Strategic Income Management
Common Sense & Repeatable

SiM High Yield Update

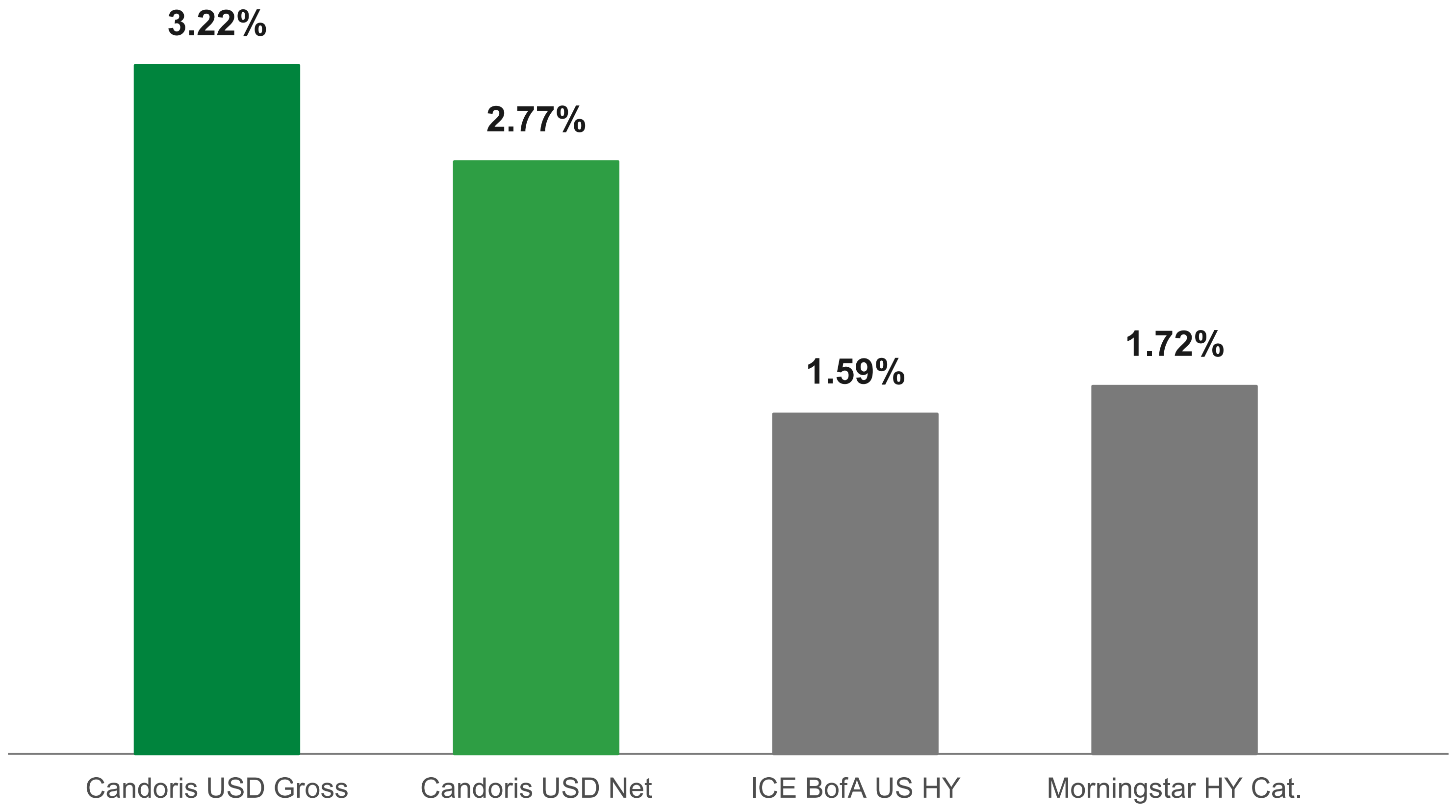
September 2nd, 2026

www.sim-llc.com

Recent Performance: Excess Return From Both Allocation and Selection

Candoris SiM U.S. High Yield Fund delivered positive excess return YTD, with income offsetting price pressure and both allocation and selection adding value.

Total returns- YTD through 7/31/2026



Gross excess vs. benchmark

+1.63%

Attribution

Driver	Contribution
Sector allocation	+0.80%
Issuer selection*	+0.65%
Cash	-0.04%
Other	+0.22%
Total vs. benchmark	+1.63%

*Includes pricing source effects.

Top contributors / detractors

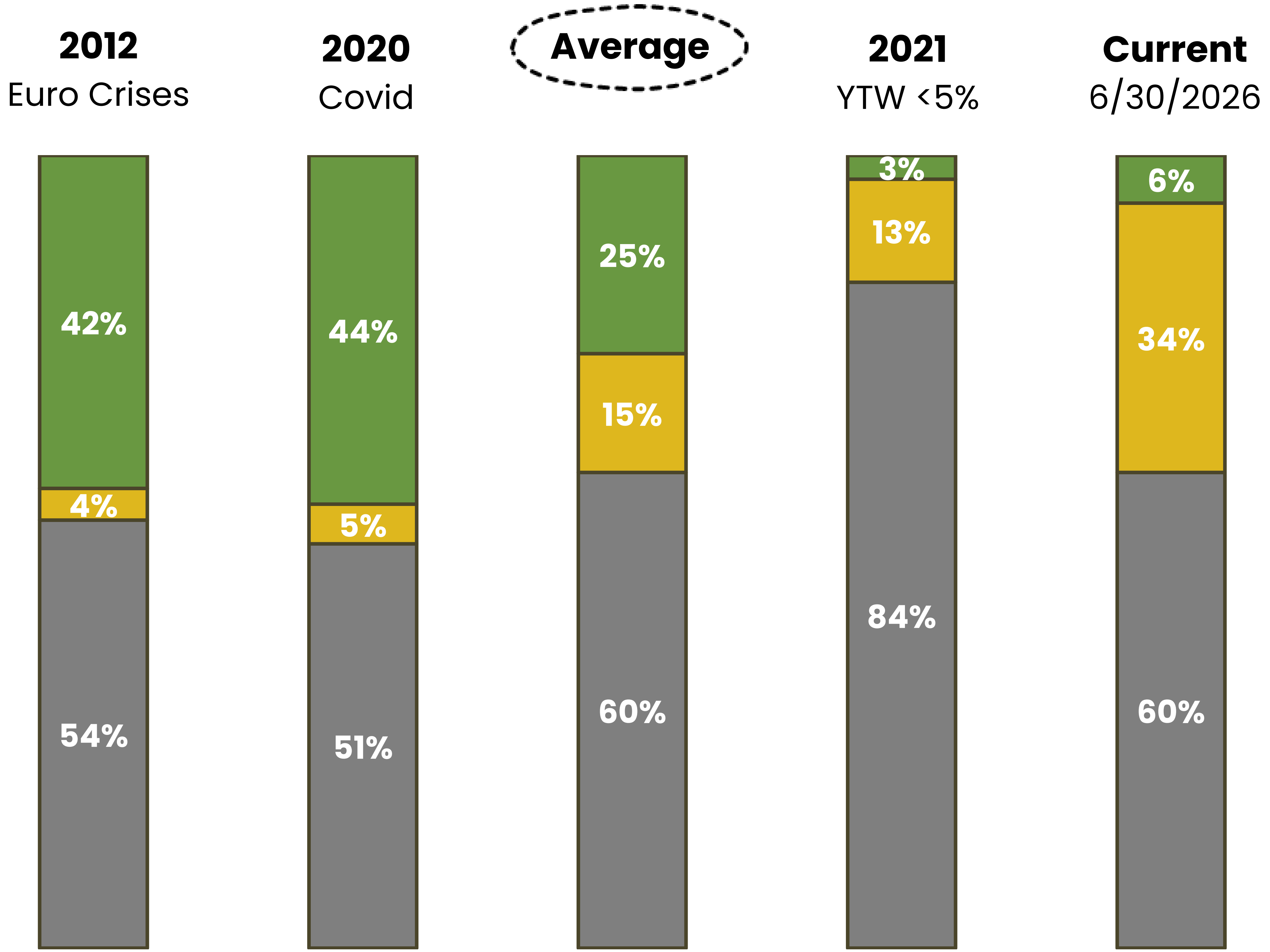
Positive

Energy selection +0.59%, Leisure selection +0.10%, Media underweight +0.22%, Energy overweight +0.18%; Cruise Yacht +18 bps, Shearwater +16 bps, Floatel +11 bps.

Negative

Healthcare selection -0.14%, Pharming -13 bps

Core, Deep Out of Favor, Out of Favor Range



Current Sectors

Deep Out of Favor

Real Estate

Out of Favor

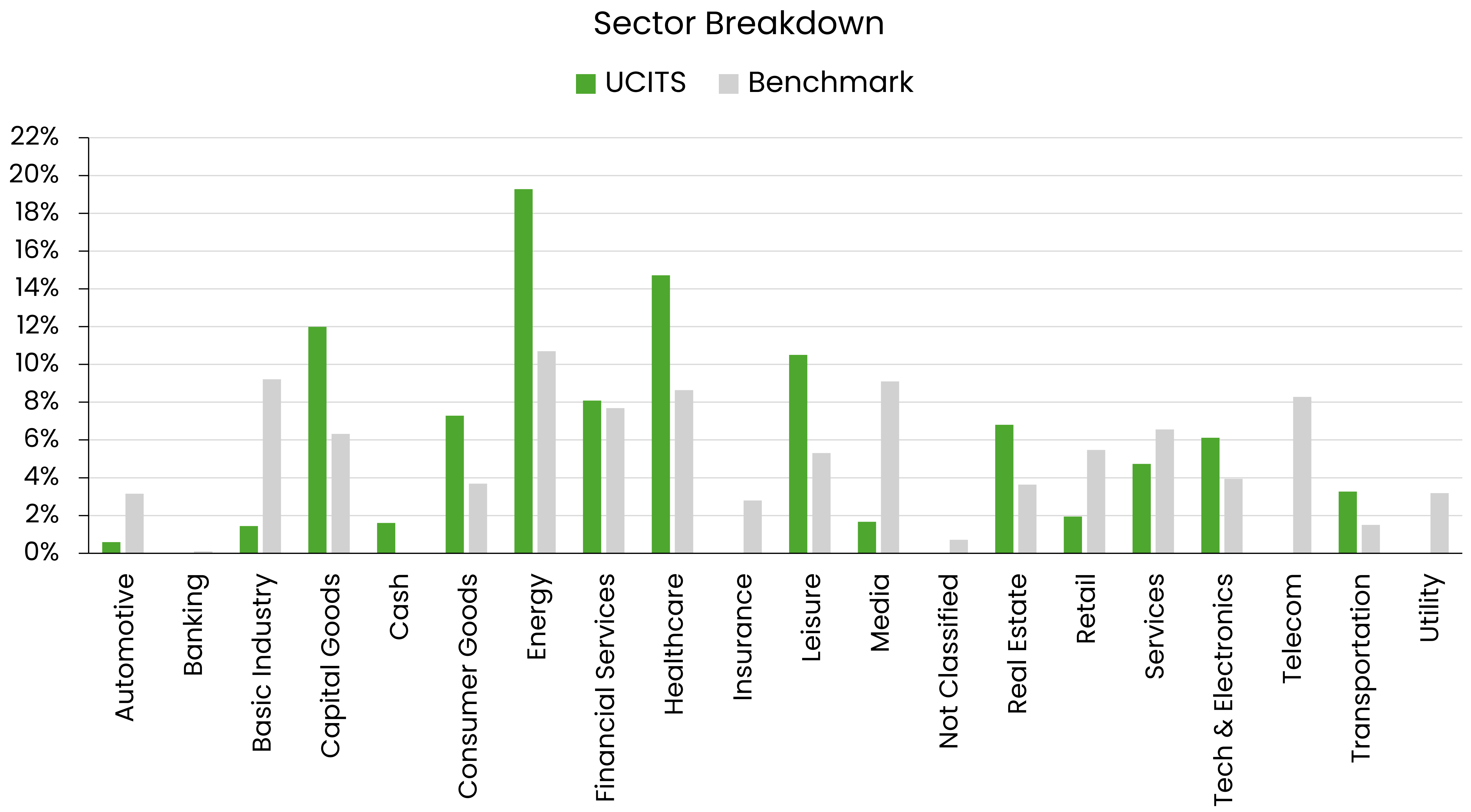
Offshore Energy Servicing
Counter Cyclical Finance
Shipping

Core

Healthcare
Defense
Consumer Protein
Leisure
Technology

Portfolio Positioning vs. Benchmark

Industry agnostic, underweight in cyclicals and overweight in non-cyclicals



Source: UCITS SiM High Yield Opportunities Fund , ICE BofA HY Index (H0A0) as of 7/31/2026

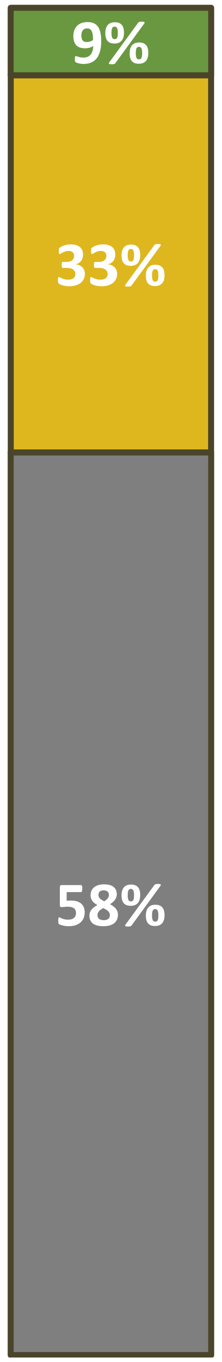
Portfolio Characteristics

Characteristics Summary

7/31/2026	UCITS[1]	HY Index[2]
Price	98.01	98.18
Yield To Worst	6.8%	7.2%
Option Adjusted Spread	255	273
Coupon	6.3%	6.7%
Rating	B+	B+
Current Yield	6.6%	6.9%
Yield To Maturity	6.9%	7.5%
Effective Duration	3.0	2.9

Source: 1) Candoris SiM High Yield Opportunities Fund
2) ICE BofA HY Index (H0A0)

SiM[1] Strategy Allocation



Deep Out of Favor
Real Estate

Out of Favor
Energy Servicing
Counter Cyclical Finance
Shipping

Core
Healthcare
Defense
Consumer Protein
Leisure
Technology

The Case for High Yield

Why High Yield Now — Even With Spreads Near the Tights

Spreads (273bp) are near post-GFC lows, but the asset class you are buying at those spreads is structurally better than at any prior tight.

1. Best credit quality in the index's history

~60% BB

of the HY index is BB-rated; ~8% is CCC — vs. ~30% CCC in 2009

- Leverage ~4x and interest coverage ~5x (fixed-charge ~3x) — low vs. history
- The most cyclical, capital-intensive sectors — energy and metals/mining — now carry the LOWEST leverage in HY (~2.8x) after a decade of balance-sheet repair
- Energy & metals also shrank as a share of the index; the 2015-16 energy default cycle cannot repeat at today's leverage

2. Private credit took the risk out of public HY

5.7x vs 4.4x

Private credit leverage vs. HY bond leverage; interest coverage 2.0x vs 4.3x

- Highly levered sponsor LBOs and CCC M&A financings that used to be printed in HY are now done in private credit
- Private credit and leveraged loans have each grown significantly since 2008; HY bond market outstanding is roughly flat since 2021
- Sponsor-marked private valuations vs. daily mark-to-market HY: the risk moved, the transparency didn’t. Majority of HY is public companies

3. Faster recovery, 7%+ carry in an expensive world

~1 yr vs ~4 yrs

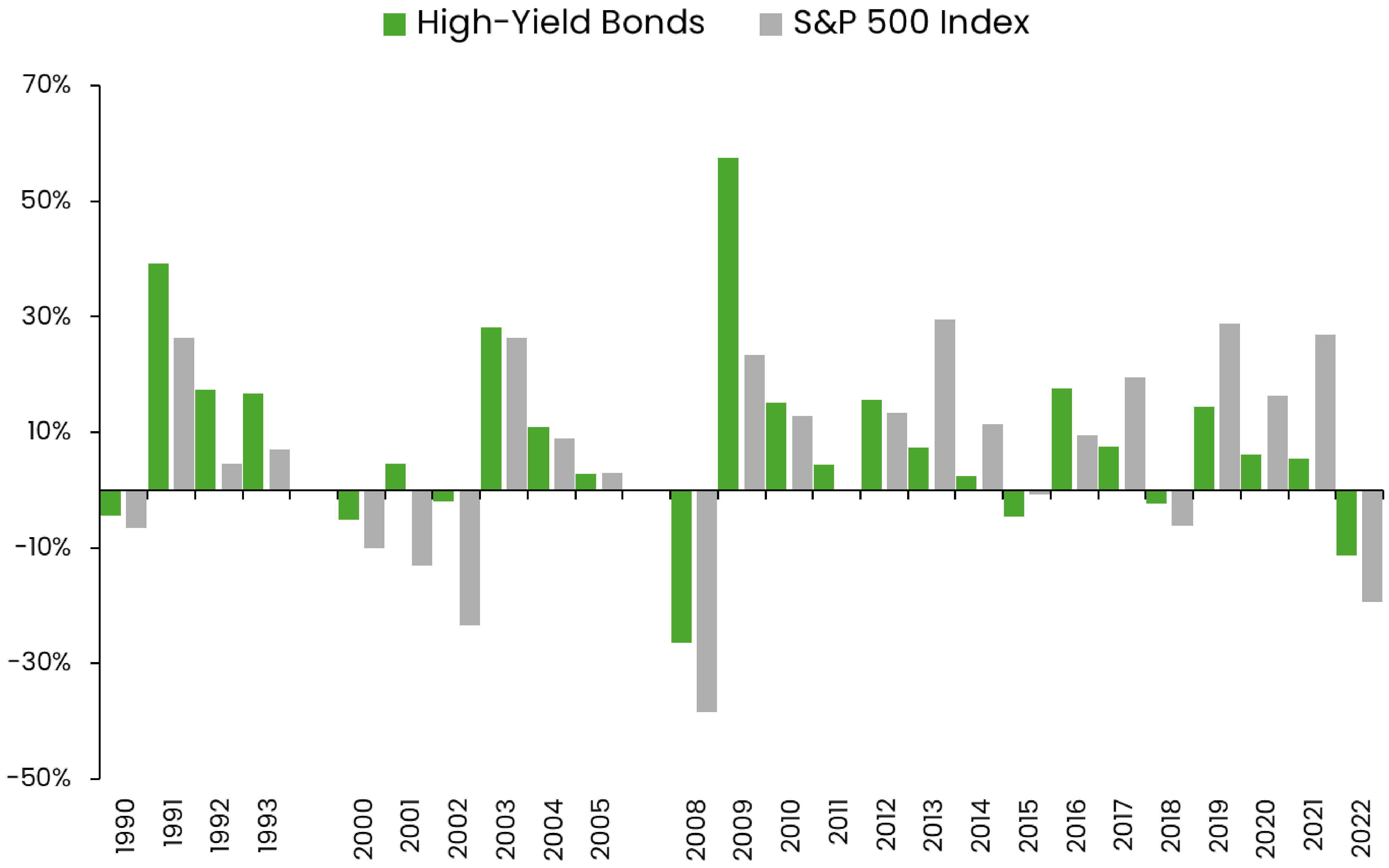
HY recovery time after the Tech Bubble and GFC vs. the S&P 500

- HY had 7 down years vs. 9 for equities since 1990, and outperformed equities in every down year
- Since 1986: HY 8.6% annualized return at 8.0% vol (1.08 return/vol) vs. S&P 10.9% at 15.2% (0.72)
- Index YTW ~7.2% with duration ~3: carry does the heavy lifting;

Sources: J.P. Morgan (leverage, coverage, sector leverage as of 3/31/2026; leveraged-finance metrics Q4 2025); BofA Global Research / ICE Data Indices (ratings mix and spread as of 7/31/2026); ICE BofA US HY Index (H0A0) and S&P 500 (risk/return since 8/31/1986, through 3/31/2026; drawdowns)

High-Yield has Fewer Drawdowns Vs. Equity

High-Yield bonds have outperformed equities during down years, while exhibiting equal or greater performance in the years leading out of a recession

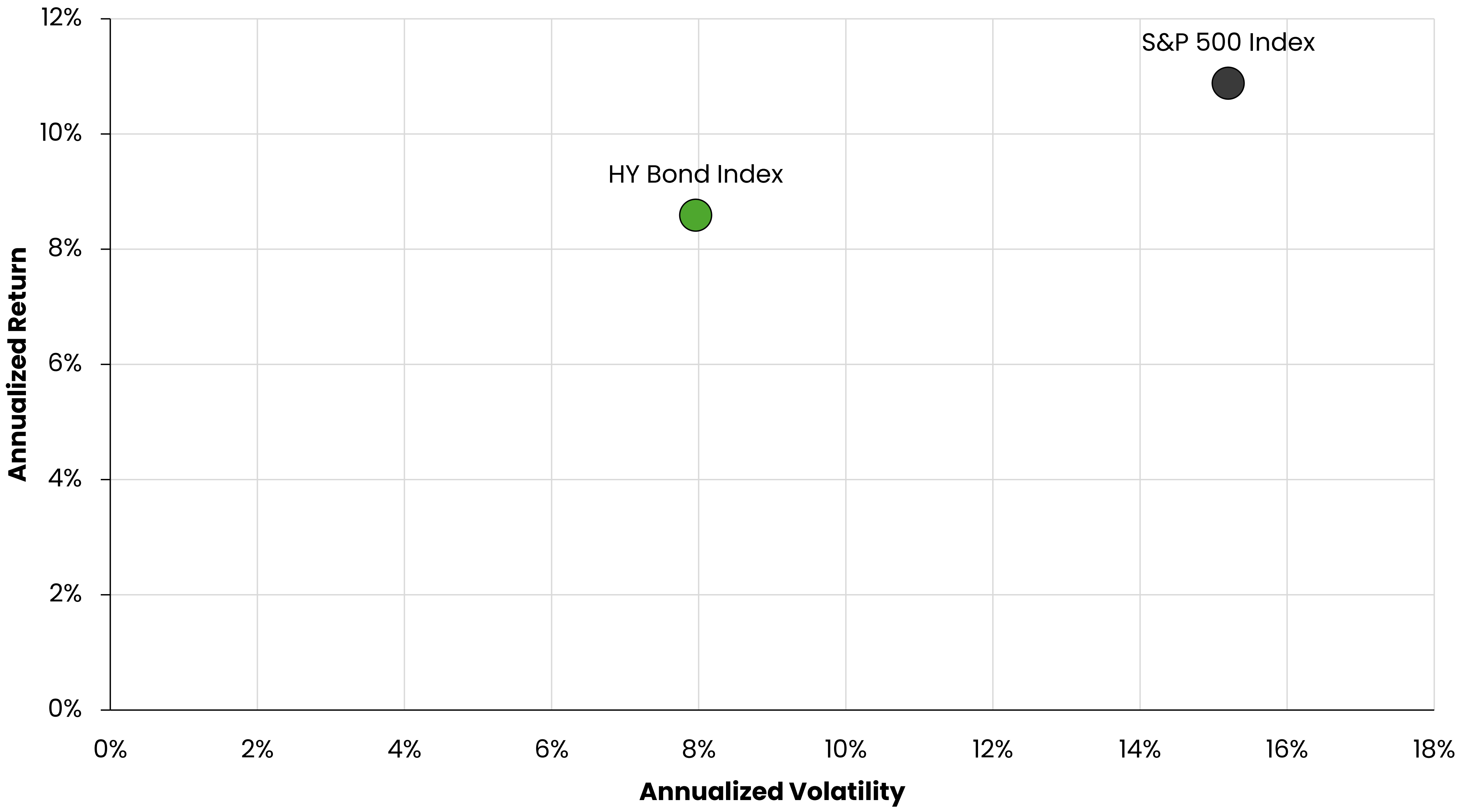


Source: ICE BofA HY Index (H0A0)

	High Yield Bonds	S&P 500
Down Years	7	9
Recovery Time – Tech Bubble	~1 Year	~4 Years
Recovery Time - GFC	~1 Year	~4 Years

Historical Risk/Return Across Asset Classes

Risk and return comparison of the High Yield Bond Index and the S&P 500 Index since 8/31/1986



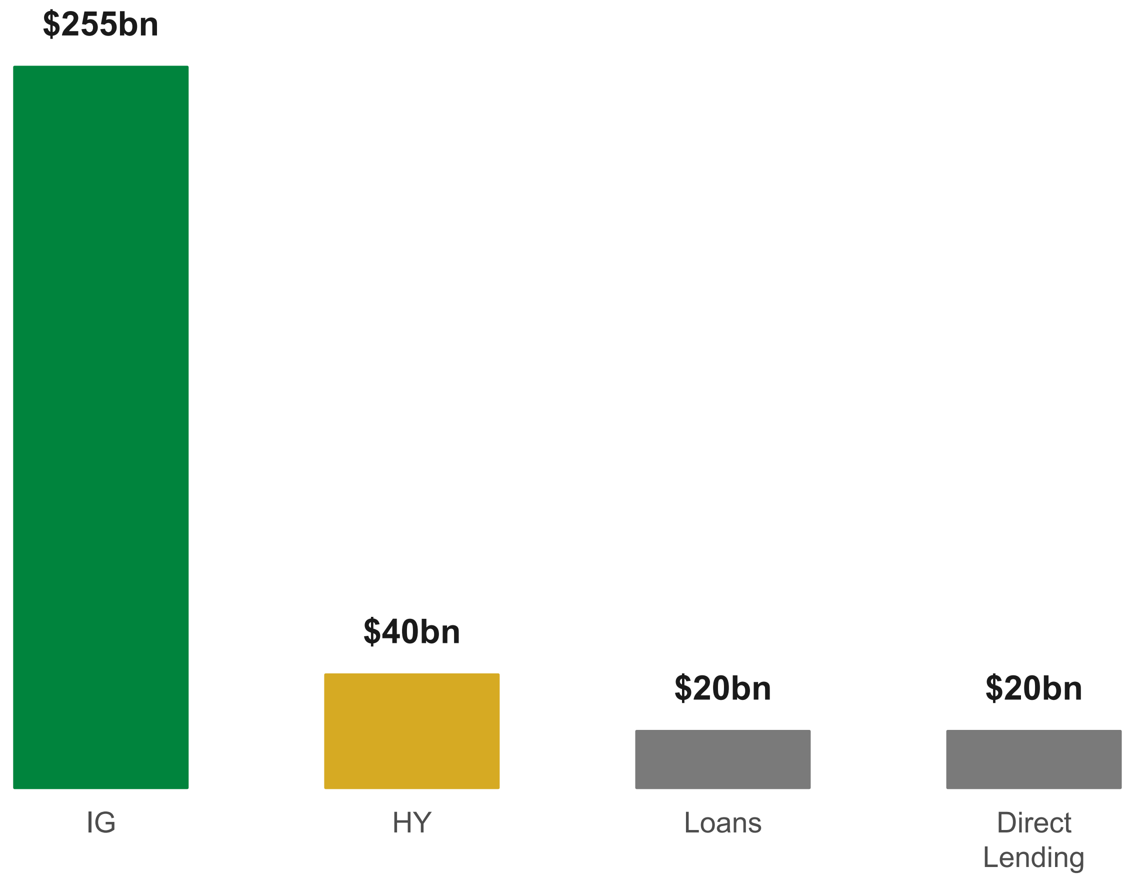
	Annualized Returns	Annualized Volatility	Annual Return/Annual Volatility
HY Bond Index	8.6%	8.0%	1.08
S&P 500 Index	10.9%	15.2%	0.72

Annual returns and volatility are annualized with compounded monthly returns and dividends reinvested in their index since 8/31/1986 – the inception of the ICE BofA US High Yield Index. Data is through 3/31/2026. Indices: ICE BofA US High Yield Index and S&P 500 Index.

AI Capex & Debt

AI financing is a large new credit-market force: it supports supply and growth, but creates dispersion and new underwriting traps.

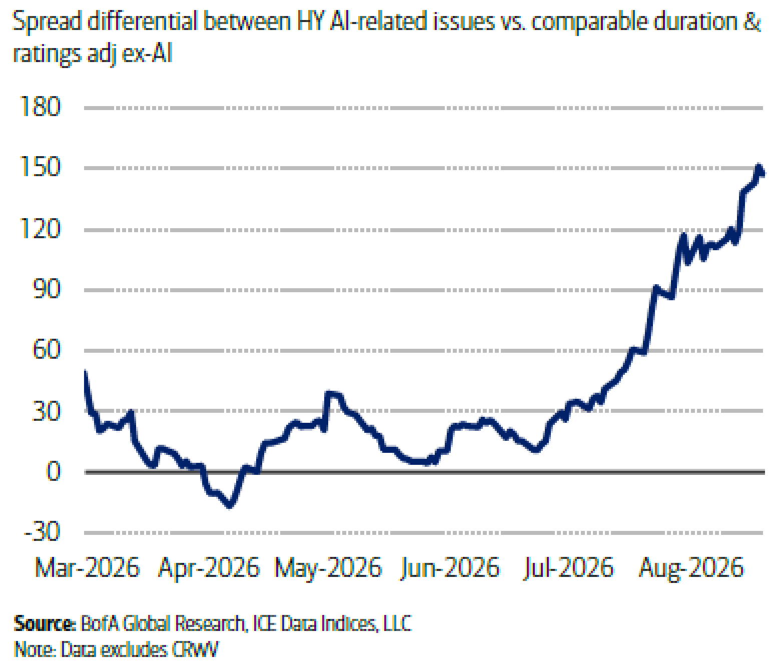
YTD AI-related USD credit issuance



$335bn
Total AI-related issuance YTD

320 bp
HY AI spread

+147 bp
HY AI premium vs ex-AI



SiM stance

We are underweight software / AI-risk areas and have not chased data-center paper where we believe lenders are not being paid for completion and power risk.

Implications for rates and high yield

- **Rates / IG:** heavy hyperscaler issuance can pressure duration-heavy IG spreads and compete for fixed-income demand.
- **HY supply:** AI data-center and neocloud deals are increasing HY issuance, even as traditional refi and M&A slow.
- **Credit selection:** the core risk is monetization, completion, tenant quality, power access and refinancing — not simply “AI good or bad.”

Sources: BofA AI weekly pulse; see notes.

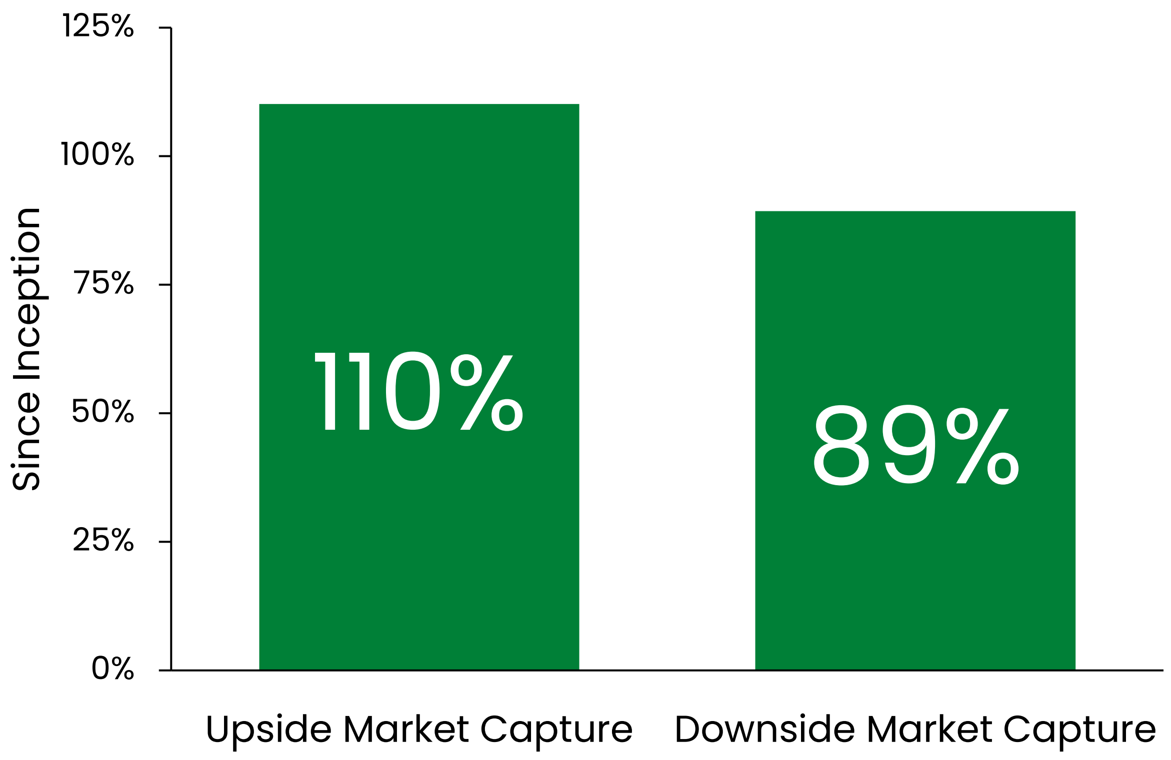
SiM Strategy

Risk/Return and Up/Down Capture

	Annualized 3Y	Annualized 5Y	Annualized 10Y	Annualized Inception*
Gross Excess Return	1.88	2.08	1.78	1.86
Net Excess Return	1.46	1.69	1.38	1.44
Information Ratio	1.32	1.24	0.66	0.76
Sharpe Ratio	1.45	0.43	0.63	0.78

Source: SiM, eVestment, ICE BofA HY Index (H0A0), FTSE 3-Month T-Bill

Performance Up/Down Market Capture



Differentiators

1. Industry-agnostic underwriting

We do not need to own every index sector; we underwrite businesses, structures, catalysts and downside.

2. Core / OOF / DOOF framework

Core anchors liquidity and default avoidance; Out-of-Favor buckets focus on catalyst-driven recovery.

3. Avoiding yield traps

Underweight telecom, media, basic industry and software/AI risks where spreads do not compensate for downside.

4. Downside emphasis

Up/down capture since inception of 110/89 and positive long-term excess returns across periods.

Data as of 6/30/2026. Statistics and capture ratios were calculated using gross returns for the SiM High Yield Composite. Gross and net excess returns are calculated relative to the ICE BofA HY Index (H0A0). Past performance is not indicative of future results. Please see important disclosures located at the back of this presentation.

*Since GIPS inception date of 2/28/2011

SiM High Yield Composite Performance

High Yield Composite

(Unconstrained)

June 30, 2026

Period	Total Assets (millions) Firm	Total Assets (millions) Composite	Number of Accounts[3]	Composite Performance Gross	Composite Performance Net	Benchmark	Annualized 3-Year Standard Deviation[4] Composite	Annualized 3-Year Standard Deviation[4] Benchmark	Internal Composite Dispersion[5]
Annual Returns									
2026 YTD	$3,412.59	$3,235.53	4	3.01%	2.83%	1.89%	4.01%	0.00%	N/A
2025	$3,139.27	$2,966.54	4	10.36%	9.96%	8.51%	4.33%	4.78%	N/A
2024	$2,745.51	$2,587.66	4	10.70%	10.24%	8.20%	7.30%	8.57%	N/A
2023	$1,916.75	$1,769.96	3	13.05%	12.60%	13.46%	7.28%	8.45%	N/A
2022	$1,749.38	$1,619.37	3	-6.25%	-6.59%	-11.22%	13.65%	11.25%	N/A
2021	$1,763.90	$1,620.62	3	9.63%	9.25%	5.36%	12.54%	9.27%	N/A
2020	$1,352.27	$1,289.18	3	7.37%	6.96%	6.17%	12.66%	9.52%	N/A
2019	$1,450.35	$1,389.18	3	13.30%	12.87%	14.41%	3.77%	4.19%	N/A
2018	$1,322.34	$1,178.62	3	-0.31%	-0.70%	-2.27%	4.20%	4.70%	N/A
2017	$1,427.53	$1,426.94	4	8.23%	7.83%	7.48%	5.09%	5.68%	N/A
2016	$1,296.45	$1,296.45	3	17.27%	16.83%	17.49%	5.41%	6.11%	N/A
2015	$ 741.47	$ 741.47	2	-2.95%	-3.34%	-4.64%	5.13%	5.35%	N/A
2014	$ 905.43	$ 760.51	2	5.24%	4.81%	2.50%	5.23%	4.50%	N/A
2013	$ 658.79	$ 594.42	2	8.64%	8.19%	7.42%	N/A	N/A	N/A
2012	$ 474.48	$ 418.62	1	21.65%	21.11%	15.58%	N/A	N/A	N/A
2011[1]	$ 82.39	$ 39.96	1	0.25%	-0.12%	0.88%	N/A	N/A	N/A
One-Year Return									
06/30/2026	$3,412.59	$3,235.53	4	9.75%	9.36%	5.75%			
Three-Year Return									
06/30/2026	$3,412.59	$3,235.53	4	10.67%	10.25%	8.79%			
Five-Year Return									
06/30/2026	$3,412.59	$3,235.53	4	6.22%	5.82%	4.13%			
Ten-Year Return									
06/30/2026	$3,412.59	$3,235.53	4	7.49%	7.09%	5.70%			
Since-Inception[2]	**$3,412.59**	**$3,235.53**	**4**	**7.53%**	**7.11%**	**5.67%**			

Past performance is not indicative of future results. Please see important disclosures located at the back of this presentation.

Appendix

1 Performance reflects the unannualized performance from March 1, 2011 to December 31, 2011.
2 Composite inception date March 1, 2011, annualized returns.
3 Reflects number of accounts in composite at end of period.
4 For periods with less than 36 months of composite performance, no 3-year standard deviation measurement is available.
5 Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. During the periods presented with multiple accounts, one account represented approximately 65-95% (depending on the year) of the aggregate composite assets. This large account is an open end mutual fund, and as such, may experience more frequent, and more significant, cash flows than other non-open end mutual fund accounts in the composite.

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Composite Strategy and Fee Disclosures:
The Strategic Income Management High Yield Composite (the "High Yield Composite") contains all discretionary fee-paying accounts that invest, under normal circumstances, at least 80% of their net assets in non-investment grade securities and/or financial instruments that provide exposure to noninvestment grade securities, without constraints on exposure to CCC and below rated securities. Non-investment-grade securities are securities rated at or below Ba or BB by Moody's, S&P or Fitch or, if unrated, determined by SiM to be of comparable quality. The non- investment grade securities in which accounts in the High Yield Composite may invest include, but are not limited to: corporate bonds, convertible securities, preferred stock, bank and senior loans, securities of foreign issuers, emerging market debt, and Rule 144A securities. Some accounts in the High Yield Composite utilize currency futures to hedge non-U.S. dollar currency exposure for securities denominated in non-U.S. dollars. Some accounts may also utilize credit default swaps (CDS) on a limited basis. Neither currency futures nor CDS are major components of the High Yield strategy or of accounts in the High Yield Composite. Portfolios in the High Yield Composite may contain international securities. There are no known material differences in exchange rates or valuation sources among the portfolios in the High Yield Composite. Specific investment guidelines may differ between accounts in the High Yield Composite, and therefore not all accounts in the High Yield Composite will hold the same securities or the same weightings in the same securities.

For comparison purposes the High Yield Composite is measured against the ICE BofA US High Yield Index (the "Benchmark"). The High Yield Composite was created November 1, 2012. The inception date of the High Yield Composite is March 1, 2011. Returns are presented gross and net of management fees and include the reinvestment of all income. Net performance was calculated using the actual advisory or sub advisory management fees applicable to those accounts included in the High Yield Composite, or where actual fees were not available, model fees, applied monthly. Actual advisory or subadvisory management fees for the accounts in the High Yield Composite vary depending upon account size and other factors, and currently range between 0.40% to 0.275%. The standard investment advisory fee applicable to non-mutual fund accounts in the High Yield Composite is 0.40%. Actual investment advisory fees incurred by clients may vary and returns will be reduced by investment advisory fees actually incurred. Further information regarding investment advisory fees is described in Part 2A of SiM's Form ADV.

The U.S. Dollar is the currency used to express performance. The minimum account size for the High Yield Composite is $15 million.

High Yield Securities Risk
Investing in high yield, below investment-grade securities (commonly referred to as "junk bonds") generally involves significantly greater risks of loss of your money than an investment in investment grade securities. Investing in lower-rated fixed-income securities is considered speculative. While these securities generally provide greater income potential than investments in higher-rated securities, there is a greater risk that principal and interest payments will not be made. Rising interest rates may compound these difficulties and reduce an issuer's ability to repay principal and interest obligations. Issuers of lower-rated securities also have a greater risk of default or bankruptcy. Below investment grade securities may experience greater price volatility and less liquidity than investment grade securities. In addition, while SiM may rely on ratings by established credit rating agencies, it will also supplement such ratings with its own independent review of the credit quality of the issuer. Therefore, the assessment of the credit risk of lower-rated fixed-income securities is more dependent on SiM's evaluation than the assessment of the credit risk of higher-rated securities.

Appendix

Illiquid and Restricted Securities Risk
Certain securities are considered illiquid or restricted due to a limited trading market, legal or contractual restrictions on resale or transfer, or are otherwise illiquid because they cannot be sold or disposed of in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. A client account may not be able to sell a restricted security when the adviser considers it desirable to do so and/or may have to sell the security at a lower price. In addition, transaction costs may be higher for restricted securities than for more liquid securities. A client account may have to bear the expense of registering restricted securities for resale and the risk of substantial delays in effecting the registration.

Interest Rate Risk
Fixed-income securities are affected by changes in interest rates. A client account is subject to the risk that the market value of fixed income securities or derivatives it holds, particularly mortgage backed and other asset backed securities, will decline due to rising interest rates. Conversely, when interest rates decline, the market value of fixed-income securities generally can be expected to rise.

The prices of fixed income securities or derivatives are also affected by their duration. Duration is a measure of the price sensitivity of a debt security to changes in interest rates. Fixed income securities or derivatives with longer duration generally have greater sensitivity to changes in interest rates. For example, if a bond has a duration of four years, a 1% increase in interest rates could be expected to result in a 4% decrease in the value of the bond.

Recent and potential future changes in government monetary policy may affect interest rates. As the Fed “tapers” or reduces the amount of securities it purchases pursuant to its quantitative easing program, and/or if the Fed raises the federal funds rate, there is a risk that interest rates will rise, which could expose fixed-income and related markets to heightened volatility and could cause the value of a client’s investments to decline, potentially suddenly and significantly, which may negatively impact the client’s performance.

Benchmark Disclosures:
The ICE BofA US High Yield Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Each security must have greater than 1 year of remaining maturity, a fixed coupon schedule, and a minimum amount outstanding of $100 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and US domestic bond markets), 144a securities, and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. DRD-eligible and defaulted securities are excluded from the Index.

The S&P 500 Index contains 500 U.S. industrial, transportation, utility and financial companies. It is capitalization-weighted calculated on a total return basis with dividends reinvested.

The Russell 3000 Value Index is a market-capitalization weighted equity index maintained by the Russell Investment Group and based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform. Included in the Russell 3000 Value Index are stocks from the Russell 3000 Index with lower price-to-book ratios and lower expected growth rates.

Indices referenced herein are used for illustrative purposes only. Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Index results are not a projection, prediction or guarantee of performance. Investments cannot be made directly into an index.

Regulatory Disclosures:
Performance shown represents total returns that include income, realized and unrealized gains and losses. Gross returns shown do not reflect the deduction of investment advisory fees. Investment returns will be reduced by investment advisory fees and other expenses incurred during portfolio management. Past performance is not indicative of future results.

Methodology Disclosures:
Gross performance is presented net of transaction costs. Net of fee performance was calculated using actual fees applied monthly. High Yield Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor’s domicile. Of the four accounts in the High Yield Composite, two are UCITS/AIF Funds registered in Ireland. For non-US domiciled portfolios, performance is calculated without including the effects of currency share class hedging.

Non-US domiciled investors investing in a share class that is hedged back to their local currency may have returns different than the composite returns. SiM has defined a Significant Cash Flow as 15% of a portfolio’s value at the time of the cash flow. Policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request.

Appendix

Variance Disclosures:
The composite dispersion presented is an asset-weighted standard deviation calculated using accounts in the High Yield Composite the entire year. During the periods presented with multiple accounts, one account represented approximately 65-95% (depending on the year) of the aggregate composite assets. This large account is an open-end mutual fund, and as such, may experience more frequent, and more significant, cash flows than other non-open end mutual fund accounts in the composite.

The 3-Year Standard Deviation represents the annualized standard deviation of actual High Yield Composite and Benchmark returns, using the rolling 36-months ended each year-end. The 3-Year Standard Deviation of the High Yield Composite and the Benchmark returns are not presented for some periods because the High Yield Composite strategy had less than three years of history for those periods.

Investment Examples:
The specific investments identified and described are not representative of all of the investments purchased, sold, or recommended for the strategy. It should not be assumed that any investment identified has or will be profitable. There can be no guarantee that similar investment opportunities will be available in the future or that SiM will be able to exploit similar investment opportunities should they arise.

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