

OPPORTUNISTIC YRS 0-5 MUNICIPAL BOND



What's the investment objective?

The objective is to earn at least 3% after all fees and expenses over rolling time windows of at least 2½ years. Interest rates have now risen to a level at which we believe this objective is easily attained.

Who manages the portfolio?

This portfolio is managed by Integrated's Investment Management Department and its Chief Investment Officer, Dr. Rob Brown. Rob is a senior level investment professional with over three decades of experience in portfolio management for large, sophisticated foundations, endowments, pensions, and the ultra-high net worth. Prior to Integrated Financial Partners, he held executive positions with Goldman Sachs, Genworth Financial, SEI, Envestnet, and the CFA Institute, where he directed development of the educational curriculum for the CFA charterholder program and its associated examinations. Oversight is provided by 35 seasoned investment professionals arranged into the three independent and fully autonomous committees: Investment Advisory Council, Investment Committee, and the Oversight Board.

What's inside the portfolio?

Between 7 and 12 BTFs (Bond Term Funds) and CEFs (Closed End Funds). The portfolio may only invest in municipal bond BTFs and CEFs, and such BTFs or CEFs must have a pre-defined maturity date (i.e., a date by which the fund matures and returns all monies to its shareholders).

The portfolio arranges its BTFs and CEFs as a bond ladder. As the nearest rung on the ladder matures, the resulting proceeds are reinvested in a new rung located furthest out in time on the ladder. This approach to maturity and subsequent reinvestment, serves to preserve the bond ladder-type structure.

This portfolio is sought by those who:

- Require the highest possible return over the next 2 ½ years and can put up with a little volatility along the way,
- Seek the lowest possible cost for a Buy & Hold bond ladder, diversified across 1,000 individual bonds,
- Wish to pursue current income instead of capital appreciation,
- Expect interest rates to rise, and want a portfolio that will benefit from those rising interest rates,
- Anticipate the return of inflation, and want a portfolio that will thrive in such an environment, and
- Desire a relatively stable and consistent set of portfolio characteristics.

How tax efficient is this portfolio?

Because this portfolio only invests in municipal bonds, it is expected to be highly tax efficient.

Over time, the portfolio is expected to:

- Experience regular and periodic trades throughout the year as already existing BTFs or CEFs mature and the resulting proceeds are reinvested,
- Restrict itself to U.S. fixed income securities offering above-average yields,
- Deliver significant volatility during unusually severe market downturns - historic examples would include The Great Recession starting in Dec 2007 and the COVID-19 Global Pandemic starting in Feb 2020,
- Maintain average credit quality deemed to be "investment grade" at any and all times, and
- Restrict itself to an average interest rate duration that never exceeds 4.5 years.

The information in this document is for the purpose of information exchange. This is not a solicitation or offer to buy or sell any security. You must do your own due diligence and consult a professional investment advisor before making any investment decisions. The use of a proprietary technique, model, or algorithm does not guarantee any specific or profitable results. All information contained in this document is believed to come from reliable sources. We do not warrant the accuracy or completeness of information made available and therefore will not be liable for any losses incurred. No representation or warranty is made as to the reasonableness of the assumptions made herein. Investment advice offered through Integrated Wealth Concepts LLC (a Registered Investment Adviser), d/b/a Integrated Financial Partners, Inc.

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Integrated's investment platform offers choice

Integrated's menu of investment solutions offers advisors a breadth of choice across numerous dimensions. Twelve highly differentiated series provide access to 62 well diversified portfolios. The Custom series offers additional choice through its unique ability to custom tailor, build, and manage specialized portfolios for larger client relationships.

| Investment series | Number of portfolios available | Investment manager | Types of securities utilized |
|---------------------------------|--------------------------------|------------------------------------|------------------------------|
| Alternatives | 2 | Integrated | BTF, REIT |
| Classic | 7 | BNY Mellon | AMF, ETF |
| Concentrated | 5 | Julex Capital <u>or</u> Integrated | IS, ETF |
| Custom | <i>infinite</i> | Integrated | <i>anything</i> |
| Dynamic | 4 | Julex Capital | ETF |
| Enhanced | 7 | JP Morgan | AMF, ETF |
| Factor | 7 | BlackRock <u>and</u> Integrated | AMF, ETF |
| Focused | 6 | Integrated | IS, ETF |
| Fundamental | 5 | BNY Mellon | ETF |
| Opportunistic (bond) | 6 | Julex Capital <u>or</u> Integrated | BTF, ETF |
| Opportunistic (sector rotation) | 6 | Integrated | ETF |
| Passive | 7 | Dimensional | ETF |

*ETF = Exchange Traded Fund, "BTF" = Bond Term Fund, "REIT" = Real Estate Investment Trust, "AMF" = Actively Managed Mutual Fund, "IS" = Individual Stock

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