Parametric U.S. Corporate Ladders

Strategy overview

Investment objective

To seek predictable income and capital preservation from high-quality corporate bonds.

Corporate laddered investment approach

Corporate laddered bond portfolios are constructed with the goal of maintaining principal protection with predictable cash flows—especially during environments of volatile interest rates and potential credit concerns. Professional, customized management, and institutional buying power can offer important potential benefits to bond investors.

Professional credit research

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

Principal protection

- Seek to minimize the impact of interest rate risk by reinvesting proceeds of maturing bonds—often at potentially higher yields

Access institutional buying power

- 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	• Choose any combination of maturity ranges from 1–10 years
Credit quality concerns[1]	• Choose between minimum ratings of A- or BBB-
ESG preferences	• 40+ ESG screens, Calvert research integration
Sector restrictions	• Choose from nine BICS sectors and 70 BICS industries for desired exclusions
Maturing bond principal	• Investors may choose to reinvest maturing bond principal or receive cash
Tax-loss harvesting	• Choose to actively harvest losses year-round
Minimum investment	• Minimum investment of $100,000

How does a laddered portfolio work?

A laddered portfolio equally weights bonds by maturities. Proceeds of maturing bonds are generally reinvested into longer maturities, potentially at higher yields. Alternatively, clients can choose to take proceeds in cash

What are the potential benefits?

The ladder structure may provide the opportunity to increase returns in rising interest rate scenarios. Even maturities provide stable annual income. Ladders are diversified [2] by sector and have limits on individual issuer exposure to help mitigate risks. Our laddered investing interest rate scenario tool can demonstrate this in more detail. Visit parametricportfolio.com/IR-Tool to learn more.

[1]Ratings are based on Moody, S&P or Fitch, as applicable. Credit ratings are based largely on the ratings agency investment analysis at the time of rating, and the rating assigned to any particular security is not necessarily a reflection of the issuer 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 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]Diversification cannot ensure a profit or eliminate the risk of loss.

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Tools for transition

Transition analysis report

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

Sample portfolio report

A personalized report detailing the holdings, structure, and credit breakdown of a hypothetical Parametric U.S. Corporate Ladder portfolio. Sample portfolios are customized to client maturity and credit.

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Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Company defaults can impact the level of returns generated by corporate debt securities. An unexpected default can reduce income and the capital value of a corporate debt security. Furthermore, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of corporate debt securities.

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.