

**Managed Credit Strategy**

Portfolio Date	3/31/2023
Global Broad Category Group	Fixed Income
US Category Group	Taxable Bond
Inception Date	12/31/2006
Firm Name	Capital Advisors Inc
Firm Phone	918-599-0045
Firm Web Address	www.capitaladv.com

**Investment Strategy**

- Investment-grade focus
- Domestic corporate bonds, U.S. Treasuries, U.S. Agencies and/or taxable municipal securities
- Laddered maturity structures
- Typically 10-25 securities

Capital Advisors' Managed Credit Strategy utilizes individual bonds to construct fixed income portfolios for one of three client priorities: **Liquidity**, **Income**, or an **Aggregate** of the two. The strategy invests in taxable bonds rated primarily investment-grade by the major ratings agencies, with a heavy emphasis on corporate credits. Within the parameters of each client priority, we seek to customize portfolios with attractively priced individual bonds available in the marketplace at the time each security is purchased. We seek to manage risk in this strategy through diversity of credits, laddered maturity structures, and yield curve optimization within each of the three client priorities.

**Value Added Approach**

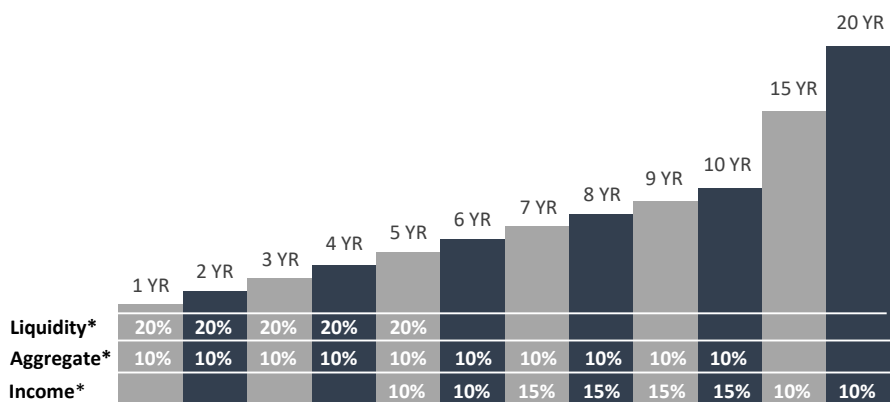
**Institutional Pricing** - As a fee-based advisor our incentive is to minimize markups on the bonds we buy for clients. We do this by aggregating bond trades into larger blocks that can be allocated into multiple client portfolios; participating in new issues; accessing a broad network of dealers for bonds rather than the captive inventory of a single firm; and/or negotiating tight spreads from the dealer network we access.

**Access to Opportunity** - The dynamics of a constantly changing marketplace produce attractively-priced bonds among dealer inventories from time to time. Our experienced professionals, who are "in the market" on a daily basis, can recognize these opportunities and take advantage of them for our clients.

**Risk Management** - Many investors characterize bonds as the "safe" asset class, but bonds can lose a lot of money for investors caught on the wrong side of a major rise in interest rates, or a severe deterioration in credit support. Capital Advisors seeks to reduce risk through the use of available resources and industry experience.

**Managed Credit Strategy Trailing Returns (annualized)**

% Returns (Net of Fees)	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Managed Credit Composite	2.09	-0.88	-0.47	1.32	1.08
Bloomberg Intermediate Govt/Credit Index	2.33	-1.66	-1.28	1.40	1.32
Bloomberg US Aggregate Bond Index	2.96	-4.78	-2.77	0.91	1.36

**Example Portfolio Illustration<sup>1</sup>**


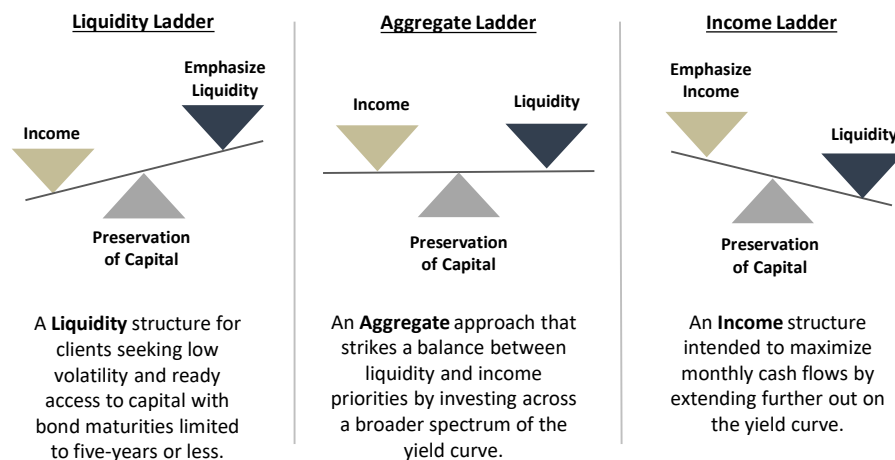
	Maturity**	Yield**
Liquidity Ladder*	2.4 yrs.	4.4%
Aggregate Ladder*	4.1 yrs.	4.5%
Income Ladder*	6.7 yrs.	4.8%

\* Average capital allocation by maturity is a hypothetical measure intended for illustration purposes only.

\*\* Average maturity and yield in this presentation are hypothetical measures intended for illustration purposes only.

**Portfolio Priorities**

Within an overall philosophy that emphasizes preservation of capital, we offer three alternative portfolio priorities:



**Disclosures**

**This presentation is not an offer or a solicitation to buy or sell securities.** The information contained in this presentation has been compiled from third party sources and is believed to be reliable; however, its accuracy is not guaranteed and should not be relied upon in anyway, whatsoever. This presentation may not be construed as investment advice and does not give investment recommendations.

**Capital Advisors, Inc. (hereinafter referred to as "CAI") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards.** CAI has been independently verified for the periods 1/1/2007 – 12/31/2021. CAI has been independently verified for the periods 1/1/2007-12/31/2021. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. **GIPS®** is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Firm and Composite Information** - CAI is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. CAI manages a variety of equity, fixed income, and balanced assets for a broad range of individual and institutional clients. The Managed Credit Composite is a strategy that aims to strike a balance between liquidity and income objectives. The Composite invests primarily in investment grade securities with maturities less than 10 years. The minimum account size for inclusion into the Managed Credit Composite is \$200,000. The Managed Credit Composite has a creation date of 12/31/2006.

Year	Comp. Net (%)	Bloomberg Intermediate Gov't/Credit Index (%) (1)	# of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD Mill)	Total Firm Assets (USD Mill)	3-year Standard Deviation Composite (%)	3-year Standard Deviation – Index (%) (1)
2022	-6.65	-8.23	505	1.90	\$343.6	\$4,258	3.85	3.88
2021	-1.90	-1.44	317	0.50	\$239.1	\$4,395	3.04	2.37
2020	5.05	6.43	323	1.37	\$251.9	\$3,459	3.09	2.16
2019	7.66	6.80	304	2.66	\$209.6	\$2,834	2.19	1.81
2018	-0.75	1.11	198	1.71	\$129.2	\$2,198	1.87	1.11
2017	3.10	1.66	113	1.28	\$82.0	\$2,216	1.52	0.81
2016	1.77	2.11	38	2.36	\$20.3	\$1,840	1.52	0.84
2015	0.05	0.85	27	1.16	\$20.6	\$1,552	1.18	0.72
2014	1.56	1.12	28	1.14	\$16.4	\$1,462	1.19	0.88
2013	-0.27	1.45	30	0.93	\$17.2	\$1,364	1.04	1.06

**Benchmark - Bloomberg U.S. Intermediate Government/Credit Index** is an unmanaged index of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years. An investment cannot be made directly in an index. (1) The benchmark was changed from the Barclays 1-3 Year U.S. Credit Index as of June 30, 2018 to be more reflective of the strategy's investment process, which emphasizes bonds maturing across the yield curve, not just on the short end. The **Bloomberg Aggregate Bond Index** is an unmanaged index made up of U.S. Government, corporate, mortgage-backed and asset-backed securities rated investment grade or higher. The index is designed to measure the performance of the domestic investment-grade bond market.

**Strategy Risks** - Investment in debt involves risk, including possible loss of principal invested. You could lose money on your investment, or the portfolio could under-perform because: the market prices of bonds held by the Fund may fall; individual investments of the Fund may not perform as expected; and/or the portfolio management practices may not achieve the desired result. The investment portfolio is subject to interest rate risk and credit risk. When interest rates rise, the value of fixed-income securities will generally fall. In addition, a security's credit quality may deteriorate, which could lead to default or bankruptcy of the issuer where the issuer becomes unable to pay its obligations when due.

**Performance Calculations** - Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings. Net-of-fees returns are calculated using actual annual client fees, pro-rated on a quarterly basis. The standard management fee for the Fixed Income Managed Credit strategy is 0.50% per annum. Additional information regarding Capital Advisor's fees is included in its Part 2 of Form ADV. Dispersion is calculated using the net-of-fees, equal-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. Portfolio yield represents the 12-month run rate of dividends from the strategy's representative account divided by the market value of the portfolio as of each quarter-end. This measure is calculated by a portfolio accounting system from *Orion*.

**A complete list of Capital Advisor's portfolio models and performance results is available upon request.** Additional information including management fees and expenses is provided on Capital Advisors' Form ADV Part 2, available upon request or at the SEC's Investment Adviser Public Disclosure site, <https://adviserinfo.sec.gov/firm/summary/104643>. The actual return and value of an account fluctuate and, at any time, the account may be worth more or less than the amount invested. Contact Capital Advisors for a list and description of all firm composites: 1-866-230-5879. [www.capitaladv.com](http://www.capitaladv.com)

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