

# WASHINGTON CROSSING ADVISORS

## LADDERED BOND PORTFOLIO

### Corporate Fixed Income

[www.washingtoncrossingadvisors.com](http://www.washingtoncrossingadvisors.com)

#### PORTFOLIO PROFILE SHEET

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**About Washington Crossing Advisors**

Washington Crossing Advisors (WCA) is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp. WCA strategies are primarily offered through the Stifel Opportunity Program.

The senior management team has worked together for over 25 years as market strategists and portfolio managers.

We believe a portfolio of high quality, carefully selected, corporate bonds with a stable overall duration should provide superior after-tax, risk-adjusted returns versus other approaches that frequently adjust duration in anticipation of changing interest rates.

#### INVESTMENT PROCESS

The financial advisor establishes a client's time horizon, risk preferences, tax position, and income needs. Next, bonds are selected based on issuer rating, liquidity, and Washington Crossing Advisors views of the industry sector and creditworthiness of the issuer. Washington Crossing Advisors continues to monitor the credit rating of each issue and will make substitutions as bonds mature or are called and as warranted by changes in credit rating. On occasion, Washington Crossing Advisors may also make substitutions in anticipation of expected credit rating changes or to exploit better opportunities. Portfolio performance is reviewed regularly, relative to an appropriate investment-grade, intermediate, domestic corporate bond index.

#### SHORT-TERM LADDER (1-7 YEARS)

**PORTFOLIO CHARACTERISTICS**

Account Minimum ..... \$150,000  
Investment Vehicle ..... 21 Investment-Grade Bonds  
Bonds Per Year ..... 3  
Targeted Average Maturity ..... 4 years  
Longest Maturity ..... 7 years

INVESTMENTS INCLUDE ..... Investment-Grade Corporate Bonds

#### INTERMEDIATE-TERM LADDER (1-10 YEARS)

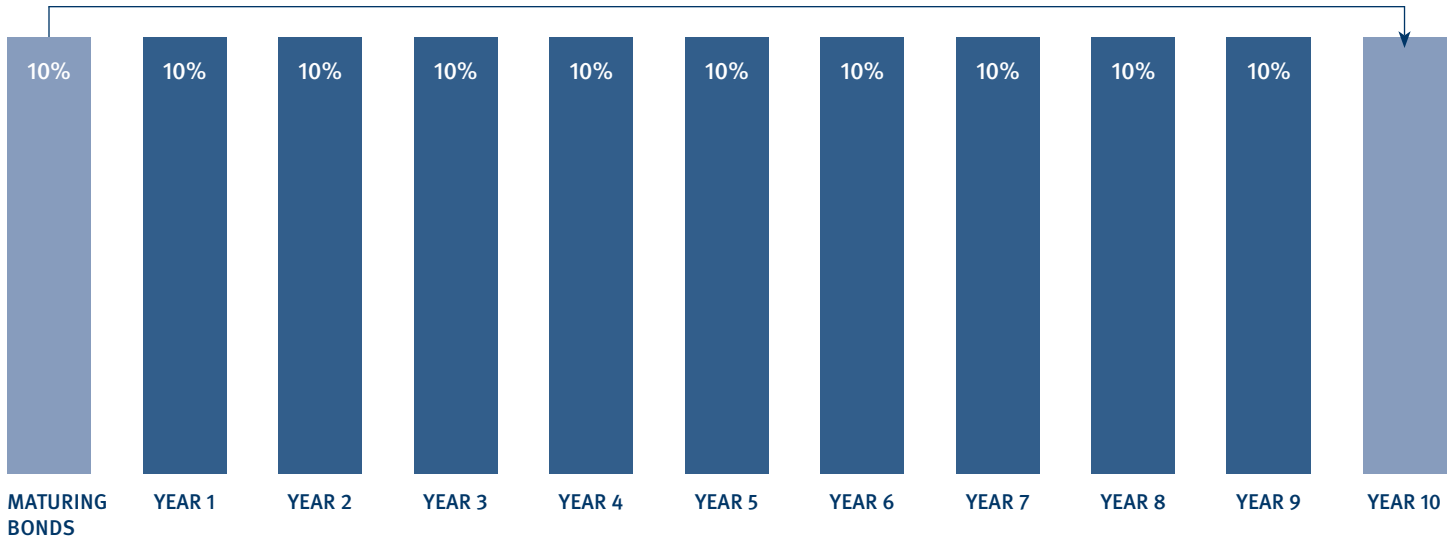
**PORTFOLIO CHARACTERISTICS**

Account Minimum ..... \$150,000  
Investment Vehicle ..... 30 Investment-Grade Bonds  
Bonds Per Year ..... 3  
Targeted Average Maturity ..... 5.5 years  
Longest Maturity ..... 10 years

INVESTMENTS INCLUDE ..... Investment-Grade Corporate Bonds

## HYPOTHETICAL EXAMPLE OF AN INTERMEDIATE-TERM BOND LADDER

### PROCEEDS FROM MATURING BONDS ARE REINVESTED AT THE LONG END OF THE LADDER



*10%: percentage of portfolio. The information presented herein is a hypothetical example which has been compiled by WCA and is for illustrative purposes only. Hypothetical results shown may have inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve results similar to those shown. This hypothetical example does not involve financial risk or numerous other factors related to the markets in general. This hypothetical example should not be considered as indicative of the skills of the investment adviser.*

## WHAT IS A BOND LADDER?

The strategy invests in a diversified portfolio of credit-monitored investment-grade corporate bonds with equally weighted maturities from 1-7 years or 1-10 years.

*Laddering strategies do not assure or guarantee out-performance versus a benchmark or other, non-laddered strategies. In addition, the strategy does not assure or guarantee against loss of principal. Assumptions shown here are for illustration purposes only. Actual interest rates will vary from hypothetical examples. Yields and market values will fluctuate, and if sold prior to maturity, bonds may be worth more or less than original investment.*

## INVESTMENT PROCESS

1. Purchase bonds that mature at regular intervals from 1-7 or 1-10 years.
2. Hold bonds to maturity and reinvest proceeds in longest maturity rung of the ladder.
3. Manage reinvestment risk by staggering maturities and income streams across a diverse mix of issuers and sectors.

## WHY INVEST IN A CORPORATE BOND LADDER?

1. Help minimize the impact of rising rates by allowing bonds to age down the curve until maturity.
2. Potential for greater income from investing at potentially higher interest rates as bonds come due.
3. May benefit from owning diversified portfolio of individual investment-grade corporate bonds, and ongoing proprietary credit analysis.

## MODEL PORTFOLIO STATISTICS (AS OF SEPTEMBER 30, 2021)

### SHORT-TERM LADDER (1-7 YEARS)

Maturity.....	3.2 Years
Modified Duration.....	2.9 Years
Current Yield.....	2.5%
Yield to Worst.....	0.8%
Expected Turnover.....	15%
Number of Holdings.....	21

#### BOND HOLDINGS

ABBOTT LABORATORIES	CATERPILLAR, INC.	LOWE'S COMPANIES, INC.
ALPHABET, INC.	CHEVRON CORPORATION	MCKESSON CORPORATION
ALTRIA GROUP, INC.	COMCAST CORPORATION	NORFOLK SOUTHERN CORPORATION
AMAZON.COM, INC.	EXXON MOBIL CORPORATION	NORTHROP GRUMMAN CORPORATION
APPLE, INC.	GILEAD SCIENCES, INC.	PAYPAL HOLDINGS, INC.
BERKSHIRE HATHAWAY, INC.	HOME DEPOT, INC.	THERMO FISHER SCIENTIFIC, INC.
BRISTOL-MYERS SQUIBB COMPANY	INTEL CORPORATION	WALT DISNEY COMPANY

### INTERMEDIATE-TERM LADDER (1-10 YEARS)

Maturity.....	4.7 Years
Modified Duration.....	4.2 Years
Current Yield.....	2.6%
Yield to Worst.....	1.1%
Expected Turnover.....	10%
Number of Holdings.....	30

#### BOND HOLDINGS

ABBOTT LABORATORIES	CATERPILLAR, INC.	MCKESSON CORPORATION
ADOBE, INC.	CHEVRON CORPORATION	NORFOLK SOUTHERN CORPORATION
ALPHABET, INC.	COMCAST CORPORATION	NORTHROP GRUMMAN CORPORATION
ALTRIA GROUP, INC.	CSX CORPORATION	ORACLE CORPORATION
AMAZON.COM, INC.	ELI LILLY AND COMPANY	PAYPAL HOLDINGS, INC.
AMGEN, INC.	EXXON MOBIL CORPORATION	PPG INDUSTRIES, INC.
APPLE, INC.	GILEAD SCIENCES, INC.	SALESFORCE.COM, INC.
BERKSHIRE HATHAWAY, INC.	HOME DEPOT, INC.	TARGET CORPORATION
BLACKROCK, INC.	INTEL CORPORATION	THERMO FISHER SCIENTIFIC, INC.
BRISTOL-MYERS SQUIBB COMPANY	LOWE'S COMPANIES, INC.	WALT DISNEY COMPANY

The holdings are as of the date indicated and are subject to change, at any time, without notice. The above is for illustrative purposes only and not intended as personalized recommendations. The securities identified and described do not represent all of the securities purchased, sold, or recommended for client accounts. You should not assume that an investment in the securities identified was or will be profitable. A complete list of all recommendations made by the firm is available upon request.

## ANNUALIZED RETURNS

PERIODS ENDING SEPTEMBER 30, 2021

	3Q21*	YTD*	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
10-Year Laddered Bond (Gross)	-0.14%	-0.97%	-0.32%	5.42%	3.16%	3.40%	3.18%	3.55%
10-Year Laddered Bond (Net)	-0.39%	-1.71%	-1.31%	4.37%	2.13%	2.37%	2.15%	2.52%
Benchmark Index	0.03%	-0.86%	-0.39%	4.63%	2.60%	2.74%	2.52%	2.90%

Inception: June 30, 2010. Bloomberg Barclays U.S. Intermediate Government/Credit.

Net returns are reduced by an assumed annual wrap fee of 1%, applied monthly.

7-Year Laddered Bond (Gross)	0.04%	-0.22%	0.28%	4.43%				3.70%
7-Year Laddered Bond (Net)	-0.21%	-0.97%	-0.72%	3.39%				2.67%
Benchmark Index	0.11%	0.35%	1.56%	4.64%				3.95%

Inception: February 28, 2018. ICE BofAML U.S. Corporate (1-5yr).

Net returns are reduced by an assumed annual wrap fee of 1%, applied monthly.

## CALENDAR YEAR RETURNS

	2014	2015	2016	2017	2018	2019	2020
10-Year Laddered Bond (Gross)	4.58%	1.26%	3.49%	2.75%	-0.14%	8.99%	7.78%
10-Year Laddered Bond (Net)	3.54%	0.26%	2.46%	1.72%	-1.13%	7.91%	6.70%
Benchmark Index	3.13%	1.07%	2.08%	2.14%	0.88%	6.80%	6.44%

Inception: June 30, 2010. Bloomberg Barclays U.S. Intermediate Government/Credit.

Net returns are reduced by an assumed annual wrap fee of 1%, applied monthly.

7-Year Laddered Bond (Gross)						6.72%	6.11%
7-Year Laddered Bond (Net)						5.66%	5.05%
Benchmark Index						7.15%	5.71%

Inception: February 28, 2018. ICE BofAML U.S. Corporate (1-5yr).

Net returns are reduced by an assumed annual wrap fee of 1%, applied monthly.

Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, and it is not possible to invest directly in an index. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. For comparison purposes, the benchmarks include the reinvestment of income. The benchmarks are unmanaged and unavailable for direct investment. Net returns are reduced by an assumed annual wrap fee of 1.50%, applied monthly. \*Periodic Return.

Please review the end of this document for important disclosures.

## DISCLOSURES

When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Other risks include the risk of principal loss should the issuer default on either principal or interest payments. This portfolio invests in bonds which are obligations of corporations, and not the U.S. government, and therefore, carry a higher degree of risk relating to default. Although the portfolio strategy seeks to maintain an average portfolio rating of investment grade, individual bonds ratings are subject to change from time of purchase. Investment grade means bonds which carry a rating of Baa3 or higher by Moody's or BBB- or higher by Standard & Poor's. Model portfolio average statistics and model holdings are subject to change without notice. You should therefore carefully consider whether interest rate and default risk are suitable for you in light of your financial condition.

Any projections, targets, or estimates in this report are forward looking statements and are based on WCA's research, analysis, and assumptions made by the Adviser. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and suitability specifications. All expressions of opinions are subject to change without notice. Clients should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed in this presentation.

All investments involve risk, including possible loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance, and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed Income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees. Exchange Traded Funds (ETFs) are subject to market risk, including the possible loss of principal, and may trade for less than their net asset value. ETFs trade like a stock, and there will be brokerage commissions associated with buying and selling exchange traded funds.

A minimum investment applies within the various investment advisory programs. There are other costs associated with these programs, including but not limited to: execution costs for trades effected with other broker-dealers, exchange fees, transfer or other taxes, interest expense, any third-party account or administrative fees, wire transfer fees, any internal expenses charged by mutual funds or other investment companies, and the costs associated with products and services not described in the applicable Advisory Agreement. Investors should consider all terms and conditions before deciding whether the Stifel Opportunity Program is appropriate for their needs.

Registration with the SEC does not imply a certain level of skill or training.

**ABOUT WASHINGTON CROSSING ADVISORS** | Washington Crossing Advisors, LLC (“WCA”) a wholly owned subsidiary of Stifel Financial Corp. (NYSE-SF). The WCA team has been helping individual and institutional investors build wealth for over 25 years.

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