

STRATEGY BENEFITS

- LOWER DURATION RISK
- MINIMIZE INTEREST RATE RISK
- OUTPERFORM MONEY MARKET RATES
- HIGH CREDIT QUALITY

PORTFOLIO MANAGERS

DEAN A MYEROW
MANAGING DIRECTOR
23 YRS MUNICIPAL
MARKET EXPERIENCE

SEAN P VESEY
MANAGING DIRECTOR
10 YRS MUNICIPAL
MARKET EXPERIENCE

A STRATEGY THAT OUR GROUP HAS USED EFFECTIVELY TO ENHANCE PORTFOLIO RETURNS DURING A TIME OF INTEREST RATE UNCERTAINTY, IS INVESTING CLIENT FUNDS IN A FIXED-INCOME STRATEGY KNOWN AS, KICKER BONDS.

THE GENERAL STRATEGY IS SIMPLE; INVEST YOUR FUNDS IN HIGH QUALITY BONDS, WHICH ARE CALLABLE IN THE SHORT TERM, AND HAVE A RELATIVELY SHORT FINAL MATURITY (APPROX. FIFTEEN YEARS OR LESS). THESE BONDS ARE PURCHASED WITH A YIELD TO THE FIRST CALL, TYPICALLY BETTER THAN PREVAILING MONEY MARKET RATES. ULTIMATELY THE OBJECTIVE IS TO HOLD ON TO THE BONDS PAST THE FIRST CALL AND HAVE THE YIELD **KICK-UP** TO A LARGER YIELD AFTER EACH SUCCESSIVE CALL DATE AND FINALLY TO MATURITY. THAT IS WHERE THE NAME, KICKER BONDS, IS DERIVED FROM.

Benefit	Risk
High Credit Quality High Current Income Minimize Interest Rate Risk Outperform Money Markets	Call/Redemption Risk

THE EXAMPLES BELOW DEMONSTRATE HOW THE STRATEGY CAN WORK BY HIGHLIGHTING THREE, HIGH QUALITY BONDS FROM VASTLY DIFFERENT PARTS OF THE COUNTRY. BY CHOOSING A NUMBER OF DIFFERENT, QUALITY ISSUERS WE ARE ABLE TO CREATE A MORE DIVERSIFIED PORTFOLIO TO FURTHER REDUCE OVERALL RISK.

SCENARIO 1 HIGHLIGHTS

- TAX-FREE INCOME*
- Aaa/AAA RATED
- 9 YEAR FINAL MATURITY
- 1.95% YTC 2017
- 4% YTM 2025

THE FIRST SCENARIO LOOKS AT CONNECTICUT STATE HOUSING FINANCE AUTHORITY REVENUE BONDS. THE BONDS HAVE A 4.5% COUPON AND A FINAL MATURITY OF 2025. THESE BONDS ARE RATED Aaa/AAA BY MOODY'S AND S&P, RESPECTIVELY.

Connecticut State Housing Finance Authority
Revenue Bonds CUSIP: 20775BHT6
Rated Aaa/AAA (Moody's / S&P)
4.50% Coupon Maturing 11/15/2025

IDEALLY, THESE BONDS WOULD BE PURCHASED AROUND A 1.95% YIELD TO THE FIRST CALL ON 11/15/2017. IF THE BONDS REMAIN OUTSTANDING THIS WOULD ALLOW THE YIELD TO KICK UP TO A 4.00% AT MATURITY. THE YIELD SCHEDULE BELOW DEMONSTRATES HOW THE YIELD ON THE INVESTMENT INCREASES RAPIDLY AS THE BONDS REMAIN OUTSTANDING. IF THE BONDS ARE HELD JUST THREE YEARS, THE YIELD KICKS TO OVER 3.0%.

Call Date	Yield
11/15/2017	1.95%
11/15/2018	2.90%
11/15/2019	3.32%
11/15/2020	3.56%
11/15/2021	3.71%
11/15/2022	3.82%
11/15/2023	3.89%
11/15/2024	3.95%
11/15/2025	4.00%

SCENARIO 2 HIGHLIGHTS

- TAX-FREE INCOME*
- AA/AA+ RATED
- AGM INSURED
- 11 YEAR FINAL MATURITY
- 1.0% YTC IN 2016
- 3.97% YTM 2027

THE SECOND SCENARIO LOOKS AT GETTYSBURG PENNSYLVANIA REVENUE BONDS. THE BONDS HAVE A 4.00% COUPON AND A FINAL MATURITY OF 2027. THESE BONDS ARE RATED AA/AA+ BY MOODY'S AND S&P, RESPECTIVELY. THEY ALSO CARRY INSURANCE FROM AGM ASSURANCE CORP.

Gettysburg PA Municipal Authority Revenue Bonds CUSIP: 374316FG7 Rate AA (S&P) AGM Insured 4.00% Coupon Maturing 11/15/2027
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THE BONDS WOULD YIELD 1.00% TO THE FIRST CALL DATE IN MAY OF 2016, IDEALLY OUTPERFORMING A MONEY MARKET RETURN. IF THE BONDS REMAIN OUTSTANDING THE YIELD KICKS TO A 3.97% TO THE FINAL MATURITY IN 2027. BELOW IS A BREAKDOWN OF THE YIELD SCHEDULE, EXHIBITING HOW THE YIELD COULD KICK UP QUICKLY AS THE BONDS REMAIN OUTSTANDING.

Call Date	Yield
5/15/2016	1.00%
5/15/2017	3.77%
5/15/2018	3.88%
5/15/2019	3.91%
5/15/2020	3.93%
5/15/2021	3.94%
5/15/2022	3.95%
5/15/2023	3.96%
5/15/2024	3.96%
5/15/2025	3.97%

SCENARIO 3 HIGHLIGHTS

- TAX-FREE INCOME*
- Aa3/AA- RATED
- AMBAC INSURED
- 9 YEAR FINAL MATURITY
- 0.65% YTC IN 2016
- 5.02% YTM IN 2025

THE THIRD SCENARIO LOOKS AT COLLEGE PARK GEORGIA BUSINESS AND INDUSTRIAL DEVELOPMENT REVENUE BONDS. THE BONDS HAVE A 5.25% COUPON AND A FINAL MATURITY OF 2025. THESE BONDS ARE RATED Aa3/AA- BY MOODY'S AND S&P, RESPECTIVELY. THEY ALSO CARRY INSURANCE FROM AMBAC ASSURANCE CORP.

College Park GA Business and Industrial Dev Auth
Revenue Bonds CUSIP: 194301HH3
Rated Aa3/AA- (Moody's / S&P) AMBAC Insured
5.250% Coupon Maturing 09/01/2025

THE BONDS WOULD YIELD 0.65% TO THE FIRST CALL DATE IN SEPT OF 2016. AS NOTED BELOW IN THE YIELD SCHEDULE, LITTLE OVER ONE YEAR, IS NEEDED FOR THE YIELD ON THIS INVESTMENT TO APPROACH 4%.

Call Date	Yield
9/1/2016	0.65%
9/1/2017	3.99%
9/1/2018	4.50%
9/1/2019	4.71%
9/1/2020	4.82%
9/1/2021	4.89%
9/1/2022	4.94%
9/1/2023	4.98%
9/1/2024	5.00%
9/1/2025	5.02%

SUMMARY

AS THE MARKET WAITS FOR INTEREST RATES TO RISE, IT IS STILL IMPERATIVE TO PUT FUNDS TO WORK. IT IS IMPOSSIBLE TO MAKE UP LOST TIME WHEN SPEAKING IN TERMS OF COMPOUNDING INTEREST. KICKER BONDS AIM TO OUTPERFORM MONEY MARKET FUNDS RIGHT FROM THE START. THE ULTIMATE GOAL OF THE STRATEGY IS TO CAPTURE THE YIELD OF A LONG TERM BOND IN A MUCH SHORTER PERIOD OF TIME BY ASSUMING CALL RISK.

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*Depending upon the state of residence income in the account may or may not be tax-free