

High Yield Investments (THYUX)

Portfolio's Investment Objective

High Yield Investments (the "Portfolio") seeks to achieve a high level of current income by investing in below investment grade debt securities.

Sub-Advisor Target Allocation

50% **PENN Capital Management Co., Inc.** ("PENN Capital") 50% **Western Asset Management Company** ("WAMCO")

The allocations shown are target allocations and may not reflect the Portfolio's current allocations.

Firm Profile and Advisor's Investment Process

PENN Capital Management Company, Inc.

Location: Cherry Hill, NJ

Year Registered: 1987

- **Investment Process**—PENN Capital's strategy encompasses two sub-strategies: defensive and opportunistic. For the defensive portion, Penn Capital screens the high yield universe for issues that have spread and yield characteristics equal to the single-B tier. For the opportunistic portion, Penn screens the universe for issues with spread and yield characteristics greater than the single-B credit tier.
- **Research Process**—The research process is largely a bottom-up approach, with 80% conducted internally and 20% coming from external sources. The investment professionals follow 25 companies on a primary basis and another 25 on a secondary basis.

Western Asset Management Company

Location: Pasadena, CA

Year Registered: 1971

- **Team Approach**—WAMCO's fixed-income discipline emphasizes a team approach that unites groups of specialists dedicated to different market sectors. The investment responsibilities of each sector team are distinct, yet success is derived from the constant interaction that unites the specialty groups into a cohesive whole. This structure ensures that client portfolios benefit from a consensus that draws on the expertise of all team members.
- **Long-Term Value Investing**—Long-term value investing is WAMCO's fundamental approach. As sector rotators, the firm seeks out the greatest long-term value by assiduously analyzing all sectors of the fixed-income market.
- **Multiple Strategies**—WAMCO employs multiple strategies, proportioned so that results do not depend on one or two opportunities, and no single adverse market event would have an overwhelming effect. This approach may add incremental value over time and may reduce volatility.

Investment Risks

Your investment in the Portfolio is subject to the risks of investing in fixed-income securities generally, including the fact that as interest rates rise, bond prices fall, reducing the value of the Portfolio. Investing in high-yield securities involves substantial risk of loss and is subject to increased price sensitivity to changing interest rates and greater risk of loss due to default or declining credit quality. High yield bonds involve greater credit and liquidity risks than investment grade bonds. Adverse company-specific events are more likely to render the issuer unable to make interest and/or principal payments.

Investors should consider the Portfolio's investment objectives, risk, charges and expenses carefully before investing. The prospectus contains this and other information about the Portfolio. To obtain a free prospectus, please call your Financial Advisor. Please read the prospectus carefully before investing.

Each of the Portfolios is available only to investors participating in an advisory program. These programs charge an annual fee, which in the case of TRAK may be up to 2.0%.

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