

Parametric Institutional Fixed Income Solutions

CAPABILITIES OVERVIEW

In today's yield-rich environment, institutional investors are thinking more about fixed income across their portfolios. Higher interest rate volatility and lower levels of liquidity have delivered a number of new challenges for fixed income investors. We find many investors are seeking partners who can help construct solutions-oriented portfolios without taking on excess risks.

Investment Philosophy

Parametric's Fixed Income Team provides many solutions for institutional investors in separate account form. We are a full-service consultative partner that implements portfolio exposures and risk management in a flexible, cost effective and timely manner. Our solutions are customized, systematic, rules-based and transparent. Portfolios can be benchmark-oriented or alpha-seeking. They include physical fixed income collateral for large overlay programs, various fixed income derivative implementations, and can apply different factors and ESG themes to meet overall portfolio needs.

We follow a portfolio management approach grounded in:

TRANSPARENCY

RISK MANAGEMENT

EFFICIENCY

Experience and Scale

60+

Investment professionals managing fixed income strategies

\$183Bn

In total fixed income assets under management

As of 12/31/2024

Our Core Sectors

INVESTMENT GRADE CORPORATES

- Rules-based portfolio construction – customized laddered, benchmark, or cash-flow focused strategies
- Stratified cell methodology used to minimize tracking error caused by systematic risk factors
- Conservative security selection driven by fundamental research to minimize idiosyncratic risk

U.S. GOVERNMENTS AND DERIVATIVES

- Benchmark-based replications and laddered exposures
- Nominal Treasuries, TIPS, STRIPS
- UST Futures, Interest Rate Swaps, Total Return Swap, Options
- Repo markets used for cash management and leverage

U.S. MUNICIPALS

- Long track record of Muni-Treasury crossover trading for taxable investors
- Active Total Return, Ladders, Taxable Municipals solutions
- Security selection supported by 15-member credit research team

Investment Applications

Built on the basis of our core competencies, Parametric offers a diverse range of investment applications built on shared insight and common resources.

<p>Indexing/Custom Indexing</p>	<p>A simple, cost-effective way to achieve a desired market exposure. Seeks to provide an index exposure through efficiently matching sector characteristics and risk factors, while allowing for customization.</p>
<p>Cash Management</p>	<p>Solutions include money market alternatives, enhanced cash, ultra-short and short duration strategies. These can be fully integrated into overlay capabilities, serving the dual role of gaining market exposure and providing margin for derivatives positions.</p>
<p>Liability/Cash Flow-Driven Investing</p>	<p>Portfolios customized using a blend of benchmark weights to match liability/cash flow characteristics, or fully customized seeking to immunize liabilities. Programs consider capital efficiency requirements and can be derivative-based, fully funded or a combination of the two.</p>
<p>Fixed Income Overlay</p>	<p>Investors seeking a capital-efficient, cost-effective and non-disruptive solution to manage/adjust portfolio fixed income exposures, address specific risks, or implement market views/ideas.</p>

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

Why Use Parametric's Institutional Fixed Income Solutions?

<p>COLLABORATION</p> <p>You're supported by, and have access to, our large team of investment professionals, including portfolio managers, strategists and research analysts, so we can offer collaboration at every level.</p>	<p>OVERSIGHT</p> <p>Our in-house team of experienced credit analysts do the fundamental research to select securities and provide ongoing monitoring to help you reduce credit risk.</p>	<p>ESG INTEGRATION</p> <p>You can apply the same ESG criteria to your bonds as you do to the stock portion of your portfolio.</p>	<p>TECHNOLOGY</p> <p>We use proprietary portfolio construction models and tools to build customized solutions, buy and sell bonds at attractive prices, and carefully manage systematic risk that is unique to your plans.</p>
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Portfolio Management Leadership

 <p>JONATHAN ROCAFORT, CFA <i>Managing Director, Head of Fixed Income Solutions</i></p>	 <p>BRIAN BARNEY, CFA <i>Managing Director, Institutional Fixed Income Portfolio Management</i></p>
 <p>CHRIS HASKAMP, CFA <i>Director, Investment Strategy</i></p>	 <p>BERNARD SCOZZAFAVA, CFA <i>Director, Portfolio Management and Quantitative Research</i></p>

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Why Parametric?

Parametric is an organization built from 30 years of problem solving via expertise, collaboration and client focus. Our solutions blend creativity and diligence to deliver the ideas and execution today's institutional investors need to solve their unique challenges.

130+

Global markets where we operate

\$574Bn+

Assets under management

198

Investment Professionals

Information as of 12/31/2024.

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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, which 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 what 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 unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g., portfolio liquidity) of events. Accordingly, you can lose money investing in an SMA. An imbalance in supply and demand in the municipal market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. There generally is limited public information about municipal issuers. As interest 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.

As interest rates rise, the value of a client portfolio invested primarily in fixed-income securities or similar instruments is likely to decline. Conversely, when interest rates decline, the value of such a client portfolio is likely to rise. Securities

with longer maturities are more sensitive to changes in interest rates than securities with shorter maturities, making them more volatile. A rising interest rate environment may extend the average life of mortgages or other asset-backed receivables underlying mortgage-backed or asset-backed securities. This extension increases the risk of depreciation due to future increases in market interest rates. In a declining interest rate environment, prepayment of certain types of securities may increase. In such circumstances, the portfolio manager may have to reinvest the prepayment proceeds at lower yields. A strategy that is managed toward an income objective may hold securities with longer maturities and therefore be more exposed to interest rate risk than a strategy focused on total return.

Derivatives such as futures, swaps, and other investment strategies have certain disadvantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Liquid futures may not exist for published benchmarks which may result in tracking error. Also, some intra-period mispricing may occur. Swaps require periodic payments, may be less liquid than futures, and may have counterparty or credit risk. Some investment strategies require a cash investment equal to the desired amount of exposure.

An environmental, social and governance ("ESG") or "responsible" investment strategy limits the types and number of investment opportunities available to the investor and, as a result, the investor's portfolio may underperform other investment strategies that do not have an ESG focus. The ESG investment strategy may result in investments in securities or industry sectors that underperform the market as a whole or underperform other strategies which apply ESG standards. An issuer's ESG performance or the investment adviser's assessment of such performance may change over time, which could cause the investor to temporarily hold securities that do not comply with the investor's responsible investment criteria. In evaluating an investment, the investment adviser is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG factors relevant to a particular investment. Successful application of the investor's responsible investment strategy will depend on the investment adviser's skill in properly identifying and analyzing material ESG issues.

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