

## Income Research & Management (IR+M)

Core Fixed: BB Gov/Credit Bond Index

	For the month of:	March	2025		
Manager Performance Calculations				* Annualized returns	
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
IR+M	-0.02%	2.74%	5.07%	0.94%	0.45%
BB Gov/Credit	0.05%	2.70%	4.66%	0.45%	-0.34%

### Performance Attribution & Strategy Comments

The PERSI portfolio underperformed the Bloomberg G/C Index, returning 1.22% vs. 1.27%. Security selection aided relative returns for the month. More specifically, selection within the Finance and Industrial sectors aided relative performance, while selection within CMBS and ABS detracted. In March, markets continued to be plagued by policy and tariff uncertainty, leading to heightened market volatility, weakened consumer sentiment, and a forecasted slowdown in US growth. The Fed held rates steady during their March meeting as Chairman Powell continued to message that the Fed remains data dependent and is in “no hurry” to change policy. Consumer confidence continued to decline, dropping to 92.9 during the month – the lowest level since early 2021 – due to concerns about higher prices and a dimming economic outlook caused by increased tariffs. The Treasury curve steepened during the month as the 2-year yield decreased 11bps while the 20-year rate increased 7bps. IG corporates, particularly in the long-end, underperformed Treasuries during the month as volatility and market uncertainty continued to impact relative excess returns. In March, IG spreads widened 7bps to 94bps after peaking at 97bps mid-month – the widest level since September – as yields rose by 7bps to 5.15%. March returns for HY bonds were the weakest since October 2023, with CCC’s underperforming the broader speculative-grade universe; spreads widened by 67bps to 347bps as yields increased by 58bps to 7.73%. IG corporates brought \$184 billion of new debt to market, exceeding expectations of \$175 billion; year-to date total issuance is up 2% year-over-year. HY markets saw nearly \$27 billion in new issues priced – the busiest month since September and busiest March since 2021 – as borrowers rushed to market ahead of further US tariff announcements. ABS spreads widened 10bps to 60bps during the month and, while the sector experienced the best March performance within securitized, posted their third straight month of negative excess return as short-duration Treasuries rallied in the face of rising trade tensions. The municipal market continued to experience robust supply, pricing \$44 billion in new issues in March – the highest issuance month year-to-date and largest March since 2022.

<b>Total Firm Assets Under Management (\$m) as of:</b>	Qtr 1	\$	115,391
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### Organizational/Personnel Changes

N/A

### Manager Style Summary

IR+M’s investment philosophy is based on the belief that careful security selection and active portfolio risk management provide superior returns over the long term. Utilizing a disciplined, bottom-up investment approach, IR+M adds value through security selection by seeking attractive, overlooked, and inefficiently priced issues.

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### Portfolio Guideline Compliance

Portfolio Guideline:	IR+M	BB G/C	Min	Max	Compliance
B2. Effective Duration:	6.2	6.2	5.7	6.7	ok
B3. Sector Diversification:					
Government	40%	62%	32%	92%	ok
Treasuries	37%	61%	31%	91%	ok
Agencies	0%	1%	-4%	6%	ok
Govt Guaranteed	3%	0%	-10%	10%	ok
Credit	41%	37%	17%	57%	ok
Financial	15%	11%	-4%	26%	ok
Industrial	20%	19%	4%	34%	ok
Utility	5%	3%	-7%	13%	ok
Non-Corporate	0%	4%	-6%	14%	ok
Securitized					
RMBS	1%	0%	-10%	10%	ok
ABS	8%	0%	-10%	10%	ok
CMBS	6%	0%	-10%	10%	ok
Agency CMBS	2%	0%	-5%	5%	ok
Municipals	1%	1%	-9%	11%	ok
B4. Issuer Concentration: <=5% all corporate issuers				5%	ok
B5. Number of positions	304		100	175	check
B6. Non-Investment Grade alloc	0%			5%	ok
E2. Annual Turnover	31%		25%	75%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Manager Explanations for Deviations from Portfolio Guidelines

B5. Number of Positions: Due to volatility, we positioned the portfolio to take advantage of attractive opportunities.

### Account Turnover

Gained:	Number of Accounts:	0	Total Mkt Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Mkt Value (\$m):	\$	-
Reason(s) for loss: IR+M did not gain or lose any accounts in the G/C Strategy this month.					