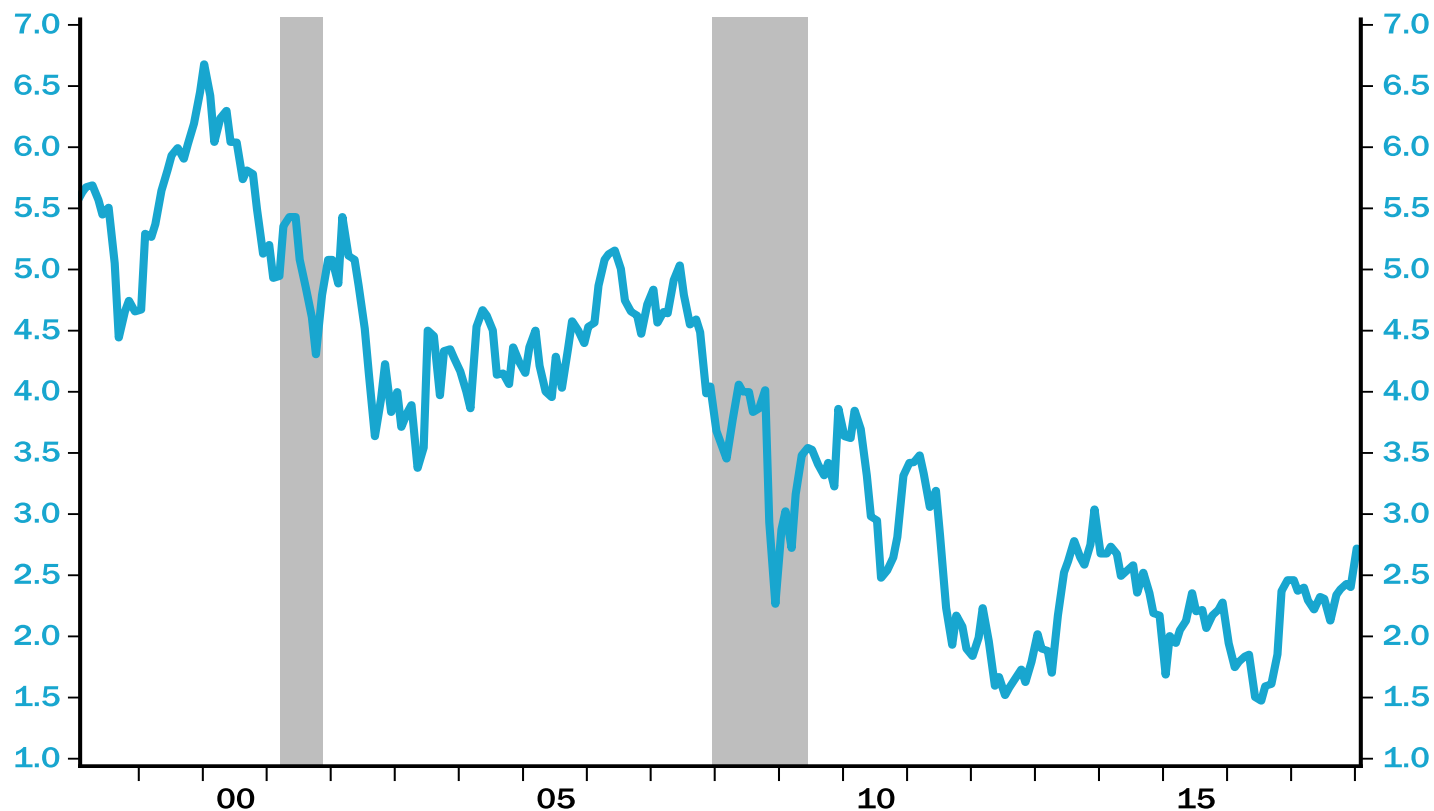


What's our Focus?

- Due to cheap capital and technological innovations, the value of hard assets is generally depreciating and increased idiosyncratic risk has been the result.
- Revenue and profitability growth have been elusive for many high yield issuers, which are by definition the marginal credit.
- With few avenues for growth, management teams have been forced to pursue M&A, cost cutting programs and even questionable practices to achieve returns for equity holders.
- Our focus is on companies that have a competitive advantage such as intellectual property or proprietary technology, as well as those businesses that exhibit attractive ESG characteristics.

Secular Decline of Interest Rates

US 10 Year Treasury Bond Yield (%)

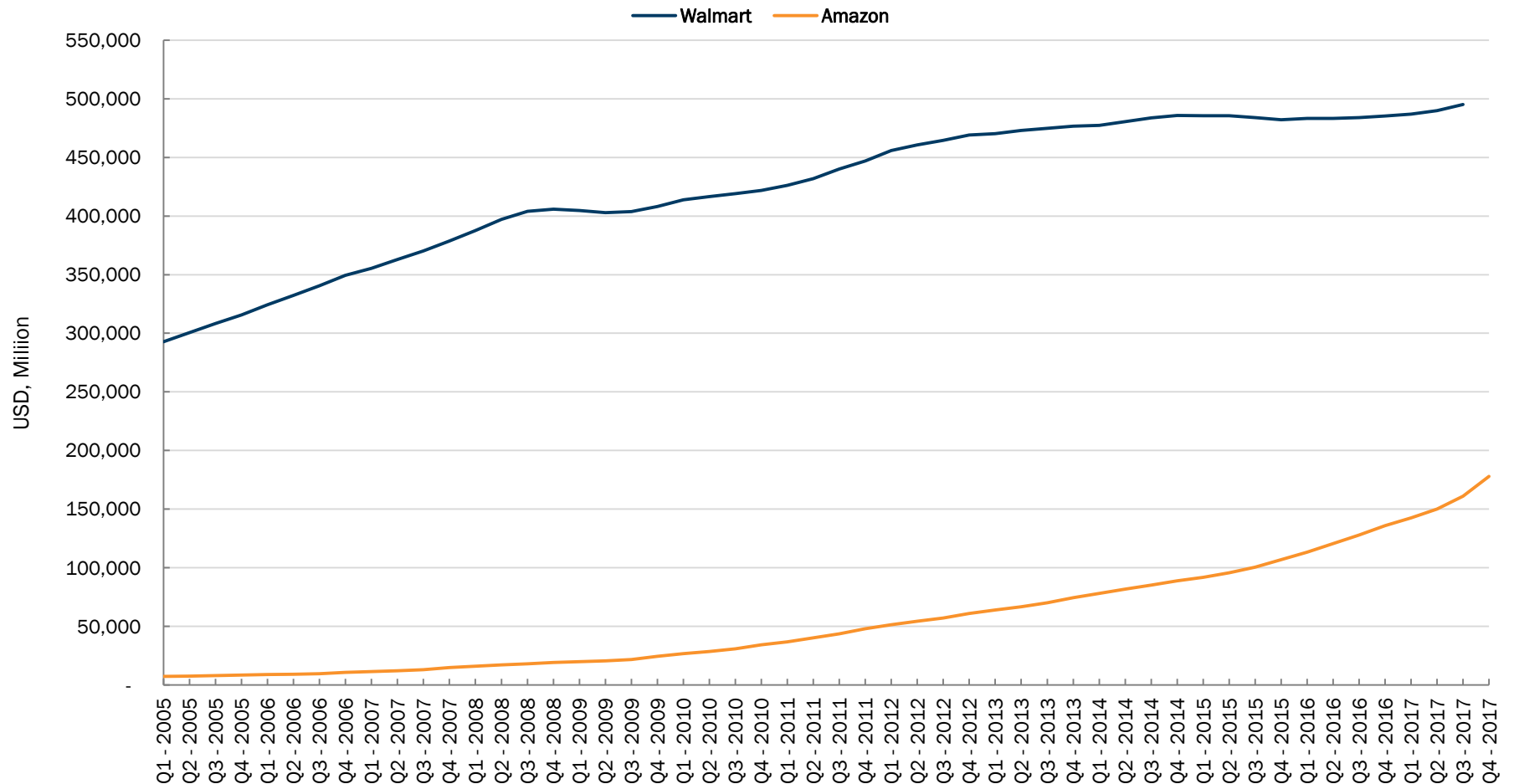


Source: U.S. Treasury/Haver Analytics

David vs. Goliath

Walmart & Amazon Annual Revenue

From Q1 2005 — Q3 2017

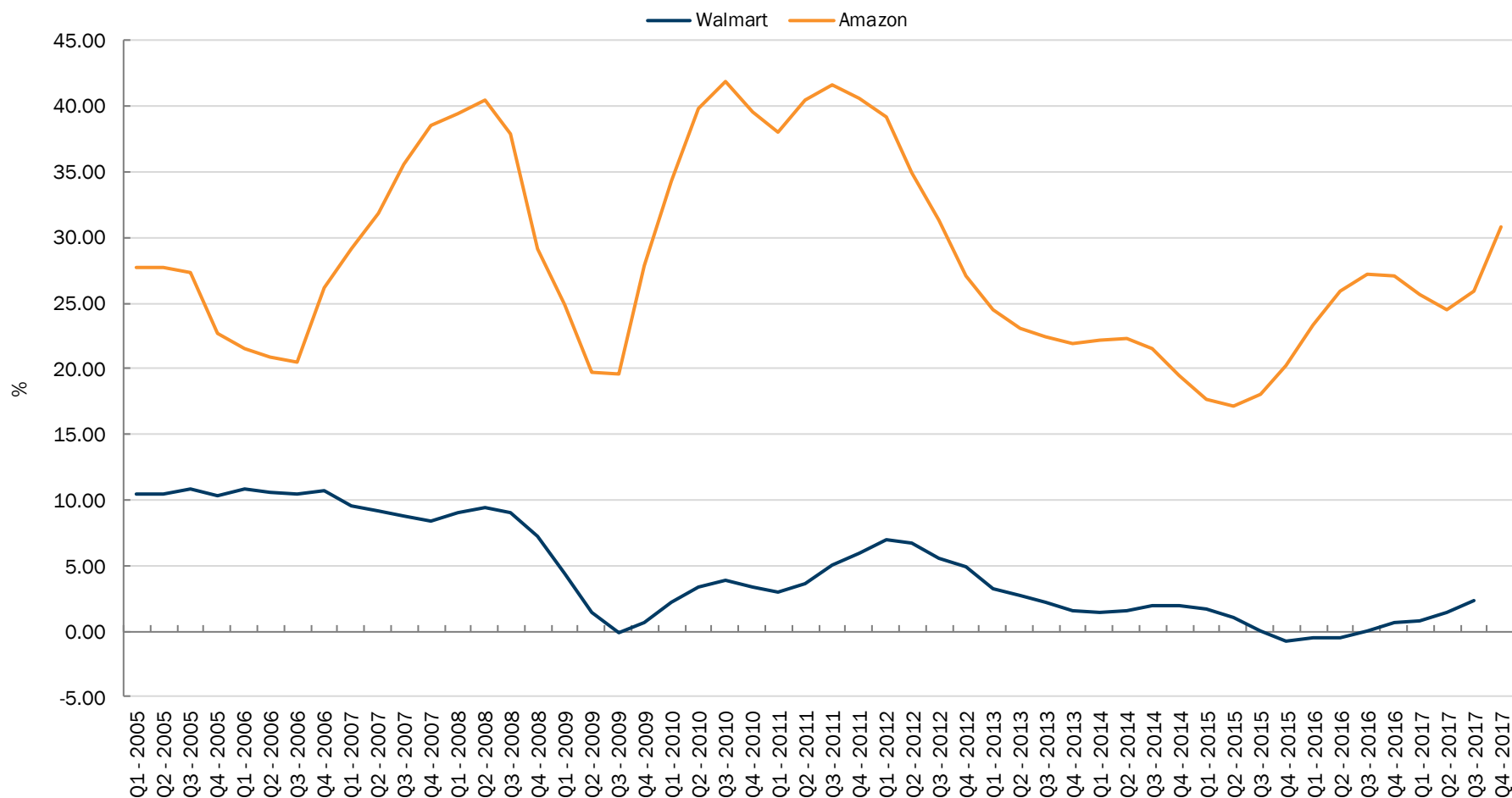


Source: Factset, Bloomberg, Macay Shields

Disruption = Growth

Walmart & Amazon Annual Revenue Growth

From Q1 2005 — Q4 2017



Source: Factset, Bloomberg, Macay Shields

Walmart Return on Invested Capital

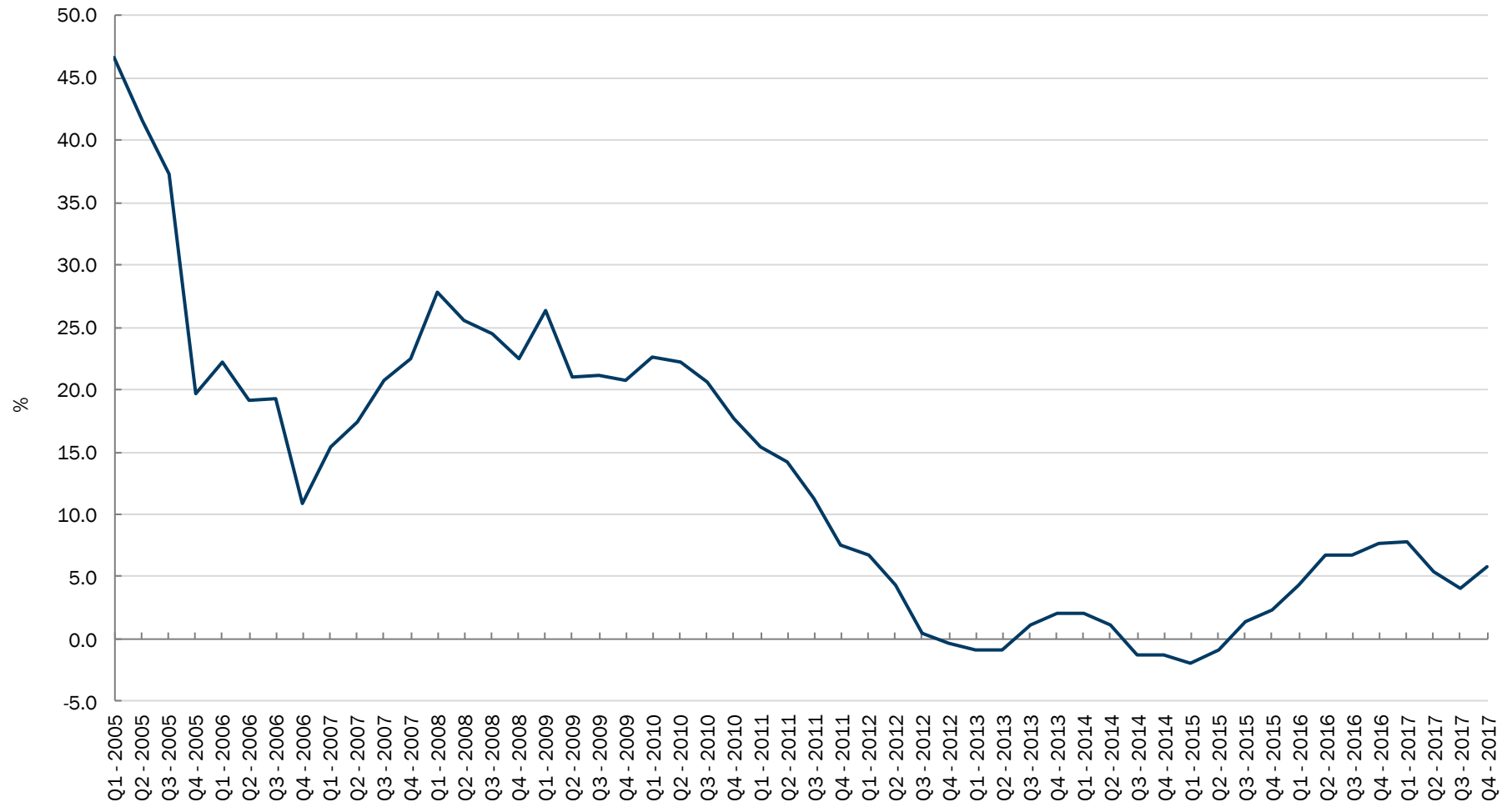
From Q1 2005 — Q3 2017



... Low Returns on Capital

Amazon Return on Invested Capital

From Q1 2005 — Q4 2017

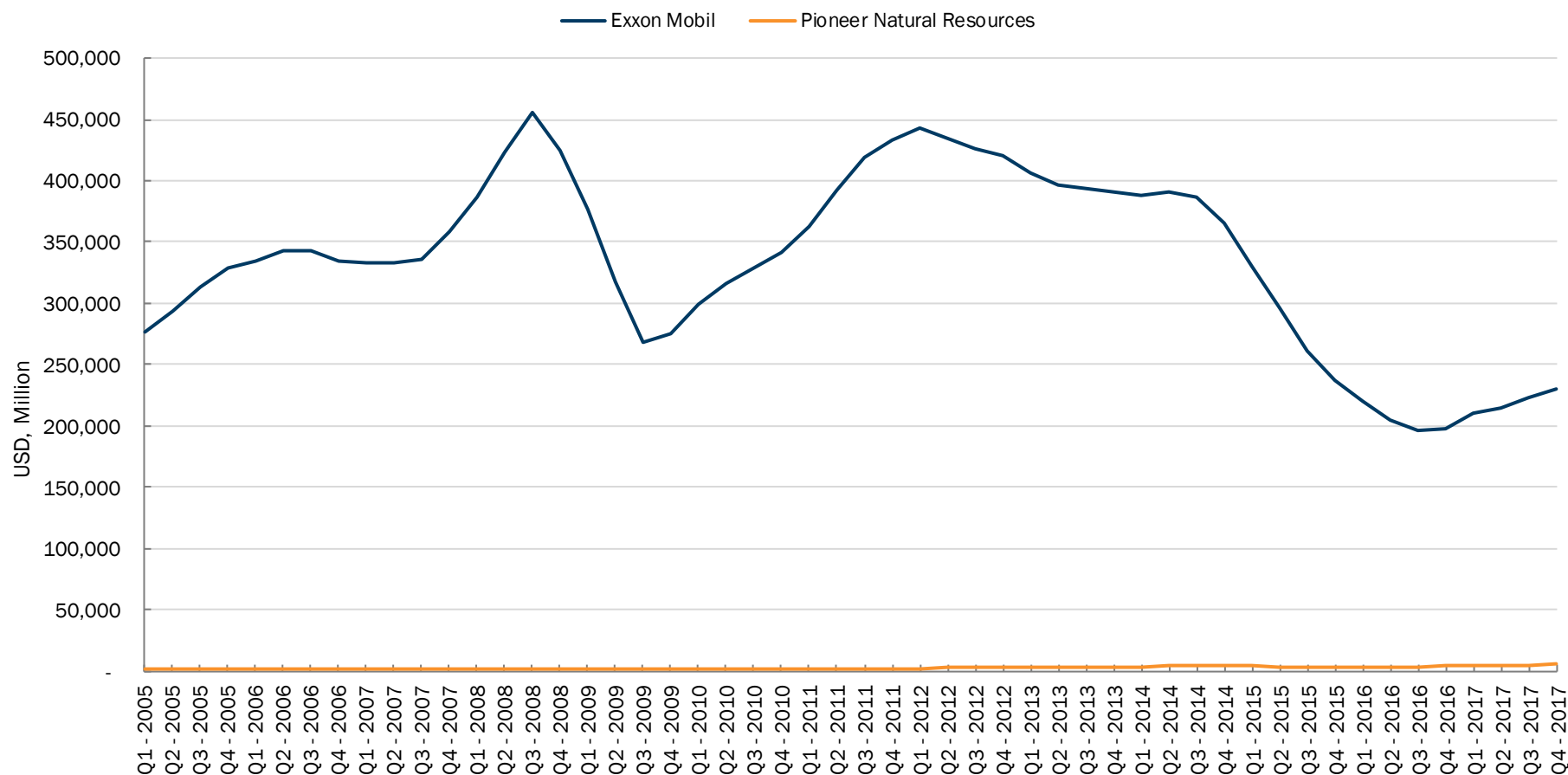


Source: Factset, Bloomberg, Macay Shields

Shale Players Are Small ...

Exxon Mobil & Pioneer Resources Annual Revenue

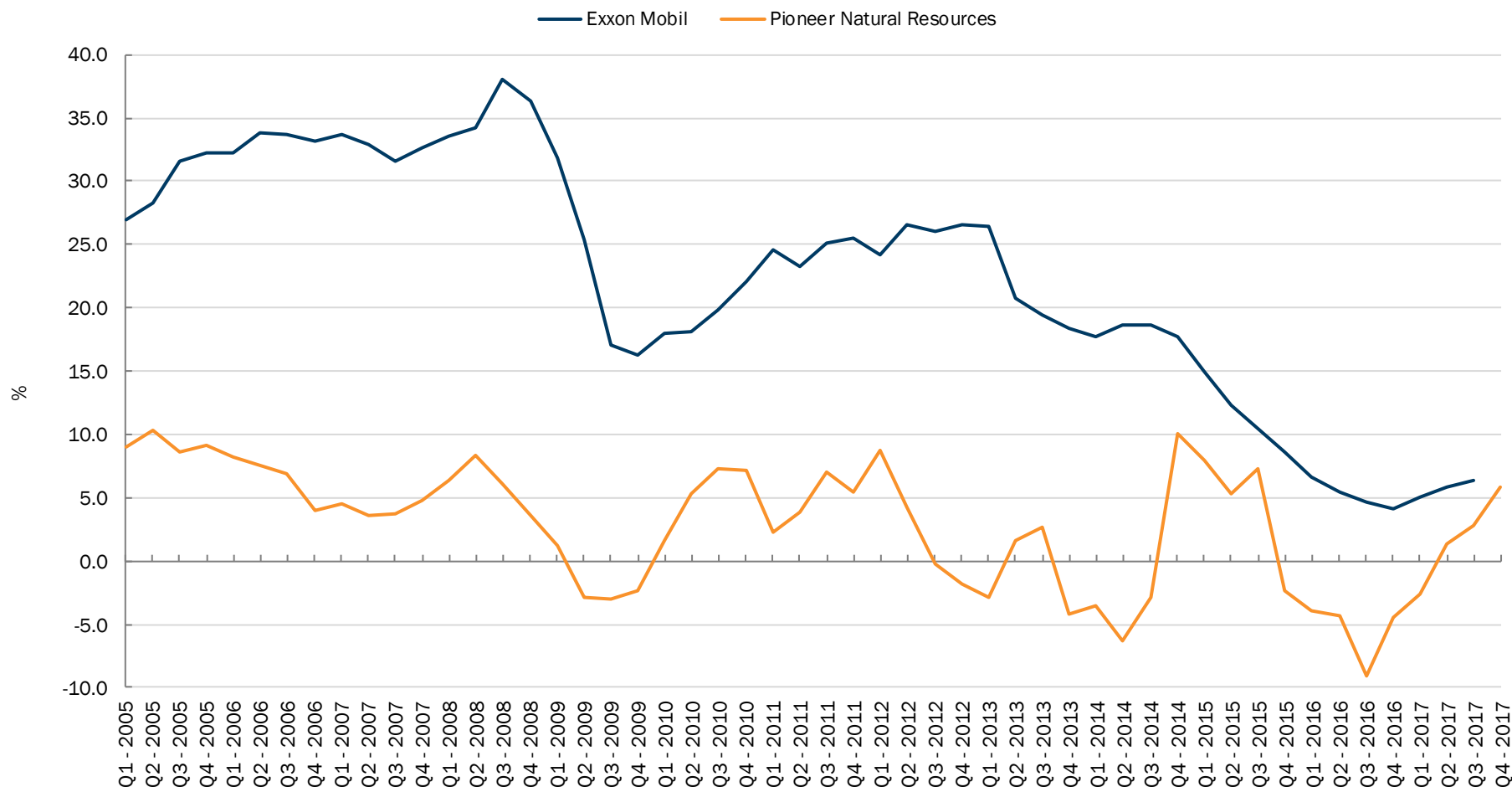
From Q1 2005 — Q4 2017



... But Their Impact Is Big

Exxon Mobil & Pioneer Return on Invested Capital

From Q1 2005 — Q4 2017



Source: Factset, Bloomberg, Macay Shields