EAGLE TAX-AWARE FIXED INCOME

First Quarter | 2023

EAGLE | Asset Management

EAGLE TAX-AWARE FIXED INCOME

The Eagle Tax-Aware Fixed Income portfolio relies on the expertise of a professional, experienced fixed-income team to seek tax-optimized benefits, stable income and total return for high-net-worth clients. With a combined 100-plus years of experience, the portfolio managers and analysts provide a wealth of bond expertise and have a track record of successfully managing fixed income through all market environments.

FEATURES

Portfolios take into account clients' objectives and tax circumstance, including state of residence as well as current and future income needs

Value-oriented, strives to capture incremental return through pricing inefficiencies and overweighting undervalued sectors

Portfolios may include: U.S. Treasury and government agency bonds, investment-grade corporate and municipal bonds, investment-grade mortgage-backed securities (MBS) and asset-backed securities (ABS), high-yield corporate bonds or bond funds, convertible securities and preferred stocks, up to client restrictions or client specifications.

INVESTMENT PROCESS[1]

Asset allocation is based on the client's tax situation, including federal and state income taxes, as well as current and future income needs.

CLIENT ASSESSMENT

Establish client risk profile through a comprehensive interview

Assess client's income needs and tax issues, including federal tax bracket, state of residence and exposure to the Alternative Minimum Tax (AMT)

RELATIVE VALUATION

Evaluate taxable and tax-free markets based on tax-equivalent yield and the current municipal yield to Treasury yield ratio

Higher ratios call for higher allocation to tax-free bonds

SECTOR ALLOCATION

Allocation of taxable and tax-free bonds based on relative value across their respective sectors

Analyze outlook of various sectors on a supply/demand basis

YIELD-CURVE POSITIONING

Evaluate the yield curve of the tax-free market in relation to the yield curve of the taxable market as well as within each of the markets

SECURITY SELECTION

Determine relative value on an issuer basis and credit rating, as well as bond structures

SELL DISCIPLINE

A bond no longer meets current portfolio maturity profile

Credit quality has a significant negative change

Other sectors become relatively more attractive

Capital gains can be taken without compromising long-term income returns

A bond is called

PORTFOLIO CHARACTERISTICS

Average Duration† (years)	3.82
Average Maturity (years)	4.38
Average Coupon	3.76%
Current Yield	3.75%
Yield To Worst	3.83%
Tax Equivalent Yield*	4.72%

SECTOR DIVERSIFICATION

Treasuries	15%
Agencies	3%
Mortgages/ Asset-backed Securities	7%
Corporates	28%
Commercial Mortgage-backed Securities	3%
Municipals	42%
General Obligations	*7%*
Revenue Bonds	*35%*
Pre-Refunded	*0%*
Cash	2%

PORTFOLIO MANAGEMENT TEAM:

James Camp, CFA

Joseph Jackson, CFA

PERFORMANCE[2] as of March 31, 2023

		First Quarter	Year to Date	One Year	Three Years	Five Years	10 Years	Since Inception (Jan. 1, 1993)
Eagle Tax-Aware Fixed Income	Gross	2.13%	2.13%	-0.38%	0.04%	1.85%	1.87%	4.54%
Eagle Tax-Aware Fixed Income	Net	1.38%	1.38%	-3.34%	-2.93%	-1.16%	-1.14%	1.47%
60% BBg Int. Gov't./Credit/ 40% BBg Seven-Year Municipal Index		2.32%	2.32%	-0.20%	-0.44%	1.72%	1.66%	4.37%

CALENDAR YEAR RETURNS[2]

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Eagle Tax-Aware Fixed Income	Gross	-7.08%	-0.52%	6.20%	6.92%	1.13%	3.45%	1.64%	2.60%	4.72%	-1.37%
Eagle Tax-Aware Fixed Income	Net	-9.89%	-3.48%	3.09%	3.80%	-1.87%	0.41%	-1.36%	-0.43%	1.65%	-4.30%
60% BBg Int. Gov't./Credit/ 40% BBg Seven-Year Municipal Index		-7.33%	-0.72%	5.93%	6.78%	1.20%	3.05%	1.04%	1.94%	4.31%	-0.90%

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's portfolio, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain current month-end performance information, please call your financial professional or visit eagleasset.com.

TRAILING STANDARD DEVIATION as of March 31, 2023

		One Year	Three Years	Five Years	10 Years	Since Inception (Jan. 1, 1993)
Eagle Tax-Aware Fixed Income	Gross	5.45%	4.89%	4.06%	3.42%	3.01%
60% BBg Int. Gov't./Credit/ 40% BBg Seven-Year Municipal Index		5.55%	4.72%	3.98%	3.28%	3.41%

Source: Callan; standard deviation is not statistically relevant for periods less than three years

*Yields would be higher on a tax-equivalent basis for clients having municipals, based on their tax bracket and residence.
[1]Not every investment opportunity will meet all of the stringent investment criteria mentioned to the same degree. Trade-offs must be made, which is where experience and judgment play a key role. Accounts are invested at the discretion of the portfolio manager and may take up to 60 days to become fully invested.

[2]Performance Disclosures
Income earned from investments in municipal bonds, while exempt from federal taxes, may be subject to state and local income taxes. All capital gains, as well as income earned from other sources, are subject to taxation. Income from municipal securities may also be subject to the Alternative Minimum Tax. Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income-tax professional to assess the impact of holding such securities on your tax liability.

Past performance does not guarantee or indicate future results. No inference should be drawn by present or prospective clients that managed accounts will achieve similar performance in the future. Investment in a portfolio, investment manager or security should not be based on past performance alone. Because accounts are individually managed, returns for separate accounts may be higher or lower than the average performance stated. Individual portfolio/performance results may vary due to market conditions, trading costs and certain other factors, which may be unique to each account. There is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market. Investing involves risk and you may incur a profit or a loss. Investment returns and principal value will fluctuate so that an investor's portfolio, when redeemed, may be worth more or less than their original cost. Diversification does not ensure a profit or guarantee against a loss.

All performance data is shown on a time-weighted and size-weighted basis and is shown before (gross) and after (net) the deduction of management fees, custodial fees and miscellaneous charges to client accounts; all performance is shown after transaction costs. The net returns reflect the application of the highest wrap fee of 3% annum. Calculations include reinvestment of all income and gains. Performance figures include all internal, retail Tax-Aware Fixed Income accounts of Eagle Asset Management, a St. Petersburg, Florida-based firm. A client's return will be reduced by the advisory fees. Eagle's fees are set forth in Eagle's Form ADV, Part II. Over a period of five years, an advisory fee of 1 percent could reduce the total value of a client's portfolio by 5 percent or more. Investing in equities may result in a loss of capital. Current performance may be lower or higher than the performance information quoted.

Eagle Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). 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. Eagle Asset Management, Inc. has received a firm-wide verification for the periods January 1, 1982 through December 31, 2021. Performance data for 2022 and the current year may be revised, and Eagle will publish any revised performance data. Thus, the composite returns shown here may be revised and Eagle will publish any revised performance data. Eagle believes that the performance shown is reasonably representative of its management style and is sufficiently relevant for consideration by a potential or existing client.

Descriptions and Definitions
The benchmark for Tax-Aware Fixed Income accounts is a blend of 60 percent Bloomberg Intermediate Government/Credit Index and 40 percent Bloomberg Seven Year Municipal Index. The Bloomberg Intermediate Government/Credit Index represents the intermediate component of the U.S. Government/Credit Index. The Bloomberg Seven Year Municipal Index is the seven-year component of the Municipal Bond Index. The index is referred to for comparative purposes only and the composition of an index is different from the composition of the accounts included in the performance shown. Indices are unmanaged and one cannot invest directly in the index.

Duration - is a measure of the average life of a bond, weighting each repayment by the time until it will be made and reflecting the fact that money flows in the near future are more valuable than the same money flows at a later date. Duration indicates how changes in interest rates will affect the price of a bond (or bond portfolio). The longer the duration of a bond, the greater the extent to which its price is affected by interest rate changes. As such, duration is used as a measure of risk for bond portfolios.

Maturity - The date on which a loan or bond comes due and is to be paid off.

Yield-To-Worst - The lowest possible yield that can be received on a bond assuming no default. Yield-to-worst is calculated on all possible call dates and makes worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer. The yield-to-worst will be the lowest of yield-to-maturity or yield-to-call (if the bond has prepayment provisions); yield-to-worst may be the same as yield-to-maturity, but never higher.

Standard Deviation is a measure of the dispersal or uncertainty in a random variable. For example, if a financial variable is highly volatile, it has a high Standard Deviation. Standard Deviation is frequently used as a measure of the volatility of a random financial variable.

†Modified adjusted duration is used for our municipal portfolios since the calculation takes into account call options which are so common in the municipal market.

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Risks Associated with Fixed Income Investing
Historically, bonds have indeed provided less volatility and less risk of loss of capital than has equity investing. However, there are many factors which may affect the risk and return profile of a fixed-income portfolio. The two most prominent factors are interest-rate movements and the creditworthiness of the bond issuer. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.The risk of a change in the market value of the investment due to changes in interest rates is known as interest-rate risk. Interest-rate risk is subject to many variables but may be analyzed based on various data (e.g., effective duration). The risk that the issuer may default on interest and/or principal payments is often referred to as credit risk. Credit risk is typically measured by ratings issued by ratings agencies such as Moody's and Standard & Poor's. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond. Bonds issued by the U.S. Government have significantly less risk of default than those issued by corporations and municipalities (see below for a discussion of the risk associated with convertible securities). However, the overall return on Government bonds tends to be less than these other types of fixed-income securities. Finally, reinvestment risk is the possibility that the proceeds of a maturing investment must be invested in a lower yielding security, all other things held constant, due to changes in the interest-rate environment. Investors should pay careful attention to the types of fixed-income securities which comprise their portfolio, and remember that, as with all investments, there is the risk of the loss of capital. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Municipal bond interest is not subject to federal income tax but may be subject to Alternative Minimum Tax (AMT), state or local taxes.

Convertible securities and preferred stock may be subject to greater risk than pure fixed-income instruments as they do not have a fixed par value at maturity. Investments in high-yield bonds and convertible securities are subject to the client's authorization, as set forth in the Investment Management Agreement. Such investments may be subject to greater risks than other fixed-income investments, if the financial condition of the issuer or adverse changes in general economic conditions impair the ability of the issuer to pay income and principal. Periods of rising interest rates or economic downturns may cause highly leveraged issuers to experience financial stress, and thus markets for their securities may become more volatile. Because no established secondary market exists, there may be thin trading of high-yield bonds, which increases the potential for volatility.

About Eagle Asset Management
Eagle Asset Management, a boutique in the Raymond James Investment Management family, provides a broad array of fundamental equity and fixed-income strategies designed to meet the long-term goals of institutional and individual investors. Eagle's multiple independent investment teams have the autonomy to pursue investment decisions guided by their individual philosophies and strategies.

LEARN MORE ABOUT THE EAGLE TAX-AWARE FIXED INCOME STRATEGY.

FINANCIAL PROFESSIONALS: 1.800.237.3101 | INVESTING PUBLIC: contact your financial professional

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