

KEY FEATURES

Philosophy

Seek to eliminate uncompensated risk

People

Strong team continuity for more than 20 years

Process

Combines top-down and bottom-up analysis

Dynamic Allocation

Allocates across credit and non-credit sectors depending on market environment

Risk Focus

Seeks to be competitive in bull markets and outperform strongly in bear markets

Investment Universe

Treasuries, agencies, asset backed securities, investment grade and high yield credit, emerging markets, Treasury futures, currency forwards, credit swaps

Benchmark

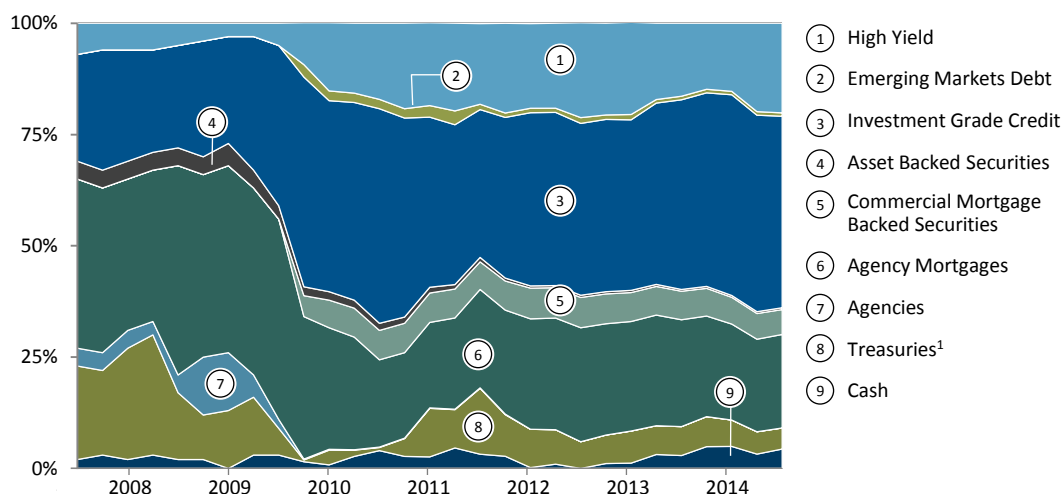
Barclays US Aggregate Index

The **MacKay Shields Core Plus** strategies are total return strategies that seek to generate strong risk-adjusted returns by eliminating uncompensated risk, while opportunistically allocating investments across a range of core and off-benchmark securities. Defining features of these strategies include:

- Boutique fixed income fund manager with \$89.9 billion in assets under management
- Stable, experienced team with proven credit and asset allocation skills
- Emphasis on capital preservation. Intensive focus on risk management, rather than just return seeking
- Fundamental approach using top-down and bottom-up analysis. Focus on longer-term market trends, not short-term trading
- No use of leverage and little reliance on derivatives. Exchange-traded derivatives are used, primarily for risk management purposes, but no use is made of complex/exotic derivatives
- Dynamic asset allocation. The team has a proven track record of repositioning the portfolio at turning points in the cycle (see chart)

Responding to a Changing Environment

Historical Quarterly Sector Allocations



Past performance is not indicative of future results

Through September 30, 2014

¹Excludes the impact of Treasury futures





The chart above shows the historical quarterly sector allocations of a representative portfolio. The representative portfolio was not selected based on performance. The weighting of any one sector may be calculated by measuring the percent of such sector less the percent of the cumulative sectors beneath it. Actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. Portfolio holdings are subject to change without notice.

MacKay Shields Global Fixed Income

- High degree of autonomy within the firm over philosophy, people and investment process
- Team members have an average of more than 20 years of industry experience
- Broad range of clients internationally, from institutions to family offices to mutual-fund investors
- The team is large enough to have critical mass in research, analysis and trading, but small enough to be flexible

THE TEAM

Senior Portfolio Managers

 Dan Roberts, Ph.D. (CIO)	 Louis Cohen
 Michael Kimble	 Taylor Wagenseil

Portfolio analysts	6
Credit research analysts	9
Risk management analysts	3
Client portfolio manager	1
Traders	4

The MacKay Shields Advantage

The firm's history goes back more than 70 years. MacKay Shields was founded as an economic consulting firm in 1938, registered as an investment adviser in 1969 and acquired by the New York Life Insurance Company in 1984.

Small Enough to Be Nimble...

- Non-bureaucratic, entrepreneurial culture
- Able to be more agile in decision making and asset allocation

...Big Enough to Make an Impact

- Deep research resources
- Approximately 50 investment professionals and 150 employees in total
- \$89.9 billion in AUM as of September 30, 2014

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