



**M.D. Sass Short-Term U.S. Government Agency Income Fund
(Ticker: MDSIX)**

Morningstar Rating: 5 Stars
Yield-to-Maturity: 2.25%
Duration: 1.89 years
Liquidity: Daily

Recent comments by Federal Reserve officials indicate that interest rates are likely heading higher (we expect four rate hikes this year) and the Fed has signaled that it is willing to allow inflation to overshoot its target of 2%. This suggests to us the likelihood of higher yields and potentially a steeper yield curve.

In this environment, fixed income investors should, in our view, shorten durations to reduce interest rate risk and, at the same time, seek to maintain yield, credit quality and liquidity. In that context, we would highlight the **M.D. Sass Short-Term U.S. Government Agency Income Fund (ticker - MDSIX), rated 5 stars out of 100 Funds within the Morningstar Short-Term Government category** based on the Fund's risk-adjusted return profile as of April 30, 2018.

- MDSIX targets 100% U.S. Government and U.S. Government Agency-Backed securities looking to **avoid credit risk**.
- MDSIX seeks the highest yields available from 1 to 3-year duration Agency securities to potentially **mitigate interest rate risk**. The Fund's yield-to-maturity as of April 30, 2018 is 2.25%.
- MDSIX only selects **highly liquid** Agency securities which we feel have highly quantifiable and historically stable cash flows.
- MDSIX combines selected securities into a rigorously stressed tested value-added portfolio and evaluates the portfolio under extreme adverse economic and market conditions to identify, measure and control risks.

M.D. Sass is a specialist manager in highly-seasoned, short duration U.S. Agency and U.S. Agency Mortgage Backed Securities, a corner of the fixed income market that we believe offers yield and defensive characteristics for those with the requisite expertise. MDSIX, launched in June of 2011, builds on a 25+ year track record M.D. Sass has managing similar short-term U.S. Agency-focused portfolios for Corporations, Endowments, Public Pensions, Taft Hartley plans, and individuals.