

## MUNICIPAL BOND ESG

- Style: National, Investment Grade
- Approach: Active; Top Down/Bottom Up
- Benchmark: Bloomberg 10-Year Municipal Bond Index
- Inception: 1/1/2019
- Strategy Assets: \$76 MM

## INVESTMENT PHILOSOPHY

We believe that municipal bonds are a natural fit for ESG portfolios given the public service mission of the issuing entities. We also believe that an active, national approach provides greater potential to maximize after-tax returns while reducing credit risk. Integral to this Strategy is our pursuit of opportunities across the yield curve and our focus on intense fundamental research to uncover and exploit market inefficiencies. Our approach fully incorporates ESG analysis into this process through a comprehensive and forward looking assessment of risk.

## ABOUT OUR FIRM

GW&K is a dynamic investment management firm that offers active equity and fixed income investment solutions to meet the needs of a diverse client base. At our core is an entrepreneurial spirit of innovation, a desire to help educate our clients and a level of service that is hard to come by. Our founding principles of applying rigorous fundamental research, focusing on quality and maintaining a long-term view still guide our investment process today.

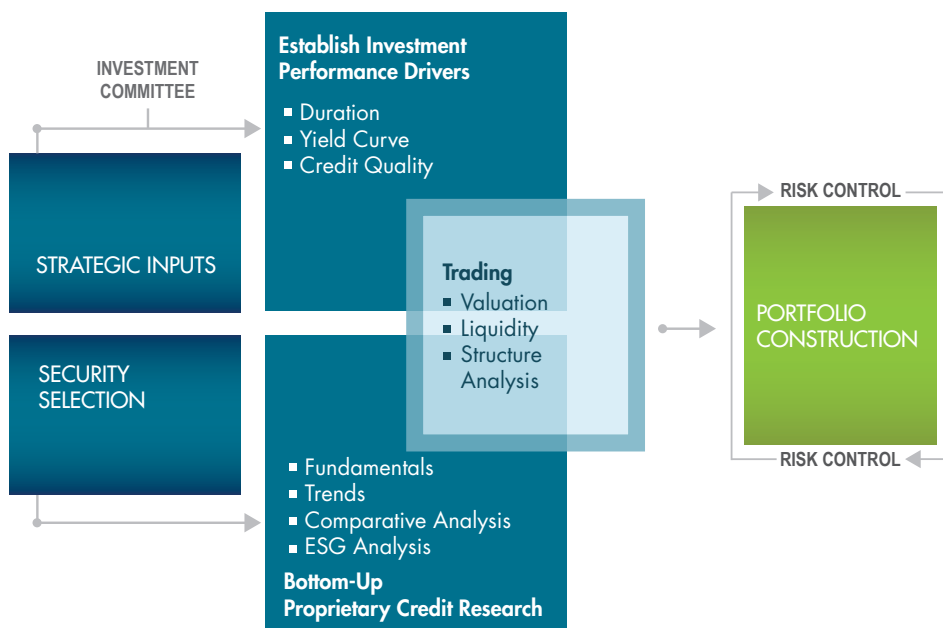
- Founded in 1974
- \$55 Billion Under Management
- Individually Managed Accounts
- Serving Individuals and Institutions

*All data as of September 30, 2021*

## STRATEGY HIGHLIGHTS



## INVESTMENT PROCESS



## OUR ACTIVE DYNAMIC APPROACH

### Duration Management

- Actively adjust duration based on interest rate moves, the steepness of the curve, the technical environment and relative value.

### Yield Curve Positioning

- Focus primarily on the intermediate area of the curve but maintain flexibility to shift positioning to exploit relative value opportunities across the curve.

### Bottom-up Credit Research

- Our proprietary process focuses on a selective universe of credits to seek best relative value with an emphasis on ESG factors and an eye on risk management.

### Value Added Trading

- Our experienced trading desk provides important perspectives on market dynamics for effective bond selection and optimal execution.

## INVESTMENT TEAM

### NANCY G. ANGELL, CFA

Partner  
Co-Director, Fixed Income  
Investment Professional Since 1984  
Joined GW&K 1984  
AB, Duke University  
MBA, Boston University

### JOHN B. FOX, CFA

Partner  
Co-Director, Fixed Income  
Investment Professional Since 1990  
Joined GW&K 1990  
BA, Boston College  
MBA, Boston University

### MARTIN R. TOURIGNY, CFA

Partner  
Portfolio Manager  
Investment Professional Since 1992  
Joined GW&K 1994  
BA, Boston College  
MS, Suffolk University

14 Municipal Bond Investment Professionals Averaging 23 Years Experience

## A DISCIPLINED APPROACH TO PORTFOLIO CONSTRUCTION & RISK MANAGEMENT

### DIVERSIFICATION

We diversify our portfolios by:

- Issuer
- Sector
- Geography
- Bond characteristics

### RISK MANAGEMENT

Credit Risk -	Generally limit position sizes to 5%, limit issuers to 15% of the portfolio Monitor credits for changes in fundamentals, valuation and technicals
Interest Rate Risk -	Generally limit duration variance to +/- 25% of the benchmark
Reinvestment Risk -	Manage call risk through bond structure analysis

### LIQUIDITY

Deal size generally > \$100 MM

### QUALITY

Investment grade only  
Typical average portfolio quality: AA

### AVERAGE # OF HOLDINGS

20 - 30 Holdings

## COMPREHENSIVE RESEARCH WITH AN EMPHASIS ON ESG FACTORS

Comprehensive research by our seasoned team is central to our investment process and risk management approach. We rely on our own proprietary research, not rating agencies' conclusions or bond insurance and prioritize ESG factors with scoring as an overlay to our fundamental analysis.



### ENVIRONMENTAL

Issuers that implement policies and programs to protect and preserve the environment.

- Clean water programs
- Renewable energy strategies
- Conservation and waste reduction efforts
- Resilience and sustainability planning



### SOCIAL

Issuers that pursue strategies that contribute to positive, sustainable outcomes for communities.

- Accessibility to services
- Affordability
- Economic development
- Community engagement



### GOVERNANCE

Obligors that practice sound and prudent fiscal policies that support a long-term view of service to citizens

- Budget policy and multi-year planning
- Risk management
- Pension and OPEB funding
- Transparency and stakeholder outreach