

Who We Are

Boyd Watterson Asset Management, LLC is an SEC-registered investment advisory firm with \$19.5 billion of assets under management*. For 90+ years, we have successfully managed a broad range of fixed income and equity strategies for institutions and individuals alike. With a focus on the management of money and a dedication to the satisfaction of our clients' expectations, we offer the benefits of a boutique firm but with the resources usually attributable to much larger asset-management companies.

Our Philosophy and Process

Our fixed income philosophy is centered on our belief that over time, active management may consistently generate excess returns and enhance risk-reward tradeoffs. We believe this is best achieved by taking a more strategic view of macroeconomic and market factors and coupling them with a value-driven decision-making process and the rigorous application of risk-management controls.

Our process focuses on four key sources of excess return or "alpha-drivers" as follows:

- Duration Management
- Sector Allocation
- Yield Curve Positioning
- Security Selection

For each alpha driver, there are specific fundamental factors, momentum indicators, and valuation measures which are analyzed. These sources of alpha are then combined and weighted depending upon product type and scope of the client mandate.

At all stages of the portfolio construction process, risks are identified, measured, and managed as part of the portfolio construction process, which seeks to ensure the desired risk levels are maintained. This is a highly disciplined, team-managed approach which remains fully invested in what we believe to be attractively valued sectors and securities.

As a result, portfolios are generally expected to outperform the applicable targeted benchmark(s). We believe this is achieved with transparency and without the use of leverage and/or derivative securities.

The Boyd Watterson Value Proposition

- Time-tested philosophy and investment process
- Disciplined, fundamental research-based culture
- Balanced investment approach - top down/bottom up
- Transparent portfolio implementation
- Experienced, tenured team of investment professionals
- Client-oriented benefits of a boutique firm

Objective

Ultra Enhanced Core is a well-diversified†, broad market strategy that seeks to generate attractive risk-adjusted returns through a multi-sector approach that includes investment grade and high yield exposures.

Style Facts

Quality	High				Eligible Securities: Up to 30% high-yield securities; B3/B- or better at purchase	
	Med					Maturity: 1 - 30 Year Securities
	Low					Duration Range: +/- 25% of Benchmark
						Benchmark: Bloomberg Aggregate
		Short	Int	Long	Composite Assets: \$552.6 million	
		Maturity			Composite Accounts: 28	

	Portfolio Characteristics**	Benchmark***
Average Yield to Maturity/Call	5.14%	4.57%
Average Coupon	4.50%	3.71%
Average Maturity	9.44 Years	8.27 Years
Average Duration	5.91 Years	5.93 Years
Average Quality	A+	AA
High Yield	11.00%	-

	Sector Allocation**	Benchmark***
Treasuries	27%	46%
Agencies	-	1
Mortgage Backed	28	24
Corporate	34	24
Municipal	-	-
CMBS	-	1
ABS	10	-
Other	1	3

	Duration Allocation**	Benchmark***
0 - 1 Years	12%	- %
1 - 3 Years	6	28
3 - 4 Years	11	13
4 - 6 Years	25	20
6 - 8 Years	34	21
Over 8 Years	11	18

	Quality Allocation**	Benchmark***
AAA	2%	3%
AA	56	74
A	10	11
BBB	22	12
Below BBB	11	-

* Figure includes real estate assets managed in separately managed accounts and advisory-only unified managed accounts (UMA). SEC registration does not constitute an endorsement of the Firm by the SEC nor does it indicate that the Firm has a particular level of skill or ability.
 ** Based on the model portfolio. Data presented herein is calculated based on the portfolio(s)' allocation to the Boyd Watterson Limited Duration Enhanced Income Fund using a look-through approach. The look-through approach calculates the applicable portion of the above information by multiplying the account's percentage ownership of LDEI times each individual LDEI Fund holding percent. Performance data provided on the following page uses composite data and is not associated with the look-through.
 *** Source: Capital Management Sciences.
 † Diversification does not protect against losses.