



# Corporate Fixed Income

## Highlights

- The JAG Corporate Fixed Income (CFI) portfolio returned 1.16% net of model fee and 0.98% net of wrap fee in Q4, compared with 1.29% for the Bloomberg Intermediate Corporate Index. CFI returned 1.42% gross of fees, modestly above the benchmark. Relative differences were driven primarily by security-level outcomes rather than allocation effects.
- Q4 total return was driven primarily by coupon income, with relatively modest price contribution across both the strategy and the benchmark.
- Treasury and corporate bond yields were little-changed QoQ. Bond markets exhibited notably low volatility, even as equity markets encountered episodic turbulence.
- The yield curve steepened modestly in Q4, led by declines in short-term interest rates. The curve has steepened dramatically on a YoY basis, with movement concentrated in the intermediate portion of the curve.

## Portfolio Review

- Our Q4 results reflected the cumulative impact of security selection rather than broad sector or duration positioning.
- Though allocation decisions were not a meaningful driver of relative performance, lower-rated credit broadly outperformed during the quarter.
- Across corporate sectors, our industrial and financial holdings outperformed the benchmark, which saw utilities lead in Q4. Although CFI was underweight utilities and overweight industrials — the bottom-performing sector of the index — security selection within industrials partially offset the return-effects of sector weightings.
- Notably, CFI's short-term bonds (i.e., those with durations of less than one year, typically excluded from the index) contributed positively in Q4 after weighing on results in the first three quarters of 2025. Yields fell by the most at the front end of the curve, which may limit the magnitude of contribution going forward; nevertheless, we continue to hold several near-maturity positions as "dry powder" in the portfolio, preserving flexibility should more compelling opportunities emerge.
- Relative contributions at the individual security level were modest and broadly distributed in Q4, with no single position exerting an outsized influence on results. This pattern reflects a year characterized by tight spreads, low dispersion, and subdued relative value opportunities.

## Market Outlook

- The yield curve enters 2026 in a more balanced configuration than in recent years. Modest steepness offers compensation for extending maturity, but the curve does not strongly signal either economic acceleration or contraction. In this context, duration positioning is less about expressing a strong macro view and more about managing incremental risk.
- Spreads remain near the low end of their historical range, reflecting broadly constructive sentiment across credit markets. While fundamentals continue to justify participation, incremental yield pickup—whether from maturity-extension or lower credit quality—is limited, reinforcing the importance of selectivity.
- Inflation remains the key variable shaping policy expectations. While recent data have afforded the Federal Reserve greater flexibility, policymakers have emphasized patience as progress on inflation remains incomplete. A renewed inflationary impulse could complicate the rate outlook, while further cooling would allow increased focus on labor conditions.
- Labor market signals remain mixed. Signs of softening that emerged late in the year proved short-lived, though the data do not yet establish a sustained trend in either direction. Markets appear sensitive to both upside and downside surprises, particularly when they challenge prevailing policy assumptions.
- Taken together, current conditions suggest a market environment defined by stability rather than excess. Tight spreads and subdued volatility limit the scope for outsized relative returns absent a catalyst, reinforcing the importance of discipline, selectivity, and liquidity. The portfolio remains positioned with these considerations in mind, prioritizing flexibility over incremental risk-taking.

\* Past performance is no guarantee of future results. See important performance disclaimers on page 4.

**Composite Performance (%) as of 12/31/2025**

Performance*	Q4	1 Year	3 Years	5 Years	10 Years	Inception
Pure Gross	1.42%	7.95%	6.46%	2.41%	3.63%	5.09%
Model Net	1.16%	6.88%	5.40%	1.40%	2.59%	4.05%
Wrap Net	0.98%	6.14%	4.96%	1.03%	2.27%	3.75%
BIC	1.29%	7.95%	6.47%	1.60%	3.29%	4.68%

\* Periods greater than one year have been annualized. Returns are presented pure gross and net of fees and include the reinvestment of all income. Past performance should not be indicative of future performance. Model net fee returns reflect the highest fee (1.0%) relevant to the intended audience. They were calculated by reducing the gross returns by the highest tier of the composite's fee schedule on a monthly basis. Pure gross returns are shown as supplemental information, as wrap fee accounts are stated gross of all fees. Wrap net returns were calculated using the highest applicable annual wrap fee (1.75%), applied monthly. Wrap fees include all charges, transaction costs, portfolio management fees, custody fees, and other administrative fees. The wrap net highest annual wrap fee used for performance calculations may differ from fees listed due to the fee schedule of the independent sponsoring firm. They are available upon request, respectively.

**Highlighted Contributors**

**Celanese US Holdings LLC (CE) 7.05% due 11/15/2030 (Ba2/BB)** benefited from improved sentiment toward cyclical industrial issues during the quarter, as well as continued progress on margin stabilization following a challenging period for chemical markets. Management has maintained a disciplined approach to cost controls and balance sheet management, which supported spread tightening in Q4.

**Centene Corp (CNC) 4.25% due 12/15/2027 (Ba1/BBB-)** rebounded in Q4 following earlier weakness, as investor concerns related to utilization trends and margin pressure eased. While headline risks around government-sponsored health plans persist, fundamentals remain supportive of the company's credit profile. The bond's attractive carry contributed positively as spreads stabilized.

**Capital One Financial Co 2.36% due 7/29/2032 (Baa1/BBB-)** outperformed amid renewed strength in the financial sector. Improving confidence in large consumer banks, coupled with stable credit metrics and resilient earnings, supported spread tightening across the cohort. As a subordinated issue with longer duration, the bond was well positioned to benefit from sector-level momentum during the quarter.

**Highlighted Detractors**

**Athene Holding Ltd (ATH) 3.50% due 1/15/2031 (Baa1/A-)** underperformed modestly in Q4 despite continued execution on its long-term growth strategy. While fundamentals remain solid, insurance-related credits lagged during the quarter as investor attention shifted toward more cyclical and higher beta segments of the market.

**Meta Platforms Inc (META) 3.85% due 8/15/2032 (Aa3/AA-)** lagged during the quarter as large-cap technology credits saw limited spread compression relative to other sectors. Although Meta continues to generate substantial cash flow and maintains a strong balance sheet, the bond's lower coupon and longer duration constrained upside in a market environment that favored higher carry and more spread-sensitive issues.

**Trimble Inc (TRMB) 4.90% due 6/15/2028 (Baa3/BBB-)** underperformed in Q4 as investor sentiment toward industrial technology issuers softened. Relative performance within the sector diverged, and Trimble's bonds trailed peers that benefited more directly from cyclical momentum. The underperformance was not driven by company-specific credit concerns.

\* Past performance is no guarantee of future results. See important performance disclaimers on page 4. Reference to a particular security is not a recommendation to buy, sell or hold such investment or security, nor is it considered to be investment advice. The information contained in this document is circulated for general information only. It does not address specific investment objectives, or the financial situation and the particular needs of any investor. Investors should not attempt to make investment decisions based on the information contained in this communication as it does not offer enough information to make such decisions and may not be suitable for your personal financial circumstances.

**Portfolio Characteristics<sup>1</sup>**

	JAG CFI	BIC
Yield-to-Worst	4.36%	4.42%
Average Coupon	4.55%	4.39%
Average Maturity (yrs)	4.90	4.83
Average Modified Duration (yrs)	3.48	4.14
Average Effective Duration (yrs)	3.49	4.07

**Quality Distribution<sup>1</sup>**

Rating	%
Aaa	3.21%
Aa	2.48%
A	27.29%
Baa	44.65%
Below IG	17.36%
Unrated	5.01%

**Sector Distribution<sup>1</sup>**

Sector	%
Industrial	54.58%
Financial	39.78%
Utility	2.43%
Cash	3.21%

**Effective Duration Distribution<sup>1</sup>**

Years	%
0 – 1 yrs	22.98%
1 – 3 yrs	17.21%
3 – 5 yrs	27.44%
5 – 7 yrs	24.89%
7 – 10 yrs	7.48%

<sup>1</sup> As of 12/31/25. Statistics provided are weighted averages and calculated by JAG. Due to rounding, percentages may not sum to 100%. Characteristics are, for the model portfolio, calculated using closing market values on the stated date, including cash and cash equivalents; for the benchmark index, reported by Bloomberg. Credit quality is Moody's ratings. This data is subject to change.

**JAG Capital Management, LLC Corporate Fixed Income Composite GIPS® Report**

Composite Assets					Annual Performance Results					3-Year Standard Deviation	
Year End	Total Firm Assets (millions)	US Dollars (millions)	Number of Accounts	% of Wrap Fee	Model Fee Net	Wrap Fee Net	Pure Gross	Bbg Intermediate Corporate	Composite Dispersion %	JAG Pure Gross %	BIC %
2025	1,902	69	57	63	6.88%	6.14%	7.95%	7.95%	0.26	3.24	4.25
2024	1,696	56	45	73	3.49%	3.19%	4.52%	4.22%	0.15	4.98	6.11
2023	1,552	60	42	85	5.86%	5.59%	6.93%	7.29%	0.42	4.70	5.74
2022	1,573	50	36	88	-7.87%	-8.13%	-6.96%	-9.40%	0.42	6.57	6.27
2021	2,148	80	56	92	-0.64%	-0.94%	0.37%	-1.00%	0.31	5.58	4.81
2020	1,963	105	63	95	5.81%	5.50%	6.89%	7.47%	0.42	5.64	4.77
2019	1,516	102	60	95	9.19%	8.87%	10.29%	10.14%	0.36	2.16	2.26
2018	1,070	86	55	98	-1.75%	-2.05%	-0.74%	-0.23%	0.17	2.08	2.27
2017	1,181	82	54	99	2.94%	2.75%	3.99%	3.92%	0.21	2.21	2.41
2016	1,051	73	51	99	3.11%	2.92%	4.14%	4.04%	0.77	2.54	2.59
3 Yr Ann.					5.40%	4.96%	6.46%	6.47%			
5 Yr Ann.					1.40%	1.03%	2.41%	1.60%			
10 Yr Ann.					2.59%	2.27%	3.63%	3.29%			
Information for period(s) ending December 31, 2025											
4th Qtr. '25					1.16%	0.98%	1.42%	1.29%	0.08		
Since Inception Annualized					4.05%	3.75%	5.09%	4.68%			

## Disclosures

JAG Capital Management, LLC, (the "Firm") is a registered investment adviser. The Firm's Corporate Fixed Income Composite (the "Composite") is a composite of actual accounts invested in the Corporate Fixed Income investment strategy. The composite was formally created March 31, 2009 from a pre-existing client account with an inception date of 3/31/09. Returns are presented pure gross and net of management fees and include the reinvestment of all income. Model net returns reflect the highest fee (1.0%) relevant to the intended audience. They were calculated by reducing the gross returns by the highest tier of the firm's balanced account fee schedule on a monthly basis. Pure gross returns are shown as supplemental information, as wrap fee accounts are stated gross of all fees and transaction costs. Wrap fee net returns were calculated using the highest applicable annual wrap fee (currently 1.75%), applied monthly. Wrap fees include all charges, transaction costs, portfolio management fees, custody fees, and other administrative fees. The wrap net highest annual wrap fee used for performance calculations may differ from fees listed due to the fee schedule of the independent sponsoring firm. They are available upon request, respectively. An individual client's return will vary based on their actual advisory or wrap fee and the timing of their investment into the strategy. There is no guarantee that an investment with the strategy will meet its investment objectives. Performance is reported in US Dollars. **PAST PERFORMANCE SHOULD NOT BE CONSIDERED INDICATIVE OF FUTURE PERFORMANCE. ANY INVESTMENT CONTAINS RISK INCLUDING THE RISK OF TOTAL LOSS.**

JAG Capital Management, LLC, is a Missouri company and a wholly owned subsidiary of J.A. Glynn & Co., registered as an Investment Adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Prior to May 1, 2013, JAG Capital was defined and conducted business as J.A. Glynn & Co. with the advisory business under the name JAG Advisors. The redefinition was a result of corporate restructuring.

The Corporate Fixed Income Composite is comprised of intermediate-maturity corporate bond securities with average S&P rating typically of BBB. Minimum account size for the composite is \$500,000.

The index comparison is appropriate for the following reason: the Bloomberg Intermediate Corporate Bond Index is an unmanaged index that covers USD-denominated, investment-grade, fixed rate, taxable securities sold by industrial, utility and financial issuers. It includes publicly issued US corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements with maturity of greater than or equal to one year and less than 10 years. Prior to

November 1, 2008, this index was published by Lehman Brothers. This index is used for comparison purposes only and is not meant to be indicative of a portfolio's performance, asset composition, or volatility. The performance of the Composite may differ markedly from that of compared indices due to varying degrees of diversification and/or other factors. Return calculations for the Composite are provided by Advent APX and calculated by JAG. Individuals cannot invest directly in an index.

JAG Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods April 1, 1996 to December 31, 2024. A copy of the verification report (s) is/are available upon request. **A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis.** Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Policies for valuing investments, calculating performance, preparing GIPS Reports, and a list of the Firm's composite descriptions are available upon request.

The Firm's maximum balanced investment advisory fee schedule for the Corporate Fixed Income Composite is an annual fee of 1% on the first \$5 million; 0.8% on the next \$5 million; 0.6% on the balance.

The annual and quarterly composite dispersion is calculated through the use of an equal-weighted standard deviation for the accounts returns on a gross of fees basis included in the composite for the entire year or quarter, respectively.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The information contained herein should not be construed as personalized investment advice and should not be considered as a solicitation.