

Tax-Exempt Fixed Income

The Tax-Exempt Fixed Income strategy is a portfolio of intermediate maturity, investment-grade fixed income securities issued by state and local governments throughout the United States. The strategy focuses on state and local general obligation (GO) and essential-service revenue bonds (REV). Bonds are laddered by maturity with portfolio duration maintained in the short to intermediate range. The strategy offers effective risk management while providing income exempt from federal taxes.

Investment Philosophy

Our long-term, fundamental fixed income philosophy is centered on capital preservation and generating after-tax income

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

Portfolio Approach

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

Strategy Overview

Performance Objective

- Stable, federal tax-free income generated from portfolio of short and intermediate-term bonds
- Maintain a low volatility portfolio consistent with the benchmark index

Investment Approach

- Market driven, relative value strategy
- Bias toward state and local general obligation and essential-service revenue bonds
- Focused on strong geographic regions with economic stability and favorable demographics

Portfolio Profile

- Maintain a liquid portfolio with municipal bonds rated Single-A or higher
- Non-callable bonds or bonds with narrow call windows
- Laddered exposures maturing in 10 years or less
- Diversified by issuers, geographical locations, and revenue sources

| Statistics | Tax-Exempt Fixed Income ¹ | ICE BofAML 1-10 Year Municipal Index |
|----------------------------------|--------------------------------------|--------------------------------------|
| Number of Holdings* | 1,209 | 9,778 |
| Average Yield | 2.83 | 2.83 |
| Average Duration | 3.67 | 3.40 |
| Average Coupon | 4.21 | 4.52 |
| Average Credit Rating | AA+ | AA- |
| Maturity Distribution* | | |
| 0-3 Years | 32.71 | 31.92 |
| 3-5 Years | 19.44 | 23.93 |
| 5-7 Years | 19.33 | 19.58 |
| 7+ Years | 28.53 | 24.57 |
| Quality Distribution* | | |
| AAA | 24.25% | 14.25% |
| AA | 73.40% | 50.45% |
| A | 1.33% | 20.43% |
| BBB | 0.00% | 3.43% |
| No Rating | 1.02% | 11.42% |
| Municipal Bond Type* | | |
| General Obligation | 81.59% | 30.61% |
| Revenue Bonds | 14.65% | 63.12% |
| Certificate Participation | 0.00% | 0.00% |
| Pre-Refunded | 1.29% | 6.25% |
| Other | 2.47% | 0.02% |

Source: Bloomberg, BondEdge. Data as of December 29, 2023.

*Only evaluated on municipal bond holdings. Does not include mutual funds.

¹ Tax-Exempt Fixed Income Composite.

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The benchmark for the Composite is the ICE BofAML 1-10 Year Municipal Index. The index represents unmanaged portfolios whose characteristics differ from the Composite portfolios; however, it tends to represent the investment environment existing during the time period shown. The ICE BofAML 1-10 Year Municipal Index is an unmanaged index that tracks the performance of 1-10 year investment-grade municipal bonds.

RMB Asset Management is a division of Curi RMB Capital.

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Tax-Equivalent Bond Yields - Married Filing Jointly (2023)

| Municipal Bond Yield | 10% Marginal to \$22,000 | 12% Marginal to \$89,450 | 22% Marginal to \$190,750 | 24% Marginal to \$364,200 | 32% Marginal to \$462,500 | 35% Marginal to \$693,750 | 37% Marginal Over \$693,750 |
|----------------------|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 0.50% | 0.56% | 0.57% | 0.64% | 0.66% | 0.74% | 0.77% | 0.79% |
| 1.00% | 1.11% | 1.14% | 1.28% | 1.32% | 1.47% | 1.54% | 1.59% |
| 1.50% | 1.67% | 1.70% | 1.92% | 1.97% | 2.21% | 2.31% | 2.38% |
| 2.00% | 2.22% | 2.27% | 2.56% | 2.63% | 2.94% | 3.08% | 3.17% |
| 2.50% | 2.78% | 2.84% | 3.21% | 3.29% | 3.68% | 3.85% | 3.97% |
| 3.00% | 3.33% | 3.41% | 3.85% | 3.95% | 4.41% | 4.62% | 4.76% |

Source: Internal Revenue Service Tax Rates

ICE Municipal Bond Index Performance Matrix

Pricing Date: 12/29/2023
 Instantaneous Horizon: 12 mo.
 Reinvestment Rate: 5.34%

Source: CMS BondEdge - ICE BofAML Municipal Index

| Yield Change | ICE MUNI 1-3 YR | ICE MUNI 1-5 YR | ICE MUNI 1-10 YR | ICE U.S. MUNI SECURITIES |
|--------------|-----------------|-----------------|------------------|--------------------------|
| -200 | 6.16 | 7.42 | 9.68 | 15.03 |
| -175 | 5.71 | 6.80 | 8.77 | 13.63 |
| -150 | 5.27 | 6.18 | 7.86 | 12.23 |
| -125 | 4.82 | 5.57 | 6.97 | 10.81 |
| -100 | 4.38 | 4.96 | 6.08 | 9.39 |
| -75 | 3.94 | 4.36 | 5.21 | 7.92 |
| -50 | 3.50 | 3.77 | 4.34 | 6.45 |
| -25 | 3.06 | 3.18 | 3.49 | 4.92 |
| 0 | 2.63 | 2.59 | 2.65 | 3.38 |
| 25 | 2.20 | 2.00 | 1.81 | 1.74 |
| 50 | 1.77 | 1.42 | 0.98 | 0.10 |
| 75 | 1.35 | 0.85 | 0.16 | -1.61 |
| 100 | 0.93 | 0.27 | -0.67 | -3.32 |
| 125 | 0.50 | -0.30 | -1.49 | -5.06 |
| 150 | 0.08 | -0.87 | -2.31 | -6.80 |
| 175 | -0.34 | -1.44 | -3.14 | -8.52 |
| 200 | -0.76 | -2.01 | -3.97 | -10.24 |

Note: The accompanying chart demonstrates the risk and return attributes of various fixed income benchmarks in specified instantaneous parallel interest rate shifts over a stated time horizon. Index returns will vary based on actual changes in interest rates, the yield curve, credit spreads, prepayment factors and other market related inputs. This chart is for illustration purposes only.