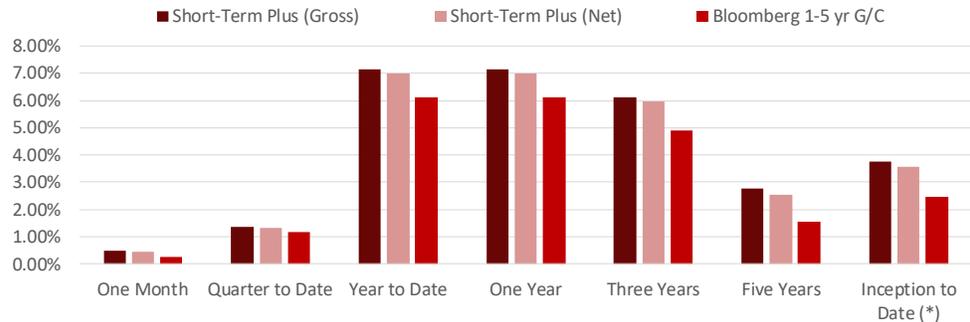
### Inception Date

2/28/2019

Source: Bloomberg, Advent

### Annualized Performance

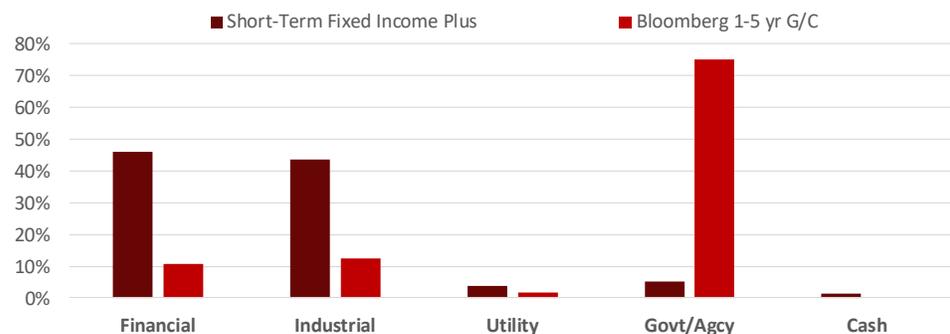
Data as of: 12/31/2025



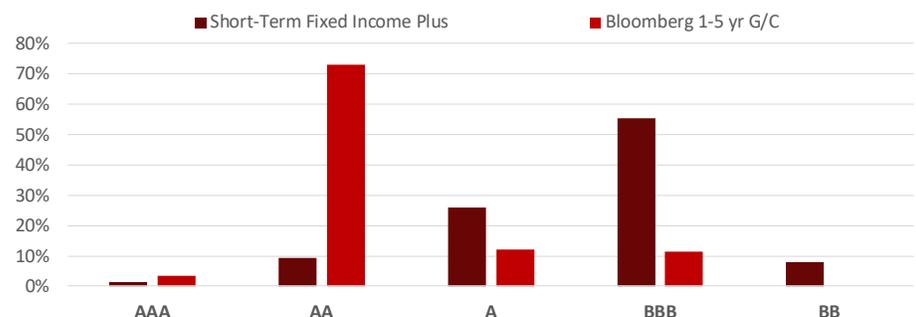
	One Month	Quarter to Date	Year to Date	One Year	Three Years	Five Years	Inception to Date (*)
Short-Term Plus (Gross)	0.47%	1.37%	7.15%	7.15%	6.13%	2.75%	3.77%
Short-Term Plus (Net)	0.45%	1.33%	6.99%	6.99%	5.95%	2.53%	3.55%
Bloomberg 1-5 yr G/C	0.24%	1.18%	6.11%	6.11%	4.91%	1.56%	2.45%

\* Inception 2/28/2019

### Distribution by Issuer



### Distribution by Quality



## Top 10 Holdings

Data as of: 12/31/2025

BANK OF AMERICA CORP 4.948% due 07/22/2028	3.04%
US TREASURY 3.75% due 04/15/2028	2.76%
JPMORGAN CHASE & CO 4.452% due 12/05/2029	2.54%
CITIGROUP INC 4.125% due 07/25/2028	2.17%
US TREASURY 2.875% due 08/15/2028	1.89%
FORD MOTOR CREDIT CO 7.122% due 11/07/2033	1.83%
GENERAL MOTORS CO 6.1% due 01/07/2034	1.74%
WELLS FARGO & CO 4.808% due 07/25/2028	1.60%
GOLDMAN SACHS GROUP INC 5.414% due 05/21/2027	1.53%
BOEING CO 3.2% due 03/01/2029	1.35%

## 4Q 2025 Portfolio Commentary

Driven by resilient consumer spending and ongoing corporate investments focused on the build out of artificial intelligence, the U.S. economy advanced at an annual rate of 2.0% to 2.50% in 2025 despite a myriad of headwinds. Economic data released in the fourth quarter however reflects an economy transitioning to below trend growth, characterized by increased consumer and business uncertainty stemming from a prolonged government shutdown and a markedly weaker labor market. Despite this growing patchwork of economic data suggesting rising recession risks, investors still remain optimistic for a re-acceleration of growth in 2026. In the coming year GDP is poised to get a meaningful boost from the convergence of fiscal support, the U.S. hosting of the World Cup and events celebrating the 250<sup>th</sup> anniversary of the nation. Nonetheless, in light of growing near term risks to the economic outlook, the Federal Reserve voted in December to further reduce the target Fed Funds rate to 3.75%, bringing cumulative rate cuts from 2024 to 1.75%.

How much further the federal funds rate will decline from current levels is open to much debate as Fed officials appear divided on how to balance the risks of softness in the labor market and a potential tariff-induced resurgence in inflation. It is noteworthy that despite the recent soft labor market data two Fed officials dissented from the December rate cut in favor of no action. Fed Chair Powell has acknowledged that the current level of short-term interest rates is “modestly restrictive” and that policymakers face a “challenging situation” in normalizing rates due the dual risks facing both inflation and employment. This has led to a conservative and slow process in reaching the neutral rate objective, much to the dismay of the Trump administration. Powell’s term at Chair of the Federal Reserve ends in May and President Trump is soon expected to announce his nominee for the position. How this plays out politically over the next several months in light of a DOJ investigation into Chair Powell’s testimony to Congress is highly uncertain. However, inflation has continued to moderate, with the December reading of core consumer prices rising at an annual rate of 2.6%, a four-year low. Economists expect this disinflationary trend will continue and more reports such as the December reading on inflation will bolster expectations that more rate cuts are appropriate in the coming year.

The bond market was quick to price in the developments during the quarter with the Two-Year U.S. Treasury yield declining even further to a year-to-date low of 3.4 percent while longer term bond yields continued to trend higher. The expectation of additional Fed easing continues to support yields at the short end of the yield curve, however it remains noteworthy that since the Fed began the process of reducing rates, yields on longer term bonds (20+years) have increased. This steepening of the U.S. Treasury yield curve, a trend we expect to continue, reflects uncertainty with respect to future Fed policy and independence, as well as the growing U.S. fiscal deficit which ended FY 2025 at \$1.8 trillion.

For the period, bond investors looked through the recent weakness in the labor market and drove corporate bonds to another strong quarter of performance. Despite record valuations, the Bloomberg US Corporate Bond Index ended the year with a gain of 7.8%, outpacing the Bloomberg US Treasury return of 6.3%. Corporate bond performance has been broad-based with more pronounced gains seen recently in economically sensitive areas of the market such as consumer cyclical and energy. This performance leadership is consistent with the market’s overall positive tone as we begin 2026.

We continue to remain overweight corporate credit, however in light of valuations we continue to focus on issues at the short end of the yield curve where interest rate risk is less than that of the market overall. This duration positioning allows the portfolio to benefit from the sector’s yield advantage, while at the same time serving to limit future price risk that will occur when yield spreads eventually widen to more historical levels. We have also increased portfolio exposure to government guaranteed mortgage-backed securities where relative valuations appear attractive in light of proposed bank deregulation and lower interest rates.

Benefitting from supportive monetary policy and solid economic growth, the bond market posted strong returns for calendar year 2025. As the economy continues to expand and interest rates normalize near current levels we anticipate continued favorable results for the coming year.

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