# Strategy Overview – Second Quarter 2022 Taxable Fixed Income Solution

The RMB Taxable Fixed Income strategy is a portfolio of U.S. dollar-denominated, fixed income securities. Portfolios are invested in U.S Treasury and investment-grade corporate bonds. The portfolio is diversified by maturity, duration, sector, industry, and quality across the yield curve. The average duration is targeted to the intermediate range.

## **Investment Philosophy**

The philosophy of the strategy is to align the portfolio with the volatility and return attributes of the Bloomberg Intermediate Government/Credit Index A+.

## **Bond Portfolios Provide**

- Asset diversification
- Volatility Control
- Income Generation
- Liquidity

## **Our Process**

- Based on a consistent, disciplined investment approach
- Effective management of portfolio risk attributes
- Sector allocations based on market-based relative value

## **Portfolio Approach**

- Our clients' assets are positioned in our top selections and effectively diversified
- Acquiring well established benchmark securities provides consistency and liquidity

## **Strategy Overview**

## **Performance Objective**

- Stable income from intermediate-term bonds
- Maintain a portfolio volatility consistent with the benchmark index

## **Investment Approach**

- Market driven, relative value strategy
- Quantitative style with an analytical approach

### **Portfolio Profile**

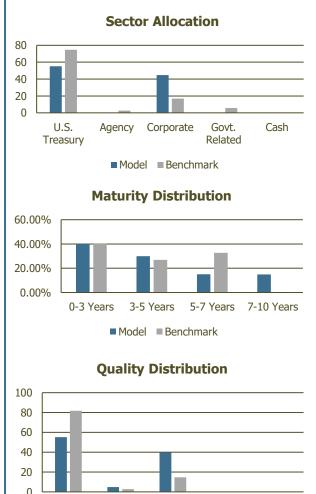
- U.S. dollar denominated, investment-grade bonds
- Primarily bonds maturing in 10 years or less
- Large, benchmark-based corporate bond issues
- Diversified corporate exposure by sector and industry
- Low turnover focus on stable quality credits

nvestment Process			
Identify and Assess Risk Attributes	Establish Relative Value	Construct Strong Core Portfolio	Manage for Risk-Adjusted Return
<ul><li>Interest Rate (Duration)</li><li>Credit (Quality)</li><li>Structure (Convexity)</li></ul>	<ul><li>By Sector</li><li>By Issuer</li><li>By Quality</li></ul>	<ul> <li>U.S. Treasury</li> <li>Federal Agency</li> <li>Investment-grade Corpor</li> <li>Taxable Municipal</li> </ul>	rate



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Statistics	RMB Taxable Fixed Income <sup>1</sup>	Bloomberg Intermediate Government/ Credit Index A+
Number of Holdings	17	2,941
Average Yield	2.49%	1.85%
Average Duration	3.71	3.88
Average Coupon	2.41%	1.75%
Average Credit Rating	AA+	AA+
S	ector Weights	
U.S. Treasury Securities	55.23%	74.64%
Agency	0.00%	2.72%
Corporate Bonds	44.77%	16.87%
Government Related	0.00%	5.77%
Cash	0.00%	0.00%
Matur	ity on Distribution	
0-3 Years	40.14%	40.31%
3-5 Years	29.92%	26.91%
5-7 Years	15.01%	32.74%
7-10 Years	14.94%	0.04%
Qua	lity Distribution	
AAA	55.23%	81.84%
AA	4.98%	2.74%
Α	39.79%	14.79%
BBB	0.00%	0.44%
N/A	0.00%	0.18%



Source: APX, Bloomberg, BondEdge. Data as of June 30, 2022.

<sup>1</sup> RMB Taxable Fixed Income representative account data is a model account that the RMB Core Fixed Income Team manages to represent their current investment strategy. The model account is adjusted to maintain a close relationship to the interest rate, credit, quality and structure risk attributes of the Bloomberg Intermediate Government/Credit A+ Index.

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AAA

AA

Α

Model Benchmark

BBB

N/A