

3-15 Year National Municipal Bond

MANAGEMENT TEAM

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OBJECTIVE

Seeks to provide after-tax total return

HIGHLIGHTS

- The Municipal Bond team follows a disciplined, research-driven, risk-managed process to seek attractive relative value within the investment grade municipal universe
- Portfolio managers and credit research analysts select securities based on a rigorous internal quantitative and qualitative review. Security selection seeks to exploit sector, state and individual security relative value opportunities
- Interest rate risk is managed by targeting duration exposure within close proximity to the benchmark
- The maturity structure is actively adjusted relative to the benchmark to take advantage of current and anticipated changes to the shape of the yield curve
- Tax implications, including tax loss harvesting, can play an integral role in the relative value analysis conducted to evaluate investment alternatives
- Typical Portfolio Construction
 - Typical range of maturities: 2 – 17 Years
 - Typical average duration: 5 – 6 Years
 - Credit Quality: Investment Grade, Average AA+
 - Sectors: Core Municipal

Opportunistic Taxable (<20%)

BENCHMARK

Bloomberg Barclays 3-15 Year National Municipal Bond Index

FACTS

| | |
|---------------------|------------|
| Strategy inception | 9/1/91 |
| Composite inception | 9/1/05 |
| Strategy assets | \$5,513.4M |
| Composite assets | \$1,877.9M |

PORTFOLIO CHARACTERISTICS

| | Composite | Index |
|---------------------------|-----------|----------|
| Average maturity | 5.69 yrs | 5.39 yrs |
| Average duration | 4.72 yrs | 4.78 yrs |
| Average acquisition yield | 2.62% | 0.00% |
| Average yield | 0.88% | 0.81% |
| Average credit quality | AA2 | AA3 |

COMPOSITE PERFORMANCE (%)

| | CUMULATIVE RETURN | | AVERAGE ANNUALIZED RETURN | | | | |
|------------------|-------------------|------|---------------------------|--------|--------|---------|-----------------|
| | 3 MO | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION |
| GROSS | 1.25 | 0.50 | 2.85 | 4.63 | 2.91 | 3.64 | 4.09 |
| NET | 1.17 | 0.34 | 2.53 | 4.30 | 2.58 | 3.27 | 3.70 |
| BENCHMARK | 0.99 | 0.60 | 3.33 | 4.73 | 2.97 | 3.78 | 4.11 |

COMPOSITE PERIOD PERFORMANCE (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------|------|------|------|------|-------|------|------|-------|------|------|
| GROSS | 5.15 | 6.75 | 1.21 | 4.43 | 0.31 | 2.94 | 6.94 | -1.26 | 4.59 | 9.19 |
| NET | 4.82 | 6.41 | 0.89 | 4.10 | -0.01 | 2.53 | 6.52 | -1.65 | 4.17 | 8.76 |
| BENCHMARK | 5.04 | 6.83 | 1.54 | 4.76 | -0.05 | 3.06 | 6.96 | -1.24 | 5.15 | 9.63 |

Duration and Maturity for equity securities are deemed to be zero.

Diversification does not ensure a profit or guarantee against a loss.

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The comparison benchmark is the Bloomberg Barclays 3-15 Year National Municipal Bond Index. The benchmark returns shown are not covered by independent verification and have not been recalculated by the independent verifier.

Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted. Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Average Yield is Yield to Worst.



ASSET ALLOCATION (%)

| | Composite | Index |
|--------------------------|-----------|-------|
| Revenue bonds | 66.9 | 61.9 |
| General obligation bonds | 18.4 | 32.6 |
| Other | 12.4 | 5.5 |
| Cash & Equivalents | 2.3 | - |

SECTOR DISTRIBUTION (%)

| | Composite | Index |
|----------------|-----------|-------|
| Transportation | 12.8 | 14.3 |
| Hospital | 12.2 | 6.1 |
| Local GO | 11.6 | 15.0 |
| Education | 10.7 | 5.8 |
| Special Tax | 10.5 | 10.0 |
| Prerefunded | 8.9 | 5.5 |
| Water & Sewer | 7.8 | 8.1 |
| Electric | 7.1 | 4.5 |
| State GO | 6.7 | 17.6 |
| Leasing | 3.4 | 7.0 |
| Other | 6.0 | 6.1 |

TOP TEN STATE POSITIONS (%)

| | Composite | Index |
|---------------|-----------|-------|
| Texas | 11.8 | 9.3 |
| New York | 7.4 | 14.9 |
| Florida | 6.9 | 3.9 |
| Massachusetts | 6.5 | 3.3 |
| Washington | 6.2 | 3.5 |
| California | 4.6 | 16.7 |
| Colorado | 4.5 | 2.0 |
| Illinois | 4.3 | 4.7 |
| Indiana | 3.7 | 0.8 |
| Ohio | 3.4 | 2.4 |

CREDIT QUALITY (%)

| | Composite | Index |
|--------------------|-----------|-------|
| US Treasuries | 0.7 | - |
| AAA | 28.3 | 23.5 |
| AA | 48.2 | 53.6 |
| A | 16.6 | 16.7 |
| BAA | 1.3 | 6.2 |
| BA | - | - |
| B | - | - |
| CAA & Lower | - | - |
| Not Rated | - | - |
| Cash & Equivalents | 4.9 | - |

MATURITY DISTRIBUTION (%)

| | Composite | Index |
|-----------------|-----------|-------|
| 0 to 2 Yrs. | 20.1 | 8.4 |
| 2 to 4 Yrs. | 20.8 | 27.3 |
| 4 to 6 Yrs. | 15.7 | 28.4 |
| 6 to 8 Yrs. | 20.5 | 18.1 |
| 8 to 10 Yrs. | 12.0 | 11.2 |
| 10 to 15 Yrs. | 5.1 | 5.4 |
| 15 Yrs. or more | 5.8 | 1.2 |

DURATION DISTRIBUTION (%)

| | Composite | Index |
|-----------------|-----------|-------|
| 0 to 2 Yrs. | 20.8 | 11.4 |
| 2 to 4 Yrs. | 22.9 | 29.5 |
| 4 to 6 Yrs. | 17.6 | 30.3 |
| 6 to 8 Yrs. | 25.4 | 19.8 |
| 8 to 10 Yrs. | 11.1 | 6.9 |
| 10 to 15 Yrs. | 1.4 | 1.9 |
| 15 Yrs. or more | 0.8 | 0.2 |

KEY RISKS

Credit Risk, Issuer Risk, Interest Rate Risk, Liquidity Risk, Prepayment Risk and Extension Risk. Investing involves risk including possible loss of principal.

Due to rounding, Sector, Credit Quality, Duration and Maturity distribution totals may not equal 100%. Credit Quality reflects the highest credit rating assigned to individual holdings of the composite among Moody's, S&P or Fitch; ratings are subject to change. Cash & Equivalents may include unsettled trades, fees and/or derivatives. Asset Allocation, "Other" includes sector not represented by General Obligation bonds, Revenue bonds, or Cash & equivalents. Sector Distribution, "Other" generally includes cash and sectors that are not included in the top 10 sectors by market weight. Municipal markets may be volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. Fixed income securities may carry one or more of the following risks: credit, interest rate (as interest rates rise bond prices usually fall), inflation and liquidity.

The 3-15 Year National Municipal Bond Composite includes all discretionary accounts with market values greater than \$5 million managed by Loomis Sayles with guidelines prescribing investment in primarily U.S. Dollar denominated municipal bonds with target duration of 4.5 to 6.5 years and has a benchmark of the Bloomberg Barclays 3 to 15 Year National Municipal Bond Index and/or a laddered benchmark with exposure to longer maturity bonds (greater than 12 years). The Composite inception date is September 1, 2005. The Composite was created in 2006. For additional information on this and other Loomis Sayles strategies, please visit our website at www.loomisayles.com.