

Strategic Credit Strategy

December 2016

OBJECTIVE

The Strategy seeks to outperform the Barclays Aggregate Index through a multi-sector credit approach.

INVESTMENT STRATEGY

The Strategy focuses on high yield bonds though has the ability to allocate across the entire credit spectrum. The investment team determines allocations based on a process that actively seeks the best opportunities across high yield, bank loan, and corporate securities.

DIFFERENTIATING FEATURES

The Strategy seeks to capitalize on the investment team's experience and research structure of evaluating the entire capital structure.

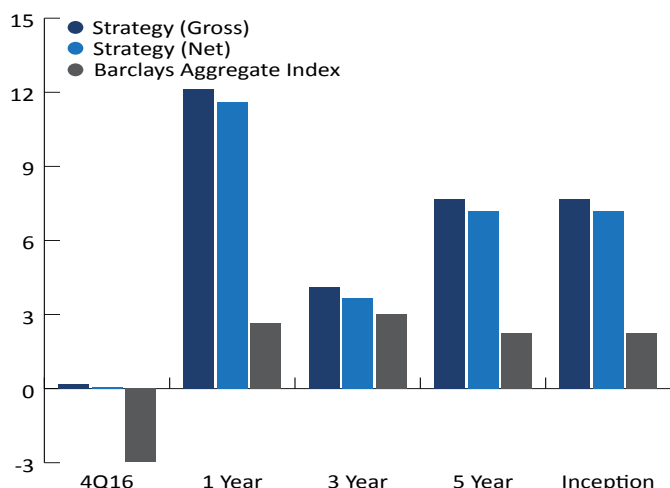
The Strategy is an understandable approach to multi-sector credit focused primarily on high yield, bank loan, and corporate bonds.

STRATEGY BENEFITS

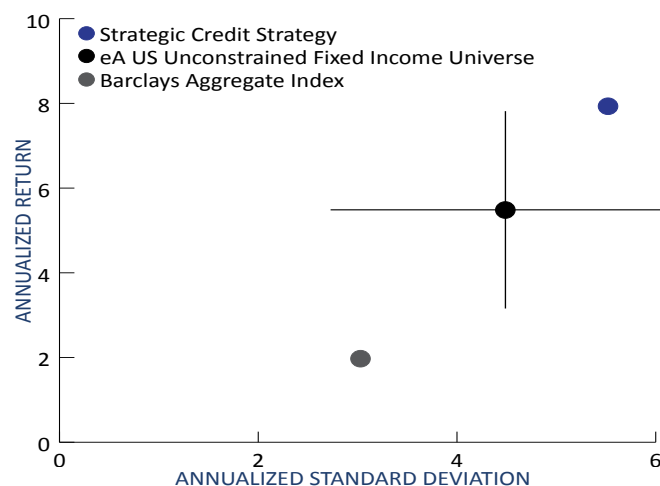
The Strategy provides investors a multi sector credit approach that will actively and nimbly focus on the best relative value across the credit spectrum.

This flexible approach provides access to our investment team's expertise throughout the credit spectrum in managing Investment Grade, High Yield, and Bank Loan securities.

HISTORICAL RETURNS



RISK/REWARD ANALYSIS



ANNUALIZED - ENDING 4Q16	1 YEAR	2 YEAR	3 YEAR	4 YEAR	5 YEAR	INCEPTION
Strategic Credit Strategy (Gross)	12.11	4.79	4.11	5.18	7.67	7.67
Strategic Credit Strategy (Net)	11.62	4.33	3.65	4.71	7.19	7.19
Barclays Aggregate Index	2.65	1.59	3.03	1.74	2.23	2.23

CALENDAR YEAR RETURNS	4Q16	2016	2015	2014	2013	2012
Strategic Credit Strategy (Gross)	0.17	12.11	-2.05	2.77	8.43	18.28
Strategic Credit Strategy (Net)	0.06	11.62	-2.49	2.31	7.94	17.76
Barclays Aggregate Index	-2.98	2.65	0.55	5.97	-2.02	4.22

Inception of the Strategy was January 2012

Past performance is not indicative of future results. Indexes are unmanaged and unavailable for investment.

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December 2016



Inception

January 2012

Benchmark

Barclays U.S. Aggregate Index

Strategy Assets

\$ 289m

Portfolio Managers (experience)

Brian Robertson, CFA (13 years)

David Weismiller, CFA (19 years)

Michael Marzouk, CFA (19 years)

SINCE INCEPTION RISK-REWARD STATISTICS

	Strategy	Index
Standard Deviation	5.22	3.16
Beta	0.62	1.00
Sharpe Ratio	1.45	0.68
Information Ratio	1.09	N/A

Source: Evestment Alliance, as of 12/31/2016

Pacific Asset Management claims compliance with the Global Investment Performance Standards (GIPS®).

FIRM DEFINITION - Pacific Asset Management is a business division of Pacific Life Fund Advisors LLC, an SEC registered investment adviser and a wholly owned subsidiary of Pacific Life Insurance Company.

COMPOSITE DESCRIPTION - The Strategic Credit Strategy consists of fixed income portfolios comprised primarily of credit securities.

RETURNS - presented gross and net of fees.

BENCHMARK DESCRIPTION - The Barclays Aggregate Index covers the U.S. investment grade fixed income bond market.

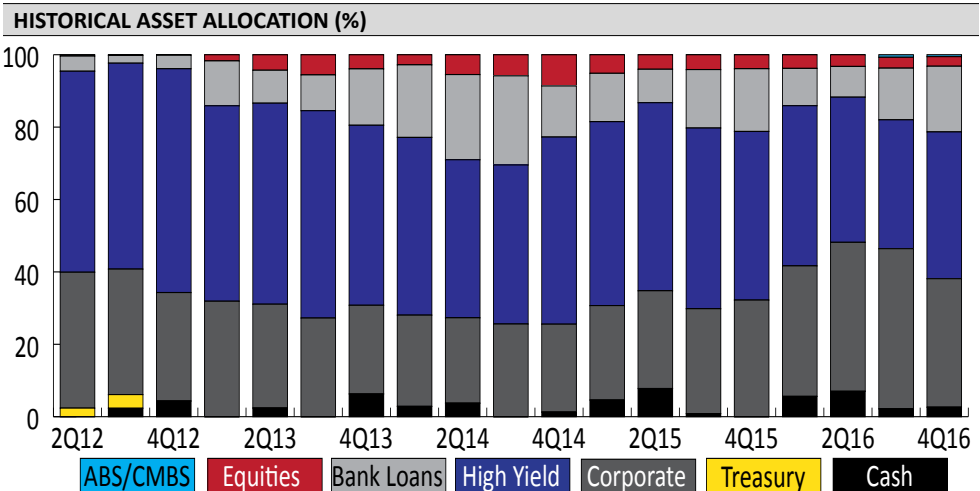
CURRENCY - Valuations are computed and performance is reported in U.S. dollars.

OBTAINING A COMPLIANT PRESENTATION along with a list of the firms composite descriptions can be obtained by emailing contactPAM@PacificLife.com.

CHARACTERISTICS	Strategy	Barclays Aggregate Index
Duration	3.89	5.89
Yield to maturity (%)	5.21	2.61
Yield to worst (%)	5.06	2.61
Average maturity	6.01	8.19
Average price	101.48	102.70
Average quality	BB-	AA
Average coupon (%)	5.02	3.08
# of issues	276	10,054
# of issuers	182	1,431

CREDIT QUALITY (%)	Strategy	Barclays Aggregate Index
Cash	3	0
AAA	0	71
AA	0	5
A	8	11
BBB	28	13
BB	25	0
B	28	0
CCC or below	8	0

ASSET ALLOCATION (%)	Strategy	Barclays Aggregate Index
Government	0	44
Corporate	35	26
High Yield	40	0
Bank Loans	18	0
Agency MBS	0	28
Equities	3	0
ABS/CMBS	1	2
Cash	3	0



IMPORTANT NOTES AND DISCLOSURES

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