



MUNICIPAL STRATEGY

Fourth Quarter 2018

OBJECTIVE

The Municipal Strategy seeks to generate a predictable stream of federally tax-free income emphasizing principal preservation through a controlled duration bond portfolio. The strategy seeks to outperform the benchmark Bloomberg Barclays Capital 1-10 Year Blended Municipal Bond Index.

Benchmark: Bloomberg Barclays Capital Municipal 1-10 Year Blend

Inception Date: June 30, 2009

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 CHARACTERISTICS¹

	Municipal Strategy	BB Muni 1-10 Yr Blend
Average Quality	AA-/A1	AA/Aa3
Modified Duration	4.37	3.95
Average Maturity	5.09	4.61
Yield-to-Maturity	2.93	2.65
Current Yield	4.27	4.30
Average Coupon	4.68	4.74

PROCESS

Our Municipal Strategy centers around exposure to all points of the benchmark yield curve, with strategic overweights to emphasize relative value on the yield curve. We will manage the duration around a tight band versus the benchmark, normally within a 10 percent range for duration.

COMPOSITE PERFORMANCE



ABOUT GREAT LAKES ADVISORS

Founded in 1981, Great Lakes Advisors is headquartered in Chicago, Illinois with an additional office in Tampa, Florida. The firm has \$8.8 billion in assets under management and advisement and offers a wide range of fixed income and equity strategies across all market capitalizations. We have deep portfolio management capabilities within ESG, Socially Responsible, Tax-Managed, and Customized account solutions. Our clients include public funds, multi-employer plans, corporations, religious communities, endowments/foundations, health care plans, and private wealth management clients.

1. Source: Bloomberg. Characteristic data is representative of a Municipal Fixed Income account.

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. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. 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.

The Municipal Composite includes all discretionary, fee paying, total return portfolios of tax-exempt bonds with security guidelines that are similar to the composite's benchmark, the Bloomberg Barclays Capital 1-10 Year Blend Municipal Index. Portfolios subject to substantial client imposed restrictions are excluded from this composite. The minimum portfolio size for inclusion in the Municipal composite is \$500,000. Accounts are added to the composite their duration is similar to that of the Bloomberg Capital 1-10 Year Blend Municipal 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 or when investment policy guidelines are instituted substantially restricting implementation of the approach. Terminated portfolios will be removed from the Municipal Composite after the last full month of active management. The Composite was created on June 30, 2009. Accounts within this composite do not employ leverage. 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. Market commentary is available at www.greatlakesadvisors.com or upon request.

The benchmark selected for comparison of returns for the Municipal Composite is the Bloomberg Barclays Capital 1-10 Year Blended Municipal Bond Index, a market index of high quality, domestic fixed income securities with maturities of less than 10 years. It has four main sectors: General Obligation, revenue, insured, and pre-refunded bonds. Index returns are provided to represent the investment environment existing during the time periods shown. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization. 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.

GIPS: Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of firm composites and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request by calling 312-553-3700.

Great Lakes Advisors, LLC's fees are available upon request and may be found in our Form ADV Part 2A. Performance data quoted herein represents past performance. Past performance does not guarantee or indicate future results. Returns and net asset value will fluctuate. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing.