



## MANAGED ACCOUNTS – LONG MUNICIPAL BOND

### PRODUCT FEATURES

- Bonds rated 'A-' or better
- Approximately 8-25 securities
- AMT-free bonds
- Active diversification by issuer, coupon, and state
- State-specific or state preference portfolios (upon request)
- Selective selling for tax considerations

### THE POTENTIAL VALUE OF CREDIT RESEARCH

- Robust analysis determines the optimal portfolio positioning for total return potential
- Rigorous credit research provides greater insight than bond ratings alone
- Ongoing credit surveillance can identify more attractive investment opportunities

### INVESTMENT TEAM\*

#### Team Leader(s):

Daniel S. Solender, CFA, Partner & Director  
37 Years Industry Experience

Phillip B. Herman, Partner & Portfolio Manager  
25 Years Industry Experience

Daniel Lichtenberg, CFA, Portfolio Manager  
17 Years Industry Experience

Gregory M. Shuman, CFA, Partner & Portfolio Manager  
14 Years Industry Experience

Christopher English, CFA, Portfolio Manager  
14 Years Industry Experience

#### Supported By:

15 Investment Professionals  
13 Years Avg. Industry Experience

\*As of 01/01/2024

### INVESTMENT STRATEGY

The Lord Abnett Long Municipal Bond strategy seeks a high level of tax-free income and attractive total return by investing in high-quality bonds rated 'A-' or higher. The strategy focuses on bonds with long maturities that have historically delivered attractive returns, while including shorter-maturity bonds to manage downside risk.

### INVESTMENT PROCESS



#### Market Analysis

- Yield curve positioning
- Economic environment
- Model scenarios

#### Credit & Sector Analysis

- Relative valuations
- Fundamental research
- Sector and quality weightings

#### Security Analysis

- Credit research
- Coupon
- Maturity date
- Call protection

#### Construction

- Implementation of strategic guidelines
- Term structure
- Credit quality allocation
- Sector weightings
- Diversification by insurer and coupon
- Geographic considerations

### CURRENT STRATEGY\*\*

- In terms of bond structure, we have been buying higher coupon bonds to improve convexity and better protect from interest rate risk. Similarly, we have been favoring bonds with longer call protection, allowing for full participation as the market continues to recover.
- We remain positive on the Transportation sector since many issuers are in strong fundamental positions and have benefitted from the increased user volumes in the recovery from the pandemic. Additionally, many parts of the sector are deemed to be essential services and have received significant support from the Federal government over the past three years.
- We continue to overweight the Education sector and the Strategy is focused on well-established colleges and universities characterized by strong demand, solid reputations and healthy finances. Many colleges and universities took advantage of the period of low-interest rates and significant government stimulus received post-pandemic to build strong balance sheets, providing a solid cushion to withstand economic slowdowns.
- While continuing to buy 8-to-12-year bonds on the short end of the barbell, we have also increased exposure to longer intermediate-term bonds (12 to 15 years) in the defensive portion of the barbell given the attractive steepness found at this part of the curve. The portfolios are overweight the 'A' and 'AA' credit quality tiers and underweight the highest quality tier relative to the benchmark. Additionally, the Strategy is void BBB-rated bonds versus the benchmark as per the investment mandate.

\*\* Current Strategy information shown is based on the Lord Abnett Managed Accounts Long Municipal strategy. The strategy reflects accounts that are included in the Lord Abnett Managed Accounts Long Municipal Composite, as well as those that are excluded due to client imposed restrictions. Past performance is not a reliable indicator or guarantee of future results.

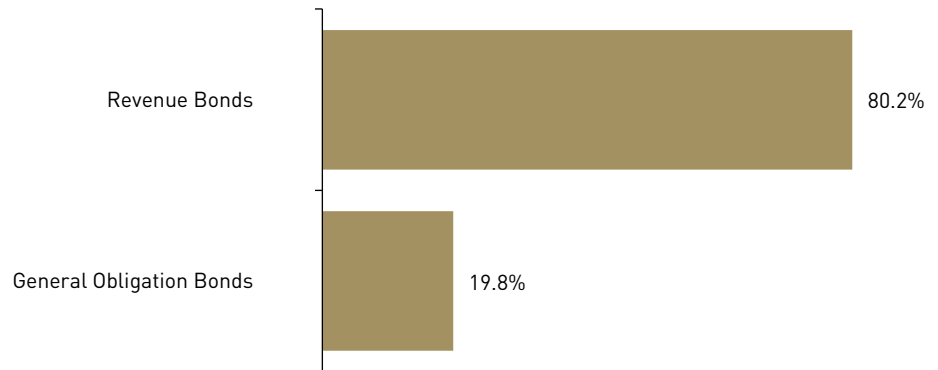
**A Note about Risk:** As interest rates rise, the prices of debt securities tend to fall; as rates fall, prices tend to rise. The value of a portfolio will change as interest rates fluctuate. Municipal securities may include insured municipal securities that are covered by insurance policies that guarantee the timely payment of principal and interest. Insurance does not pertain to yield or market values, which will fluctuate over the life of bonds. Income from municipal bonds may be subject to the alternative minimum tax. Federal, state, and local taxes may apply. In addition, the price of municipal bonds may be adversely affected by legislative or political changes, tax rulings, judicial action, changes in market and economic conditions, and the fiscal condition of the municipal issuer. Although these are the main risks of investing in bonds, there may be other risks associated with investing in bonds, such as credit, inflation, call, high-yield, and market risks. An investor should consult with his or her investment professional before making an investment decision.

## PORTFOLIO CHARACTERISTICS

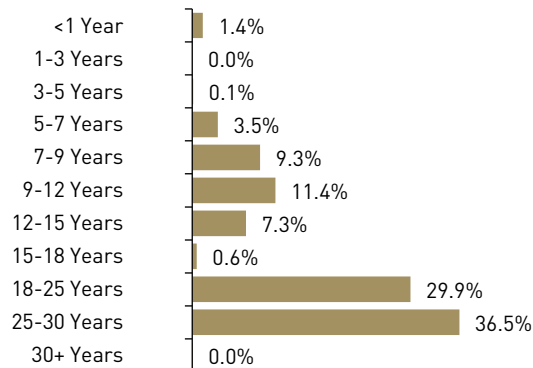
Average Current Yield	4.4%
Average Price	\$110.23
Average Coupon	4.9%
Avg. Stated Maturity	20.4 Years
Effective Duration	8.9 Years

Past performance is not a reliable indicator or guarantee of future results.

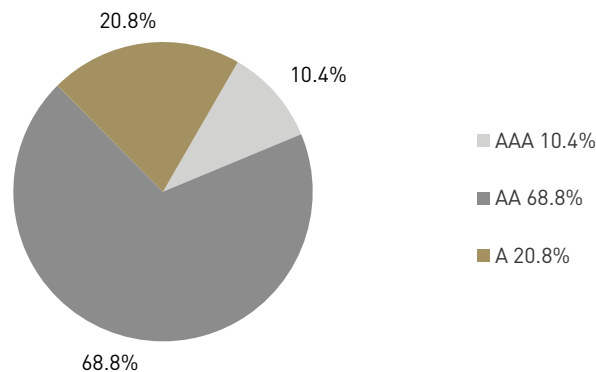
## TYPE BREAKDOWN



## MATURITY BREAKDOWN

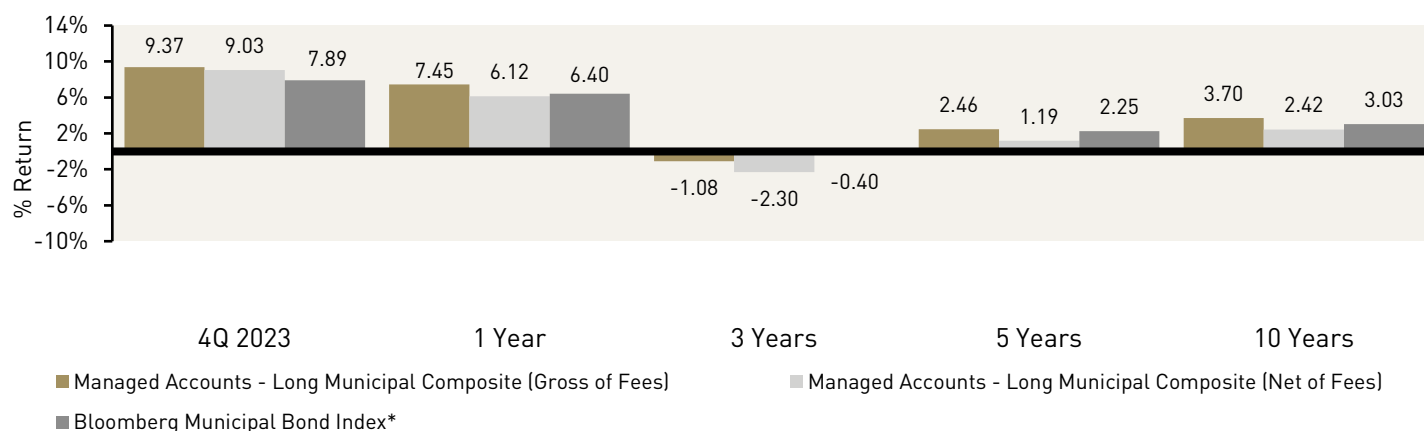


## CREDIT QUALITY DISTRIBUTION



Ratings provided by Standard & Poor's Moody's, and Fitch. Where the ratings agencies rate a security differently, Lord Abbett uses the higher credit rating. Ratings range from AAA (highest) to D (lowest). Bonds rated BBB or above are considered investment grade. Credit ratings BB and below are lower-rated securities (junk bonds). High-yielding, non-investment-grade bonds (junk bonds) involve higher risks than investment-grade bonds. Adverse conditions may affect the issuer's ability to pay interest and principal on these securities. Breakdown is not an S&P credit rating or an opinion of S&P as to the creditworthiness of such portfolio.

## AVERAGE ANNUAL RATES OF RETURN



## CALENDAR YEAR TOTAL RETURNS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross	12.74%	4.16%	0.87%	7.02%	0.45%	9.78%	6.27%	2.33%	-11.95%	7.45%
Net	11.36%	2.88%	-0.39%	5.70%	-0.80%	8.42%	4.96%	1.06%	-13.04%	6.12%
Bloomberg Municipal Bond Index*	9.05%	3.30%	0.25%	5.45%	1.28%	7.54%	5.21%	1.52%	-8.53%	6.40%

**Past performance is not a reliable indicator or guarantee of future results.** The Composite net of fees performance reflects the deduction of a maximum SMA program fee of 1.25%, which includes Lord Abbett's advisory fee, and reflects the deduction of any applicable transaction costs. The maximum SMA program fee is based on Lord Abbett's knowledge of the fees currently charged by SMA program sponsors. The gross of fee performance does not reflect the deduction of the maximum SMA program fee, but it does reflect the deduction of any applicable transaction costs. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. Returns for periods of less than one year are not annualized.\*Source: Bloomberg Index Services Limited. As of 12/31/2023.

## GLOSSARY OF IMPORTANT TERMS

**Average Current Yield** is the dollar amount of interest expected to be received annually divided by the current market price of the security.

**Average Price** is the weighted average price of all securities held in a portfolio. As par values tend to vary, a security's price is quoted as a percentage of its par value. Securities trading at a price of "100" indicate 100% of par value, and security prices above or below 100 are said to be valued at either a premium or discount, respectively.

**Average Coupon** is the weighted average coupon for all the securities in a portfolio. A bond's coupon is the annual rate of interest on a bond's face value that the issuer agrees to pay the holder.

**Average Stated Maturity:** An actual maturity (the number of years to maturity) is calculated for each holding and is then weighted by its market value. The sum of these weighted market values is divided by the total market value of the account to determine the weighted average actual maturity of the portfolio.

**Effective Duration:** The approximate change in the value of a fixed income security that will result from a 1% change in market interest rates. This calculation takes into account anticipated cash flow fluctuations from embedded options such as mortgage prepayments, puts, adjustable coupons, and potential call dates. Duration is expressed as a number of years, and generally, the larger a duration, the greater the interest-rate sensitivity for a portfolio's underlying bond prices.

**\*The Bloomberg Municipal Bond Index** is a broad measure of the municipal bond market with maturities of at least one year. To be included in this index, bonds must have a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$50 million. The index includes both zero coupon bonds and bonds subject to the alternative minimum tax.

## IMPORTANT INFORMATION

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## GIPS REPORT

The GIPS® Compliant performance results shown below represent the investment performance record for Lord, Abnett & Co. LLC's Managed Accounts Long Municipal Composite (the "Composite"), which includes all unconstrained, fully discretionary, individually managed general market municipal accounts managed in a separately managed account program. New accounts are included in the Composite as of the second full month they are under management from 12/1/2012 to present. Prior to 12/1/2012, accounts were included in the composite as of the third full month they are under management. Closed accounts are removed from the Composite after the last full month in which they were managed in accordance with the applicable objectives, guidelines and restrictions. Performance results are expressed in U.S. dollars and reflect reinvestment of any dividends and distributions. Cash flows are adjusted for on a time-weighted basis and an account is revalued in the event a cash flow equals or exceeds 10%. The Composite was created in 1999 and inception in 1985. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. Policies for valuing Investments, calculating performance, and preparing GIPS Reports are available upon request.

For GIPS® purposes, the firm is defined as Lord, Abnett & Co. LLC ("Lord Abnett"). Total Firm Assets are the aggregate fair value of all discretionary and non-discretionary assets for which the Firm has investment management responsibility. Accordingly, Total Firm Assets include, but are not limited to, mutual funds (all classes of shares), privately placed investment funds, non-U.S. domiciled investment funds, separate/institutional portfolios, individual portfolios and separately managed accounts ("Wrap Fee/SMA Portfolios") managed by Lord Abnett. Total Firm Assets also include any collateralized, structured investment vehicle, such as a collateralized debt obligation or collateralized loan obligation, for which Lord Abnett has been appointed as the collateral manager. For the period prior to January 1, 2000, the definition of the Firm does not include any hedge fund or SMA program accounts where Lord, Abnett & Co. LLC did not have the records so long as it is impossible for Lord, Abnett & Co. LLC to have the records (within the meaning of relevant GIPS® standards interpretations). Total Firm Assets also exclude separately managed program accounts that involve model delivery.

## MANAGED ACCOUNTS LONG MUNICIPAL COMPOSITE

Calendar Year Ended	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
# of Portfolios	3416	4266	4202	3871	3076	3426	3306	3356	3451	3724
Total Assets (\$M)	\$2,825	\$4,109	\$4,081	\$3,608	\$2,489	\$2,868	\$2,563	\$2,804	\$2,932	\$2,779
Percentage of Firm Assets	1.46%	1.62%	1.83%	1.77%	1.55%	1.84%	1.90%	2.26%	2.16%	2.05%
Total Firm Assets (\$M)	\$192,949	\$254,075	\$222,535	\$204,031	\$161,055	\$156,110	\$134,565	\$124,007	\$135,945	\$135,786
Dispersion	0.29	0.13	0.87	0.36	0.31	0.37	0.40	0.42	0.66	1.19
LA MA Long Municipal Composite Performance Gross (Annual)	-11.95%	2.32%	6.27%	9.78%	0.45%	7.02%	0.87%	4.16%	12.74%	-4.98%
LA MA Long Municipal Composite Performance Gross (3 year Annualized Return)	-1.44%	6.07%	5.43%	5.68%	2.74%	3.99%	5.81%	3.72%	5.46%	5.96%
LA MA Long Municipal Composite Performance Gross (3 year Annualized Ex-Post Standard Deviation)	8.80%	5.64%	5.67%	3.46%	4.33%	4.26%	4.47%	5.03%	5.48%	5.94%
LA MA Long Municipal Composite Performance Net (Annual)	-13.04%	1.05%	4.96%	8.42%	-0.80%	5.70%	-0.39%	2.88%	11.36%	-6.16%
LA MA Long Municipal Composite Performance Net (3 year Annualized Return)	-2.66%	4.76%	4.12%	4.37%	1.46%	2.70%	4.50%	2.45%	4.16%	4.65%
Bloomberg Municipal Bond Index 7/1/19 forward / 60% Bloomberg Long Bond (22+) & 40% Bloomberg 7 Year (6-8) Index (Annual)	-8.53%	1.52%	5.21%	8.46%	0.87%	6.70%	0.33%	4.02%	11.59%	-4.00%
Bloomberg Municipal Bond Index 7/1/19 forward / 60% Bloomberg Long Bond (22+) & 40% Bloomberg 7 Year (6-8) Index (3 year Annualized Return)	-0.77%	5.02%	4.80%	5.29%	2.59%	3.65%	5.21%	3.67%	5.11%	5.54%
Bloomberg Municipal Bond Index 7/1/19 forward / 60% Bloomberg Long Bond (22+) & 40% Bloomberg 7 Year (6-8) Index (3 year Annualized Ex-Post Standard)	6.48%	4.07%	4.21%	2.88%	4.03%	4.00%	4.17%	4.35%	4.64%	5.04%

Dispersion is represented by the asset-weighted standard deviation—a measure that explains deviations of gross portfolio rates of return from the asset-weighted Composite return. The asset-weighted standard deviation calculation includes only portfolios that have been managed within the Composite style for a full year.

The performance of the Composite is shown net and gross of the maximum separately managed account program fee. The net performance results illustrate the effect of the deduction of the maximum separately managed account program fee (1.25%) on investment returns. All gross performance shown is presented on a supplemental basis and reflects the deduction of transaction costs. The program fee is paid to the program sponsor and includes the advisory fee Lord Abnett receives and trade execution expenses. The effect of fees and expenses on performance will vary with the relative size of the fee and account performance. **For example, if \$100,000 were invested and experienced a 10% compounded annual return for 10 years, its ending dollar value, without giving effect to the deduction of the program fee, would be \$259,374. If a program fee of 1.25% of average net assets per year for the 10-year period were deducted, the annual total return would be 8.65% and the ending dollar value would be \$231,362.** Please refer to Lord Abnett's Form ADV Part 2A Brochure for additional information on Lord Abnett's advisory fees which generally range from annual rates of 0.14% to 0.50% of assets under management for managed fixed income accounts. Certain securities held in portfolios contained in this composite may have valuations determined using both subjective observable and subjective unobservable inputs. The Firm's valuation hierarchy does not materially differ from the hierarchy in the GIPS Valuation Principles.

The Bloomberg Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two ratings agencies. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. The Bloomberg Long Bond (22+), and 7 Year (6-8) Municipal Bond Indices are components of the Bloomberg Municipal Bond Index. Indices are not available for direct investment. The blended benchmarks are rebalanced on a monthly basis.

Lord Abnett claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lord Abnett has been independently verified for the periods 1993-2022. 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. The verification reports are available upon request.

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