APA Taxable Municipal Bond Strategy

HIGH-QUALITY, TAXABLE MUNICIPAL BOND PORTFOLIOS

STYLE
Taxable Muni Composite

BENCHMARK
ICE BofA 1-10 Year AAA-AA US Corporate Index

INCEPTION
Sept 30, 2003

STRATEGY AUM
$46.8M

HIGHLIGHTS

- Tailor portfolios to meet the client's specific liquidity needs and tax objectives
- Prudently manage risk by diversifying across many high-quality municipal issuers
- Unlimited access to members of APA's Investment Team
- Active management of portfolio holdings
- Customization for state preference tax-exempt portfolios

ADDITIONAL INFORMATION

Sample Portfolios: available for standard and custom strategies

Alternative Approach: for more conservative investors seeking slightly higher yields at lower risk than longer-duration bonds

Identify Undervalued Sectors: through intensive fundamental credit research

Customized Portfolios: designed to meet client specific requirements

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OBJECTIVE

This strategy seeks to maximize risk adjusted returns through a diversified exposure to high-quality taxable municipal bonds. APA has over 30 years of experience managing taxable municipal bond portfolios and delivering the highest level of service to our clients. Generally, bonds considered for this strategy will have maturities between 1 to 20 years.

INVESTMENT PROCESS

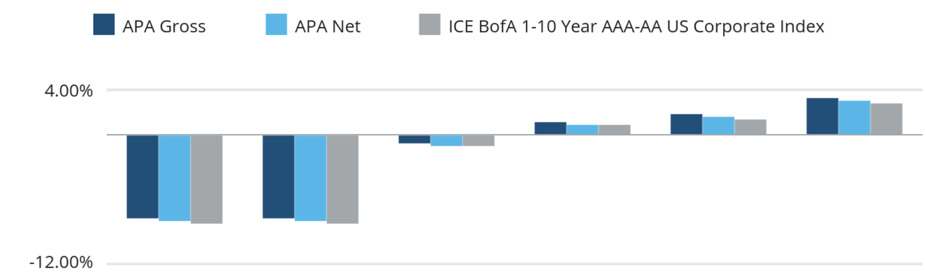
• This strategy primarily invested in the highest-quality taxable municipal bonds

• We combine in-depth fundamental credit research with an investment process that emphasizes risk management

• Customize portfolios to meet your clients' specific objectives, income requirements, and risk tolerance.

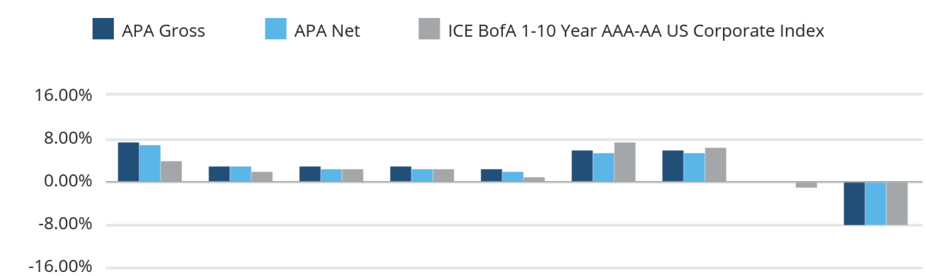
• Provide ongoing internal analysis of credit quality and underlying fundamentals

ANNUALIZED PERFORMANCE AS OF 12/31/22



	YEAR TO DATE	1 YEAR	3 YEAR ANNUALIZED	5 YEAR ANNUALIZED	10 YEAR ANNUALIZED	INCEPTION (09/30/2003)
APA Gross	-7.77%	-7.77%	-0.68%	1.19%	2.11%	3.62%
APA Net	-7.99%	-7.99%	-0.92%	0.90%	1.75%	3.23%
Index	-8.14%	-8.14%	-1.12%	0.90%	1.46%	2.94%

CALENDAR YEAR PERFORMANCE AS OF 12/31/22



	2014	2015	2016	2017	2018	2019	2020	2021	2022
APA Gross	7.37%	3.24%	3.14%	2.91%	2.26%	5.90%	5.98%	0.23%	-7.77%
APA Net	6.92%	2.81%	2.71%	2.46%	1.84%	5.58%	5.73%	-0.03%	-7.99%
Index	3.95%	1.80%	2.29%	2.64%	0.85%	7.28%	6.55%	-1.22%	-8.14%

TOP 10 HOLDINGS AS OF 12/31/22

	RATINGS	DATE OF MATURITY
LONG ISLAND POWER AUTH NY ELEC SYS REV	A2/A	9/1/2024
ATLANTA GA TAX ALLOCATION	A2	1/1/2024
SONOMA-MARIN AREA RAIL TRAN DIST CA	AA	3/1/2029
SALES TAX SECURITIZATION CORP IL	AA-	1/1/2024
TEXAS STATE	Aaa/AAA	10/1/2032
NEW YORK NY CITY TRANSITIONAL FIN AUTH REV	Aa1/AAA	8/1/2025
HARRIS CNTY TX CULTURAL ED FACS FIN CORP REV	A1/AA-	5/15/2031
LONG ISLAND PWR AUTH NY ELEC SYS REV	A2/A	5/1/2024
NEW YORK NY	Aa2/AA	10/1/2025
ATLANTA & FULTON CNTY GA REC AUTH REV	A1/AA	12/15/2032

PORTFOLIO CHARACTERISTICS AS OF 12/31/22

Average Maturity	3.65 years
Average Duration	3.19 years
Average Coupon	2.78%
Yield to Worst/TEY**	4.78%
Yield to Maturity/TEY**	4.77%
Average Credit Quality	Aa3/AA-
Number of Issuers*	15 - 30

**For a typical portfolio within this strategy.*

***Taxable Equivalent Yield (TEY) assumes the highest current Federal rate of 37% + the 3.8% net investment income tax, from which tax-free income is exempt.*

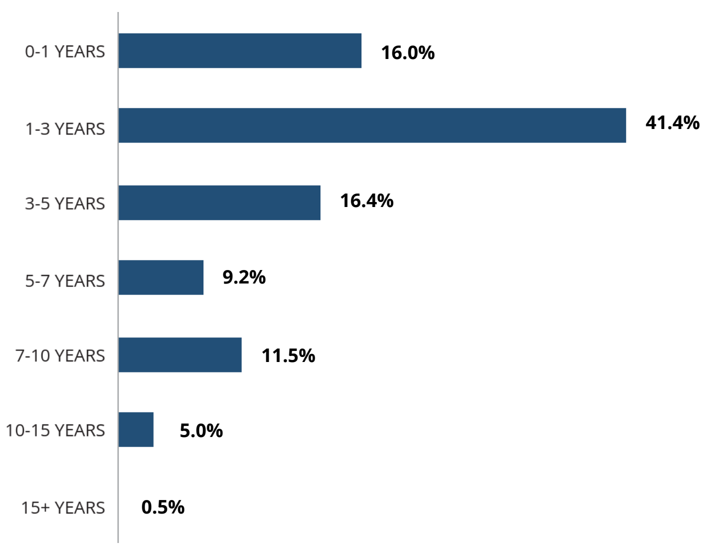
TOP 10 STATES AS OF 12/31/22

NY	15.28%	IL	3.42%
GA	13.59%	FL	2.85%
TX	12.42%	NJ	2.85%
CA	8.58%	PA	2.74%
MA	3.62%	VA	2.30%

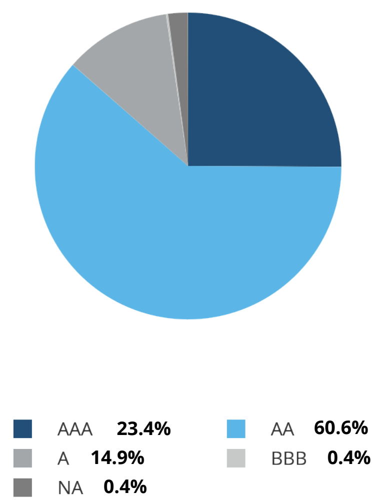
TOP 5 SECTORS AS OF 12/31/22

General Obligations	29.24%
Education	21.37%
Utilities	9.94%
Transportation	8.43%
Medical	7.91%

MATURITY BREAKDOWN AS OF 12/31/22



CREDIT QUALITY AS OF 12/31/22



MARKET COMMENTARY FOR 12/31/22

After seeing municipals sell off for the third consecutive month in October, the market quickly turned around over the year's final two months. Stated AAA yields beyond one year moved lower by 49 to 79 bps over November and December, with the most significant move coming from the 5-12 year maturity range. The firming up in the market provided a more constructive environment for executing beneficial tax loss swaps – trades our team was active in executing throughout 2022, with activity picking up over the fourth quarter ahead of year-end. We opened the fourth quarter neutral on strategy duration positioning after allowing duration to drift shorter for much of the year in the face of rising rates. However, with the sharp move in rates that took place in 2022, we have begun to actively extend duration more in line with long-term targets with reinvestment from maturity roll-off and through the execution of swaps, ahead of the technically strong January period of low new issue supply and elevated coupon and maturity reinvestment demand. This strategy's focus remains on high-quality bonds rated AA and up. However, with municipal credit fundamentals remaining sound, we will look to selectively add A-rated positions as we find opportunities to enhance portfolio yield.

2022 ended with new issue supply of $387 billion. This was a year-over-year decline of nearly $100 billion vs. calendar year 2021 and the lowest annual figure since 2018. The drop-off in issuance is attributable to a sharp decline in refunding issuance as interest rates moved higher. New money issuance came in at $308 billion, a drop of just 4% year over year while refunding supply was down $83.5 billion, or 52% year over year.

APA TAXABLE MUNICIPAL

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The performance and portfolio characteristics shown relate to the APA Taxable Municipal Composite (the "Composite"). Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market predicaments at the time of investment.

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For comparison purposes, the Composite is measured against the ICE BofA 1-10 Year AAA-AA US Corporate Index. The ICE BofA 1-10 Year AAA-AA US Corporate Index is a subset of ICE BofA US Corporate Index including all securities with a remaining term to final maturity less than 10 years and rated AAA through AA3, inclusive. The ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million. The volatility (standard deviation) of the Composite may be greater than that of the index. It is not possible to invest in the index.

Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The fee schedule for APA's investment advisory services for separately managed accounts in the APA Taxable Municipal Composite is 0.50% on the first $10 million in net assets under management and 0.40% on amounts above $10 million in net assets under management. Actual investment advisory fees incurred by clients may vary. A complete description of APA's fee schedule can be found in Part 2 of its FORM-ADV which is available at www.assetpreservationadvisors.com or by calling (404) 261-1333.