

## Investment Grade Taxable Bond

| As of 31 March 2023

### Firm

Abner Herrman & Brock Asset Management (AHB), founded in 1981, is an independently owned investment advisory firm in Jersey City, NJ. AHB provides tax-efficient, custom SMA solutions and has more than \$1.6 billion in assets under management.

### Strategy Overview

An actively ladder strategy that seeks to generate income and capital appreciation with an emphasis on preservation of principal. Combining our macroeconomic outlook with fundamental company analysis, the team identifies credits with attractive relative value. The portfolio is structured with an intermediate-term duration and employs a dynamic approach to optimize yield to maturity. The strategy includes Investment Grade Corporates, US Treasury and Agency bonds with a minimum credit rating of "BBB-/Baa3."

### Customization

- Income requirements
- Tax loss harvesting
- Maturity restrictions
- Company or sector exclusion

### Average annualized total returns (%)

	Q1	1 Year	3 Years	5 Years	10 Years
Gross	2.29	-1.29	0.46	1.85	2.00
Net	2.13	-1.89	-0.14	1.24	1.38
Bloomberg Int.					
Gov't/Credit Index	2.33	-1.66	-1.28	1.40	1.32

Performance data shown represents past performance that does not predict or guarantee future results. Performance shown is based on the composite. The value of the portfolio will fluctuate based on the value of the underlying securities.

### Risk Management

Diversification by sector, industry and issue minimizes volatility. The team uses quantitative screens to anticipate changes in credit ratings and corporate earnings. Change of control provisions are reviewed to mitigate portfolio risk. The minimum market capitalization is \$10 billion for an issuer to be considered for the portfolio.

### Investment Team

Team Managed: 25 years average experience

### Relationship Specialists:

Matthew Flood, VP, mflood@ahbi.com, 201-484-2050  
Alex DiGregorio, AVP, adigregorio@ahbi.com, 201-484-2032

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Harborside 5, 185 Hudson Street, Jersey City, NJ 07311

### Portfolio Statistics

Duration	3.88 years
Average Maturity	4.29 years
Average Coupon	3.68%
Yield to Maturity	4.94%
Number of Holdings	20-40

### Sector Allocation (%)

Financials	28	Industrials	8
Healthcare	12	US Govt/Agencies	3
Cons. Staples	9	Utilities	11
Cons. Discretion	7	Materials	4
Info Tech	12	Comm. Services	6

### Credit Quality (%)

AA	5
A	20
BBB	75

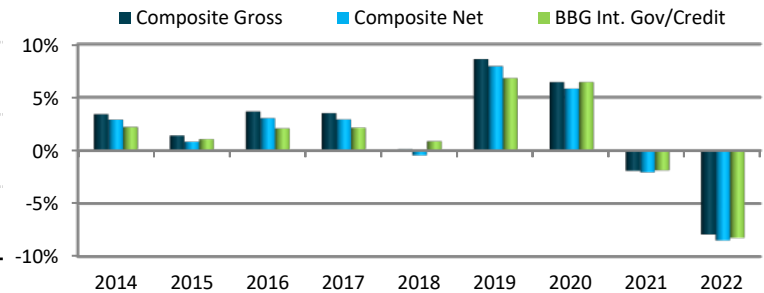
# Investment Grade Taxable Bond

Separately  
Managed  
Account

Taxable  
Fixed  
Income

## Performance Composite Returns as of December 31, 2022

Period	Composite Gross	Composite Net	BBG Int. Gov/Credit	BBG Int. Credit
1-Year	-7.91%	-8.48%	-8.23%	-9.10%
5-Year	1.10%	0.50%	0.73%	1.08%
10-Year	1.82%	1.20%	1.12%	1.75%



Year	Composite Gross	Composite Net	BBG Int. Gov/Credit	BBG Int. Credit	Composite Dispersion	Composite 3 Yr. Std. Dev.	BBG Int. Gov/Credit 3 Yr. Std. Dev.	BBG Int. Credit 3 Yr. Std. Dev.	Total Firm Assets (\$mm)	Composite (\$mm)	Composite # of Accounts
2022	-7.91%	-8.48%	-8.23	-9.10%	1.41%	5.11%	3.82%	5.72%	1,621	120	209
2021	-1.01%	-1.58%	-1.44%	-1.03%	0.59%	3.84%	2.34%	4.27%	1,715	143	212
2020	6.55%	5.93%	6.43%	7.08%	0.93%	3.83%	2.31%	4.23%	1,652	166	219
2019	8.59%	7.92%	6.80%	9.52%	0.95%	1.98%	2.04%	2.16%	1,983	158	233
2018	0.14%	-0.45%	0.88%	0.01%	0.57%	2.18%	2.09%	2.19%	1,914	139	230
2017	3.54%	2.93%	2.14%	3.67%	0.92%	2.32%	2.11%	2.29%	1,959	185	236
2016	3.66%	3.04%	2.08%	3.68%	0.65%	2.47%	2.22%	2.47%	1,627	162	220
2015	1.42%	0.83%	1.07%	0.90%	0.65%	2.54%	2.10%	2.58%	1,449	133	190
2014	4.15%	3.46%	3.13%	4.16%	0.95%	2.52%	1.94%	2.66%	1,323	126	186
2013	0.02%	-0.61%	-0.86%	-0.17%	0.88%	2.91%	2.11%	3.00%	1,126	93	175

## Disclosures

**Definition of Firm** - Abner, Herrman & Brock LLC (AHB) is an independent registered investment adviser established in 1981. The firm is exclusively in the business of investment management across a variety of asset classes and strategies.

**Compliance Statement** - Abner, Herrman & Brock LLC (AHB) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AHB has been independently verified for the periods January 1, 1993 through December 31, 2021. A copy of the verification report(s) is/are available upon request. A firm that claims compliance with GIPS standards must establish policies and procedures for complying with all the applicable requirements of GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific report.

**Composite Description** - AHB Taxable Bond Composite contains fully discretionary fee-paying accounts invested in taxable bonds. Taxable bonds may be a blend of U.S. Treasuries, Government Agencies, and Investment-Grade Corporates. This is an intermediate term laddered portfolio. Accounts included in the composite must not contain equity, municipal bonds, mutual funds, limited partnerships, or any other class of unsupervised assets. A portfolio remains eligible if it has non-eligible securities that have a market value less than 1.0% of total assets. The AHB Taxable Bond Composite was created January 1, 1989 and the inception is December 31, 1980. From January 1, 2000, through December 31, 2022, the minimum account size for this composite was \$100,000. Beginning January 1, 2023, the minimum account size is \$250,000. Valuations and returns are computed and stated in U.S. Dollars. The firm maintains a complete list and description of composites, which is available upon request. Returns are presented gross and net of fees and include the reinvestment of all income. Composite pure gross returns do not reflect the deduction of any trading costs, fees, or expenses, and are presented only as supplemental information. Net returns are reduced by all actual fees incurred. Beginning January 1, 2000, this composite was redefined to include only fully discretionary, fee-paying separately managed accounts. For non-wrap accounts net returns were reduced by only management fees.

**Management Fees** - The managed account fee is a bundled fee that may include any combination of management, transaction, custody and other administrative fees. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Fee schedule 0.30-0.40%. Actual fees may vary from sponsor to sponsor. The reader is referred to the ADV II for a full disclosure of the fee schedule.

**Composite Dispersion** - The annual composite dispersion presented is an equal-weighted standard deviation, calculated for the accounts in the composite the entire year. Risk statistics are calculated using net of fee returns. Individual accounts may vary due to restrictions, substitutions, and other factors.

**Benchmark** - The benchmark for this composite is the Bloomberg Intermediate Government / Credit Bond Index, which measures the performance of investment-grade, fixed rate, taxable bonds with average intermediate maturities. Beginning January 1, 2009, the Bloomberg Intermediate Credit Index is shown as additional information only. The asset mix of the Taxable Bond accounts may not be precisely comparable to the presented index. Presentation of index data does not reflect a belief by the firm that the Bloomberg Intermediate Government Bond Index or any other index, constitutes an investment alternative to any investment strategy presented in these materials or is necessarily comparable to such strategies.

**General Disclosure** - Actual results may differ from the composite results depending upon the size of the account, custodian related costs, the inception date of the account and other factors. Performance results presented herein do not necessarily indicate future performance. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. GIPS is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content herein. All investments carry a certain degree of risk, including possible loss of principal, and there is no assurance that an investment will provide positive performance.

**Three-Year Standard Deviation** - The three-year annualized standard deviation measures the variability of the composite and the benchmark over the preceding 36-months period and is calculated using net of fees returns.