

**CWFIX**

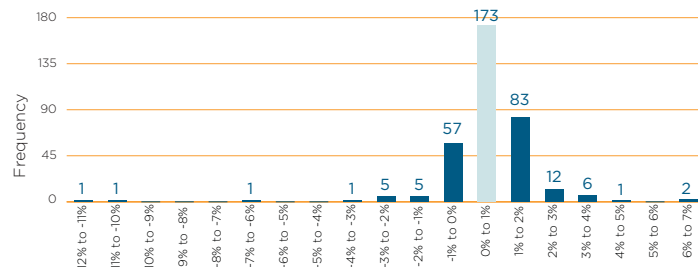
# Short Duration High Yield Fund

## 5 REASONS TO INVEST IN HIGHER QUALITY, SHORT DURATION HIGH YIELD BONDS

### 1 The "Sweet Spot" for Consistent Income

Higher quality has historically mitigated credit risk, and short duration has historically guarded against rising interest rates. These disciplines have historically combined to deliver relatively consistent positive returns. Since 1989, higher quality, short duration high yield bonds have had positive monthly returns 79% of the time.

Distribution of Monthly Returns ('89-'17 ICE BAML BB 1-3 Year Index)<sup>1</sup>

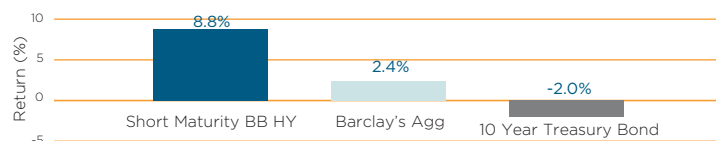


<sup>1</sup>Source: ICE BAML Indices, Bloomberg

### 2 Protection from Interest Rates

High Yield portfolios have historically outperformed when interest rates rise. Short maturities mean cash is continually available to capitalize on higher rate opportunities.

Average Return in Rising Interest Rate Years ('90-'17)<sup>2</sup>



<sup>2</sup>Source: ICE BAML Indices, Bloomberg, Barclays

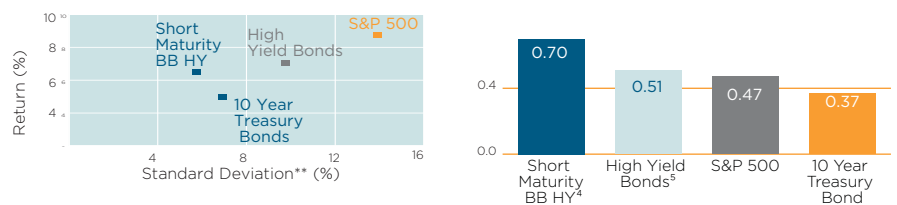
### 3 Higher Risk Adjusted Returns

Historically, Short Duration BB-rated High Yield bonds have delivered 86% of the return of high yield bonds with 58% of the volatility, and 70% of the return of stocks with 40% of the volatility.

\*Sharpe Ratio is a measure of calculating risk-adjusted return. It is calculated here as: (avg. asset return - risk free rate)/standard deviation of asset return.

\*\*Standard Deviation is a measure of the dispersion of a set of data from its mean.

Historical Returns and Volatility ('96-'17)<sup>3</sup> Sharpe Ratios\* ('96-'17)<sup>3</sup>

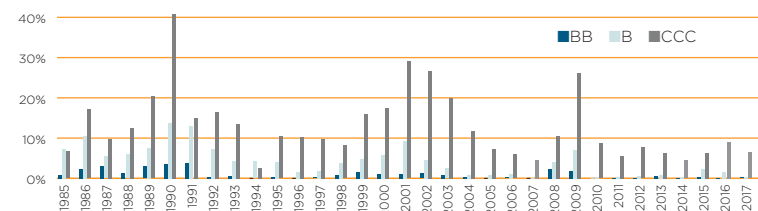


<sup>3</sup>Source: ICE BAML Indices, Bloomberg <sup>4</sup>ICE B of A Merrill Lynch 1-3 Year BB Cash Pay High Yield Index <sup>5</sup>ICE B of A Merrill Lynch US High Yield Index

### 4 Lower Credit Risk

Over full economic cycles, higher quality high yield bonds (i.e. those rated BB) have historically experienced lower default rates than the rest of the high yield market. Shorter duration high yield bonds are often in the last half of their remaining lives and have historically had lower default risk than recently issued high yield bonds.

Defaults by Credit Rating ('85-'17)<sup>6</sup>

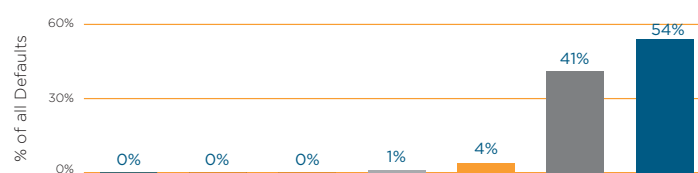


<sup>6</sup>Source: Moody's

### 5 Preserved Capital During the Last Downturn

Higher quality high yield's ability to preserve capital was demonstrated during the financial crisis. According to Moody's, 95% of corporate bonds that defaulted during the '08-'10 time period had credit ratings below BB one year before they defaulted.

Ratings (Non-Financials) 1 Year Prior to Default '08-'10<sup>7</sup>



<sup>7</sup>Source: Moody's

The performance data quoted presents past performance, and past performance is not a guarantee of future results.

## CWFIX

## Inception Date

July 15, 2014

## Fund Statistics (as of 09/30/2018)

30-Day SEC Yield	3.69%
30-Day SEC Yield Unsubsidized <sup>1</sup>	3.45%
Effective Duration <sup>2</sup>	1.74 Yrs
Number of Holdings	42

Source: BondEdge

The 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It is a "subsidized" yield, which means it includes contractual expense reimbursements and it would be lower without those reimbursements.

<sup>1</sup>The Unsubsidized 30-Day SEC Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield.

<sup>2</sup>Effective Duration: A mathematical measure of the Fund's or security's price sensitivity that would result from a 1% change in interest rates.

## CHARTWELL

INVESTMENT PARTNERS

1205 Westlakes Drive  
Suite 100  
Berwyn, PA 19312

Chartwell Investment Partners LLC, is an investment management firm dedicated solely to the investment advisory business. Chartwell's philosophy is to rely on proprietary, bottom up research to find high quality investments across its various product offerings.

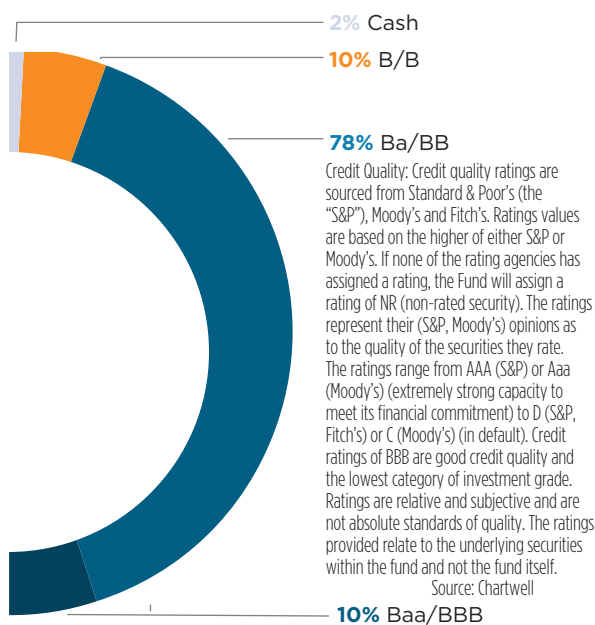
888-995-5505  
chartwellip.com

### The Chartwell Short Duration High Yield Fund is distributed by Foreside Fund Services, LLC.

The Fund acquired the assets and liabilities of the Chartwell Short Duration High Yield Fund (the "Predecessor Fund"), a series of Investment Managers Series Trust, on July 17, 2017. As a result of the reorganization, the Fund is the accounting successor of the Predecessor Fund. Performance results shown (prior to July 17, 2017) reflect the performance of the Predecessor Fund. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

## Credit Quality

As of 09/30/2018



## Top 10 Holdings

As of 09/30/2018

	Percentage of Investments*
Energy Transfer Equity LP	2.61
The ADT Corp.	2.60
HCA Inc.	2.59
Dell Int. LLC	2.56
Equinix Inc.	2.56
Ball Corp.	2.56
CIT Group Inc.	2.55
Arconic Inc.	2.55
Sabine Pass Liquefaction LLC	2.54
Ichan Enterprises	2.53
Total	25.65%

Note: Portfolio composition will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations by the Fund, its Advisor or Distributor. \*Percentage based on net assets as of close of business.

**An investor should consider the fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the Fund can be found in the fund's prospectus. To obtain more information, please call 1-888-995-5505 or visit [www.chartwellip.com](http://www.chartwellip.com). Please read the prospectus carefully before investing.**

Wholesaling and marketing efforts are provided by, among others, Chartwell TSC Securities Corp., an affiliate broker dealer, member FINRA. Chartwell Investment Partners, LLC and Chartwell TSC Securities Corp. are both wholly owned subsidiaries of TriState Capital Holdings, Inc.

The ICE Bank of America Merrill Lynch 1-3 Year BB Cash Pay High Yield Index is a subset of The ICE Bank of America Merrill Lynch U.S. Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 3 years and rated BB1 through BB3, inclusive.

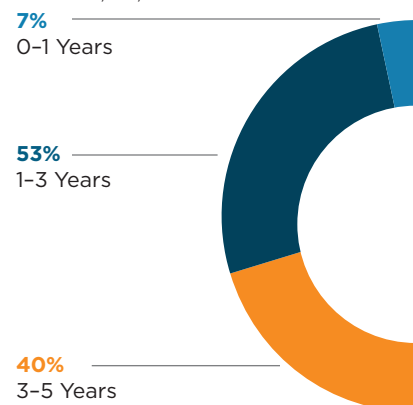
The ICE Bank of America Merrill Lynch High Yield Index tracks performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

One cannot invest in an index.

Risks: Mutual fund investing involves risk, including the potential loss of principal. Fixed income investment includes the following risks: credit, prepayment, call and interest rate risk. Credit risk refers to the loss in the value of a security based on a default in the payment of principle and/or interest of the security, or the perception of the market of such default. As interest rates rise the value of bond prices will decline. High-yield bonds have a higher risk of default or other adverse credit events, but have the potential to pay higher earnings over investment grade bonds. The higher risk of default, or the inability of the creditor to repay its debt, is the primary reason for the higher interest rates on high -yield bonds. The Fund invests in foreign and emerging market securities which involves certain risks such as currency volatility, political and social instability and reduced market liquidity. The Fund invests in ETFs (Exchange-Traded Funds) and is therefore subject to the same risks as the underlying securities in which the ETF invests as well as entails higher expenses than if invested into the underlying ETF directly.

## Maturity Distribution

As of 09/30/2018



Source: Chartwell

## About the Fund Managers

## Andrew S. Toburen, CFA

Senior Portfolio Manager

Mr. Toburen earned a Bachelor's degree in Economics from Yale University and an MBA in Finance from Cornell University's Johnson School of Management. Mr. Toburen has been with Chartwell since 1999. He is the Portfolio Manager in charge of overseeing all of the high yield fixed income assets at Chartwell. He holds the Chartered Financial Analyst designation.

## John M. Hopkins, CFA

Portfolio Manager/Senior Analyst

Mr. Hopkins earned Bachelor's degrees in both Finance and Economics, and a Minor in Spanish, from the Pennsylvania State University. He holds the Chartered Financial Analyst designation.

## Christine F. Williams

Managing Partner, Senior Portfolio Manager

Ms. Williams earned a Bachelor's degree in Economics from the University of Delaware and a Master's Degree in Finance from Saint Joseph's University.

Ms. Williams has been with Chartwell since its inception in 1997. She is the portfolio manager in charge of overseeing all of the high grade fixed income assets at Chartwell.