

**STRATEGY BENEFITS**

- INCREASED LIQUIDITY
- MINIMIZE INTEREST RATE RISK
- MINIMIZE CREDIT RISK
- PREDICTABLE INCOME STREAM

**PORTFOLIO MANAGERS**

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MANAGING DIRECTOR  
23 YRS MUNICIPAL  
MARKET EXPERIENCE

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*"NEVER ALL SHORT, NEVER ALL LONG, NEVER ALL WRONG"*

*-JIM LEBENTHAL*

A TAX-FREE\* LADDERED BOND PORTFOLIO IS AN EFFICIENT WAY TO MINIMIZE INTEREST RATE AND CREDIT RISK, WHILE CREATING A PREDICTABLE STREAM OF INCOME. THE STRATEGY IS DESIGNED TO SPREAD OUT INTEREST RATE RISK ALONG THE YIELD CURVE AS WELL AS SPREAD OUT CREDIT RISK OVER MULTIPLE ISSUERS.

WHEN BUILDING A LADDERED PORTFOLIO WE STRATEGICALLY PURCHASE BONDS THAT WILL MATURE CONTINUOUSLY OVER A SET PERIOD OF TIME. THINK OF THE RUNGS OF A LADDER REPRESENTING THE SEQUENTIAL MATURITIES OVER A GIVEN TIMELINE. AS TIME PASSES AND THE BONDS MATURE, THEY WILL RETURN PRINCIPAL, PROVIDING NEW FUNDS TO BE INVESTED AT THE INTEREST RATE LEVEL AT THAT TIME.

FOR EXAMPLE, IF WE HAD \$100,000.00 TO INVEST OVER A TEN YEAR TIME FRAME, WE WOULD PURCHASE TEN DIFFERENT BONDS, WITH MATURITIES OF ONE YEAR OUT, TWO YEARS OUT, THREE YEARS OUT, AND SO ON TO TEN YEARS OUT. EACH YEAR, AS \$10,000.00 IN PRINCIPAL IS RETURNED WHEN A BOND MATURES, WE REINVEST THE FUNDS ON THE LONG END OF THE CURVE IN THE NEW INTEREST RATE ENVIRONMENT.

THE LADDERED PORTFOLIO ALLOWS US TO HAVE LIQUIDITY AND FLEXIBILITY WHILE STILL COLLECTING THE HIGHER RETURN TYPICALLY PROVIDED BY THE LONG END OF THE YIELD CURVE ALL WHILE MINIMIZING OUR OVERALL RISK. NEVER ALL WRONG.

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