

# INTERMEDIATE FIXED INCOME



## OBJECTIVE

The GLA Intermediate Fixed Income strategy seeks to maximize total return by investing in securities that offer competitive value relative to the Bloomberg Government/Credit Intermediate Index.

**Benchmark:** Bloomberg Intermediate Gov/Credit Index

**Inception Date:** December 31, 1988

## PHILOSOPHY

We believe in an active and controlled approach to fixed income management. We have generated strong relative risk-adjusted returns through fundamental analysis and bottom-up investing.

### Active and Controlled Approach

- Focus on higher income sectors and securities
- Control interest rate risk
- Construct pure bond portfolio
- Constantly evaluate sector, yield curve, quality, and issuers to achieve optimal risk/reward

### Where We Add Value

- We utilize in-house credit analysts for prudent security selection
- We control risk for our clients
  - Minimize market timing
  - Utilize high quality issuers
  - Focus on liquidity
- We can customize our approach

## PORTFOLIO CHARACTERISTICS<sup>1</sup>

|                    | Intermediate<br>Fixed Income | Bloomberg<br>Intermediate G/C Index |
|--------------------|------------------------------|-------------------------------------|
| Average Quality    | A1                           | Aa2                                 |
| Effective Duration | 3.56                         | 3.68                                |
| Average Maturity   | 4.28                         | 4.18                                |
| Yield-to-Maturity  | 4.16                         | 3.90                                |
| Current Yield      | 4.21                         | 3.65                                |
| Average Coupon     | 4.2%                         | 3.6%                                |

## PROCESS

Our active and controlled approach uses a combination of group and individual team member analysis to consistently apply our process.

### Examination of the Macro Landscape

- Understand general economic trends both in the U.S. and abroad, and how these issues are affecting the bond market and interest rates
- Evaluate the best yield curve positioning and sector opportunities given the current environment

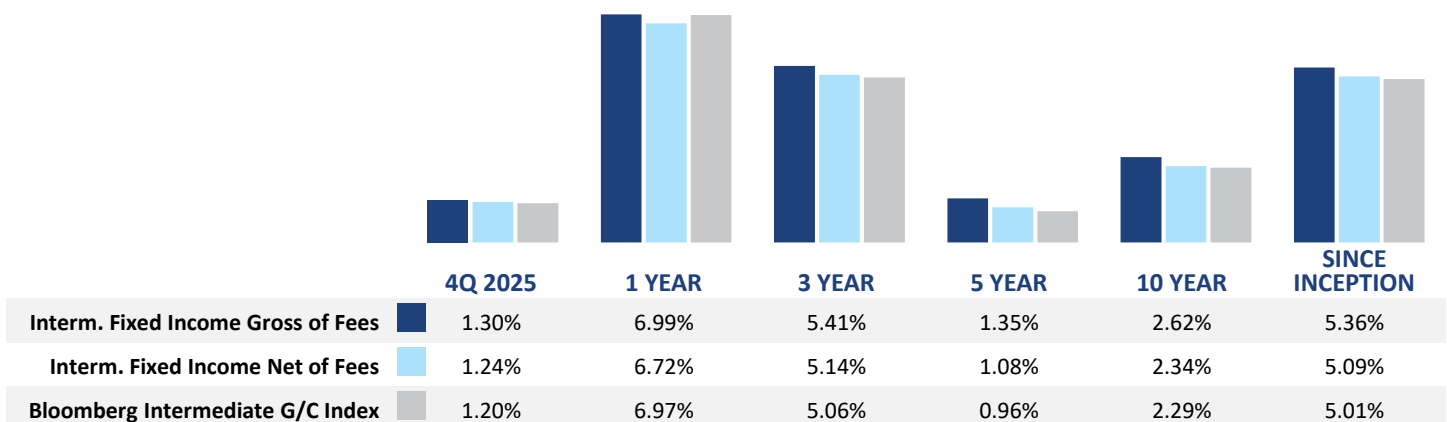
### Security Selection

- Experienced sector specialists are responsible for focused security selection
- Individual security selection is typically the primary source of value-add within our process

### Portfolio Construction

- Duration management, high quality preference, premium coupons, individual bond structure, and diversification are all important considerations to maximize the risk/return profile

## COMPOSITE PERFORMANCE<sup>2</sup>



## ABOUT GREAT LAKES ADVISORS

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Founded in 1981, Great Lakes Advisors is headquartered in Chicago, Illinois. The firm has \$19.9 billion in assets under management and advisement and offers a wide range of fixed income, equity, and multi-asset strategies across market capitalizations. Our portfolio management teams strive to form collaborative partnerships and investment strategy solutions to our Institutional, Intermediary, Sub-advisory, and Private Wealth client base.

1. Portfolio characteristic data is representative of an Intermediate Fixed Income account, sourced from BondEdge. Index characteristics are sourced from Bloomberg Index Services Limited. BLOOMBERG® and the indices referenced herein (the "Indices", and each such index, an "Index") are service marks of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg") and/or one or more third-party providers (each such provider, a "Third-Party Provider," ) and have been licensed for use for certain purposes to Great Lakes Advisors, LLC (the "Licensee"). To the extent a Third-Party Provider contributes intellectual property in connection with the Index, such third-party products, company names and logos are trademarks or service marks, and remain the property, of such Third-Party Provider. Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither Bloomberg nor Bloomberg's licensors, including a Third-Party Provider, shall have any liability or responsibility for injury or damages arising in connection therewith.

2. Returns greater than one year are annualized. The standard institutional-only separately managed account fee schedule for the Intermediate Fixed Income composite is as follows: 0.30% on the first \$10 million; 0.20% on the next \$40 million; 0.15% over \$50 million. Historically, net performance is gross performance after the subtraction of only investment management fees. Net returns are calculated by subtracting the highest applicable separately managed account fee (0.30% on an annual basis) from the gross composite quarterly return. Effective 1/1/12, Great Lakes Advisors adopted a new methodology to calculate net composite returns and actual fees paid are now utilized.

Definition of the Firm: Great Lakes Advisors, LLC ("Great Lakes" or "GLA") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. On April 3, 2023, Rothschild & Co Asset Management US Inc. and Rothschild & Co Risk Based Investments LLC became fully-owned and integrated into Great Lakes.

The Intermediate Fixed Income Composite includes all discretionary, fee paying, tax-exempt total return portfolios of taxable bonds with portfolio durations and security guidelines that are similar to the composite's benchmark, the Bloomberg Capital Intermediate Government/Credit Index. Portfolios subject to substantial client-imposed restrictions are excluded from the composite. Beginning June 30, 2012, the minimum portfolio size for inclusion in Intermediate Fixed Income Composite is \$2 million USD. Accounts are added to the composite when their duration is similar to that of the Bloomberg Capital Intermediate Government/Credit Index. Accounts are removed from the composite prospectively, while retaining their prior historical performance in the composite, at termination of the Firm as investment manager, when there is a change in the benchmark when the value of the account drops below \$1 million for a period of nine consecutive months, or when investment policy guidelines are instituted substantially restricting implementation of the Intermediate Fixed Income Composite strategy. Accounts within this composite do not employ leverage. The composite inception date was December 31, 1988; and the composite was created on December 31, 1992. All cash reserves and equivalents are included in returns. Returns are time weighted and include reinvestment of dividends, income and gains. The value of assets and returns is expressed in U.S. dollars. All holdings available upon request. Market commentary is available upon request.

The benchmark selected for comparison of returns for the Intermediate Fixed Income Composite is the Bloomberg Capital U.S. Intermediate Government/Credit Index, an unmanaged index based on all publicly issued intermediate government and corporate debt securities with maturities of 1-10 years. Index returns are provided to represent the investment environment existing during the time periods shown. The Intermediate Government/Credit Index represents securities in the Government and Credit Indices. The Government Index includes treasuries and agencies. The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. For comparison purposes, each index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The index is not available for direct investment.

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