Parametric

Parametric Municipal Ladder Portfolios

STRATEGY OVERVIEW | 2026

Investment Objective

Seek tax-free income consistent with a portfolio of laddered municipal securities.

Municipal Laddered Investment Approach

Professionally managed, customized laddered bond portfolios may provide greater benefits compared to self-managed bond portfolios. Our access to the market and proprietary technology allow us to build portfolios with the advantages of credit oversight, institutional buying power, and ongoing tax loss harvesting.

PROFESSIONAL CREDIT RESEARCH

- Invest in municipal bonds using Parametric's proprietary credit analysis service.
- Leverage a team of experienced credit analysts who select and monitor municipal bond investments for clients.

RISK MITIGATION

- Seek to minimize impact of interest rate risk by reinvesting maturing bond proceeds at higher interest rates.

ACCESS INSTITUTIONAL BUYING POWER

- Use relative-value analysis and institutional purchasing power to discover value among primary and secondary markets.
- Experienced traders have access to a national network of over 100 broker-dealers to buy and sell bonds at attractive prices.

Why Municipal Ladders?

CLIENT CUSTOMIZATION

MATURITY OPTIONS

- Choose any combination of maturity ranges from 1–20 years

CREDIT QUALITY[1]

- Choose from a portfolio with a minimum credit rating of AA-, A-, or BBB
- BBB credit quality is only available in a National portfolio with a maximum of 30% invested in BBB issuers

STATE CONCENTRATION

- National
- State-specific[2] (generally 100%): CA, MA, MI, MN, NJ, NY, OH, PA, TX, UT Reciprocity
- State preference[2] (generally 50%): AZ, CA, CO, CT, GA, MA, MI, MN, MO, MD, NC, NJ, NY, OH, OR, PA, TX, VA
- State -Best efforts[2] (generally 20%): FL, HI, IN, KY, LA, SC, TN, DC

RESPONSIBLE INVESTING[3]

- Leveraging Calvert Research and Management, municipal ladders can be built incorporating an ESG approach

TAX LOSS HARVESTING[3]

- Choose to actively harvest losses year-round

Transition of existing portfolios

- Normal turnover transitions to client-selected laddered portfolio structure and retains inherited bonds that fit the selected parameters.
- No turnover results in no selling of inherited bonds, except for credit reasons, and transitions to client-selected laddered portfolio structure as cash is available to invest.

[1] Ratings are based on Moody's, S&P or Fitch, as applicable. Credit ratings are based largely on the ratings agency's investment analysis at the time of rating, and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a ratings agency does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. If securities are rated differently by the ratings agencies, the higher rating is applied. Ratings of BBB or higher by Standard and Poor's or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality.

[2] State-Specific, State Preference and State – Best Efforts available in A- min only. UT includes reciprocal states.

[3] Responsible Investing and Tax-Loss Harvesting customization will vary by firm and platform.

There is no guarantee that the investment objectives will be met. All investments are subject to risk, including the risk of loss.

Additional highlights

- Minimum investment: $250,000
- Opt-in tax loss harvesting feature allows for losses to be realized opportunistically on a year-round basis
- Approximately equal weighted by maturity, laddered portfolio of diversified municipal bond
- Seek to limit capital gains tax and liquidity risk
- Ladder strategies typically do not experience turnover outside of maintenance of client-selected laddered maturity range, chosen state option, credit downgrades, and reinvestment of maturing or called bonds
- Predictable cash flow

Tools for Transition

TRANSITION ANALYSIS REPORT

For clients with existing municipal portfolios, Parametric can provide a detailed analysis of current holdings and how they would be transitioned to a Parametric Municipal Ladder portfolio.

SAMPLE PORTFOLIO REPORT

Get a personalized report detailing the holdings, structure, and credit breakdown of a hypothetical Parametric Municipal Ladder portfolio. Sample portfolios are customized to client maturity, credit, and state options.

Parametric Difference



PERSONALIZED PORTFOLIOS

A wide range of customization options allows for a targeted allocation to match each individual client's risk-and-return profile.



ADVANCED TECHNOLOGY

Parametric's proprietary technology efficiently identifies the most attractive securities and optimizes the overall bond investing process.



TAX EFFICIENCY

We aim for enhanced after-tax returns through our differentiated year-round tax-loss harvesting, which focuses on minimizing transaction costs and cash drag.



EXCEPTIONAL CLIENT SERVICE

Direct access to the portfolio management team helps keep investors and advisors connected and on top of market insights and recommendations.

The information represents how the investment team generally applies their investment processes under normal market conditions. Diversification does not eliminate the possibility of loss. All investments are subject to risk.

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An imbalance in supply and demand in the municipal market may result in valuation uncertainties and greater volatility, less liq uid ity, widening credit spreads and a lack of price transparency in the market. There generally is limited public information about municipal issuers. As int ere st rates rise, the value of certain income investments is likely to decline. Longer-term bonds typically are more sensitive to interest-rate changes than shorter-term bonds. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of nonpayment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments.

There is no assurance that a separately managed account ("SMA") will achieve its investment objective. SMAs are subject to market risk , w hich is the possibility that the market values of the securities in an account will decline and that the value of the securities may therefore be less than wh at you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unr est) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liqu idi ty) of events. Accordingly, you can lose money investing in an SMA.

Investment strategies that seek to enhance after-tax performance may be unable to fully realize strat egic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. Tax-loss harvesting involves the risks t hat the new investment could perform worse than the original investment and that transaction costs could offset the tax benefit. Also, a tax managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. Prospective investors should consult with a tax or legal advisor before making any investment decision.

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RO 5074376 Exp. 01/31/2027 5088 01/06/2026 25Q40744 LTR