# Tax-Exempt National Municipal Bond Fund

**NAV**
**$6.99**

**NAV Day Change**
**0.00 | 0.00%**

As of Mon 07/28/2014 | USD

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **TTM Yield** | **Load** | **Total Assets** | **Expenses** | **Fee Level** | **Turnover** | **Status** | **Min. Inv.** |
| 6.27% | 1.00 | $ 5.2 bil | 1.50% | Below Average | 18% | Open | $ 25,000 |

| **30-Day SEC Yield** | **Category** | **Credit Quality/Interest Rate Sensitivity** |
|---|---|---|
| 6.09% | High Yield Muni | ⊞ Low/Extensive |

## TOP 10 HOLDINGS

- Buckeye Ohio Tob Settlement Fi To 5.875%
- Tobacco Settlement Fing Corp N Ass 4.75%
- Tobacco Settlement Fing Corp N Asset 5%
- Puerto Rico Comwlth Go Bds 8%
- Texas Mun Gas Acquisition & Su Ctf 6.25%
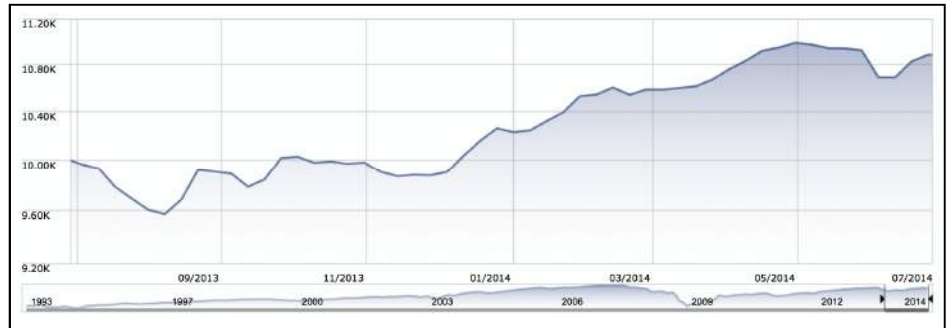- Puerto Rico Comwlth Pub Impt 5.5%
- Buckeye Ohio Tob Settlement Fi Tobacco S
- Jefferson Cnty Ala Swr Rev Swr Rev 6.5%
- New York N Y City Indl Dev Agy Re 7.625%
- Golden St Tob Securitization C Ctfs

## Hypothetical $10,000 Invested Over One Year



FUND HIGHLIGHTS:

* 1,059 different bond holdings across the U.S.

* 26.82% of bonds rated A, AA or AAA

* Monthly, tax-exempt income

* Standard Deviation of 7.65 (compared to 12.13 for an S&P 500 fund) (the lower the standard deviation the lower the volatility of the investment)

* Low portfolio turnover of 18%

* No up-front sales charge

## WHAT IS TAX-EQUIVALENT YIELD?

Municipal bonds typically provide federal tax-exempt income. <u>Not</u> tax-deferred. **Tax-exempt.** Most investments require taxes to be paid at some point. For example, if you had a Certificate of Deposit in a taxable account you would be liable for taxes each year. So you might be receiving 5% interest but then you would have to pay taxes. If you were in the 25% federal bracket you would only keep **3.75% after taxes**. So how do we measure the tax advantage of municipal bonds? That's where the tax-equivalent yield (or t.e.y.) comes into play. Take a look at the example to the right.

| | **CD INVESTOR** | **MUNI INVESTOR** |
|---|---|---|
| Rate: | 5% | 5% |
| Tax: | 1.25% | 0% |
| | (25% bracket) | |
| **Net:** | **3.75%** | **Net: 5%** |

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**Municipal tax-equivalent yield: 6.67%**

T.E.Y. = interest rate ÷ by [1 minus your tax bracket]

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<u>To take this example further:</u>

(6.67% t.e.y. minus 1.67% tax = 5% net income from municipal bond)