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
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): 4.45
- Average Maturity (years): 6.07
- Average Coupon: 3.69%
- Current Yield: 3.20%
- Yield To Worst: 0.82%
- Tax Equivalent Yield*: 1.03%

SECTOR DIVERSIFICATION
- Treasuries: 6%
- Agencies: 5%
- Mortgages/Asset-backed Securities: 8%
- Corporates: 30%
- Commercial Mortgage-backed Securities: 5%
- Municipals: 45%
  - General Obligations: 6%
  - Revenue Bonds: 39%
  - Pre-Refunded: 0%
- Cash: 1%

PORTFOLIO MANAGEMENT TEAM:
- James Camp, CFA
- Sheila King, CFA

*Assuming 37 percent tax bracket
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 Dec. 31, 2020

<table>
<thead>
<tr>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Ten Years</th>
<th>Since Inception (Jan. 1, 1993)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagle Tax-Aware Fixed Income Gross</td>
<td>3.25%</td>
<td>2.63%</td>
<td>2.79%</td>
<td>2.61%</td>
</tr>
<tr>
<td>Eagle Tax-Aware Fixed Income Net</td>
<td>3.25%</td>
<td>2.63%</td>
<td>2.79%</td>
<td>2.61%</td>
</tr>
<tr>
<td>60% BB Int. Gov’t./Credit/ 40% BB Seven-Year Municipal Index</td>
<td>2.10%</td>
<td>2.27%</td>
<td>2.59%</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

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

* Yields would be higher on a tax-equivalent basis for clients having municipal bonds, based on their tax bracket and residence.

The benchmark for Tax-Aware Fixed Income accounts is a blend of 60 percent Bloomberg Barclays Intermediate Government/Credit Index and 40 percent Bloomberg Barclays Seven Year Municipal Index. The Bloomberg Barclays Intermediate Government/Credit Index represents the intermediate component of the U.S. Government/Credit Index. The Bloomberg Barclays 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 paid 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. 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 dispersion 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.

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. 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., 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. 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 loss of capital.

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.

EAGLE Asset Management
AN AFFILIATE OF CARILLON TOWER ADVISERS

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

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