Parametric TABS Municipal Ladders Portfolios

Strategy overview

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. This approach is all the more true due to decline in dealer in the current environment of heightened credit concerns, potentially volatile interest rates, and limited access to municipal bonds.

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.

Principal Protection

- 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 managed ladders?

Client customization

Maturity options	• Choose any combination of maturity ranges from 1–20 years
Securities per maturity	• Depending on the size of the investment, there can be one or more securities per maturity
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]: CA, MA, MI, MN, NJ, NY, OH, PA, TX • State preference[2] (generally 50%): AZ, CA, CO, CT, GA, MA, MI, MN, MO, MD, NC, NJ, NY, OH, OR, PA, TX, VA, UT • State -Best efforts[2] (generally 20%): FL, HI, IN, KY, LA, SC, TN
Coupon income	• Choose to reinvest coupon income or receive cash
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

- Retain bonds that fit the size, credit quality, and maturity parameters of the client-selected laddered portfolio structure
- Bonds that don't fit will be opportunistically offered over an approximate 60-day period to obtain offered side prices whenever possible

Additional highlights

- Minimum investment: $250,000
- Approximately equal weighted by maturity, laddered portfolio of diversified municipal bonds
- No bonds subject to the alternative minimum tax
- Seeks to limit capital gains tax and liquidity risk
- No turnover other than maturing bonds, maintenance of client-selected laddered range, and called or downgraded 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 municipal ladders portfolio.

Sample portfolio report

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

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[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.

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By investing in investment company securities, the portfolio is subject to the underlying risks of that investment company's portfolio securities. In addition to the portfolio's expenses, the portfolio generally would bear its share of the investment company's fees and expenses. 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. 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. Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. Tax-loss harvesting involves the risks that 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

Parametric is located at 800 Fifth Avenue, Suite 2800, Seattle, WA 98104. For more information regarding Parametric and its investment strategies, including a list of composites, or to request a copy of Parametric's Form ADV, please contact us at 206.694.5575 or visit our website, www.parametricportfolio.com.

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