



# ENHANCED CORE BOND ESG STRATEGY

## STRATEGY OVERVIEW

The Enhanced Core Bond ESG Strategy offers broad market exposure with a goal of providing income and capital appreciation while emphasizing ESG considerations. We allocate portfolios across multiple market sectors, and strategically invest in high yield bonds, as we seek to enhance return opportunities and manage risk. The Strategy's focus on ESG factors prioritizes issuers that demonstrate leadership in sustainability relative to peers.

- ▶ **Style:** Multi-Sector Bond
- ▶ **Approach:** Active; Top Down/Bottom Up
- ▶ **Benchmark:** Bloomberg Aggregate Index
- ▶ **Inception:** 7/1/2019
- ▶ **Strategy Assets:** \$47 MM

## STRATEGY HIGHLIGHTS

- ▶ **Active Management:** Rotate among sectors and utilize modest changes in duration to maximize opportunities in changing economic and interest rate environments
- ▶ **Sector Diversification:** Opportunistically invest in high yield bonds
- ▶ **Comprehensive Research:** Integration of ESG factors into issuer analysis helps to add value to the investment process and mitigate

## PORTFOLIO MANAGEMENT TEAM

Mary F. Kane, CFA  
Stephen J. Repoff, CFA

**14** Taxable Bond Investment Professionals

**19** Average Years Experience

PORTFOLIO CHARACTERISTICS		
	Strategy	Index
Option Adjusted Duration	6.1 Years	6.2 Years
Effective Maturity	8.3 Years	8.5 Years
Average Quality	A+	AA-
Current Yield	4.0%	3.4%
Yield to Worst	4.8%	4.5%
Average Number of Holdings	90	13,334
Trailing 12 Month Turnover	46.0%	-

SECTOR DISTRIBUTION			
	Strategy	Index	Overweight/Underweight
High Yield Corporate	14%	0%	14%
Investment Grade Corporate	30%	25%	5%
Local Authority	6%	1%	5%
CMBS	2%	1%	1%
MBS	33%	27%	7%
US Treasury	14%	42%	-28%
Cash	1%	-	-

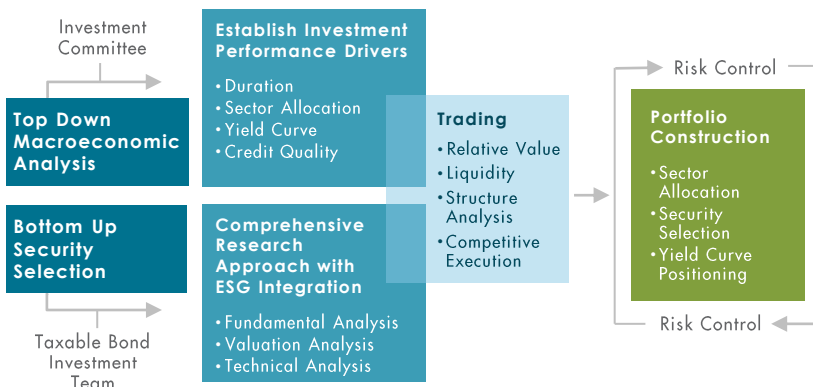
QUALITY DISTRIBUTION		
	Strategy	Index
AAA	4%	4%
AA	52%	72%
A	10%	12%
BBB	19%	12%
BB	13%	0%
B	1%	0%

Index data reflects only sectors that the Strategy is invested in.

EFFECTIVE MATURITY DISTRIBUTION		
	Strategy	Index
0-3 Years	12%	22%
3-5 Years	15%	19%
5-7 Years	27%	14%
7-10 Years	28%	26%
10+ Years	19%	18%

Source: Factset and Bloomberg  
Please refer to page 2 for GW&K's Disclosure Statement, which is an integral part of our presentation, for an explanation of our composite criteria and calculations and Index descriptions. Characteristics data may reflect minor rounding differences.  
All data as of 12/31/2023

## INVESTMENT PROCESS



## OUR ACTIVE DYNAMIC APPROACH

### Top-Down Analysis

- ▶ Assessment of the business cycle, valuation trends and market technicals
- ▶ Analysis guides outlook on market, sector allocation

### Bottom-Up Selection

- ▶ Employ comprehensive quantitative and qualitative research techniques with an emphasis on ESG factors
- ▶ Search for companies with solid business models, the ability to generate cash and positive ESG characteristics

### Portfolio Construction

- ▶ Managers construct diversified portfolios that reflect their market outlook
- ▶ Security analysis with careful adherence to risk controls including assessment of ESG factors



# ENHANCED CORE BOND ESG STRATEGY

## ANNUALIZED RETURNS

Period Ending 12/31/2023

	QTD	YTD	1 Year	3 Years	Since Inception
GW&K Enhanced Core Bond ESG Composite – Gross	7.39%	6.44%	6.44%	-2.70%	1.01%
Bloomberg Aggregate Index	6.82%	5.53%	5.53%	-3.31%	-0.10%
GW&K Enhanced Core Bond ESG Composite – Net	7.16%	5.55%	5.55%	-3.52%	0.16%

Returns less than one year are not annualized.

## CALENDAR YEAR RETURNS

Inception Date 7/1/2019

	2023	2022	2021	2020	2019*
GW&K Enhanced Core Bond ESG Composite – Gross	6.44%	-13.35%	-0.12%	9.98%	3.26%
Bloomberg Aggregate Index	5.53%	-13.01%	-1.54%	7.51%	2.45%
GW&K Enhanced Core Bond ESG Composite – Net	5.55%	-14.09%	-0.96%	9.06%	2.82%

\*Represents a partial year return beginning 07/01/2019 that has not been annualized. Source: FactSet

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Net of fee performance based on highest fee. All data as of date noted and is subject to change.

## PERFORMANCE DISCLOSURE

Past performance is no guarantee of future results. There is a risk that invested capital may be lost.

The composite performance results displayed herein represent the investment performance record of GW&K Investment Management, LLC. GW&K is an SEC-registered investment management firm that offers active equity and fixed income investment solutions. Founded in 1974, GW&K is an independent and autonomous investment management firm that is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), a publicly traded global asset management company. On February 1, 2019 the investment team of Trilogy Global Advisors, LP (TGA), an AMG Affiliate located in Winter Park, FL and New York City joined GW&K Investment Management. Effective March 30, 2015, the legal name of the firm was changed from Gannett Welsh & Kotler, LLC to GW&K Investment Management, LLC.

GW&K claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. GW&K has been independently verified for the periods January 1, 1995 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Enhanced Core Bond ESG Strategy offers broad market exposure with a goal of providing income and capital gain while emphasizing ESG considerations. We allocate portfolios across multiple market sectors, and strategically invest in high yield bonds, as we seek to enhance return opportunities and manage risk. The Strategy's focus on ESG factors prioritizes issuers that demonstrate leadership in sustainability relative to peers. The Enhanced Core Bond ESG Composite (composite) includes all portfolios invested in the Enhanced Core Bond ESG Strategy with a minimum market value of \$200,000. The composite was created on July 1, 2019. The Enhanced Core Bond ESG segments of multi-asset portfolios are included in the composite. Each segment of multi-asset portfolios is managed with its own cash account. Accounts are included in the composite after two full month under management. Closed accounts are included through the last full month under management. Inception date is July 1, 2019.

All results reflect the reinvestment of dividends and income, and factor in commission costs. Performance is expressed in US dollars. Composite portfolio income may be net or gross of withholding tax depending on the accounting methodology of the custodian bank. The performance results presented may not equal the rate of return experienced by any particular GW&K portfolio due to various reasons, including differences in brokerage commissions, fees, client contributions or withdrawals, position size in relation to account size, diversification among securities and market conditions. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request by contacting [info@gwkinvest.com](mailto:info@gwkinvest.com).

The three-year annualized standard deviation measures the variability of

the composite and the benchmark returns over the preceding 36-month period. Gross returns are used for the composite calculation. The standard deviation measure is presented annually, for periods where 36 monthly returns are available.

The firm uses an asset-weighted standard deviation calculation to measure dispersion, which is reported on a yearly basis. Dispersion is used to measure the volatility of gross portfolio returns within the composite. Only portfolios that have been included in the composite for the full year are included in the dispersion calculation. Where dispersion is listed as N/A, the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Net of fee returns are based on a maximum fee of 0.85% per year, applied monthly. This fee consists of an investment management fee of 0.35% per year and a wealth advisory fee of 0.50% per year. Client fees may vary.

The performance shown is compared to the Bloomberg Aggregate Index. The Bloomberg Aggregate Bond Index covers the US investment grade fixed rate bond market. It is comprised of securities from Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Indexes are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Index data has been obtained from third-party data providers that GW&K believes to be reliable, but GW&K does not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. The third-party data may not be further redistributed or used without the relevant third-party's consent. Sources for index data include Bloomberg, FactSet, ICE, FTSE Russell, MSCI, and Standard & Poor's. Investing in securities or investment strategies, including GW&K's Investment Strategies presented in this document, involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that GW&K's investment processes will be profitable, and you therefore may lose money. The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions. Diversification does not assure a profit or protect against loss. GW&K's active management styles include equity and fixed income strategies that are subject to various risks, including those described in GW&K's Form ADV Part 2A, Item 8. GW&K's Form ADV Part 2A may be found at the SEC's website under Firm 121942, or is available from GW&K upon request.

## 3-YEAR STANDARD DEVIATION

Year	GW&K Enhanced Core Bond ESG Composite (%)	Bloomberg Aggregate Index (%)
2023	7.75	7.14
2022	6.80	5.77
2021	-	-
2020	-	-
2019	-	-

## COMPOSITE STATISTICS

Year	Number of Portfolios	Internal Dispersion (%)	Total Composite Assets (\$000s)	Total Firm Assets (\$000s)
2023	5	N/A	\$46,757	\$50,695,321
2022	4	N/A	\$43,404	\$46,803,858
2021	2	N/A	\$61,223	\$54,720,660
2020	2	N/A	\$55,494	\$51,431,909
2019	1	N/A	\$33,279	\$42,154,892