

Investment PHILOSOPHY

The philosophy behind FCI's fixed income investment strategy is the belief that bond portfolios represent the more stable portion of an overall investment allocation and are primarily utilized to offset the volatility of riskier assets such as equities. It is not our approach, therefore, to squeeze out the last bit of return from some of the less liquid or riskier corners of the bond market. Instead, our philosophy is to employ a time-tested disciplined investment process to construct a high-quality portfolio which is suitable for the given set of market conditions.

Investment OBJECTIVE

FCI's fixed income investment strategy seeks to deliver superior returns relative to the Bloomberg Barclays U.S. Intermediate Government/Credit Index over a market cycle, while limiting the risk incurred by maintaining a high credit profile. We strive to consistently move the portfolio in the direction of best opportunities while reducing the potential of a significantly negative credit event.

Investment STRATEGY

FCI's investment strategy involves employing a time-tested, disciplined investment process which combines multiple stages of active management, each of which considers aspects of fundamental, behavioral, and technical analysis.

Duration management is utilized to position the portfolio to deliver the highest return potential according to the outlook for interest rates and term-structure as determined by the firm's Fixed Income Investment Committee. Overall duration risk is limited to a 20% deviation relative to the identified benchmark. With regard to sectors within the high-grade universe, allocations are incrementally emphasized or reduced based on the Committee's assessment of return potential and the risk inherent in each. After careful analysis is performed to determine credit worthiness and relative valuation opportunities, individual issues are then selected to construct portfolios.

Employing fundamental, behavioral, and technical analysis along all stages of our investment process allows the firm's managers to have a forward-looking, three dimensional approach to the construction of client portfolios.

WHAT SETS THIS STRATEGY APART?

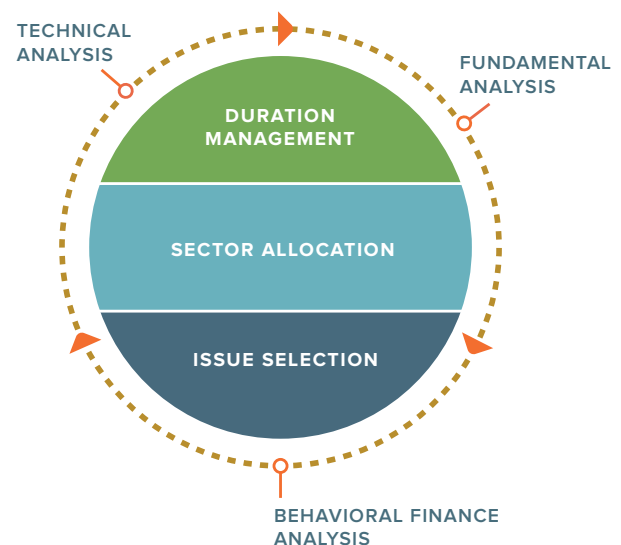
Experienced portfolio management team

Time-tested, disciplined investment process

Multi-dimensional analysis (fundamental, behavioral, and technical)

Adaptive, flexible, able to react quickly to market changes

Close working relationship with FCI's equity team to ensure the Fixed Income Strategy benefits from equity research and expertise





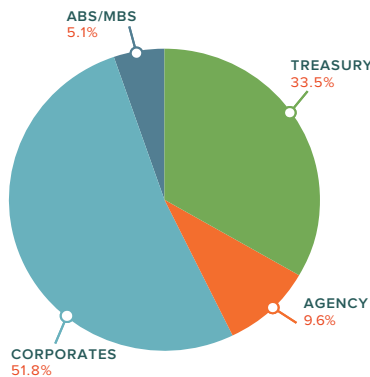
As of December 31, 2018

TOP TEN CREDIT POSITIONS*

<i>Edwards Life Sciences Corp.</i>	4.300%	06/15/2028
<i>Raymond James Financial, Inc.</i>	3.625%	09/15/2026
<i>Aon plc</i>	3.875%	12/15/2025
<i>Wells Fargo Bank</i>	3.550%	08/14/2023
<i>Amgen, Inc.</i>	3.625%	05/22/2024
<i>Wells Fargo Company</i>	3.000%	04/22/2026
<i>Citigroup, Inc.</i>	3.200%	10/21/2026
<i>AT&T, Inc.</i>	4.250%	03/01/2027
<i>Boardwalk Pipeline Partners</i>	4.450%	07/15/2027
<i>National Australia Bank Ltd.</i>	2.800%	01/10/2022

*Investments listed in descending order based on market value.

SECTOR ALLOCATIONS



ABOUT FCI ADVISORS

FCI Advisors (FCI) strives to be recognized as a premier provider of investment management, risk management and advisory services. FCI was founded in 1966 and is a SEC Registered Investment Advisory (RIA) firm. The firm manages portfolios and provides investment solutions for a broad array of investors that include corporate, public and union pension plans, bank trust departments, insurance companies, mutual funds, endowments, foundations, charities and individuals nationwide. FCI is owned by MTC Holding Corporation. Our Midwestern fiduciary culture means that caring about clients' interests is at the heart of every decision we make. Our experienced professionals average over 20 years of experience.

PORTFOLIO MANAGERS

Gary Cloud, CFA Co-CIO
Peter Greig, CFA Co-CIO
Bryant Barnes
Stuart Berkley, CFA
James Fields, CFA

STRATEGY CHARACTERISTICS

Characteristic	FCI Intermediate Fixed Income	Bloomberg Barclays U.S. Int. Gov/Credit
Yield To Maturity	3.30%	3.03%
Average Coupon	3.10%	2.66%
Current Yield	3.14%	2.70%
Average Maturity (years)	4.68	4.28
Effective Duration (years)	3.65	3.88

STRATEGY ASSETS UNDER MANAGEMENT

FCI manages **\$646.3 million** in the Intermediate Fixed Income Strategy.

For further information, please contact us at:

SourceNotes@fciadvisors.com