

## MUNICIPAL LADDERED BOND PORTFOLIO

### Separately Managed Account Strategy

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

#### INVESTMENT PROCESS

The Washington Crossing Advisors Municipal Laddered Bond SMA Portfolio is designed to offer investors better control over exposure to interest rate risk, predictable cash flow, and the opportunity to help manage an ever-changing interest rate environment. As duration is the leading risk factor in a fixed income portfolio, a laddered strategy is utilized to mitigate this risk. We seek to achieve an attractive risk-adjusted return while balancing safety, liquidity, and yield.

The securities chosen for the Washington Crossing Advisors' Municipal Laddered Bond SMA Portfolio undergo a thorough selection process. The portfolio management team emphasizes fundamental analysis and employs a disciplined review process that focuses on a comprehensive analysis of the issuer's creditworthiness, valuation, liquidity, and each bond's unique factor footprint. We seek relative value opportunities based on this robust fundamental analysis as well as quantitative market environment metrics.

When a bond matures, it will be replaced with a bond having the longest maturity in the strategy's range. The portfolio may invest in callable bonds, which if called prior to maturity, will generate a need to reinvest in a manner that will maintain the composition and risk profile of the portfolio.

#### STRATEGY DESCRIPTION

The Municipal 1-10 Year Ladder seeks to provide tax-efficient current income from a portfolio of investment grade municipal bonds laddered across consecutive maturities from one to ten years.

#### MANAGEMENT TEAM

**Richard K. Marrone, Senior Portfolio Manager**  
(415) 364-2917 | [marroner@stifel.com](mailto:marroner@stifel.com)

**Paul B. Clark, CFA, Senior Portfolio Manager**  
(415) 364-2635 | [clarkp@stifel.com](mailto:clarkp@stifel.com)

**Daniel W. Urbanowicz, Senior Portfolio Manager**  
(973) 549-4335 | [urbanowiczd@stifel.com](mailto:urbanowiczd@stifel.com)

#### ABOUT WCA

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.

#### CUSTOMIZATION

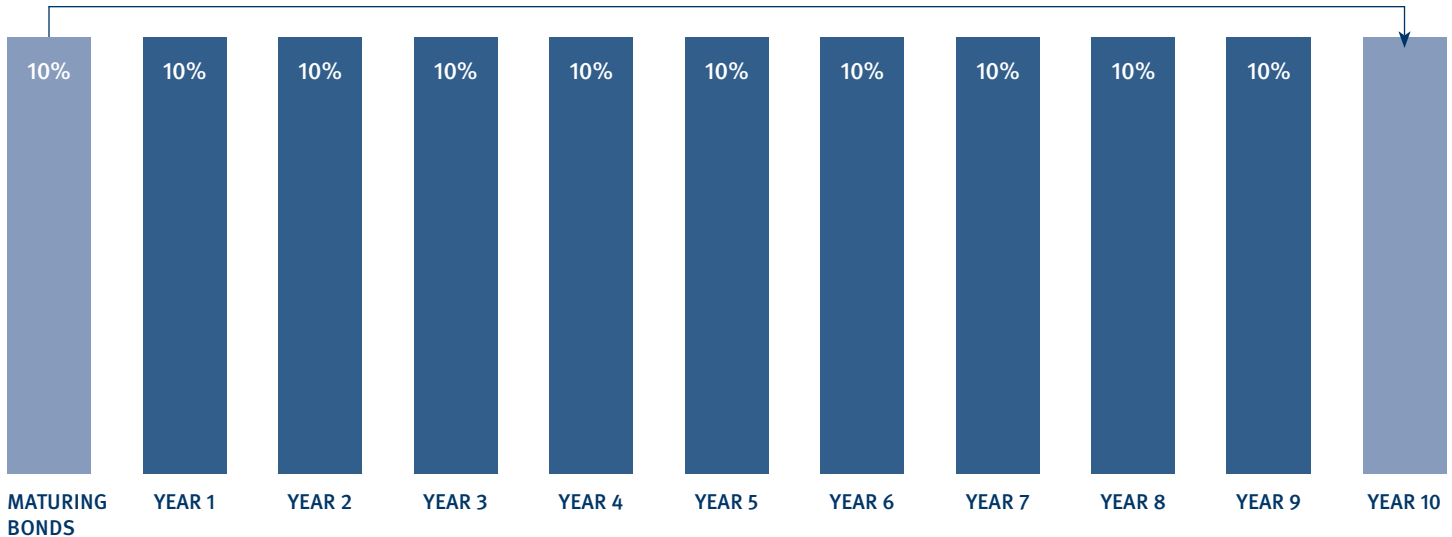
- State-specific or state-preferenced portfolios (select states)
- Quality and sector limits
- Tax loss generation

#### AT-A-GLANCE

Benchmark	Bloomberg Barclays Municipal Managed Money 1 to 10 Year Laddered Maturity Index
Number of Positions Range	20+
Maturity Range	1–10 Years, 10% Per Year
Credit Quality Range	AAA to A
Average Credit Quality Target	AA
Maximum Position Exposure Target	5%
Maximum State Exposure Target (Unless State-Specific)	20%
Maximum Sector Exposure Target	20%
Stifel Opportunity Code	BPGCMT
Minimum Investment	\$250,000

## 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 municipal bonds with equally weighted maturities from 1 to 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 to 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 MUNICIPAL 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 mature.
3. May benefit from owning diversified portfolio of individual investment-grade municipal bonds, and ongoing proprietary credit analysis.

## PORTFOLIO STATISTICS

As of June 30, 2021	Portfolio	Benchmark
Total Composite Assets (mm)	\$46.8	—
Current Yield	4.06	4.01
Yield to Worst	0.51	0.59
Average Effective Duration	4.13	4.37
Average Modified Duration	4.07	4.36
Average Maturity	5.17	5.50
Average Credit Quality	AA	AA+

## CREDIT QUALITY

	Portfolio	Benchmark
AAA	15.4	34.3
AA	61.3	65.4
A	22.9	0.0
BBB+	0.4	0.0
BBB	0.0	0.0
BBB-	0.0	0.0
Other/Non-rated	0.0	0.3

## MATURITY DISTRIBUTION

	Portfolio	Benchmark
0–1 Years	10.8	6.1
1–3 Years	21.6	20.1
3–5 Years	22.0	22.7
5–7 Years	21.7	24.1
7–10 Years	23.9	26.9
10+ Years	0.0	0.0

## SECTOR ALLOCATION

	Portfolio	Benchmark
<b>General Obligation</b>	26.2	49.1
State General Obligation	14.3	27.6
Local General Obligation	11.9	21.5
<b>Revenue</b>	72.8	49.9
Special Tax	13.1	12.9
Transportation	15.0	7.6
Water & Sewer	9.9	9.8
Education	6.2	7.5
Electric	5.6	4.4
Leasing	10.4	7.4
Hospital	8.0	0.0
IDR/PCR	4.3	0.4
Resource Recovery	0.0	0.0
Housing	0.2	0.0
<b>Prerefunded</b>	1.0	1.0
<b>Other</b>	0.0	0.0

Data source: Washington Crossing Advisors, tabulated using Perform by Investortools, Inc. Based on the Bloomberg-Barclays Municipal Bond Index categories. Individual accounts may vary due to restrictions, substitutions and other factors.

Credit quality ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's or Fitch. Holdings designated NR are not rated by these national rating agencies. Characteristics have been determined based on the composite. IDR/PCR: Industrial development revenue bonds and pollution control revenue bonds.

## 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.

**Benchmark Description:** The Bloomberg Barclays Municipal Managed Money 1-10 Year Laddered Maturity Index is a subset of the Bloomberg Barclays Municipal Managed Money Index representing bonds market-value-weighted equally across one to ten years to maturity.

**Opportunity Disclosure:** The Washington Crossing Advisors, LLC Stifel Municipal Laddered Bond Portfolio requires a \$250,000 minimum investment. More information on the Stifel Opportunity Program is included in the Stifel Consulting Services Disclosure Brochure and Part II of the Manager's Form ADV, which may be obtained from your Financial Advisor and which further outlines the fees, services, exclusions, and disclosures associated with this program. The information contained herein is believed to be reliable and representative of the portfolios available through Stifel; however, the accuracy of this information cannot be guaranteed. Investors should consider all terms and conditions before deciding whether the Opportunity Program and these strategies are appropriate for their needs.