

REDEFINING TAX-AWARE INVESTING

“It’s not what you make, it’s what you keep.” At IR+M, we take a differentiated approach to managing tax-aware portfolios. We expand the definition of tax efficiency and explore opportunities that enhance after-tax value. As a long-time manager of tax-aware portfolios, we leverage our expansive tax-exempt and taxable bond toolkit to build diversified, dynamic, and bespoke solutions for our clients.

Tax-advantaged sectors are not always the most tax-efficient.

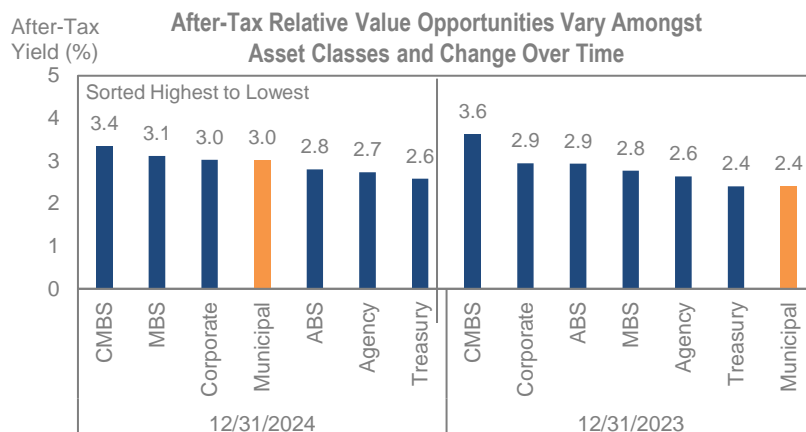
Investors can improve after-tax income and diversification by expanding the investable universe outside of tax-exempt municipals – and benefit from the changing dynamics.

There is a wide range of opportunities when evaluating at the security-level.

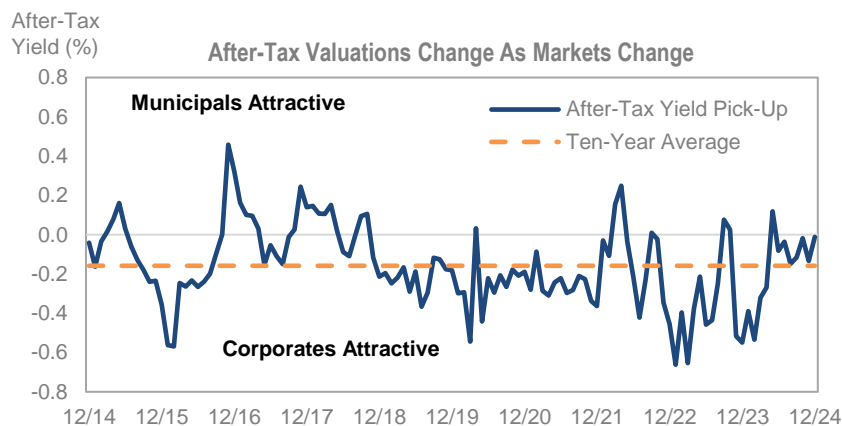
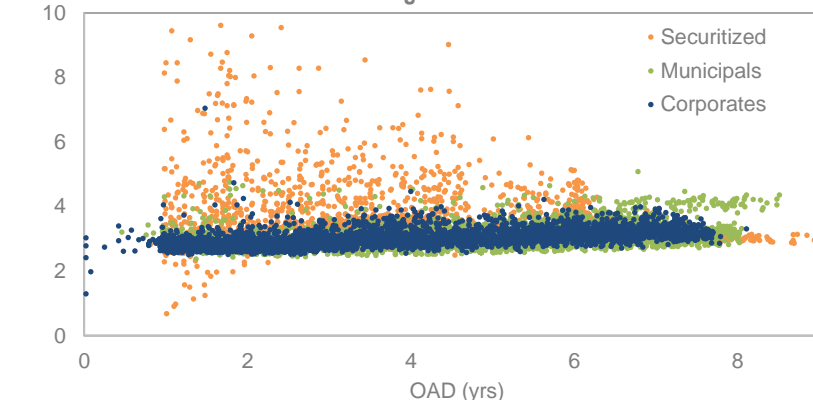
We believe bottom-up, cusip-by-cusip fundamental analysis can help uncover attractive relative value on an after-tax basis.

Valuations are not static and can quickly change.

An experienced active manager can assess and capitalize on changing market dynamics in real-time.



Index Valuations Only Tell Part of the Story; Wide Dispersion When Evaluating Individual Bonds



Sources: Bloomberg as of 12/31/24. Sectors listed are based on Bloomberg Indices using the following Indexes: CMBS = Bloomberg Non-Agency CMBS Index, MBS = Bloomberg US MBS Index, Corporate = Bloomberg Intermediate Corporate Index, Municipal = Bloomberg Managed Money Short/Intermediate Index, ABS = Bloomberg ABS Index, Agency = Bloomberg US Agency Index, and Treasury = Bloomberg Intermediate Treasury Index. After-tax yields assume a 40.8% federal tax rate. Scatter plot excludes securitized and corporate securities with durations greater than 9, and yields greater than 10% to focus on securities with similar durations to that of the Bloomberg Managed Money Short/Int Index. Securitized bubbles based on = Bloomberg US Securitized Index. Bottom chart: Municipal yield based on the Bloomberg Managed Money Short/Intermediate Index. After-tax corporate yield assumes a tax rate of 40.8% after 12/31/17 and 43.4% prior to 1/1/18 using the Bloomberg Intermediate Corporate Index. Ten-Year Average as of most recent quarter end. The views contained in this report are those of Income Research + Management (“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. “Bloomberg®” and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any 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.

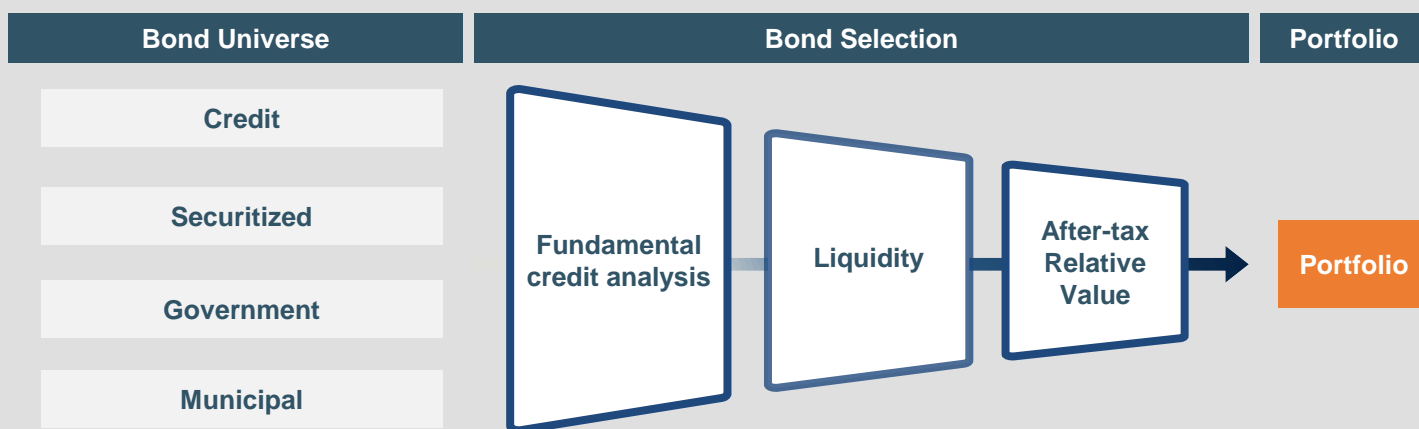
Prudently allocating between taxable and tax-exempt sectors can unlock long-term after-tax value.

We believe a broader investable universe allows for greater opportunities to harvest losses and reduce portfolio volatility through sector rotation.

Municipals Are Not Always the Best Option
Periodic Table of After-Tax Returns

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Municipal 2.8%	Corporate 2.9%	Municipal 3.5%	Municipal 1.4%	Corporate 8.8%	CMBS 6.7%	Municipal -0.2%	Municipal -5.4%	Corporate 4.9%	CMBS 4.1%
Treasury 0.7%	CMBS 2.7%	Corporate 2.7%	ABS 0.6%	CMBS 7.6%	Corporate 6.7%	ABS -0.6%	ABS -5.6%	Municipal 4.5%	ABS 2.9%
ABS 0.6%	ABS 1.4%	CMBS 2.4%	Treasury 0.3%	Municipal 5.8%	Treasury 5.5%	CMBS -1.3%	Treasury -8.8%	ABS 3.3%	Corporate 2.1%
MBS 0.4%	MBS 0.7%	MBS 1.2%	MBS -0.4%	MBS 5.1%	Municipal 4.8%	Corporate -1.6%	Corporate -10.9%	MBS 3.0%	Treasury 0.7%
Corporate 0.0%	Treasury 0.5%	ABS 0.7%	CMBS -0.8%	ABS 3.5%	ABS 4.0%	MBS -1.7%	CMBS -12.1%	CMBS 2.8%	MBS 0.3%
CMBS -0.5%	Municipal -0.5%	Treasury 0.4%	Corporate -1.7%	Treasury 4.4%	MBS 3.2%	Treasury -2.0%	MBS -13.1%	Treasury 2.5%	Municipal -0.2%

IR+M APPROACH:



The entire US dollar denominated fixed income universe is evaluated through a tax-efficiency lens, with after-tax relative value and bottom-up security analysis leading to dynamic sector allocations.

IR+M FIRM FACTS

- 38 years as a US-centric fixed income specialist
- \$109 billion in assets under management
 - Scale, yet nimble
 - \$12.6 billion in Municipal and Tax-Aware Strategies
- Aligned incentives with clients as a privately-held, institutional fixed income manager
- Bottom-up, disciplined, and actively-managed approach to identifying after-tax relative value

ACCESSING TAX-AWARE STRATEGIES AT IR+M

Separately Managed Accounts (SMAs) – customized to unique tax situation

Private Investment Funds – national and state-specific (CA)

40 Act ETFs – national and state-specific (MA) – see bondbloxx.com for more information

Sources: Bloomberg and IR+M Analytics as of 12/31/24. After-tax returns calculated by subtracting 1/12 of the previous month-end yield to worst by the highest federal tax rate from the following month-end return. All returns are shown on an after-tax basis and returns are cumulative. After-tax corporate yield assumes a tax rate of 40.8% after 12/31/17 and 43.4% prior to 1/1/18. CMBS = Bloomberg Non-Agency CMBS Index, MBS = Bloomberg US MBS Index, Corporate = Bloomberg Intermediate Corporate Index, Municipal = Bloomberg Managed Money Short/Intermediate Index, ABS = Bloomberg ABS Index, and Treasury = Bloomberg Intermediate Treasury Index. The views contained in this report are those of Income Research + Management ("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. "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any 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.