

# Custom Balanced

| As of 31 March 2025

## 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 \$2.55 billion in assets under management.

## Strategy Overview

The balanced strategy combines equity and fixed income securities in a portfolio with a custom asset allocation. The equity portion consists of large cap companies that are a dynamic blend of growth and value stocks. The fixed income allocation is an actively laddered strategy. Taxable bond portfolios may be comprised of Investment Grade Corporates, US Treasury, and Agency bonds with a minimum credit rating of "BBB-/Baa3."

## Customization

Options include: asset allocation, portfolio transition planning, social screening, tax loss harvesting.

## Average annualized total returns (%)

|  | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| Gross  | 7.20   | 6.16    | 9.91    | 7.24     |
| Net  | 5.89   | 4.87    | 8.59    | 6.01     |
| 50% S&P 500 –<br>50% Bloomberg Int Govt/Credit Index | 7.09   | 5.84    | 9.69    | 7.32     |

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.

## Investment Process

The Investment team adheres to a disciplined top-down investment process that is designed to ensure that every investor receives a portfolio carefully tailored to meet their individual needs.

**Economic Outlook**  
Evaluate monetary and fiscal policy.

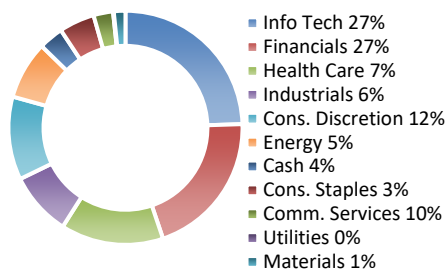
**Sector/Industry**  
Analysis of secular, cyclical, and thematic trends.

**Stock Selection**  
Anticipate positive change not reflected in the current valuation.

**Bond Selection**  
Identify attractive credits to optimize the portfolio's yield to maturity.

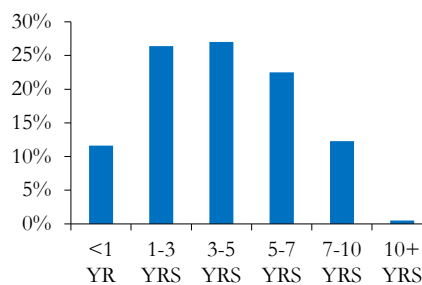
**Risk Controls**  
Diversification by sector, industry, and company, structured sell discipline.

## Equity Sectors



|                                 |         |
|---------------------------------|---------|
| Average Equity Market Cap (\$B) | \$517 B |
| Number of Holdings              | 35-50   |
| Average Dividend Yield          | 1.60%   |

## Maturity Distribution



|                           |            |
|---------------------------|------------|
| Average Maturity          | 4.60 years |
| Average Duration          | 3.90 years |
| Average Yield to Maturity | 4.70%      |

## Investment Team

Team Managed: 30 years average experience

## Relationship Specialist

Matthew Flood, VP, mflood@ahbi.com, 201-484-2050

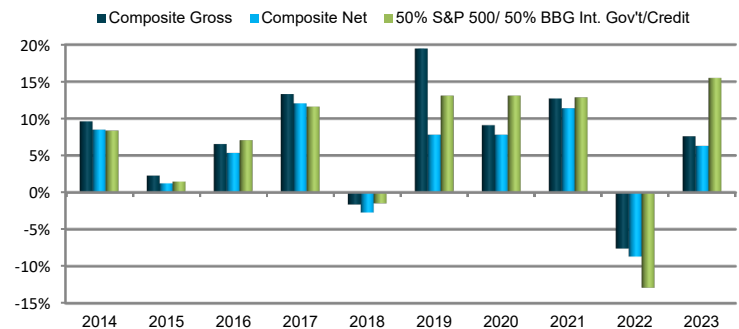
# Custom Balanced

Separately  
Managed  
Account

Custom  
Balanced

## Performance Composite Returns as of December 31, 2024

| Period  | Composite Gross | Composite Net | 50% S&P 500/<br>50% BBG Int.<br>Gov't/Credit | 50% S&P 100/<br>50% BBG Int.<br>Gov't/Credit |
|---------|-----------------|---------------|--|--|
| 1-Year  | 15.44%          | 14.03%        | 13.63%                                       | 16.31%                                       |
| 5-Year  | 7.16%           | 5.88%         | 7.85%  | 8.88%  |
| 10-Year | 7.45%           | 6.21%         | 7.55%  | 8.17%  |



| Year | Composite Gross | Composite Net | S&P 500 /<br>BBG Int. Gov. | S&P 100 /<br>BBG Int. Gov. | Composite Dispersion | Composite 3 Yr. Std. Dev. | S&P 500 /<br>BBG Int. Gov. 3 Yr. Std. Dev. | S&P 100 /<br>BBG Int. Gov. 3 Yr. Std. Dev. | Total Firm Assets (\$mm) | U.S.D. (\$mm) | # Accounts |
|------|-----------------|---------------|----------------------------|----------------------------|----------------------|---------------------------|--|--|--------------------------|---------------|------------|
| 2024 | 15.44%          | 14.03%        | 13.63%                     | 16.31%                     | 1.86%                | 10.12%                    | 10.42%                                     | 10.53%                                     | 2,411                    | 256           | 348        |
| 2023 | 7.60%           | 6.30%         | 15.49%                     | 18.50%                     | 1.26%                | 9.88%                     | 10.24%                                     | 10.38%                                     | 1,908                    | 212           | 294        |
| 2022 | -7.54%          | -8.65%        | -12.90%                    | -14.36%                    | 1.34%                | 12.04%                    | 11.45%                                     | 11.46%                                     | 1,621                    | 191           | 319        |
| 2021 | 12.71%          | 11.39%        | 12.87%                     | 13.16%                     | 2.03%                | 9.81%                     | 8.73%                                      | 8.56%                                      | 1,715                    | 202           | 286        |
| 2020 | 9.16%           | 7.87%         | 13.10%                     | 14.54%                     | 2.43%                | 10.46%                    | 9.38%                                      | 9.27%                                      | 1,652                    | 182           | 252        |
| 2019 | 19.49%          | 18.12%        | 18.81%                     | 19.14%                     | 1.94%                | 6.37%                     | 5.86%                                      | 5.93%                                      | 1,983                    | 183           | 258        |
| 2018 | -1.65%          | -2.72%        | -1.48%                     | -1.20%                     | 1.28%                | 6.22%                     | 5.22%                                      | 5.24%                                      | 1,914                    | 166           | 246        |
| 2017 | 13.31%          | 12.06%        | 11.61%                     | 11.67%                     | 1.97%                | 5.86%                     | 4.79%                                      | 4.99%                                      | 1,959                    | 159           | 217        |
| 2016 | 6.55%           | 5.35%         | 7.07%                      | 6.77%                      | 1.61%                | 6.26%                     | 5.22%                                      | 5.29%                                      | 1,627                    | 133           | 191        |
| 2015 | 2.28%           | 1.23%         | 1.47%                      | 2.14%                      | 1.95%                | 6.24%                     | 5.34%                                      | 5.46%                                      | 1,449                    | 98            | 129        |

## 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, 2024. 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 Balanced Municipal Composite contains fully discretionary accounts invested in intermediate term, tax exempt, investment grade general obligation and essential Service Revenue bonds in laddered maturities and large and mega capitalization US common stocks. The accounts have equity mandates ranging between 40-60% of the total portfolio allocation. Accounts included in the composite must not contain taxable 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 Custom Balanced Municipal Composite was created January 1, 2009 and the inception date is April 1, 2003. Beginning January 1, 2004, the minimum account size for this composite is one hundred thousand U.S. Dollars. 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.

**Management Fees** - The managed account fee is a bundled fee that may include any combination of management, transaction, custody and other administrative fees. The percentage of composite assets represented by bundled fee accounts is 100% for all years presented. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Fee schedule 0.65-1.40%. 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** - For comparison purposes, the balanced composite is measured against a blended index of equity and fixed income securities, where equity mandates range between 40-60% of the total portfolio allocation. The benchmarks for this composite are the Bloomberg Intermediate Government / Credit Bond Index 50% and the S&P 500 Index 50%, which measures the performance of investment-grade, fixed-rate, taxable bonds, and the performance of the 500 leading companies in leading industries of the U.S. economy, respectively. This blend is for general industry-wide comparative purposes only and may reflect up to 10% higher or lower equity allocations than the composite, as composite allocations and the portfolio allocation ranges within the composite will vary over time. The blended benchmark is calculated on a monthly basis. Presentation of index data does not reflect a belief by the Firm that the Bloomberg Intermediate Government / Credit Bond Index, S&P 500 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 contained 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.