



IR+M’s Core Muni ESG Strategy seeks to add value over the Bloomberg 1-10 Year Muni Blend Index by combining careful bottom-up security selection with our proprietary environmental, social, and governance (“ESG”) research methodology. The strategy emphasizes municipal issuers that meet ESG standards.

The Strategy’s duration profile is similar to that of the Index. We strive to enhance returns by focusing on high-quality municipal bonds while minimizing exposure to issuers that do not align with ESG and sustainability principles. High-conviction investments in well-valued securities enable us to develop meaningful position sizes while maintaining sufficient diversification. While tilting the portfolio towards issuers that exhibit more favorable ESG factors, we endeavor to construct a no-surprises portfolio that brings together IR+M’s best ideas across maturities and sectors.

PORTFOLIO CONSTRUCTION

- Duration neutral to benchmark
- Utilize entire IR+M municipal toolkit
- Bottom-up security selection with a focus on material ESG factors
- Take what the market gives you
 - Introduce incremental risk to portfolios when compensation is attractive; reduce risk when spreads are narrow
- Emphasize undervalued sectors
- Seek securities with embedded, often over-looked value
- Focus on material ESG factors within each sector

KEY FACTS

Inception Date 4/1/2021

Assets \$176.1 million

Benchmark

- Bloomberg 1-10 Year Municipal Blend Index

Available vehicles

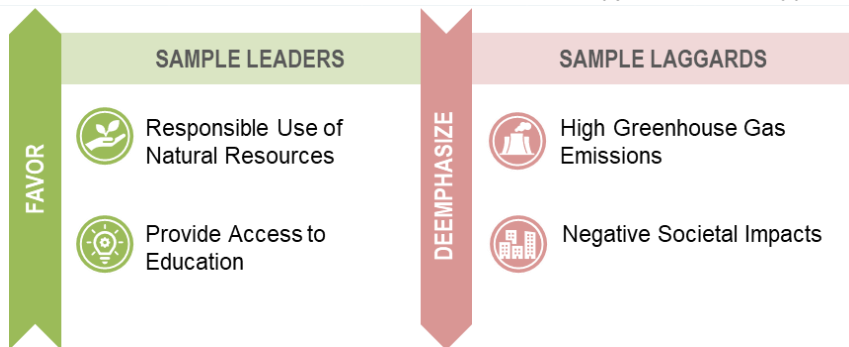
- Separately Managed Account

STRATEGY RESTRICTIONS

- **Sample Negative Screens**
 - Tobacco bonds
 - Power sector
- **ESG Laggard Limits**
 - Minimize issuers deemed to be misaligned with ESG principles

IR+M CORE MUNI ESG STRATEGY CHARACTERISTICS

Characteristics 6/30/23	IR+M Carbon-Sensitive Core Muni ESG Portfolio	IR+M Core Muni ESG Sample Portfolio	IR+M Core Municipal Portfolio	Bloomberg 1-10 Year Municipal Blend Index
Yield (%)	3.25	3.16	3.33	3.11
Effective Duration (yrs)	3.81	3.69	3.84	3.76
Convexity	0.18	0.17	0.21	-0.04
Average Maturity (yrs)	4.44	4.92	4.45	5.92
Average Quality (MS&P)	Aa2/AA	Aa2/AA	Aa2/AA	Aa2/AA
IR+M ESG Ranking (%)				
Leader	51.7	56.0	43.7	36.2
Neutral	43.5	44.0	50.2	59.5
Laggard	0.0	0.0	5.5	4.3
Unrated	4.9	0.0	0.6	0.0



KEY DIFFERENTIATORS

- Focus on issues demonstrating favorable ESG alignment
 - Emphasize positive ESG sectors, such as Healthcare and Education
 - Carbon-sensitive portfolio excludes sectors such as power and airports
- Sector specialists determine and analyze material ESG factors across subsectors to identify risks and opportunities that may impact long-term performance
- Underweight securities and sectors with material ESG risks

Sources: Bloomberg, IR+M Analytics, and Bloomberg PORT+
 All data as of 6/30/23. Representative portfolio characteristics. Some statistics require assumptions for calculations which can be disclosed upon request. A similar analysis can be provided for any portfolio we manage. Yields are represented as of the above date and are subject to change. Quality and quality distributions are calculated using a split to high methodology. Quality is shown in Moody's with the S&P equivalent. Totals may not sum to 100 due to rounding. ESG Rankings determined using IR+M's proprietary research. The above list of screens does not include all sectors that are screened out of the IR+M Core Muni ESG Strategy. This is not a recommendation to purchase or sell the issuers/securities of issuers from the sectors listed. A full list of screens is available upon request.

+ INDEPENDENT FIRM

+ COLLABORATIVE CULTURE

+ VALUE-ORIENTED APPROACH

+ CLIENT FOCUS

IR+M is a privately owned investment management firm specializing in managing US fixed income portfolios for institutional and private clients. We believe that an open, collaborative culture promotes excellence from an investment team of high energy, curious individuals. Our investment philosophy is based on the belief that careful security selection and actively managing portfolio risk provides superior results over the long-term. Our focus is on two primary goals – providing consistent year-over-year investment results and outstanding service to our clients.

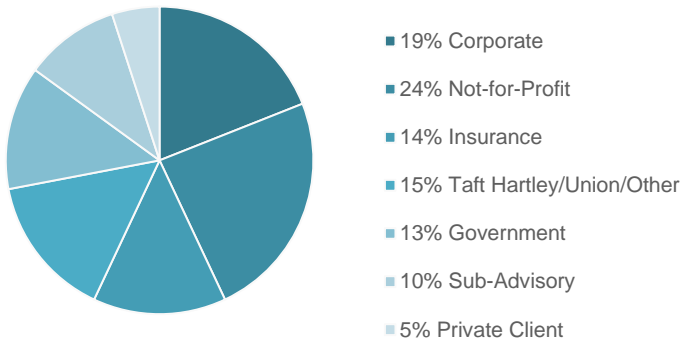
FIRM FACTS

- 35 years since firm’s inception
- \$93.2 billion in assets under management
- Exclusively US dollar-denominated fixed income
- Consistent, team-oriented, bottom-up investment approach
 - 13-year average portfolio manager tenure
- Privately owned with 68 employee shareholders

IR+M STRATEGIES

- Short • Intermediate • Core • Government/Credit • Long Corporate • Municipal • Inflation Protection • Government
- Liability Driven Investing • Convertible • Socially Responsible Core • Tax Sensitive / Crossover • Extended Cash • Core Plus
- Short Diversified Income • Short ESG • Core ESG

ASSETS BY CLIENT TYPE



INVESTMENT PHILOSOPHY

Actively manage portfolio risk

- Target duration neutral to benchmark
- Balance opportunity and discipline
- Take what the market gives you

Emphasize undervalued sectors

- Introduce incremental risk when compensation is attractive
- Reduce risk when spread sectors are rich
- Utilize bottom-up philosophy as an influence on sector decisions

Capitalize on our experience and security selection

- Seek securities with embedded, often over-looked, value
- Focus on credit, structure, and price to arrive at our best ideas
- Rely on senior investment team for ultimate decisions

INVESTMENT PROCESS

Sector Management

Fundamental and relative value analysis incorporating **Credit, Structure, and Price**

Investment Risk

Surveillance to ensure portfolio risks are aligned across strategies with quantitative risk metrics and practical overlay



Investment Committee

Determine risk posture and desired asset allocation using best risk-adjusted ideas given cross-sector opportunities and market conditions

Portfolio Management

Strategic portfolio positioning with input from Investment Committee targets, Sector Management recommendations, and portfolio need/guidelines

AUM as of 6/30/23. Average portfolio manager tenure and shareholder count as of 6/30/23

The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research + Management.