



STANDISH

➤ A BNY MELLON COMPANYSM



SAA Insurer Investment Forum

May 4, 2016

*Investment Counsel
Since 1933*

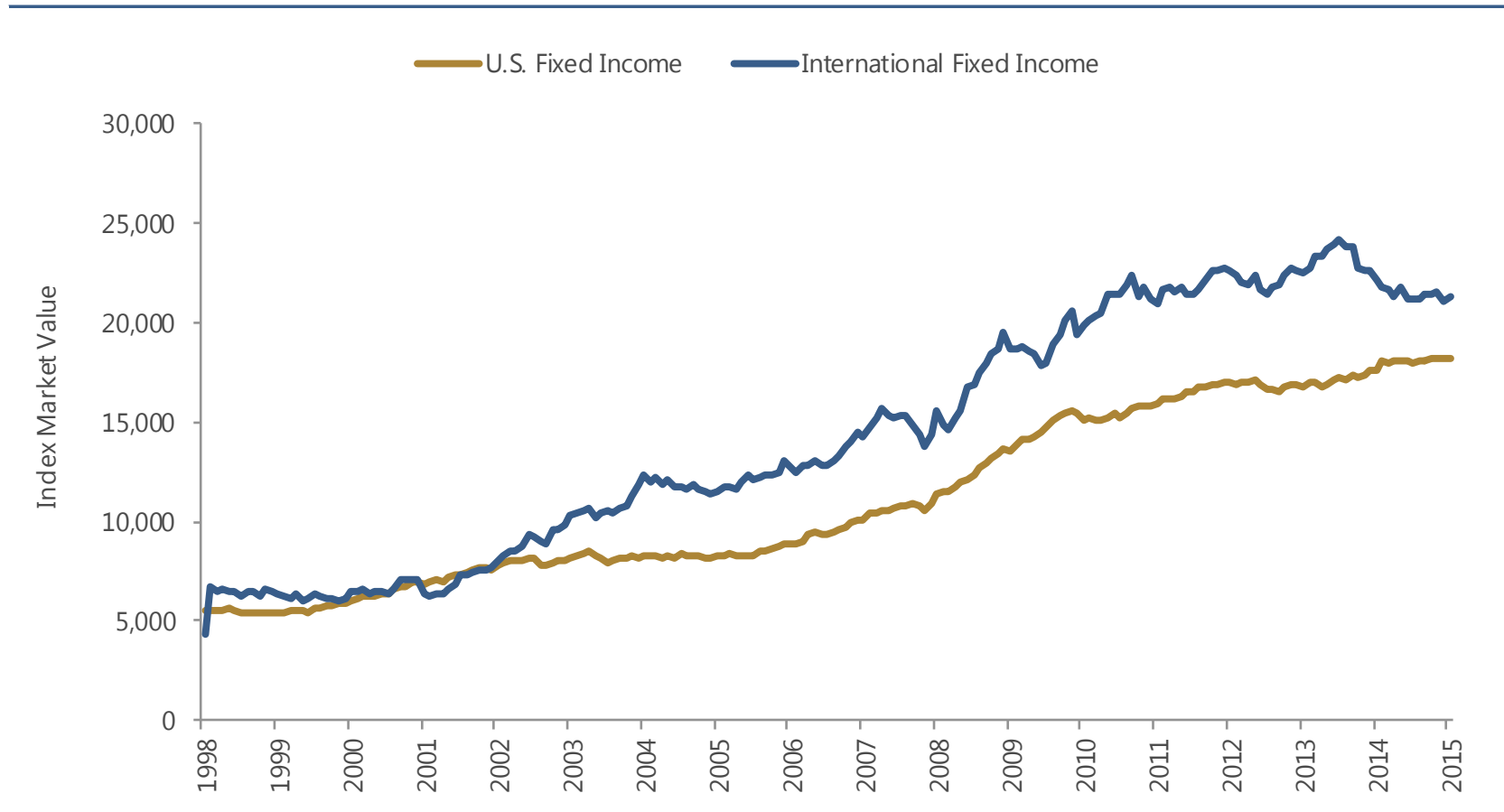
Why Global Fixed Income?



- ▶ Seek to benefit from the changing dynamics of fixed income markets outside traditional U.S. core strategies
- ▶ Standish believes that a Global approach offers the following benefits:
 - Broader opportunity set to produce higher levels of excess returns and information ratios
 - Diversification benefits since global rates don't move fully in tandem with U.S. interest rates
 - Ability to participate in markets where Central Banks may be easing

Growth of Debt Markets

Greater Issuance in Non-U.S. Markets

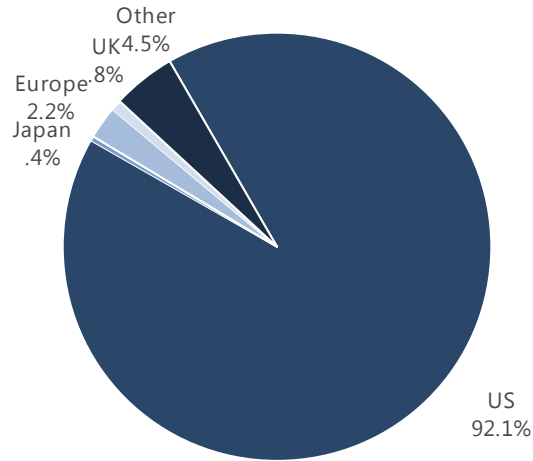


U.S. fixed income is represented by the Barclays Aggregate Index; International fixed income is represented by the Barclays Global Aggregate ex U.S. Index.
Source: Barclays as of December 31, 2015. Past performance is no indication of future results.

Global Opportunity Set

US Fixed Income

Country Breakdown

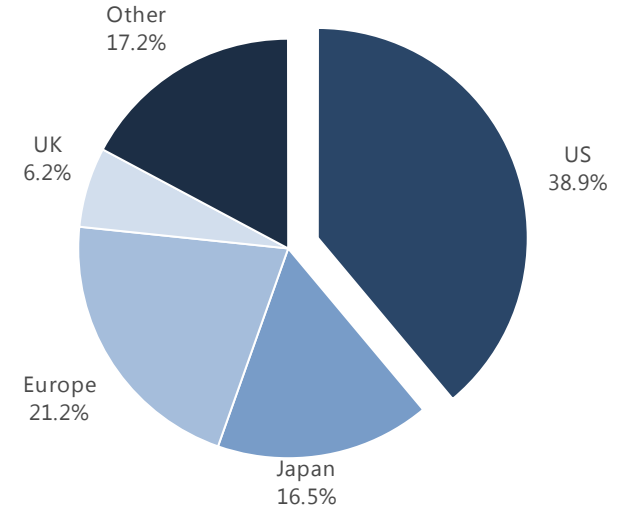


Sector Breakdown

	Market Value %
Sovereign	36.4
Government Related	8.2
Corporate	24.3
Securitized	31.1

Global Fixed Income

Country Breakdown



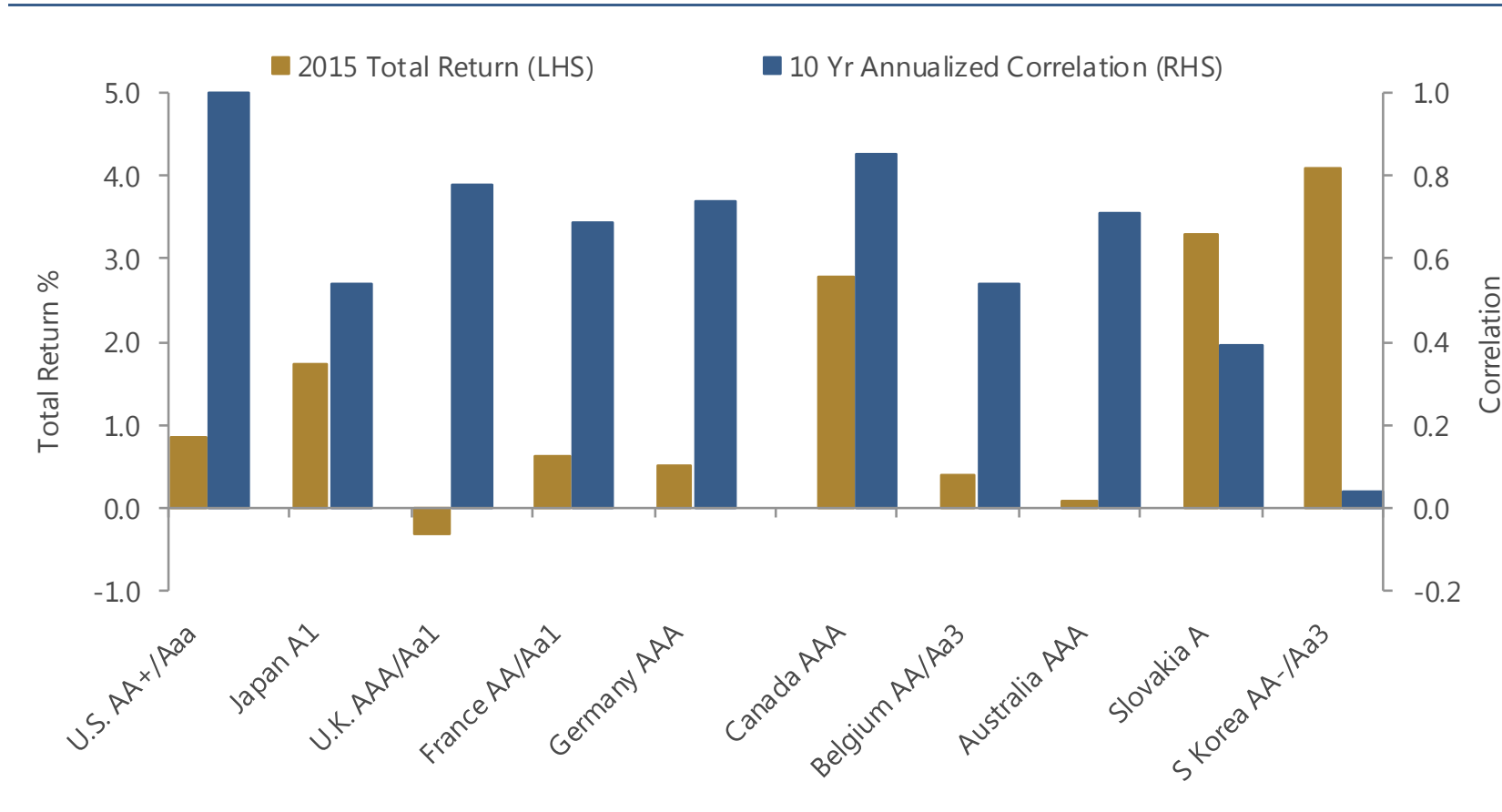
Sector Breakdown

	Market Value %
Sovereign	54.0
Government Related	12.4
Corporate	18.0
Securitized	15.7

U.S. fixed income is represented by the Barclays Aggregate Index; Global fixed income is represented by the Barclays Global Aggregate Index
 Source: Barclays as of December 31, 2015. Portfolio holdings are subject to change at any time without notice, are for information purposes only and should not be construed as investment recommendations.

The Benefits of a Global Scope

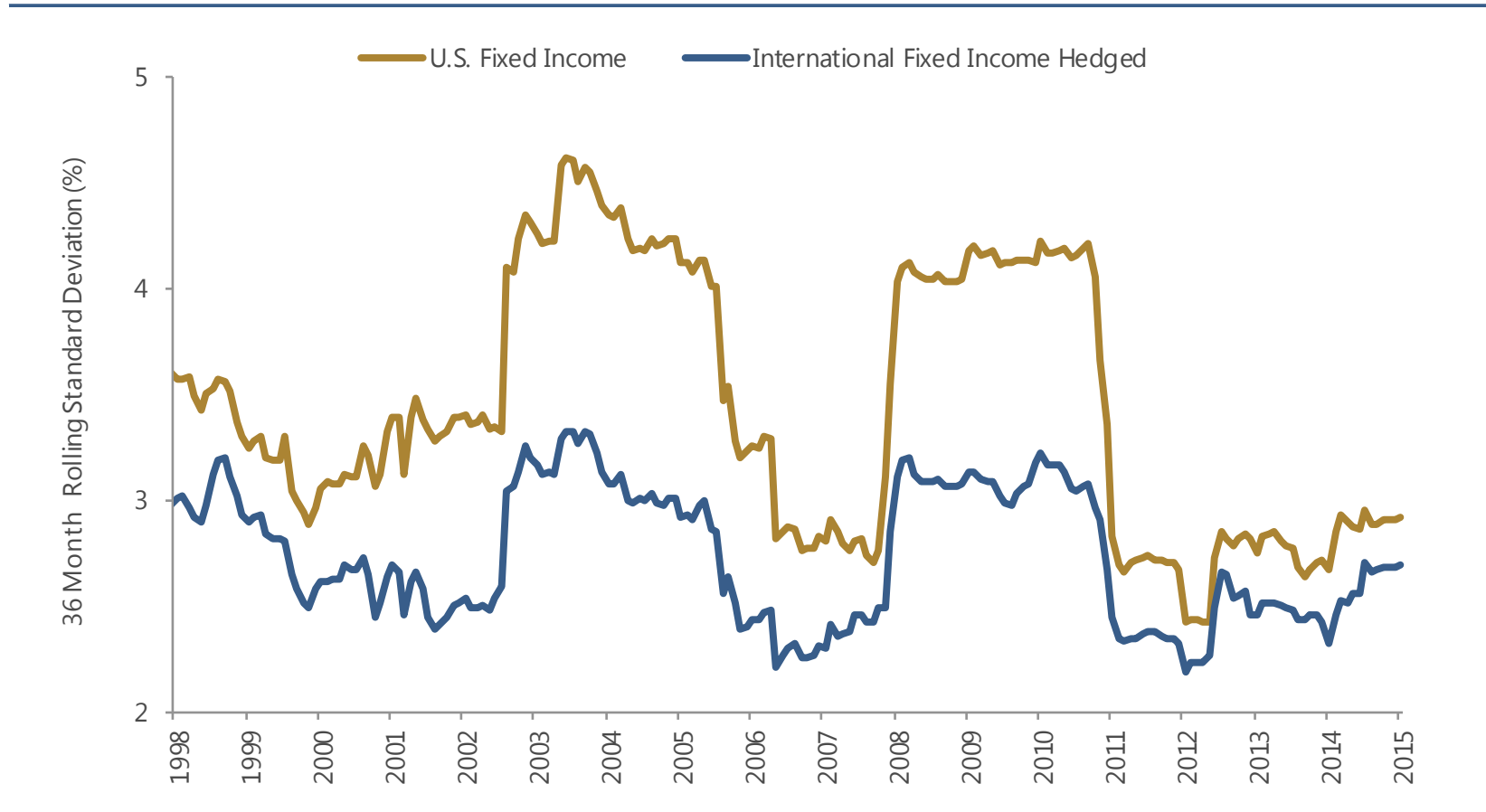
Country Correlations to U.S. Treasuries



Source: Barclays as of December 31, 2015

Global Hedged for Core-like Volatility

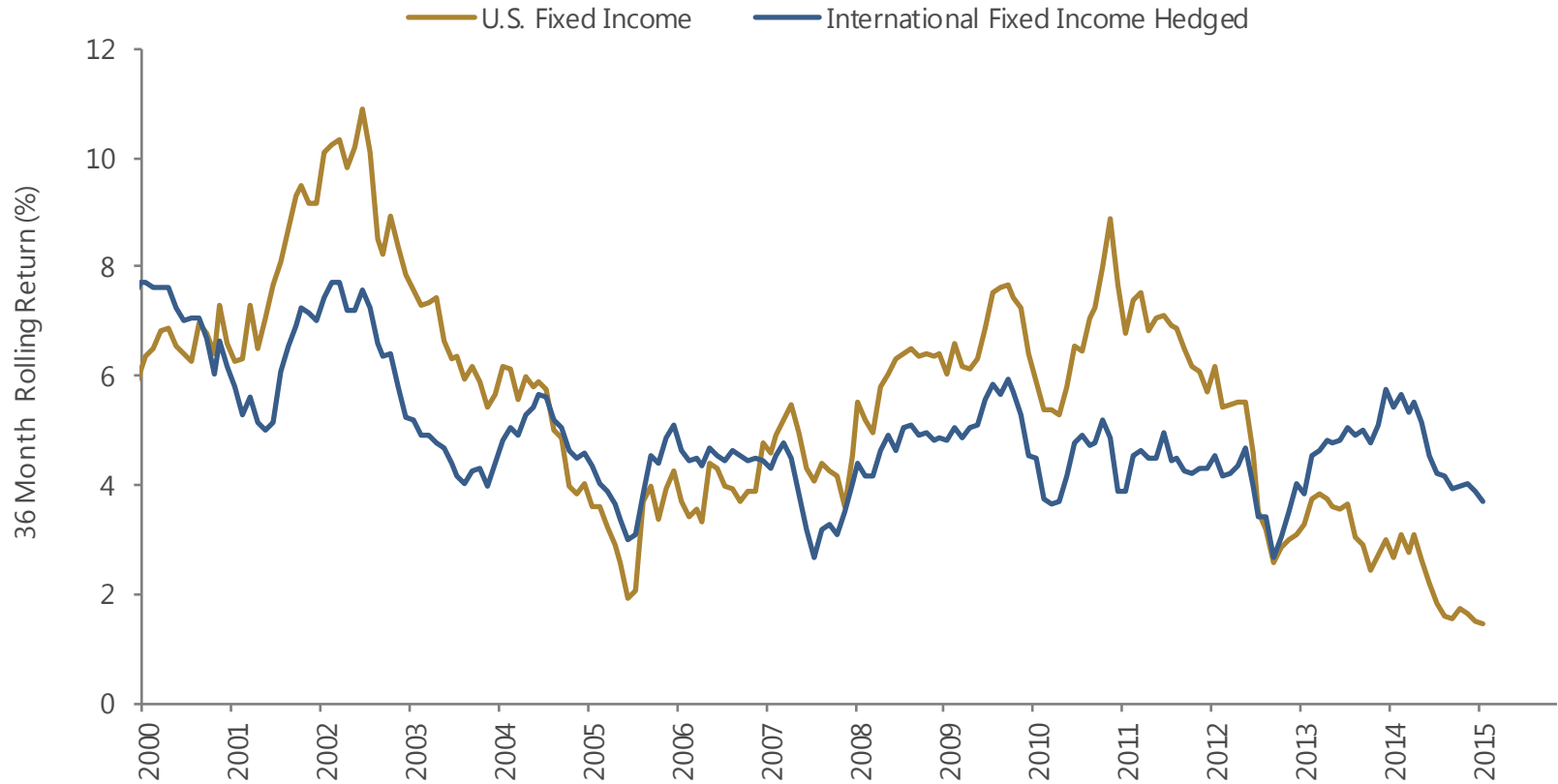
International Bonds have Demonstrated Less Volatility



U.S. fixed income is represented by the Barclays Aggregate Index; International fixed income is represented by the Barclays Global Aggregate ex U.S. Index.
Source: Barclays as of December 31, 2015. Past performance is no indication of future results.

Global Hedged For Core-like Returns

Hedged Currency Portfolios Exhibit More Stable Returns

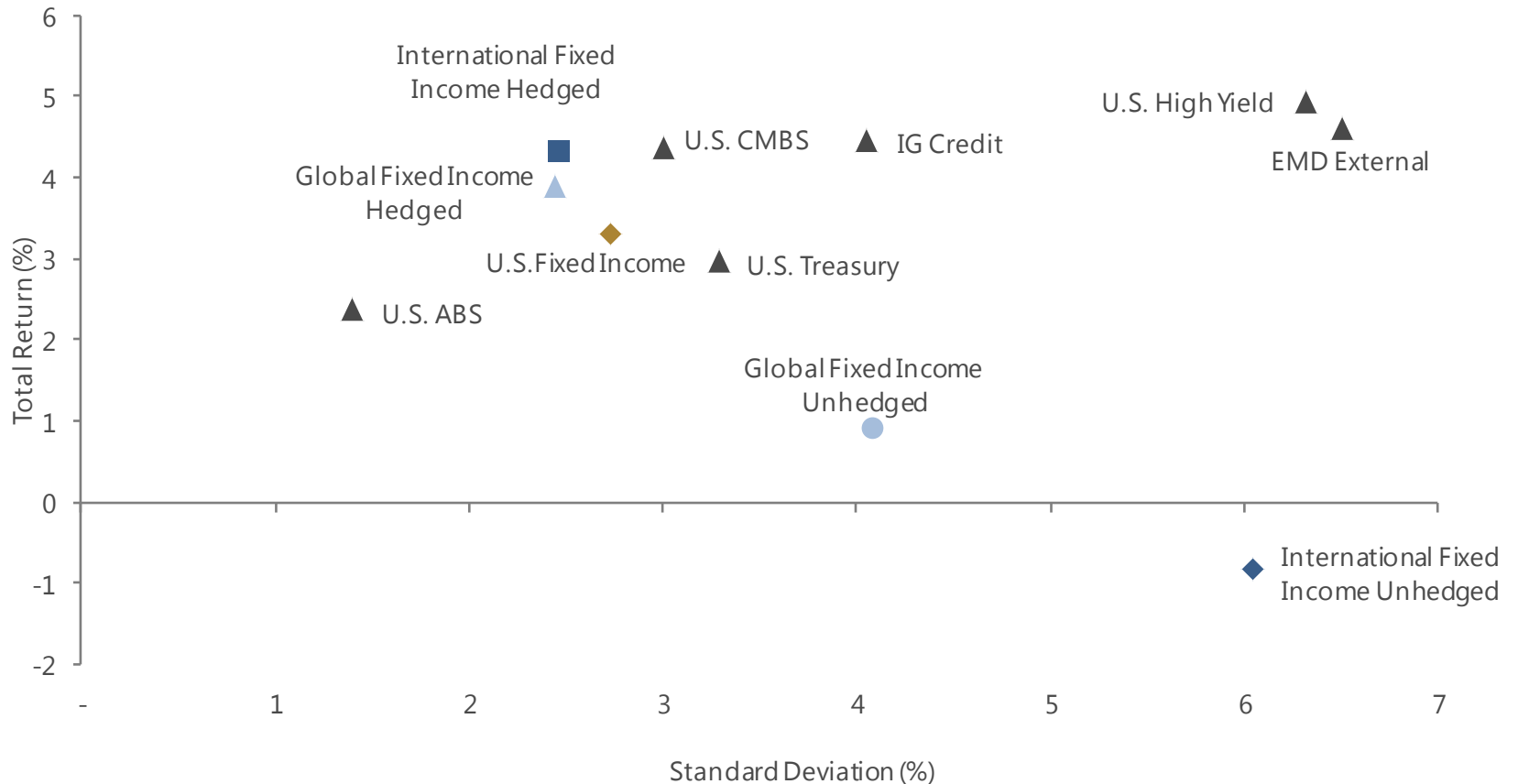


U.S. fixed income is represented by the Barclays Aggregate Index; International fixed income is represented by the Barclays Global Aggregate ex U.S. Index. Source: Bloomberg as of December 31, 2015. Past performance is no indication of future results.

Efficient Frontier

Where Does Global Fixed Income Fit?

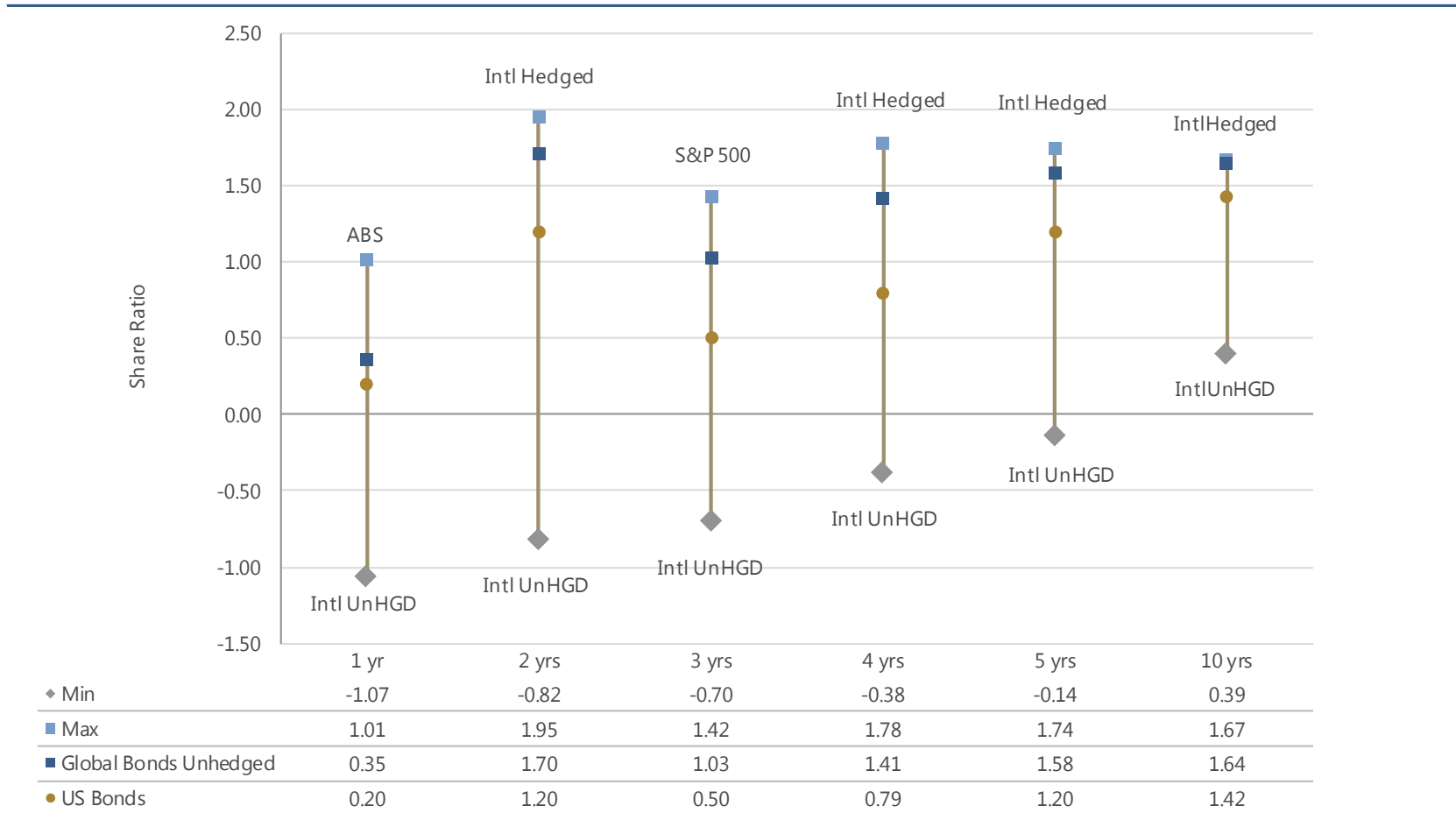
5 Year Efficient Frontier



Source: Standish, Barclays as of December 31, 2015. For illustrative purposes only. Past performance is no indication of future results. Please refer to the disclosures page in the appendix.

The Benefits of a Global Scope

Sharpe Ratio Comparison

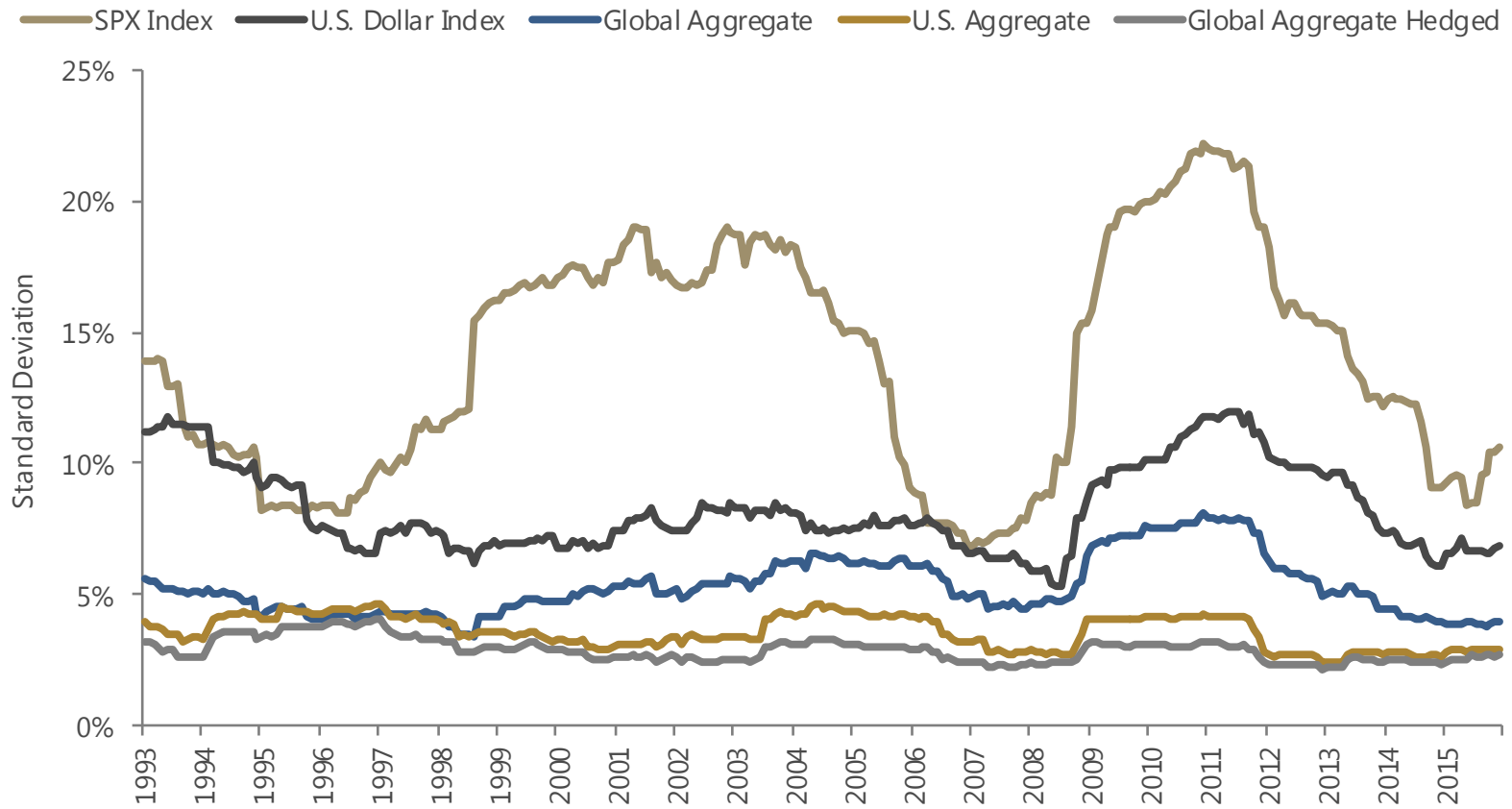


- ▶ Investment universes includes sectors on efficient frontier

Source: Barclays as of December 31, 2015. Past performance is no indication of future results.

Lower Volatility Than Other Risk Assets

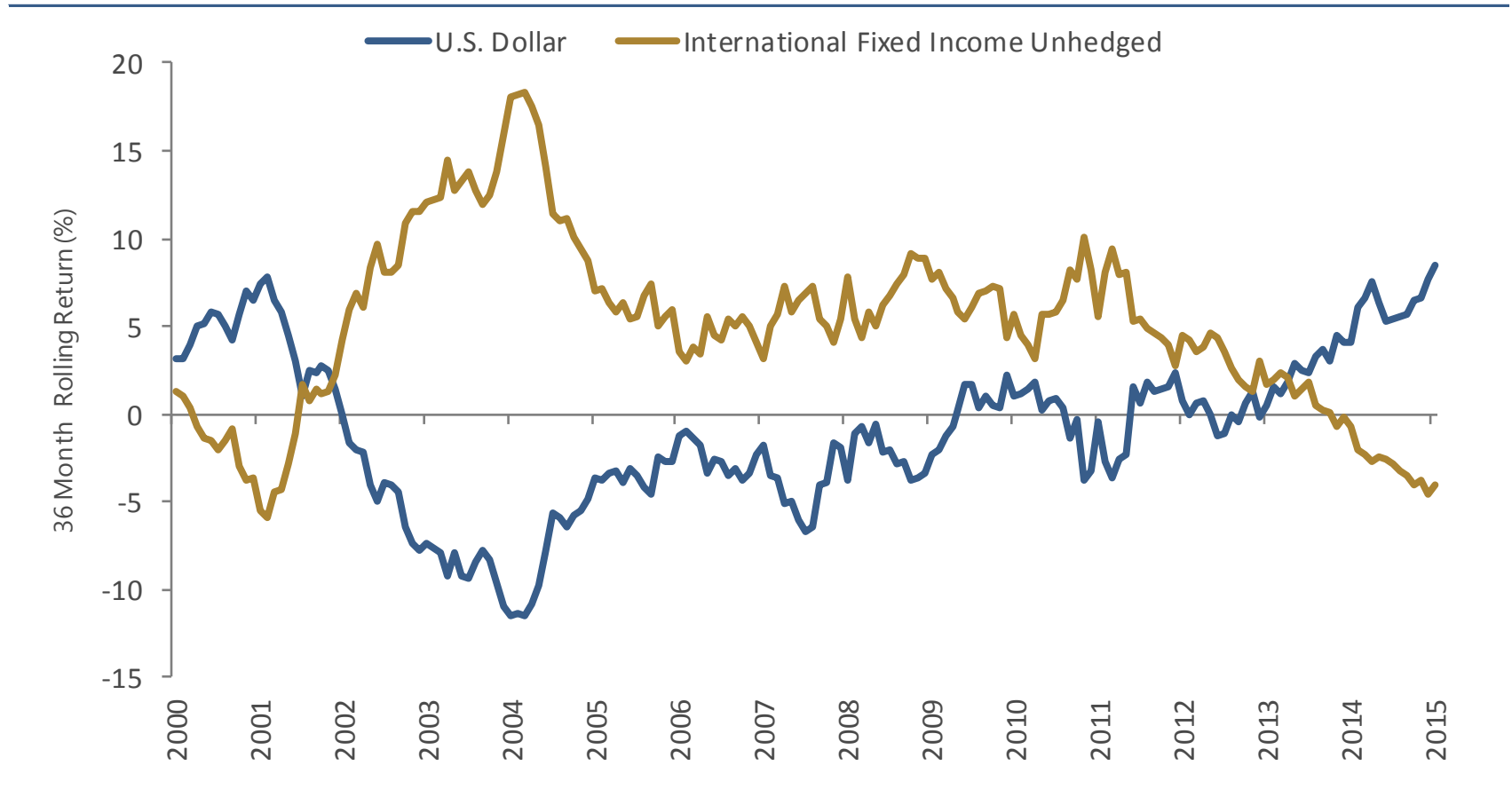
Rolling 36 Month Standard Deviation



Source: Bloomberg and Barclays as of December 31, 2015. Past performance is no indication of future results.

Inverse Relationship With The USD

Negative Correlation of the USD and Unhedged International Bonds



The dollar is represented by the U.S. Dollar Index (DXY), which measures the value of the USD relative to a basket of foreign currencies. International fixed income is represented by the Barclays Global Aggregate ex U.S. Index.
Sources: Barclays, Bloomberg as of December 31, 2015. Past performance is no indication of future results.

Why Global Fixed Income?

Is Global the New Core?

Important Disclosures

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Rankings include assets managed by BNY Mellon Asset Management and BNY Mellon Wealth Management. Each ranking may not include the same mix of firms.

This portfolio data should not be relied upon as a complete listing of the Portfolio's holdings (or top holdings) as information on particular holdings may be withheld if it is in the client's best interest to do so. Portfolio holdings are subject to change without notice and may not represent current or future portfolio composition. The portfolio date is "as of" the date indicated.

There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The allocation distribution and actual percentages may vary from time-to-time. The types of investments presented in the allocation chart will not always have the same comparable risks and returns. The actual performance of the portfolio will depend on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return while minimizing its risk. The actual investments in the portfolio may or may not be the same or in the same proportion as those shown above.

Standish believes giving an proprietary Average Quality Credit rating to the holdings in a portfolio more accurately captures its characteristics versus using a single rating agencies ratings. Standish has a ratings/number hierarchy whereby we assign a number between 0 (unrated bond) and 21 (S&P or Moody's AAA) to all bonds in a portfolio based on the ratings of one or more of the rating agencies (with the lower of the 2 available agencies ratings prevailing), and then take a weighted numerical average of those bonds (with weighting based on each bonds percentage to the total portfolio assets). The resulting number is then compared back to the ratings/number hierarchy to determine a portfolio's average quality. For example, if Moody's AAA, S&P AAA= 21, Moody's A1, S&P A+= 17, Moody's Baa1 and S&P BBB+=14, Moody's B1 and S&P B+=7. The numeric average of the 4 equally weighted holdings is 14.75, rounded up to the next whole number of 15. 15 converts to an average credit rating of S&P A/Moody's A2.

To the extent the strategy invests in foreign securities, its performance will be influenced by political, social and economic factors affecting investments in foreign companies. Special risks associated with investments in foreign companies include exposure to currency fluctuations and controls, less liquidity, less developed or less efficient trading markets, less governmental supervision and regulation, lack of comprehensive company information, political instability, greater market volatility, and differing auditing and legal standards.

Further, investments in foreign markets can be affected by a host of factors, including political or social conditions, diplomatic relations, limitations on removal of funds or assets or imposition of (or change in) exchange control or tax regulations in such markets. Additionally, investments denominated in a foreign currency will be subject to changes in exchange rates that may have an adverse effect on the value, price or income of the investment.

These risks are magnified in emerging markets and countries since they generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

These benchmarks are broad-based indices which are used for illustrative purposes only and have been selected as they are well known and are easily recognizable by investors. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the portfolio. For example, investments made for the portfolio may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the portfolio may differ from those of the benchmark. Also, the indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the portfolio may incur. In addition, the performance of the indices reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance.

The information regarding the index is included merely to show the general trends in the periods indicated and is not intended to imply that the portfolio was similar to the index in composition or risk.

The strategy may use alternative investment techniques (such as derivatives) which carry additional risks. The low initial margin deposits normally required to establish a position in such instruments may permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or loss that is high in proportion to the amount of funds actually placed as initial margin and may result in a disproportionate loss exceeding any margin deposited. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange on which to close out a position, only the original counterparty. Such transactions may therefore be difficult to liquidate, to value, or to assess the exposure. The strategy may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.

Standish sector models use regression analysis such as multi-linear data inputs, panel data, and probit function. Variables that the models take into account are: PML, US Core CPI, Fed Fund rate, 3-month Libor, 3-month T-bill rate, foreign purchases of US Government bonds, Commodity Indices, Capacity Utilization, Deficit as a percent of GDP, S&P 500 return, Chicago Fed Index, IGOV, US output gap, Europe Core CPI, US unemployment rate, EU unemployment rate, and slope of the yield curve. Assumptions made are that samples are representative of the population for the inference prediction; regression residuals are approximately normally distributed, uncorrelated, and have constant volatility; no high degrees of multi-collinearity in the independent variables; variable sensitivity remains constant in the short term; and no structural shift in the short term.

Standish claims compliance with the CFA Institute Asset Manager Code of Professional Conduct. This claim has not been verified by CFA Institute

Disclosures

Barclays Capital U.S. Treasury Index is an unmanaged index of public obligations of the U.S. Treasury.

Barclays Capital U.S. Agency Index is an unmanaged index of publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government.

Barclays Capital U.S. Mortgage-Backed Securities Fixed Rate Index is an unmanaged index of 15- and 30- year fixed rate securities backed by mortgage pools of Ginnie Mae, Freddie Mac and Fannie Mae.

Barclays Capital CMBS ERISA-Eligible Index is an unmanaged index of investment grade commercial mortgage backed securities that are ERISA eligible under the underwriter's exemption.

Barclays Capital CMBS ERISA-Eligible AAA Index is an unmanaged index of commercial mortgage backed securities rated AAA that are ERISA eligible under the underwriter's exemption.

Barclays Capital CMBS ERISA-Eligible <AAA Index is an unmanaged index of commercial mortgage backed securities rated between BBB and AA that are ERISA eligible under the underwriter's exemption.

Barclays Capital U.S. Credit Index is an unmanaged index of publicly issued corporate, sovereign, supranational, foreign agency, and foreign local government debentures and secured notes.

Barclays Capital U.S. Credit : Financial Index is an unmanaged index of publicly issued corporate debentures and secured notes in the financial sector.

Barclays Capital U.S. Credit : Industrial Index is an unmanaged index of publicly issued corporate debentures and secured notes in the industrial sector.

Barclays Capital U.S. Credit : Utility Index is an unmanaged index of publicly issued corporate debentures and secured notes in the utility sector.

Barclays Capital U.S. Credit : Non-Corporate Index is an unmanaged index of publicly issued sovereign, supranational, foreign agency, and foreign local government debentures and secured notes.

Barclays Capital U.S. Credit AAA Index is an unmanaged index of publicly issued corporate, sovereign, supranational, foreign agency, and foreign local government debentures and secured notes rated AAA.

Barclays Capital U.S. Credit AA Index is an unmanaged index of publicly issued corporate, sovereign, supranational, foreign agency, and foreign local government debentures and secured notes rated AA.

Barclays Capital U.S. Credit A Index is an unmanaged index of publicly issued corporate, sovereign, supranational, foreign agency, and foreign local government debentures and secured notes rated A.

Barclays Capital U.S. Credit BBB Index is an unmanaged index of publicly issued corporate, sovereign, supranational, foreign agency, and foreign local government debentures and secured notes rated BBB.

Barclays Capital U.S. High Yield Index is an unmanaged index of fixed rate, non-investment grade debt.

Barclays Capital Emerging Markets Index is an unmanaged index of USD-denominated debt from emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia.

Barclays U.S. Aggregate Index (US Agg) is a widely accepted, unmanaged total return index of U.S. dollar-denominated corporate, government and government-agency debt instruments, mortgage-backed securities, and asset-backed securities with an average maturity of 1-10 years.

Barclays U.S. ABS Index (ABS) is composed of credit card, auto and home equity loans. All securities have an average life of at least one year.

Barclays Global Aggregate Bond Index Excluding U.S. (Foreign Bonds) provides a broad-based measure of the global investment-grade fixed income markets excluding the U.S.

Barclays Global Aggregate Bond Index Hedged (Global Bonds Hedged) provides a broad-based measure of the global investment-grade fixed income markets. Currency exposure is hedged to the U.S. dollar.

Barclays U.S. Treasury Index (US Treasury) measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Barclays U.S. Credit Index (US Credit) measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets.

Barclays U.S. Corporate High Yield 2% Issuer Capped Bond Index (High Yield) is an issuer-constrained version of the flagship U.S. Corporate High Yield Index, which measures the USD-denominated, high-yield, fixed-rate corporate bond market.

JPMorgan EMBI Global Index (EMD External) measures the total return performance of international government bonds issued by emerging market countries that are considered sovereign and that meet specific liquidity and structural requirements.

Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index are dollar-denominated, nonconvertible, publicly issued, fixed-rate, investment-grade (Moody's Baa3 or better) U.S. Treasury inflation notes with at least one year to final maturity and at least \$100 million par amount outstanding.

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