

### Our Firm

Reinhart Partners, founded in 1991, is an asset management firm based in Milwaukee, Wisconsin. The firm specializes in managing high quality small and mid cap domestic equity and investment-grade fixed income strategies. Reinhart Partners manages approximately \$7.2 billion in assets for institutions and high-net worth individuals through separately managed accounts, model portfolios, and Reinhart Funds.

### Why IDC?

Traditionally, investors have accessed the fixed income markets through a broad market strategy with exposure to Treasury, Agency, corporate, mortgage backed, and asset backed securities. There are two main reasons why one may choose to invest in a corporate only bond strategy:

1. Income orientated investor - investment objective driven
2. Tactical asset allocation - relative value driven

### The Results

This approach results in a portfolio that skews to the higher end of the investment grade credit rating scale while maintaining corporate sector weightings more in line with the overall investment grade universe.

Over time such a portfolio is expected to result in similar returns to a corporate bond benchmark with less volatility and lower default risk.

### IDC Philosophy

Maintain a high-quality, well-diversified portfolio of corporate bonds that combine two key attributes:

1. A low risk of default
2. Excess expected returns adequate to compensate for any incremental credit risk relative to other investment options

### Fixed Income Philosophy

- **High Quality** – Primarily “A” rated or better.
- **Duration Neutral** – Portfolio duration within 20% of the benchmark index.
- **Well Structured** – Predictable cash flows at the portfolio and security levels.
- **Highly Liquid** – Invest in highly liquid bonds, primarily from large issuers with multiple securities across the yield curve.

### Fixed Income Team



**Michael Wachter, CFA**  
Director of Fixed Income  
Manager Since 1997  
Marquette University - MBA  
University of Wisconsin - Madison - BA

- Douglas Fry, CFA, Portfolio Manager
- Katherine Doyle, Portfolio Manager
- Peter Altobelli, CFA, Credit Analyst & Portfolio Manager
- William Ford, CFA, Credit Analyst & Portfolio Manager
- Sarah Molitor, CFA, Associate Portfolio Manager
- Adam Lynch, Associate Portfolio Manager
- Ajla Besic, Fixed Income Associate
- Reece Piotter, Fixed Income Associate

## Portfolio Statistics

	Reinhart IDC	Int. Credit Index*
Yield to Maturity	1.3%	1.6%
Average Quality	A1	A3
Average Maturity (yr)	4.7	5.0
Current Yield	3.0%	3.0%
Effective Duration	4.2	4.5
Convexity	0.11	0.13

Asset Allocation (%)	Reinhart IDC	Int. Credit Index*
Basic Industry	--	1.9%
Capital Goods	5.6%	4.9%
Communications	2.8%	5.7%
Consumer Cyclical	5.6%	6.9%
Cons. Non-Cyclical	12.2%	11.6%
Energy	3.8%	6.2%
Technology	2.8%	8.0%
Transportation	2.8%	1.2%
Other Industrial	--	0.3%
Banking	26.8%	23.2%
Brokerage	--	1.4%
Finance Companies	--	1.1%
Insurance	12.0%	3.1%
REITS	--	3.0%
Other Finance	--	0.3%
Electric	25.0%	4.3%
Natural Gas	--	--
Other Utility	--	0.7%
Non-Corporate	--	16.1%
Cash	0.6%	--

Quality Distribution (%)	Reinhart IDC	Int. Credit Index*
AAA	7.2%	9.8%
AA	19.0%	8.1%
A	72.1%	36.3%
BBB	1.7%	45.9%
Under BBB	--	--

## Important Disclosures

### AUA disclosure

Total Firm Assets include "Model Assets." These are non-discretionary assets over which Reinhart Partners provides portfolio recommendations to a model manager who may or may not execute trades in the underlying model accounts. Reinhart is not the Registered Investment Advisor for and does not execute trades in these accounts. As of 3/31/21 Model Assets totaled approximately \$793 million. Reinhart data is for a representative model account.

### Benchmark disclosure

\*The benchmark for this composite is the Bloomberg Barclays U.S. Intermediate Credit Index. The index measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year and less than ten years. Index information is included merely to show the general trend in the market for the periods indicated and is not intended to imply that the portfolio was similar to the index either in composition or element of risk. The index is unmanaged, and an investment cannot be made directly into an index. Index returns do not reflect the deduction of advisory fees or any other fees or expenses. Index returns reflect the reinvestment of dividends, interest, and other earnings. Reinhart data is for a representative model account.